



**Municipality of Mississippi Mills**

**SPECIAL COMMITTEE OF THE WHOLE AGENDA**

**Wednesday, April 17, 2024**

**IMMEDIATELY FOLLOWING COUNCIL**

**Hybrid**

**3131 Old Perth Road.**

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**Pages**

**A. CALL TO ORDER (immediately following Council)**

**B. DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF**

**C. APPROVAL OF AGENDA**

**Recommended Motion:**

**THAT** the agenda be approved as presented.

**D. STAFF REPORTS**

**Corporate Services**

**D.1 Review of Reserves and Reserve Funds**

**2 - 107**

**Recommended Motion:**

**THAT** Committee of the Whole recommend that Council approve the proposed amendments to Policy FIN-07 Reserves and Reserve Funds,

**AND THAT** Committee of the Whole recommend that Council approve the proposed realignment of Reserves and Reserve Funds as detailed.

**E. ADJOURNMENT**

**Recommended Motion:**

**THAT** the meeting be adjourned at X:XX p.m.

# THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

## STAFF REPORT

**DATE:** April 17, 2024  
\*deferred from the April 9, 2024 meeting\*

**TO:** Committee of the Whole

**FROM:** Kathy Davis, Director of Corporate Services, Treasurer

**SUBJECT:** Review of Reserves and Reserve Funds

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### RECOMMENDATION:

**THAT Committee of the Whole recommend that Council approve the proposed amendments to Policy FIN-07 Reserves and Reserve Funds, AND THAT Committee of the Whole recommend that Council approve the proposed realignment of Reserves and Reserve Funds as detailed.**

### BACKGROUND:

During the 2024 Budget process, it was identified that Council would benefit from a more detailed review and report related to the Municipality's reserves and reserve funds. To enable more informed decision making, Council directed staff to bring a staff report to provide such details, as well as recommendations related to the Municipality's reserves. Reserves are an important component of the Municipality's overall financial health and investment structure, and are relied upon regularly to support operations and capital projects during the annual budgeting process.

Staff have conducted a review, and this report summarizes the findings and recommendations. As part of its research, and to support proposed revisions to the Municipality's policy, staff completed a documentation review which included (attached to this report):

1. MFOA Discussion Paper dated December 10, 2021 related to Municipal reserves and reserve funds in Ontario
2. Mississippi Mills Reserves policy FIN-07
3. Reserve continuity schedule as updated for the 2024 budget

The review also included consideration for a renewed mechanism to report opening balances, committed funds, contributions, and reserve balances to Council in summary form with detailed backup. Additionally, staff evaluated the current process for tracking reserves and funds allocated for specific projects, funds spent from those allocations, and remaining balances.

Finally, staff conducted an analysis related to each reserve with a goal of consolidating and simplifying reporting and tracking, ensuring targets are identified and visible, and proposing a plan if the reserve appeared to be over or under funded.

It is noted that in addition to the immediate review of the Municipality's reserves and reserve funds, the Municipality's Asset Management Plan, Long Term Financial Plan, and DC Study update are also in progress and may have future implications for the findings and recommendations in this report. Attention should be given to targets for the different reserves in conjunction with the completion of MM2048 master plans, any applicable rate studies, the Asset Management Plan, and the Long Term Financial Plan.

## **DISCUSSION:**

The discussion is broken into four sections:

1. Policy Review
2. Reserve and Reserve Fund Tracking and Reporting
3. Analysis and Consolidation of Specific Reserves and Reserve Funds
4. Ratios and Reserve Targets

### **1. Policy Review**

Attachment 4 to this report is a marked up version of the proposed amendments to Policy FIN-07 Reserves. Attachment 5 is a clean version of proposed revised Policy FIN-07 Reserves and Reserve Funds for Council's review and consideration.

The research and review conducted by staff included a review of other organizations' policies and procedures. This review, in conjunction with the information in the MFOA Discussion Paper (Attachment 1), and applicable legislation, support this proposal to refine the categorization of the Municipality's reserves.

While the policy as it exists speaks only to Reserves, the recommended changes incorporate Reserve Funds into the policy; this is the norm in other policies that we reviewed and reflects findings in the MFOA Discussion Paper. Based on this information, four changes are proposed.

Proposed Change # 1 – change the name of the policy from Reserve Policy to Reserve and Reserve Fund Policy

Proposed Change # 2 – include reference to Section 417 of the Municipal Act, 2001, S.). 2001, c.25 and amendments thereto

Proposed Change # 3 – expand upon the objective of the policy

Proposed Change # 4 – clarify definitions for the purposes of the policy, for Deferred Revenue, Discretionary Reserve Fund, Obligatory Reserve Fund, Reserve, and Reserve Fund

The current policy is structured to delineate three types of reserves: stabilization reserves, program specific reserves, and capital reserves. For each type of reserve, the purpose, and a description of funding sources, target levels, and uses is described. To augment the information in the policy and provide further clarity, two additional sections are proposed:

Proposed Change # 5 – add a section related to record keeping

Proposed Change # 6 – add a section describing roles and responsibilities for Council, CAO, Clerk, and Treasurer.

The most significant change to the proposed policy relates to adding Reserve Funds. Reserve Funds are different than Reserves, in that they are funds with assets that are segregated and restricted to meet the purpose of the reserve fund, based on statutory requirements or defined liabilities payable in the future. Earnings derived from their investment are generally maintained in the reserve fund.

Reserve Funds are further segregated into Discretionary and Obligatory. An Obligatory Reserve Fund is established by legislation for a specific purpose. The Municipality currently has three Obligatory Reserve Funds: Development Charges, Cash-in-Lieu of Parkland, and Cash-in-Lieu of Parking. A Discretionary Reserve Fund would be approved by by-law and created at the discretion of Council for a designated purpose. The Municipality does not currently have any Discretionary Reserve Funds.

Proposed Change # 7 – add a chart for Reserve Funds describing the same elements as for Reserves, being purpose, description of funding sources, target levels, uses, record keeping, and roles and responsibilities.

A final section is proposed for the revised policy, for Council's consideration, being general procedures to establish, fund, and utilize reserves and reserve funds.

Proposed Change # 8 – Procedure

The current policy required review every five (5) years. The last time the policy was updated was 2011, and because such significant change is proposed, staff would offer that a review in three (3) years could be beneficial for Council in case there are further amendments or other considerations that become evident in the interim.

Proposed Change # 9 – that the review of the policy be conducted every three years as opposed to every five years.

## 2. Reserves and Reserve Fund Tracking and Reporting

During 2024 Budget deliberations, Council was provided with Attachment 3, a reserve continuity schedule. Because the 2022 audit was not complete, and the 2023 year was under way, projections based on the closing 2022 balances and the projected spending

for 2023 were used to estimate 2024 activity and closing balances. Staff were interested in finding a more reliable mechanism to provide actual, budgeted, and projected balances to Council during the budget process.

Staff reviewed a detailed listing of reserve balances within the capital and program specific reserves, which included historical amounts related to some projects that were complete. Staff were interested therefore in summarizing and consolidating the historical information to provide a meaningful and current state picture of the Municipality's reserves, and committed funds, to Council.

A revised tracking mechanism was developed as a prototype to test whether the objectives of a) facilitating the calculation of accurate projections, b) summarizing reserve information by program, and c) identifying funds that had been committed and were available, could be met with one tool. The hope was that at-a-glance reporting could be available, with supporting details maintained in one place.

Attachment 6 is a reserve summary, which includes the cover page of the revised tracker, and detailed reserve listings, to be discussed in the next section. The summary depicts the type of reserve as referenced in the proposed policy, and the target for the reserve (if established). Note that the summary does not include Development Charges, which is an obligatory Reserve Fund, but is managed and reported on separately and in accordance with current legislation.

Staff would welcome feedback from Council related to the summary, presentation, and information included to best support Council's decision making with respect to Reserves and Reserve Funds.

### 3. Analysis and Consolidation of Specific Reserves and Reserve Funds

To conduct a consistent and reliable analysis related to each of the Municipality's Reserves, the approach was as follows:

- Review the 2022 audited closing balance, 2023 budgeted activity, and 2024 budgeted activity to determine the projected closing balance at the end of 2024
- Review funds allocated within each reserve to confirm whether the funds are still needed or whether they can be made available for future spending, and prepare recommendations for consolidation into the available balance. Assumptions in this exercise considered that
  - Projects approved before 2022 are complete
  - Funds identified as being added to reserves for a specific purpose would require Council's direction to expend
  - Funds known to have been approved by Council motion to be held in reserves should be noted as such so that the amount remains available until spent
- Determine the committed and available balance of funds as of the end of 2024, and whether the balance meets the applied target (where applicable)

- Make recommendations for consideration in future Council meetings and/or in the 2025 budget process

For simplicity, aggregate balances are reported below, and detail is available in Attachment 6 should Council wish to refer to items in the different reserve accounts. In Attachment 6, staff have noted where balances are held in reserves for completed projects. In these instances, staff recommends that the balances being held for these completed projects be released and consolidated back into available funds in that particular reserve. These recommendations are identified on the applicable worksheets in the last two columns. The accounts where consolidation is recommended are noted below with an asterisk\*.

#### Working Capital

The Working Capital / Stabilization Reserve has been \$1.1M for a number of years. In the policy, this reserve has a target balance of 15% of revenues, which in 2024 would be \$2,036,037. To ensure alignment with policy, Council can consider the options of either a) decreasing the target level in the policy, b) increasing the reserve balance through contributions in the annual budgeting process, or c) reallocating funds from other reserves into this reserve to meet the target.

#### Capital / General\*

This reserve does not have a set target, however, if the intent is to maintain reserves that will support the regular replacement of assets, depreciation would be a reasonable indicator of the investment required to renew assets. As of the end of 2022, the Municipality's accumulated depreciation amounted to \$54M. As we progress through the MM2048 Master Plans, space needs analysis, asset management plan, and long term financial plan, staff can bring more information and recommendations to Council to support appropriate targets and planning to ensure that reserves are adequate. Borrowing to support the renewal of assets is also a consideration which could reduce the target for reserves and support a structure whereby those benefiting from any investments in capital would be paying for the investments. The reserve has a projected 2024 balance of \$5.7M. This includes approved projects for 2022, 2023, and 2024 for a total of \$584K.

#### Contingency / General Admin\*

This reserve has a balance of \$337,727. There have been no additions to or draws from this reserve since 2022 and there are no projects allocated from this reserve.

#### Administration\*

The Administration reserve supports maintenance and upkeep of the Municipal Office and the Almonte Old Town Hall. There is a projected balance of \$93,549 at the end of 2024.

### Police

This reserve has a balance of \$247,194. There have been no additions to or draws from this reserve since 2022 and there are no projects allocated from this reserve.

### Building Department\*

The projected balance at the end of 2024 is \$591,442. This account has historically been used to accumulate annual surpluses and deficits from operations of the Building Department. The Municipality's auditor, KPMG, has provided clarification that any surplus generated by the Building Department should be recorded on the Financial Statements as deferred revenue. It is recommended therefore that this reserve be drawn down to cover annual deficits for the building department when needed, and closed when it has been fully utilized. In the future, any surplus funds realized through general operations of the department should be recognized as deferred revenue, which is a liability for the Municipality, and represents funds that must be used for the specific purpose for which they were collected, in the future.

### Accessibility

This reserve has a balance of \$1,670. There have been no additions to or draws from this reserve since 2022 and there are no projects allocated from this reserve.

### Public Works – Equipment Replacement

This reserve has a balance of \$34,289. There have been no additions to or draws from this reserve since 2022 and there are no projects allocated from this reserve.

### Public Works – Roads Department\*

Considering the projects approved from this reserve, the projected 2024 year end balance is \$3,031. Deposits to the reserve have lagged against projects approved for spending. Council may want to consider whether funds can be reallocated from the Capital / General reserve in the future to support infrastructure projects related to Roads.

### Public Works – Winter Control

This reserve has a balance of \$97,620. There have been no budgeted additions to or draws from this reserve since 2022 and there are no projects allocated from this reserve. It is recommended that a review of this balance and consideration for inflation be completed for the 2025 budget.

### Waste Management

The projected 2024 year-end balance in this reserve is \$975,325. Annual surpluses and deficits from operations related to Waste Management services are allocated to this reserve account.

#### Septage

This reserve has a balance of \$396,292. There have been no budgeted additions to or draws from this reserve in 2024 and there are no projects allocated from this reserve.

#### Childcare\*

The projected 2024 year end balance is \$435,831. This reserve is used to fund capital and projects for the Municipality's childcare services.

#### Recreation\*

Approved projects have exceeded the available balance in this reserve. Should all projects be completed and all allocated funds spent by the end of 2024, the reserve will have a negative balance of (\$196,778). Council may want to consider whether funds can be reallocated from the Capital / General reserve to support infrastructure projects related to Recreation.

There is an amount of \$35,000 included in the allocations specific to the Augusta Street Splash Pad, which is held further to Council motion.

#### Planning\*

The projected 2024 year end balance is \$14,659. This reserve is used to fund capital and projects for the Municipality's planning department.

#### Economic Development\*

This reserve has been used for multiple purposes. In addition to approved budgeted projects and capital items, the account has been used to collect funds for future spending at Council's direction. The raised funds being held in the reserve include:

Variety Show	\$2,360
Nudes Calendar	\$2,748
Orchestra Profits	\$1,215
Trash Dance	\$1,490
Active Transportation Summit	\$2,488
<b>Total</b>	<b>\$10,301</b>



In addition, proceeds from the sale of real estate has been held in this account:

Adelaide / Menzies sale	\$1,145,630
Registry Office (50%)	\$ 383,809
<b>Total</b>	<b>\$1,530,439</b>

The current Reserve policy states that “Net proceeds from the sale of assets” should be deposited to capital reserves. It is recommended that Council consider the use of these funds and provide direction to staff to ensure that they are directed toward appropriate projects or capital projects.

#### Ticket Surcharge

The 2022 closing balance was \$15,231. Note that ticket surcharge revenue of \$10,647 from 2022 was recorded in error with the operational surplus at year end and will be reallocated in 2023, bringing the balance to \$25,878.

#### Cash in Lieu of Parkland

This is an obligatory Reserve Fund. The 2022 closing balance was \$121,779. Note that revenue of \$28,467 from 2022 was recorded in error with the operational surplus at year end and will be reallocated in 2023, bringing the balance to \$150,246. The requirement for Cash in Lieu of Parkland is that a minimum of 60% of parkland reserves be spent each year, and this was not considered in the 2024 budget. As such, it is recommended that projects amounting to at least \$90,148 be considered and approved for 2024 and that the 2025 budget process include consideration for spending as required.

#### Cash in Lieu of Parking.

This is an obligatory Reserve Fund. The 2022 closing balance was \$55,738. Note that revenue of \$6,000 from 2022 was recorded in error with the operational surplus at year end and will be reallocated in 2023, bringing the balance to \$61,738.

#### Water and Sewer

After the approval of multiple projects in 2023 and 2024, the projected balance in this reserve at the end of 2024 is \$1,440,052. Operating surpluses and deficits for water and sewer are recorded to this account at the end of each fiscal year, in addition to capital projects and approved contributions to the reserve.

#### Fire Department\*

The reserve is projected to have a balance of \$117,298 at the end of 2024. This reserve is used to fund capital and other purchases for the Fire Department.

#### Library\*

This reserve is projected to have a balance of \$60,677 at the end of 2024. It is used to facilitate building repairs and maintenance and other capital projects for the library.

#### Ramsay & Pakenham

Three historical reserve accounts, per Council direction, have been collapsed into the Municipality's general capital reserve, for a total of \$2,908.

#### Business Park / Industrial Development

At the end of 2022, the balance in this reserve was \$1,173,735.

The total costs for the Business Park as of the end of 2023 are projected to be \$1,870,142, of which \$935,071 will be funded by the Economic Ontario Development Fund grant which was secured for this purpose, and the remainder from the reserve. The projected balance at the end of 2023 is therefore \$238,664.

#### Reserve and Reserve Fund Summary

In summary, Attachment 6 provides a full listing of 2022 balances and 2023 and 2024 projected activity for each reserve detailed above.

	Budgeted Activity	Closing Balance
2022		\$20,068,263
2023	(\$1,071,372)	\$18,996,890
2024	(\$3,433,648)	\$15,125,345

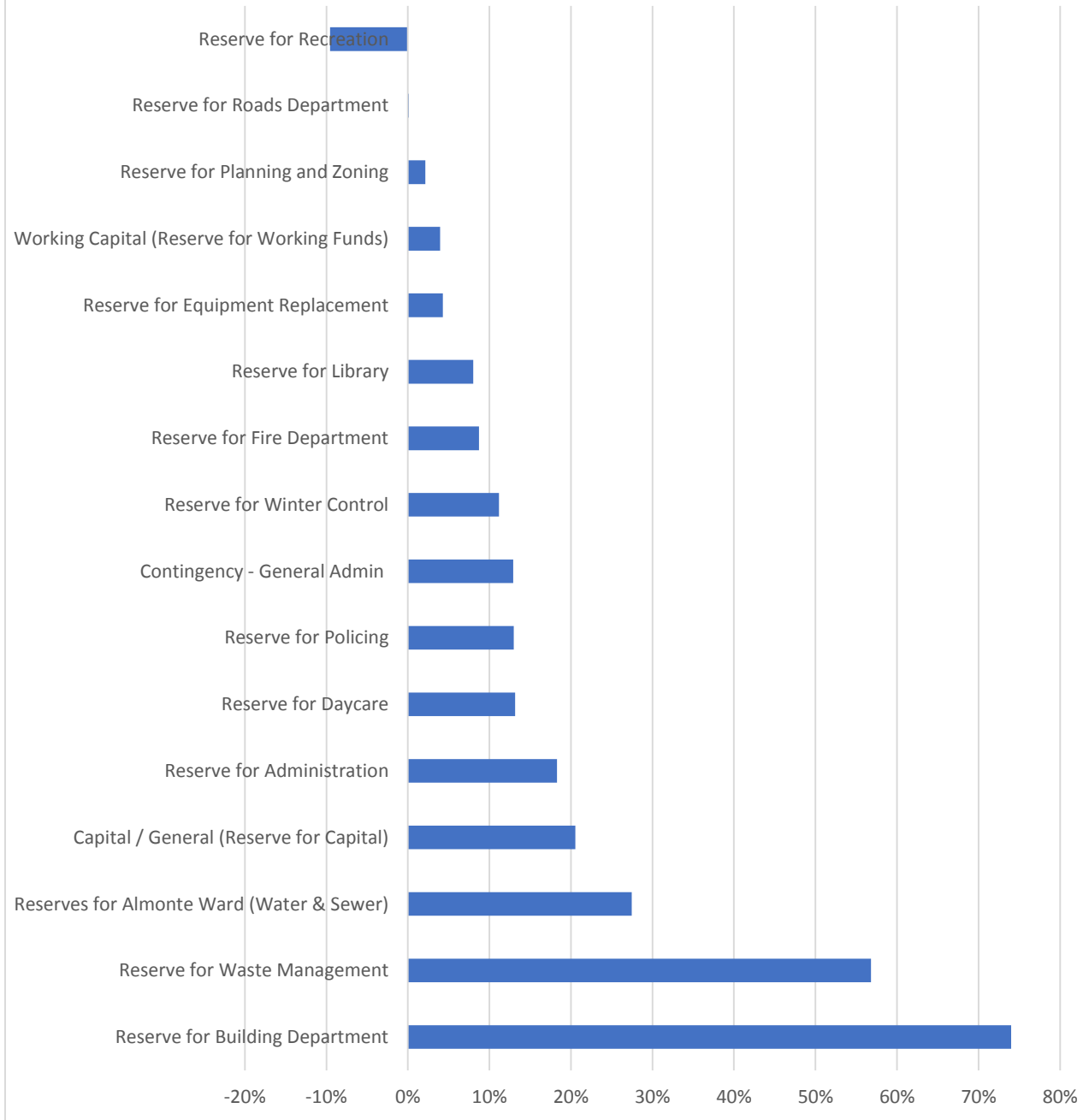
#### 4. Ratios and Reserve Targets

2022 Financial Information Return (FIR) data in the table below depicts the Municipality's growth in reserves as a % of municipal expenses over 5 years, as well as comparisons to like Municipalities. The Ministry considers anything over 20% as being low risk. While the Municipality has demonstrated a commitment to ensuring that adequate reserves are on hand to meet future funding needs, consideration for inflation and growth in the years to come will be important in future budget deliberations.

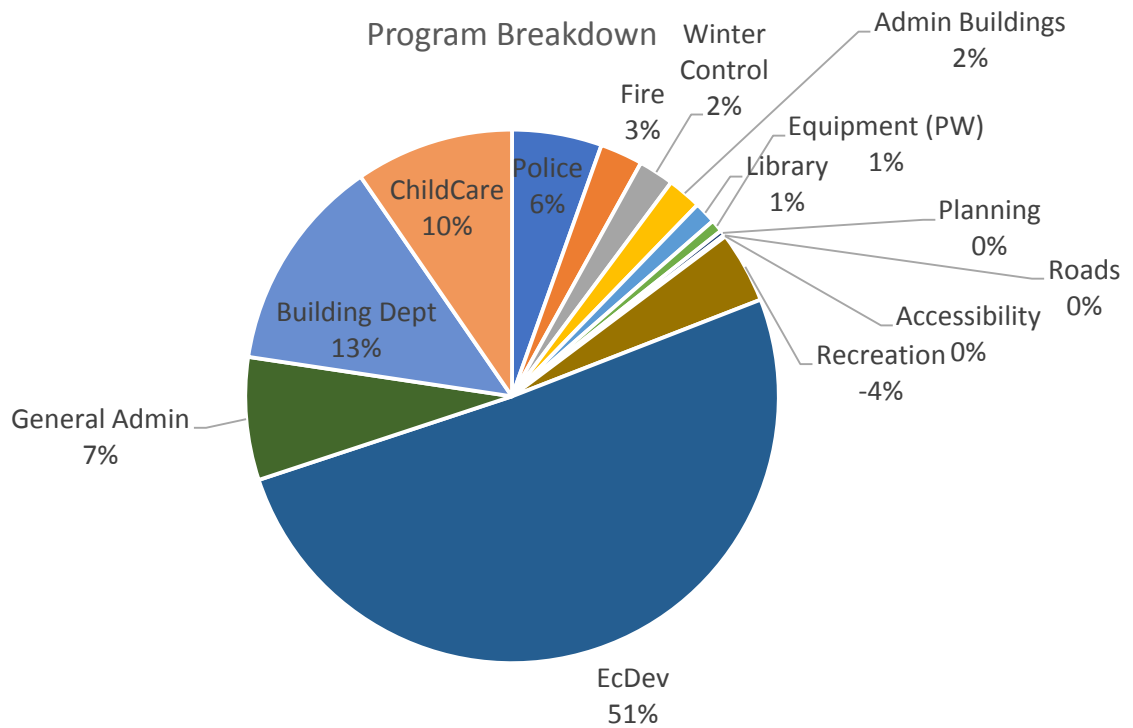
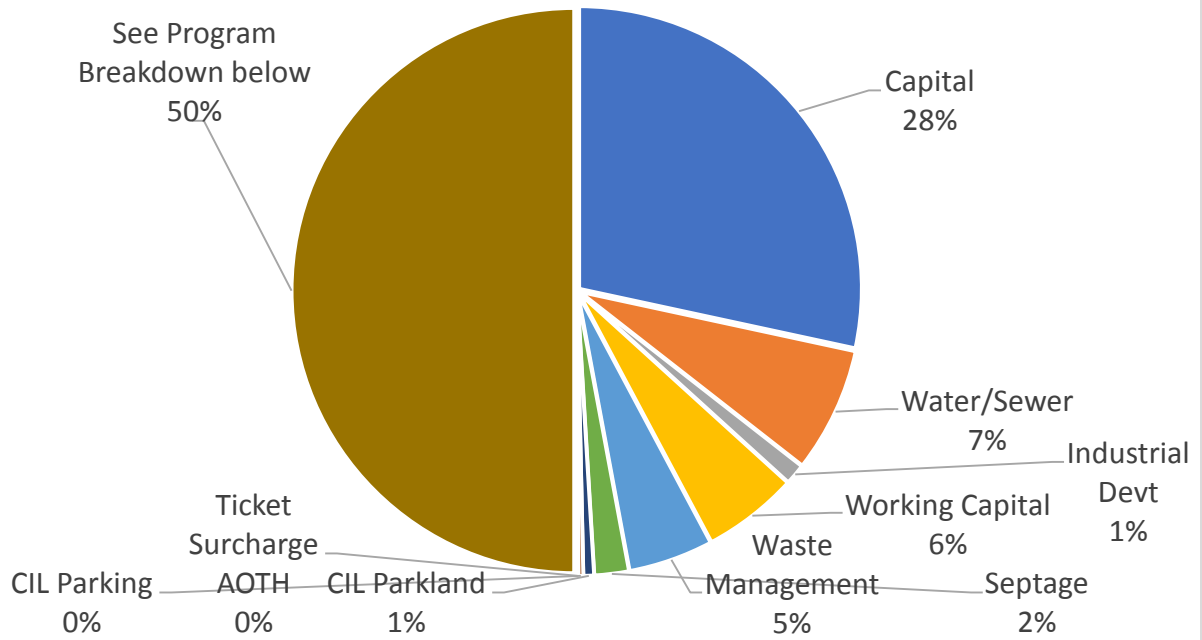
	Actuals	South - LT - Counties - Rural		Level of Risk
		Median	Average	
2018	45.9%	64.0%	71.5%	LOW
2019	56.2%	73.3%	78.8%	LOW
2020	74.3%	82.4%	87.5%	LOW
2021	87.1%	84.3%	90.7%	LOW
2022	85.3%	83.5%	90.2%	LOW

While this information in aggregate shows a positive trend, future growth and the needs of different programs should be considered in more detail. The first chart below shows 2024 projected reserve balances as a percentage of annual operating budgets for the Municipality's different programs. The second charts show overall projected reserve balances to the end of 2024, as a percentage of the \$15M projected reserve balance.

## Reserves as a % of Operating Budget



## Reserves - Projected Balances



## **OPTIONS:**

Option A: THAT Committee of the Whole recommends that Council approve the proposed amendments to Policy FIN-07 Reserves and Reserve Funds, AND THAT Committee of the Whole recommends that Council direct staff to consolidate and update Reserves and Reserve funds as detailed in Attachment 6 to this report.

Option B: THAT Committee of the Whole recommend that Council approve the proposed amendments to Policy FIN-07 and request further information and another report related to Reserves and Reserve Funds, as highlighted in discussion.

OPTION C: THAT Committee of the Whole does not recommend that Council approve the proposed amendments to Policy FIN-07 but request alternative amendments, and request further information and another report related to Reserves and Reserve Funds, as highlighted in discussion.

## **FINANCIAL IMPLICATIONS:**

This discussion related to the health of the Municipality's reserves. While there are no direct financial implications, this information can help support future decision making.

## **STRATEGIC PLAN**

This report supports Priority 4, Sustainable Financial Stewardship. As Council considers MM2048 planning, Master Plans, Asset Management Plans, and Long Term Financial Plans, reserve balances and financial health will be an important consideration.

## **PUBLIC ENGAGEMENT**

No public engagement is required at this time, however, it is suggested that 2025 Budget Spotlights include information about reserves.

## **SUMMARY:**

This report discusses the Municipality's current Reserve policy and recommends changes to that policy to provide greater clarification and to include Reserve Funds.

The report shares information with Council about the tracking mechanisms and proposed changes to these which will help make tracking and reporting related to reserves more efficient.

An individual summary is then provided related to each of the Municipality's reserves and reserve funds (with the exception of Development Charges), and where applicable, additional information and considerations for the 2025 budget are included.

Finally an analysis of the projected reserves and funds to the end of 2024 is included.

This report is provided for information purposes at this time, but may serve as a reference in 2025 budget discussions and long term financial planning.

Respectfully submitted by,

Reviewed by:

Kathy Davis,  
Director of Corporate Services, Treasurer

Name,  
Title

#### ATTACHMENTS:

1. MFOA Discussion Paper dated December 10, 2021
2. Mississippi Mills Reserves policy FIN-07
3. Reserve continuity schedule as updated for the 2024 budget
4. Proposed Policy FIN-07 with amendments
5. Proposed Policy FIN-07
6. Reserve Summary and detailed schedules

# **Municipal reserves and reserve funds in Ontario**

Discussion paper

December 10, 2021



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# Introduction

Reserves are one of the most important tools available to municipalities for achieving financial sustainability and flexibility. Reserves not only assist municipalities in managing risks, but they also play a role in the financing of capital costs and the provision of affordable and stable services to constituents. Notably, there is a lack of specific legal guidance on reserves and discretionary reserve funds. This has led to a wide variety of municipal approaches to the use of reserves.

MFOA has initiated an exploration on the role of reserves in the Ontario municipal sector to:

- Increase member knowledge of the role and uses of reserves and reserve funds,
- build municipal capacity for members to create and manage reserves and reserve funds,
- increase understanding on their place in a long-term financial plan and how to follow “best practices” with respect to reserve and reserve fund policies,
- encourage discussion, including with the province, to determine if any changes should be recommended with respect to legislation pertaining to reserves and reserve funds or with respect to the financial reporting of them in Financial Information Returns.

As the first step of this initiative, MFOA is releasing this discussion paper which provides an overview of why and how municipalities in the province use reserves and reserve funds. This paper will increase member knowledge about the management of reserves and reserve funds and will stimulate discussion and debate about future avenues of research with respect to reserves and reserve funds.

With these purposes in mind, the paper has four parts. Part 1 defines reserves and reserve funds as well as the roles that they have in long-term financial management. Part 2 discusses the main types of reserves that municipalities are required to establish or might establish at their discretion as part of their long-term financial strategy. Part 3 outlines how the Financial Information Return (FIR) data was analyzed in the report. Part 4 presents the current status of reserves and reserve funds based on the analysis of FIR data. Finally, the conclusion and recommendations sections discuss the main findings of the report as well as the implications and recommendations for future research.

# Part 1: What are reserves and reserve funds and why do municipalities use them?

This part defines reserves and reserve funds as well as the roles that they have in long-term financial management.

A reserve or reserve fund is money set aside by municipalities for a specific purpose or use.<sup>1</sup> While Ontario legislation requires municipalities to establish certain reserve funds in certain circumstances, municipal councils have the discretion to establish reserves and reserve funds for any purpose for which they have the authority to spend money.<sup>2</sup> Such reserves and reserve funds are intended to smooth levy requirements for large and/or one-time purchases, mitigate credit market risk by saving for future capital needs and reducing dependency on debt, as well as provide self-insurance for uncertainties such as extreme events, events of magnitude, cyber-crime, etc.

Municipalities establish reserves and reserve funds with the intention of using the funds for a variety of purposes that can include:

- Paying for future operating expenses required to provide stable municipal services in the event of revenue short-falls, higher-than-expected expenses or short-term cash flow requirements (e.g., water rate stabilization fund, snow removal stabilization fund)
- settling known, anticipated or contingent liabilities such as those incurred with employees (e.g., post-employment benefits, sick leave) and creditors (e.g., long-term debt)
- addressing single purpose items such as community donations or legal agreement requirements
- financing of
  - capital projects<sup>3</sup>
  - special projects or initiatives that involve major expenses, including land purchases
- maintaining a certain level of liquidity and cash availability needed to demonstrate sound financial planning to third parties such as credit-rating agencies or constituents through the establishment of working funds reserves

Given these diverse uses, reserves and reserve funds assist municipalities in achieving a number of important goals such as long-term financial sustainability and flexibility. Financial sustainability can be defined as the degree to which the municipality is able to meet its service commitments to the public and financial commitment to others while not imposing an undue burden on its constituents.<sup>4</sup> Financial flexibility is the degree to which the municipality has the capacity to respond to changes in financial

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<sup>1</sup> (Municipal Finance Officers' Association of Ontario (MFOA), 2018)

<sup>2</sup> This authority is based on the broad powers conferred to municipalities on sections 8, 10 and 11 of the *Municipal Act* to pass by-laws respecting the financial management of the municipality, which might include the establishment of reserves and reserve funds. Refer to (Watson & Associates, 2019, pp. 18-39) for a discussion on the legislation governing municipal reserves in Ontario.

<sup>3</sup> A capital project is defined by (City of Toronto, 2021, p. 3) as “Any undertaking in respect of which an expenditure is incurred to acquire, improve and maintain land, buildings, engineering structures, machinery and equipment, including installation of computer software (...).”

<sup>4</sup> (AMO & York Region, 2018, p. 7) one of the characteristics of a financially sustainable position is that it “It offers a level of service commensurate with willingness to tax and ability to pay”

circumstances such as unexpected expenses or revenue shortfalls while meeting its service and financial commitments.

Specifically, reserves and reserve funds are a cornerstone of financial sustainability and flexibility because, in conjunction with other financial strategies, they can assist municipalities in achieving the following goals:<sup>5,6</sup>

- maintain municipal capital assets in a state of good repair and thus maximize the benefits of public infrastructure<sup>7</sup>
- ensure the sustainable financing of the capital assets required to accommodate growth and to address the strategic challenges growth creates
- maintain stability and affordability of tax rates and user fees in the face of changes in financial circumstances or of the need to incur large expenses either periodically (e.g., municipal elections) or sporadically (e.g., modernization project)
- ensure ongoing service provision (e.g., the non-disruption or reduction of service levels), in the face of changes in financial circumstances
- maintain adequate liquidity that signals sound financial planning to third parties such as credit-rating agencies that in turn provide access to external financing at an affordable cost

Reserves are also a tool to help municipalities mitigate risks.<sup>8,9</sup> Some examples of risks that municipalities consider and hope to mitigate by maintaining reserves and reserves are:

- downturn in the economy resulting in lower-than-expected property tax collections
- extreme events or events of magnitude such as variations in the weather affecting costs (e.g., snowy winter increases snow removal costs) or revenues (e.g., wet summer reducing water use and water revenue).
- lower-than-expected growth of the community resulting in less-than-expected property tax levy
- natural or other type of disasters causing unexpected major one-time health and safety expenses (e.g., flooding, forest fires, pandemics)
- infrastructure failure resulting in the requirement to make a major urgent capital cost
- higher-than expected costs of goods and services such as insurance or fuel
- unforeseen major legal costs as result of a lawsuit

Reserves and reserve funds are thus a key consideration in municipal budgets and an integral component of the budget, asset management plan and long-term financial plan. New reserves and

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<sup>5</sup> Refer to (Kavanagh, 2012, p. 54) for a discussion on the benefits of reserves

<sup>6</sup> Refer to (AMO & York Region, 2018) for a discussion of the elements of the fiscal strategy other than the reserves that are key to the achieving of financial sustainability such as capital management and debt management.

<sup>7</sup> Refer to (Financial Accountability Office of Ontario, 2021, p. 1) for discussion about the importance of maintaining infrastructure in a state of good repair, "Keeping assets in a state of good repair helps to maximize the benefits of public infrastructure, and ensures assets are delivering their intended services in a condition that is considered acceptable from both an engineering and a cost management perspective."

<sup>8</sup> A risk can be defined as the probability of an undesirable event

<sup>9</sup> Refer to (Kavanagh, 2012, pp. 56-60) for a discussion the role of reserves as a risk mitigation tool and the types of risks that local governments can consider when establishing reserves policies.

reserve funds are normally established through the budget process. Further, existing reserves and reserve funds are frequently reviewed during the budget process for intended use, relevancy, appropriateness, and target annual allocations or balances. Following review, reserves and reserve funds may be amended, eliminated or consolidated to ensure the future needs and goals of the municipality will be met. Municipalities must make decisions about:

- The types of reserves and their intended purposes,
- The number of reserves, namely, the degree of segregation into different funds,
- The adequate level of balances for reserves they have created,
- The contributions to and withdrawals from reserves in a given year, and
- The policies that should be established for each reserve/reserve fund including the integration of reserve management policies with debt management strategies, asset management plans and other key strategic financing strategies.

In Ontario, with the exception of obligatory reserve funds, there are few legislative restrictions regarding reserves and reserve funds policies. Given the many differences among Ontario's 444 municipalities, there is considerable variance in the management of their reserves and reserve funds as municipalities strive to adopt an approach that best suits their specific circumstances.

## Summary

Municipalities set up reserves for specific purposes and uses to pay for operating and capital expenditures. Municipalities maintain reserves, in conjunction with other financial strategies, to achieve broader long-term goals such as financial sustainability and flexibility. Reserves are also an important risk mitigation tool to protect constituents from the effects of unanticipated events either economic or natural. Municipalities face the challenge of making a variety of decisions regarding reserves and reserve funds, considering their specific circumstances and goals.

## Part 2: What are the types of reserves and reserve funds maintained by municipalities?

This second part explores the types of reserves and reserve funds set up by Ontario municipalities. The analysis largely relies on the review of seven reserve and reserve fund policies adopted by municipalities in the province.<sup>10</sup> These policies typically set out the different categories of reserves as well as provide a full list of the reserves and reserve funds that they have established.

This part starts by discussing the distinctions between reserves, discretionary reserves funds and obligatory reserve funds. Subsequently, it summarizes the obligatory reserve funds that all municipalities must maintain. Finally, it provides an overview of the types of reserves and discretionary reserve funds that are established by municipalities.

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<sup>10</sup> The seven reserve and reserve fund policies reviewed were: (City of Chatham-Kent), (City of Toronto, 2021), (City of Waterloo, 2018), (Municipality of Middlesex Centre, 2021), (Town of Parry Sound, 2014), (Regional Municipality of York, 2019), (Municipality of South Dundas, 2018). In addition, the reserves and reserve funds 2020–2023 Business Plan & 2020 Budget of the City of Mississauga was reviewed (City of Mississauga, 2019).

## Distinctions among reserves, discretionary reserve funds and obligatory reserve funds

The Financial Information Return, completed annually by Ontario municipalities, classifies reserves or reserve funds as:<sup>11</sup>

- reserves,
- discretionary reserve funds, and
- obligatory reserve funds.

These distinctions are based on the way the reserves are set and the level of discretion that municipalities have to use the funds. For this reason, each type of reserve is reported separately in the Financial Information Return of each municipality.

Obligatory reserve funds are reserves that the municipality is required to set up to meet the requirements of a provincial statute or agreement with other entities such as the Federal or Provincial governments. To set an obligatory reserve fund, municipalities must collect and segregate specified revenues. The municipality can use the available funds solely for the purposes prescribed for them by statute or agreement.<sup>12</sup>

Discretionary reserve funds are established by municipal council by-law for a specific purpose.<sup>13</sup> While a municipality has discretion in the establishment of this type of reserve fund, they can only use the funds to meet the purposes established in the by-law.<sup>14</sup>

Finally, the term 'reserves' refers to funds that have been set aside by Council resolution or allocation for an intended purpose, but not restricted by provincial or municipal legislation.<sup>15</sup> To establish a reserve, municipalities do not require the physical segregation of money as in the case of an obligatory or discretionary reserve fund. Municipalities have the most flexibility in the use of these funds, as no passing of a by-law or legislation would be required for its reallocation.<sup>16</sup>

In respect to their management, there some key distinction among reserves, discretionary reserve funds and obligatory reserve funds:

- Both reserves and discretionary reserve funds are funded through budget allocation approved by council.
- In contrast, obligatory reserve funds are funded from specific revenues sources which municipalities must segregate, such as development charges.

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<sup>11</sup> Refer to page 11 of the 2019 FIR instructions for the specific guidance provided to municipalities Ministry of Municipal Affairs and Housing Municipal Finance Policy Branch regarding the differences among reserves, discretionary reserve funds and obligatory reserve funds (Ministry of Municipal Affairs and Housing Municipal Finance Policy Branch, 2020, p. 11)

<sup>12</sup> In other contexts, obligatory reserve funds are referred as "restricted reserves", see (Kavanagh, 2012, p. 55).

<sup>13</sup> See 2019 FIR instructions for the definition of "discretionary reserves funds" that municipalities should consider when completing their FIRS (Ontario, 2020, p. 11)

<sup>14</sup> In other contexts, discretionary reserve funds would be referred as "committed reserves", see (Kavanagh, 2012, p. 55).

<sup>15</sup> See 2019 FIR instructions where reserves are defined as "*Monies set aside by approval of Council and not restricted by legislation.*" (Ministry of Municipal Affairs and Housing Municipal Finance Policy Branch, 2020, p. 11)

<sup>16</sup> In other contexts, reserves are referred as "assigned reserves", see (Kavanagh, 2012, p. 55)

- When collected, the revenue of obligatory reserve funds is considered deferred revenue, and thus a liability, until they are used when they are accounted for in operating revenue as deferred revenue earned.
- Transfers between reserves and discretionary reserve funds are allowed while no transfers could technically be made from obligatory reserve funds to reserves or discretionary reserve funds.

There are generally some distinctions that municipalities make regarding the role of investment income between reserves and reserve funds. The *Municipal Act* explicitly authorizes municipalities to invest in prescribed securities the money that they do not require immediately, including money in reserves and reserve funds.<sup>17</sup> Municipalities generally establish in their policies to invest and generate income from the money segregated in obligatory and discretionary reserve funds as a strategy to diversify revenue and augment available reserve resources. In contrast, money from reserves is often not segregated and thus investment income may not be a strategy to generate additional resources in reserves.

## Main types of obligatory municipal reserve funds

As noted above, obligatory reserves are established by a municipality to comply with provincial legislative requirements or with an agreement with other entities, notably, the Federal and Provincial governments.

As shown in Table 1, while obligatory reserves can serve multiple purposes, they are usually named after the revenue source of the funds. Currently, multiple statutes have stipulations governing the obligatory reserve funds to be established by Ontario municipalities. Notably the *Municipal Act*, *Development Charges Act*, *Planning Act* and the *Building Code Act* contain such stipulations.

**Table 1:** Authorized uses of funds and sources of funds of the main obligatory reserve funds set up by Ontario municipalities to adhere to statutory or contractual requirements as of October 2021

Reserve Fund	Authorized uses of funds	Sources of funds
Building Code Administration <sup>18</sup>	<ul style="list-style-type: none"> <li>○ Cover the operating cost of administration and enforcement of the Building Code when fee revenues are not sufficient</li> <li>○ Purchase capital items required for the building department such as vehicles and equipment</li> </ul>	<ul style="list-style-type: none"> <li>○ Year-end surplus of the Building and Inspection services of the municipality in accordance with subsection 7(2) of the <i>Building Code Act</i></li> </ul>

<sup>17</sup> Section 418 of the *Municipal Act*

<sup>18</sup> Subsection 7(2) of the *Building Code Act* prescribes that the total amount of fees required on application for and on issuance of permits, for maintenance of inspections and orders must not exceed the anticipated reasonable costs of the municipality to administer and enforce the Act. Municipalities can establish a reserve fund to segregate the funds resulting from a surplus building code administration fees (Building Code Act, 1992).



Reserve Fund	Authorized uses of funds	Sources of funds
Canada Community-Building Fund (former Federal Gas Tax Fund) <sup>19</sup>	<ul style="list-style-type: none"> <li>Finance local infrastructure priorities</li> </ul>	<ul style="list-style-type: none"> <li>Grants from the Federal Government awarded in accordance with the program objectives and the agreement signed by the municipality with the Government of Ontario and the Association of Municipalities of Ontario</li> </ul>
Development Charges <sup>20</sup>	<ul style="list-style-type: none"> <li>Finance capital costs required to provide municipal services and infrastructure to new developments (growth-related capital costs)</li> <li>Funds can only be used to meet the growth-related capital costs for which the development charge was imposed</li> </ul>	<ul style="list-style-type: none"> <li>Development charges, i.e., fees collected from developers of residential, commercial, and industrial properties in accordance with the <i>Development Charges Act</i> and each municipality's by-laws</li> </ul>
Payment-in-lieu of Parking	<ul style="list-style-type: none"> <li>Cover the costs of maintaining parking for properties with which the municipality has signed an agreement to received payments in lieu of parking facilities</li> </ul>	<ul style="list-style-type: none"> <li>Payments made by property owners after agreement in lieu of maintaining parking facilities</li> <li>Municipalities are not required, but have the option to establish this reserve fund in accordance to the <i>Planning Act</i></li> </ul>
Parkland (Recreational Land) <sup>21</sup>	<ul style="list-style-type: none"> <li>Fund the purchase and development of parkland in developing or redeveloping areas as well as the upgrading of existing parks and facilities needed as a result of the intensification of an area</li> </ul>	<ul style="list-style-type: none"> <li>Payments made by developers in lieu of conveying parkland as a condition of development in accordance to the <i>Planning Act</i> including amendments to the Act under the <i>More Homes, More Choice Act, 2019</i></li> </ul>
Provincial Gas Tax Fund <sup>22</sup>	<ul style="list-style-type: none"> <li>Fund the operation and expansion of public transit</li> </ul>	<ul style="list-style-type: none"> <li>Grants from the Provincial Government awarded in accordance with the Ontario Gas Tax Program</li> </ul>

Sources: MFOA, based on the review of (Development Charges Act, 1997), (Planning Act, 1990), (Building Code Act, 1992), (Canada, 2021) and (Ontario, 2021)

<sup>19</sup> See (Canada, 2021) for more information

<sup>20</sup> Refer to sections 33 to 37 of the *Development Charges Act* (Development Charges Act, 1997)

<sup>21</sup> Refer to section 42 of the *Planning Act* ("Conveyance of land for park purposes") (Planning Act, 1990)

<sup>22</sup> See (Ontario, 2021)

## Types of reserves and discretionary reserve funds that municipalities establish at their discretion

Contrary to obligatory reserve funds, municipalities in Ontario have discretion regarding which reserves and discretionary reserve funds they may establish. There is a wide diversity of practices regarding which funds municipalities decide to establish and maintain. While some municipalities have a few funds some may set up dozens or hundreds of different reserves and reserve funds. It should be noted that maintaining numerous reserves de-diversifies risk. This has led municipalities to initiate efforts to rationalize and amalgamate the different funds.

There is no standard approach to categorizing reserves and reserve funds used by municipalities in Ontario. A common approach is to consider three broad categories based on the intended use of the funds:<sup>23</sup>

- Working funds: funds established to help the municipality cover expenses when cash balances are low during the fiscal year before tax collections or other revenues become available.
- Operating: funds used to mitigate or stabilize the impact on service levels, tax rates and user fees of revenues short-falls, higher-than-expected expenses and large periodic or one-time expenses.
- Capital: funds accumulated with the intended purpose of financing capital projects either to rehabilitate or replace existing capital assets or expand the infrastructure and capital asset stock of the municipality.

Beyond the categories used to classify reserves, municipalities do not adopt a common approach to establish the different reserves and reserve funds. In the reserves and reserve funds policies reviewed, the reserves and reserve funds are defined using one or more of the following criteria:<sup>24</sup>

- Purpose: the intended use or purpose of the fund, e.g., tax rate stabilization, rehabilitation and replacement of assets, among others.
- Asset class: the asset class that the funds can be used to acquire, rehabilitate or replace, e.g., land, equipment, or vehicles.
- Municipal Function or Service: the municipal function that the funds will assist by helping cover operating or capital costs, e.g., police, water, wastewater
- Project or initiative: the specific project or initiative that the reserves will help fund, e.g., municipal elections or a specific major capital project (for instance, “water-front development”).

Some of the reserves and reserve funds established by municipalities are defined broadly, such as a general tax stabilization reserve. Others are more narrowly defined using more than one criterion such as reserve funds established only for the replacement of police vehicles.

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<sup>23</sup> This is also the approach recommended by subject matter experts such as (Watson & Associates, 2019, p. 3)

<sup>24</sup> Based on the listing of reserves and reserve funds found in six reserves and reserve funds policies: (Municipality of Middlesex Centre, 2021, pp. 10-30), (Town of Parry Sound, 2014, pp. 6-14), (Municipality of South Dundas, 2018, pp. 7-25), (City of Waterloo, 2018, pp. 20-27), (City of Toronto, 2021, pp. 10-51) and (Regional Municipality of York, 2019, pp. 18-21)

**Table 2:** Examples of reserves and discretionary reserve funds established by municipalities by category

Working Funds reserves		
Examples	Common stated purposes	Observations
Working Funds	<ul style="list-style-type: none"> <li>○ Cover payments and expenses required for day-to-day operations when cash balances are low prior to the receipt of tax collections and other revenues</li> <li>○ Reduce the reliance on short-term borrowing to meet obligations</li> </ul>	They can be general in nature or defined to assist specific municipal functions
Operating reserves and discretionary reserve funds		
Examples	Common stated purposes	Observations
Economic Stability	<ul style="list-style-type: none"> <li>○ Fund temporary revenue shortfalls or unforeseen expenditures caused by significant fluctuations in the economy</li> </ul>	
Tax Rate Stabilization	<ul style="list-style-type: none"> <li>○ Prevent property tax rates fluctuations as a result of unforeseeable non-recurring expenditures or revenue short-falls</li> </ul>	<ul style="list-style-type: none"> <li>○ Funds used to cover for eventualities such as higher-than expected tax write offs</li> </ul>
Rate stabilization	<ul style="list-style-type: none"> <li>○ Prevent fluctuations in user fees / rates as a result of unforeseen expenditures or revenue short-falls</li> </ul>	<ul style="list-style-type: none"> <li>○ These reserves are often established for specific municipal services that are largely or fully funded by user fees such as water and solid waste</li> </ul>
Winter Maintenance	<ul style="list-style-type: none"> <li>○ Fund winter maintenance operating expenses such as those for snow removal in the event of a higher-than-expected expenses requirements due to extreme weather conditions</li> </ul>	
Municipal Elections	<ul style="list-style-type: none"> <li>○ Fund the expected expenses related to the organization of elections and avoid an excessive burden on the levy in an election year</li> </ul>	

Examples	Common stated purposes	Observations
Repairs and Maintenance of equipment	<ul style="list-style-type: none"> <li>○ Fund operating and capital expenditures for the repair and maintenance of existing equipment</li> </ul>	<ul style="list-style-type: none"> <li>○ Often dedicated to fund expenses related to equipment used for the delivery of specific municipal services</li> </ul>
Employees Benefits	<ul style="list-style-type: none"> <li>○ Fund benefits costs of employees and former employees</li> </ul>	
Contingencies	<ul style="list-style-type: none"> <li>○ Provide contingency funds for a range of contingent or unknown liabilities</li> </ul>	
Insurance	<ul style="list-style-type: none"> <li>○ Provide contingency funds for losses, damages, costs and expenses as incurred through insurance claims</li> <li>○ Provide funds to offset unforeseen variation in insurance premiums</li> </ul>	
Legal Costs	<ul style="list-style-type: none"> <li>○ Provide contingency funds to cover annual fluctuations in cost of legal invoices and claims</li> </ul>	
Long-term disability	<ul style="list-style-type: none"> <li>○ Pay for all long-term disability benefits of employees and associated administration expenses</li> </ul>	
Sick leave	<ul style="list-style-type: none"> <li>○ Fund accumulated sick time credits to employees</li> </ul>	
Workers Compensation	<ul style="list-style-type: none"> <li>○ To fund workers' compensation claims made through the Workplace Safety and Insurance Board (WSIB)</li> </ul>	
Sinking Fund	<ul style="list-style-type: none"> <li>○ Centralize the accumulated retirement contributions and related interest income of outstanding sinking fund debentures</li> </ul>	
Debenture repayment	<ul style="list-style-type: none"> <li>○ Fund the interest and principal payments on outstanding debentures</li> </ul>	
Brownfields	<ul style="list-style-type: none"> <li>○ Fund direct operating or capital project expenses related to the cleaning and redevelopment of brownfields</li> </ul>	

Innovation Projects	<ul style="list-style-type: none"> <li>○ Fund projects that will result in more efficient systems and/or ongoing operational savings</li> </ul>	
Capital reserves and discretionary reserve funds		
Examples	Common stated purposes	Observations
Capital Assets Rehabilitation and Replacement	<ul style="list-style-type: none"> <li>○ Fund mayor rehabilitation or replacement of existing assets and ensure municipally owned assets do not deteriorate over time</li> <li>○ Support the asset management plan by providing predictable financing of the capital assets lifecycle expenses requirements</li> <li>○ Reduce or eliminate the reliance on long-term to finance capital works</li> </ul>	<ul style="list-style-type: none"> <li>○ These reserves are established to fund major costs of rehabilitation and replacement of capital assets used to provide specific municipal services such as water, wastewater, roadways, social housing and transit</li> </ul>
New capital assets projects	<ul style="list-style-type: none"> <li>○ Fund major capital projects for the construction, purchase or development of new capital assets</li> <li>○ Reduce or eliminate the reliance on long-term to finance capital works</li> </ul>	
Capital costs	<ul style="list-style-type: none"> <li>○ Fund all capital expenditures associated with a municipal function including the rehabilitation, replacement of existing assets and the acquisition new assets.</li> </ul>	<ul style="list-style-type: none"> <li>○ Generally established to provide for capital costs of the most capital-intensive municipal functions such as water, wastewater and social housing</li> </ul>
Debt Management	<ul style="list-style-type: none"> <li>○ Fund capital projects</li> <li>○ Reduce or eliminate the need to incur in long-term debt to finance capital</li> </ul>	

Source: MFOA, based on analysis of the listing of reserves and reserve funds included in the following six reserves and reserve funds policies: (Municipality of Middlesex Centre, 2021, pp. 10-30), (Town of Parry Sound, 2014, pp. 6-14), (Municipality of South Dundas, 2018, pp. 7-25), (City of Waterloo, 2018, pp. 20-27), (City of Toronto, 2021, pp. 10-51) and (Regional Municipality of York, 2019, pp. 18-21)

## Summary

The distinctions among reserves, discretionary reserves funds and obligatory reserve funds are related to the degree of discretion that municipalities have in determining the origin and uses of the funds.

Obligatory reserves are established by a municipality to comply with provincial legislative requirements or with an agreement with other entities, notably, the Federal and Provincial governments. The sources and authorized uses of the funds are determined by statutes or agreements. Currently, the main obligatory reserve funds set up by municipalities in Ontario are: Building Code Administration; Canada Community-Building Fund (former Federal Gas Tax Fund); Development Charges; Payment-in-lieu of Parking; Parkland (Recreational Land) and Provincial Gas Tax Fund.

In respect to reserves and discretionary reserve funds, there is a wide diversity of practices among Ontario municipalities. Many decide to classify their funds in three categories: working funds, capital reserves and operations reserves. There is even more diversity in the degree of disaggregation and total number of funds that municipalities choose to establish. Some of the reserves and reserve funds established by municipalities are defined broadly, such as a general tax stabilization fund reserve. Others are more narrowly defined using more than one criterion such as reserve funds established only for the replacement of police vehicles.

## Part 3: What was the approach adopted for the analysis of FIR reserve data?

This third part describes the approach taken in this report to analyze the Financial Information Return data about reserves and reserve funds.

### Reporting of reserves and reserve funds in the financial information returns

The Financial Information Return (FIR) is the main tool used by the Ontario Government to gather financial and statistical information on municipalities.<sup>25</sup> The FIR requires municipalities to submit financial information annually about their reserves and reserves funds. Two schedules of the FIR deal specifically with reserves and reserve funds: Schedule 60 – Continuity of Reserve and Reserve Funds and Schedule 61 – Development Charges Reserve Funds

In schedule 60, municipalities provide a continuity report considering all types of reserves, including development charges. The report requires municipalities to specify the opening and end of year balances of their reserves and reserve funds as well as inflows (revenues) into the funds and outflows (utilization) from the funds. In addition, municipalities must provide an analysis of their end-of-year reserve balances either by municipal service purpose or by other classification criteria such as the sources of the funds or the general type of reserve.

In schedule 61, municipalities provide more details of the continuity of development charges reserve funds. The report requires municipalities to specify the development charges proceeds (deferred revenue) and the development charges disbursements (deferred revenue earned). All amounts in this schedule are disaggregated by municipal service purpose. The end of year balance is reported as the net

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<sup>25</sup> (Ontario, 2020)

result of opening balance, inflows (proceeds) and outflows (disbursements) from the development charges reserve funds.

## Classification of reserves and reserve funds used in the analysis

The following analysis of reserves and reserve funds relies on the FIR information reported by municipalities for 2019. For the purposes of the analysis, reserve and reserve fund balances were classified using two approaches: the general purpose of the funds and the municipal service purpose.

The general-purpose approach classifies reserve and reserve fund balances according to the intended use of the funds in the financial management of the municipality. Four uses for reserves and reserve funds were defined to analyze the reserves and reserve funds balances reported by municipalities in their FIRs:

1. **Finance capital costs:** funds to finance the capital works of the municipality. Three subcategories are defined. The first is growth-related reserves which includes development charges and other funds to finance growth-related capital costs. The second subcategory is replacement of equipment. The third subcategory is a general one that include the funds set aside to finance all other types of capital costs.
2. **Fund operations:** includes funds to support the uninterrupted delivery of municipal services and stability of tax and user rates. Four subcategories were defined for this purpose: tax/user rate stabilization, working funds, Building Code administration and contingencies.
3. **Settle future liabilities:** includes the funds set aside by the municipality to settle, in the future, known or anticipated liabilities to its creditors, employees or other parties. Among the subcategories included in this category are: post-employment benefits, debenture repayment and sick leave.
4. **Non-specified:** includes funds set aside that are only classified according to the municipal service purpose. It includes all the reserve balances presented on the analysis by service purpose of schedule 60 of the FIR.

The municipal service purpose approach analyzes reserve and reserve fund balances according to the municipal service for which the funds have been set aside. To analyze the reserves according to their municipal service purpose, 13 categories were defined:

1. **General Government:** includes reserves and reserve funds set aside to support the operations or capital costs of the general government.
2. **Planning & Development:** includes all reserves and reserve funds, including development charges, set aside to support the operations or capital costs of planning and development. It includes the development charges collections for development studies.
3. **Health and Social Services:** includes all reserves and reserve funds set aside to support the operations or capital costs of social and family services including daycare, homes for the aged, emergency medical services and health services.
4. **Housing:** includes all reserves and reserve funds, including development charges, set aside to support the funding of operations or financing of capital costs of social housing.
5. **Recreation and Culture:** includes all reserves and reserve funds, including development charges, set aside to support the operations or capital costs of parks, recreation facilities, libraries,

museums and other cultural services. Notably, the deferred revenue from cash-in-lieu of parkland reserve fund (recreational land) was classified as recreation and culture reserves.

6. **Protection:** includes all reserves and reserve funds, including development charges, set aside to support the operations or capital costs of the building code administration, fire protection, police protection and other protection services. It includes the deferred revenue from the Building Code reserve fund.
7. **Roadways:** includes all reserves and reserve funds, including development charges, set aside to support the operations or capital costs of roadways and structures.
8. **Transit:** includes all reserves and reserve funds, including development charges, set aside to support the operations or capital costs of transit systems. It includes the deferred revenue from the Canada transit funding reserve fund, Provincial Gas Tax Fund and development charges for GO transit.
9. **Other transportation services:** includes all transportation services reserves and reserve funds not included in the roadways and transit categories. Notably, it includes parking, air transportation, street lighting and winter control reserves.
10. **Water and Sewer:** includes all reserves and reserve funds, including development charges, set aside to support the operations or capital costs of water and sewer (wastewater) systems.
11. **Other environmental services:** includes all other environmental services reserves and reserve funds not included in the water and sewer category. Notably, it includes all funds set aside to support the operations or capital projects of solid waste and stormwater services.
12. **Other:** includes all reserves and reserve funds, including development charges, set aside to support the operations or capital costs of other municipal services.
13. **Non-specified municipal service:** includes all reserves and reserve funds to support all or non-specified municipal services. This category includes Building Canada Fund (Federal Gas Tax Fund) deferred revenue.

## Limitations of the analysis

The manner in which reserve and reserve fund financial information is reported in the FIR poses certain challenges for the analysis of the management of reserves by municipalities:

- Obligatory reserve funds, other than development charges, are exclusively reported according to their funding sources with no information provided about the intended purposes of the funds.
- In the analysis of balances in schedule 60, municipalities must choose between reporting reserve and discretionary reserve fund balances by either municipal service purpose or other classification criteria. This does not pose any issues when the reserves are corporate categories that are not related to a specific service, such as sick leave reserves. However, the data as reported in the FIR does not identify reserves that were established by municipalities to support



simultaneously a municipal service and a general purpose, such as water rate stabilization reserve funds or transit services working funds.

- In addition, there are some discrepancies in the categories of municipal services utilized in schedules 60 and 61 with the ones employed in schedules 10 and 40 of the FIR.
- The data about the inflows (revenue/deferred revenue) and outflows (utilization/deferred revenue earned) of reserves and reserve funds is not disaggregated by municipal service. It is hence only possible to analyse the total amounts received and whether they were utilized for operations or capital purposes.

## Profiles of the four groups of municipalities analyzed

The analysis considers financial information return (FIR) data from 436 of the 444 Ontario municipalities from the period between 2009 and 2019 (11 years in total).<sup>26, 27</sup> No imputations or adjustments were made for the missing data of the eight municipalities excluded from the analysis as the impact on overall trends is not likely to be significant.<sup>28</sup>

The 436 municipalities included were divided into four groups for the analysis according to their population size, defined as the population of residents reported in the 2019 FIR:<sup>29</sup>

- 37 large municipalities with populations of 100,000 or more
- 69 midsize municipalities with populations ranging from 20,000 to below 100,000
- 141 small municipalities with populations ranging from 5,000 to below 20,000
- 189 very small municipalities with populations below 5,000

While these thresholds are arbitrary, the groups of municipalities defined share commonalities beyond the size of their populations. These commonalities are related to their type of governance structure, the rate of change of their population and their location in Ontario.

The group of 37 large municipalities has the fewest members, but altogether they manage most municipal revenues and expenditures in the province. For instance, six of the eight regional municipalities belong to this group.<sup>30</sup> In addition to the regions, this group is mainly composed of single

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<sup>26</sup> The data used was obtained on October 1<sup>st</sup>, 2021 from the “FIR Data by year” webpage available on the Ontario (Ontario, 2021).

<sup>27</sup> Eight municipalities were not considered in the analysis for the following reasons:

Seven municipalities were excluded from the analysis because the data from their 2019 FIRs were not available in the FIR database that was available on the Ontario Government website as of October 1<sup>st</sup>, 2021

One additional municipality, the Township of Cockburn, was excluded from the analysis because it had a population of only two residents in 2019. Because of its small population, the indicators calculated for the township had often extreme values which inclusion would limit the representativeness of the descriptive statistics considered in the analysis. For instance, in 2019, the per capita total municipal reserves for the township were \$91,511 per resident which was about 49 times the mean for all municipalities.

<sup>28</sup> In 2018, the combined reserves of the eight municipalities excluded from the analysis amounted to about \$200M or 0.6% of all reserves and reserve fund balances held by Ontario municipalities that year.

<sup>29</sup> Overall, no large municipalities were excluded from the analysis while only four out of 193 very small municipalities, two of the 143 small municipalities and two of the 71 midsize municipalities were excluded.

<sup>30</sup> In 2019, the eight existing regional municipalities altogether provided municipal services to about 37% of the provincial population and controlled about 19% of all municipal revenues and expenses.

tier cities (12, 32%) or lower tier cities within a regional structure (16, 43%). The overwhelming majority of large municipalities are growing municipalities (34, 92%) located in either Central (22, 59%) or Western Ontario (11, 30%).

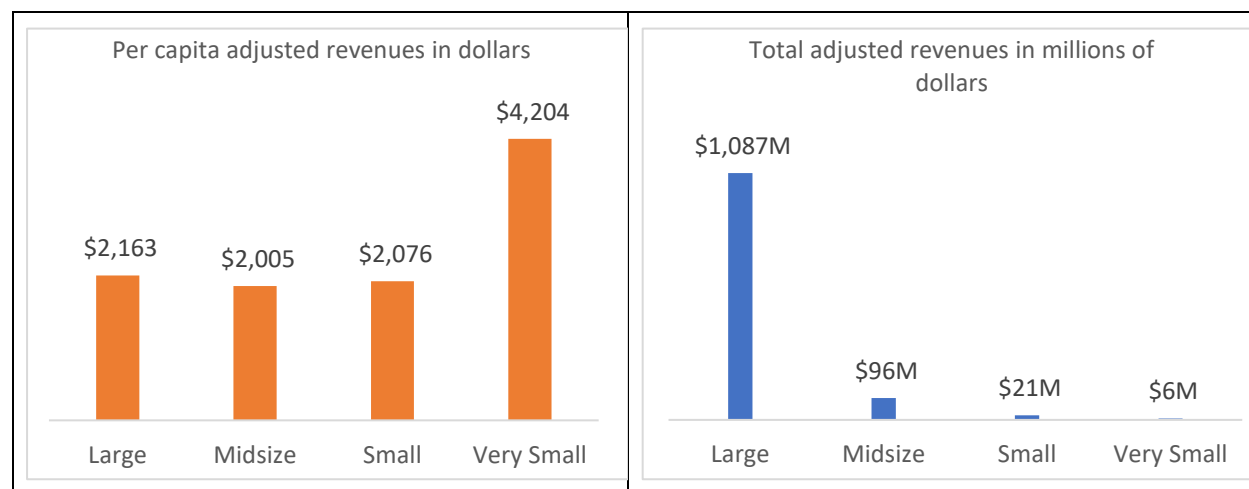
The 69 midsize municipalities group is the most diverse regarding its governance structure and geographical location. This group is composed in almost equal shares by upper-tier counties (18, 26%), lower tiers within counties (17, 25%), lower tiers within regions (15, 22%) and single tiers (15, 22%). They are also relatively equally distributed among Central (23, 33%), Eastern (18, 26%) and Western Ontario (25, 36%). As with large municipalities, the overwhelming majority are growing municipalities but at a lower rate (54, 78%).

The 141 small municipalities are mostly lower tier municipalities within counties (104, 74%), while the rest are lower tier within regions (20, 14%) and single tiers (16, 11%). While most are growing (59%) there is a significant share of municipalities with stable or declining populations (41%). They are mostly located in Eastern (52, 37%) and Western Ontario (57, 40%).

Regarding the 189 very small municipalities, two thirds of the municipalities in this group are single tier municipalities in Northern Ontario (124, 65%). About a third are lower tiers within counties in Eastern and Western Ontario (62, 33%). As opposed to the other groups, most very small municipalities have declining or stable populations (109, 57%).

Another important distinction among the groups of municipalities is the absolute and relative size of their revenues and expenses. Total revenues and expenses of small and very small municipalities are significantly lower than those of mid-size and large municipalities. However, per capita revenues and expenses tend to be significantly higher among very small municipalities compared to the rest of groups. This is clearly illustrated in Figure 1 below showing that in 2019, while the mean per capita adjusted revenues for very small municipalities was \$4,204, the mean total adjusted revenues was only \$6M for the entire group of 189 municipalities.

**Figure 1:** Mean of the per capita and total annual adjusted revenues by group of municipalities, 2019



Notes: Adjusted revenues are approximation of the total revenues on a cash basis. It is calculated by subtracting the following amount from the total revenues (schedule 10, line 9910): deferred revenue earned (schedule 10, lines: 0830, 0831, 1812, 1813, 1814), donated tangible capital assets (schedule 10, line 1831) and increase/decrease in Government Business Enterprise Equity

Source: MFOA, based on FIR data

## Summary

The analysis uses data reported by 436 of the 444 Ontario municipalities in schedules 60 and 61 of their FIRs in 2019.

The reserves balances are classified in four categories according to their general purpose of the funds: finance capital costs; fund operations; settle future liabilities and non-specified general purpose. The reserves balances are also analyzed according to the municipal service purpose in 13 categories.

The 436 municipalities were divided into four groups according to the size of their populations of residents in 2019:

- 37 large municipalities with populations of 100,000 or more,
- 69 midsize municipalities with populations ranging from 20,000 to below 100,000;
- 141 small municipalities with populations ranging from 5,000 to below 20,000
- 189 very small municipalities with populations below 5,000

While these thresholds are arbitrary, the groups of municipalities defined share commonalities beyond the size of their populations. These commonalities are related to their type of governance structure, the rate of change of their population and their location in Ontario

## Part 4: What were the trends in municipal reserves and reserve fund management in 2019?

This part presents the findings of the analysis of the trends in reserves and reserve funds based on FIR data from 2019.

### General trends in municipal reserves and reserve funds

This first section outlines the overall trends observed considering all of the 436 municipalities considered in the analysis.

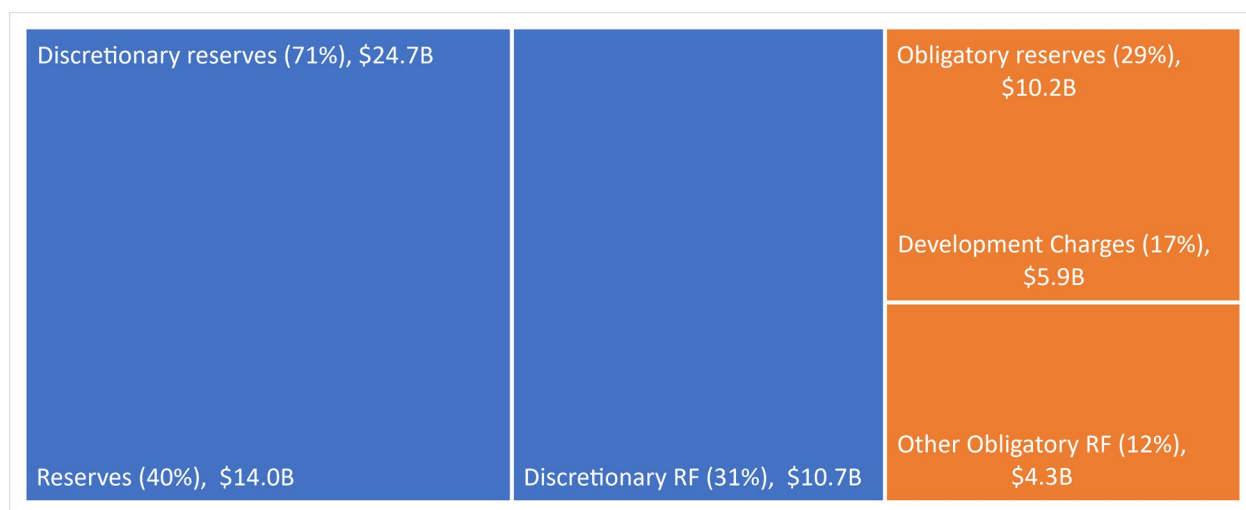
#### Size of reserve balances

In the following analysis, the term “total reserves” refers to all reserves and reserve funds of municipalities. The term “discretionary reserves” refers to the sum of reserves and discretionary reserve funds while “obligatory reserves” refers to obligatory reserve funds.

In 2019, total reserves held by Ontario municipalities totalled \$34.9B. As shown in Figure 2, discretionary reserves amounted to \$24.7B (71% of total) while obligatory reserves totalled \$10.2B (29%). Most of the obligatory reserves (Figure 3) were development charges with balances in 2019 of \$5.9B (58% of obligatory reserves and 17% of total reserves).

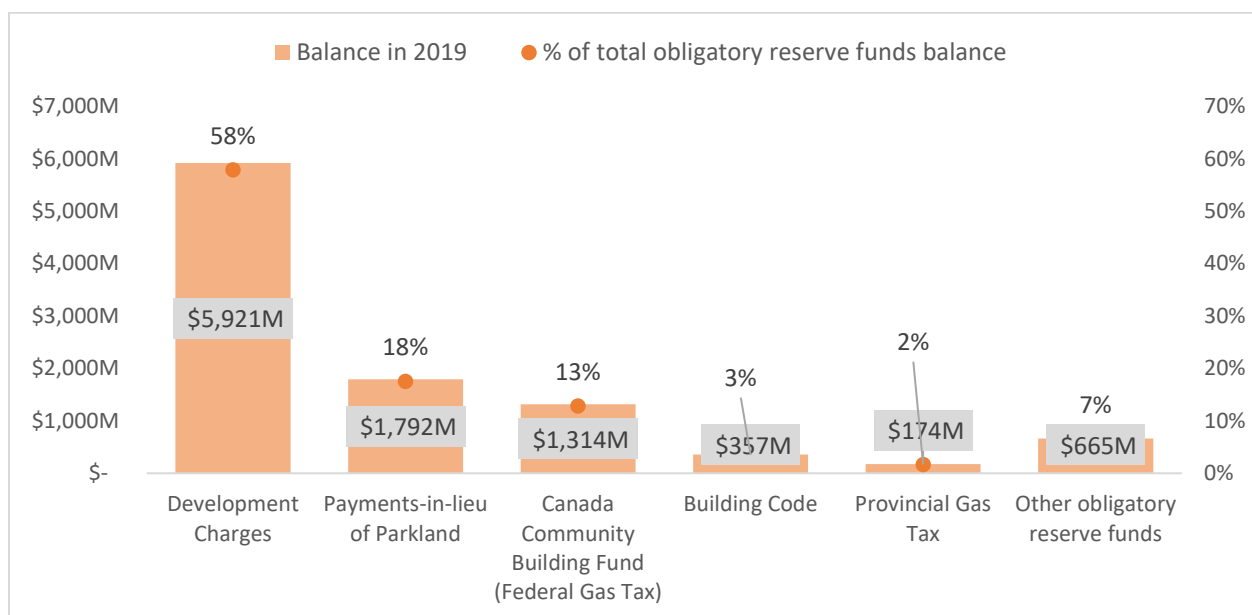
It is of note that year-end balances represent the net sum of positive and negative balances of total reserves maintained by municipalities. In 2019, 116 municipalities (about 25% of total) reported a negative balance in at least one of the reserve categories considered in schedules 60 and 61 of the FIR. In that year, negative reserve balances amounted to \$1,345M (\$1.4B) or about 4% of total reserves. Development charges negative balances summed up to \$942M, 70% of all negative balances and about 15% of the year-end balance of development charges.

**Figure 2:** Reserves and reserve funds balances by type, in billions of dollars, all municipalities, 2019



Source: MFOA, based on 2019 FIR data

**Figure 3:** Obligatory Reserve Funds balances by revenue source in millions of dollars and as a percentage of total obligatory reserve funds, all municipalities, 2019



Source: MFOA, based on 2019 FIR data

While the mean total reserve balance per municipality was \$80M in 2019 (see Appendix 1), about 80% of municipalities had total reserves in the \$2M to \$39M range, (values of 20<sup>th</sup> and 80<sup>th</sup> percentiles). The same percentage of municipalities had total discretionary reserves in the \$2M to \$31M range. The difference between the mean total reserves balance and the balances held by most municipalities clearly reflects the fact that about three quarters of Ontario municipalities are small or very small jurisdictions with populations below 20,000 residents.

In per capita terms,<sup>31</sup> in aggregate, municipalities had \$2,485 per Ontario resident in total reserves in 2019.<sup>32</sup> However, the average per capita total reserve balance by municipality was only \$1,871: \$1,611 for discretionary reserves and \$260 for obligatory reserves. In 2019, about 80% of municipalities had between \$865 (20<sup>th</sup> percentile) and \$2,486 (80<sup>th</sup> percentile) per capita total reserves.

Another way of assessing reserve levels is comparing the end of year balances with revenues, expenses and long-term debt of municipalities (refer to Appendix 1 to see the mean, 20<sup>th</sup> percentile and 80<sup>th</sup> of each ratio).

The reserves to adjusted revenues ratio shows how much municipalities have in reserves compared to their annual adjusted revenues.<sup>33, 34</sup> In 2019, the mean value of this ratio was 69% for all municipalities; 57% only considering discretionary reserves and 12% only considering obligatory reserves. This suggests that at the end of 2019, municipalities had on average total reserves representing a little more than two thirds of the adjusted revenues generated in that year.<sup>35</sup> About 80% of municipalities had, in 2019, a total reserves to adjusted revenues ratio between 38% and 98%.

The reserves to property taxation ratio shows how much municipalities have in reserves compared to their total property taxation revenues including payments-in-lieu of taxes (PILS).<sup>36</sup> In 2019, the mean ratio of reserves and reserve fund balance to taxation revenues was 139%; 116% for discretionary reserves and 24% for obligatory reserves.<sup>37</sup> In 2019, 80% of municipalities had a total reserves to property taxation revenues ratio in the 78% to 190% range.

The ratio of municipal reserves to expenses indicates how much municipalities have in reserves compared with their total expenses without amortization.<sup>38</sup> In 2019, the average reserves to expenses ratio was 95%; 79% for discretionary reserves and 16% for obligatory reserves. When considering this

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<sup>31</sup> The per capita indicators are calculated using the population data reported by municipalities in their FIRS. The total population for the province is equal to the sum of the population of single tiers and upper tiers municipalities.

<sup>32</sup> This is assuming that the population of the province was close to 14M by the end of 2019.

<sup>33</sup> It is calculated by dividing the reserves end of year balances over the total adjusted revenue generated by the municipality in the year.

<sup>34</sup> Adjusted revenues are approximation of the total revenues on a cash basis. It is calculated by subtracting the following amount from the total revenues: deferred revenue earned, donated tangible capital assets and increase/decrease in Government Business Enterprise Equity.

<sup>35</sup> All mean values calculated exclude the Township of Cockburn Island which had a population of only 2 residents as of 2019. The municipality is excluded because the per capita amounts often result in extreme values that limit the representativeness of the means. For instance, in 2019, the per capita total municipal reserves for the township were \$91,511 per resident which was about 49 times the mean for all municipalities.

<sup>36</sup> It is calculated by dividing the reserves end of year balances over the total property taxation revenue generated by the municipality in the year.

<sup>37</sup> This includes all property taxation revenues for own-purpose reporting in line 9940 of schedule 10 of the FIR which includes Payments-in-lieu-of-taxes (PILS) revenues.

<sup>38</sup> It is calculated by dividing the reserves end of year balances over the expenses without amortization incurred by the municipality in the year.

ratio, it should be borne in mind that the use of obligatory reserve funds is restricted to certain types of expenditures. This indicates that on average municipalities had in 2019 total reserves that could cover close to one year of expenses without amortization. About 80% of municipalities had a total reserves to expenses ratio between 49% and 140% in 2019.

The reserves to debt ratio compares reserve balances with the long-term debt outstanding.<sup>39</sup> In 2019, the mean reserves to debt ratio was 6, 5 for discretionary reserves and 1 for obligatory reserves. About 80% of municipalities had a total reserves to debt ratio between 1 and 9. This indicates that generally municipalities in Ontario have reserves representing six times their outstanding long-term debt.

#### Summary

In summary, in 2019, total municipal reserves in Ontario amounted to \$34.9B, 71% of this amount were discretionary reserves and 31% were obligatory reserves. Municipalities had on average \$80M total reserves and \$1,871 total reserves per resident. In addition, municipalities had on average total reserves balances representing about two thirds of their annual adjusted revenues, about one time their annual expenses without amortization, about 1.4 times their taxation revenues and 6 times their long-term debt outstanding.

#### Distribution of reserve balances by general purpose

This subsection analyzes the distribution of reserve balances that municipalities held in 2019 according to their general purpose.

It is important to note that, in 2019, approximately 49% (\$17B) of the total reserves were reported only by municipal service purpose without specifying whether the intended use of the funds (capital, operations or future liabilities). While in recent years about 80% of reserves have been utilized to finance capital costs, there is no indication in the FIR of the intended purpose of these reserves.

Capital financing reserves represented 35% (\$12.2B) of combined reserves in 2019. These reserves were mainly growth-related capital reserves (\$8B, 73% of total capital financing reserves), which includes development charges deferred revenue.

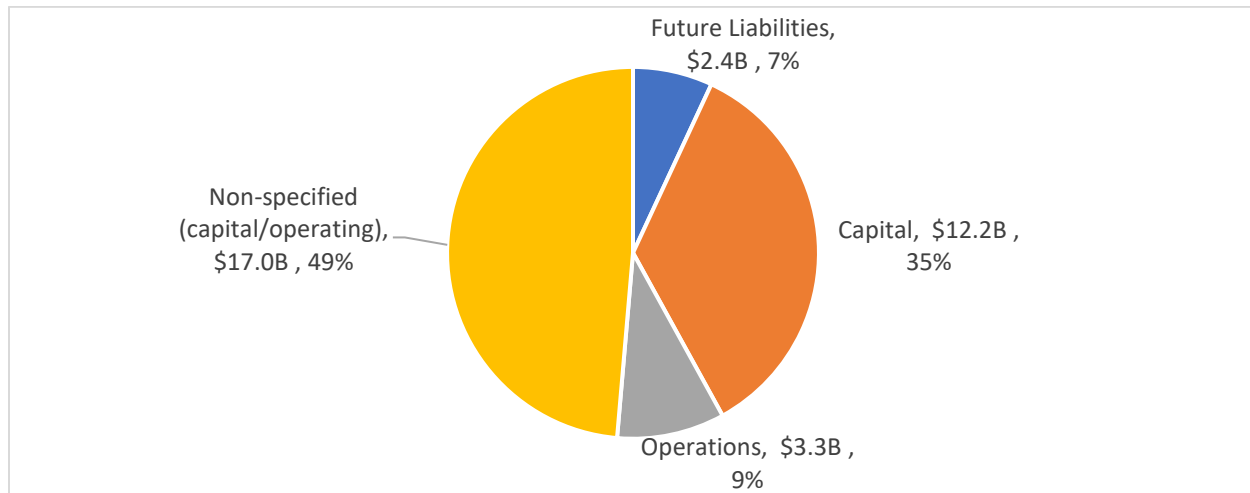
Virtually all municipalities (417 of 436, 96% of total) had some capital financing reserves in 2019. General capital reserves were reported by 386 municipalities (89%), capital growth reserves by 288 (66%) while replacement of equipment reserves was reported by only 218 municipalities (50%). On average, municipalities had a capital financing reserves balance representing 19% of their adjusted revenues in 2019.

Operations reserves amounted to \$3.3B or 9% of total municipal reserves in 2019. The two biggest items in this category were tax rate stabilization and working funds reserves which balances totalled \$1.1B and \$1.2B respectively. They were followed by contingencies (\$0.7B, 2% of total municipal reserves) and Building Code administration reserves (\$0.4B, 1%).

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<sup>39</sup> It is calculated by dividing the reserves end of year balances over the total outstanding long-term debt of municipalities. The ratio was calculated only for municipalities with more than \$100,000 in long-term debt outstanding in 2019.

**Figure 4:** Distribution of reserves and reserve funds balances in billions of dollars by general purpose subcategories, all municipalities, 2019



In 2019, virtually all municipalities (424 municipalities or 97% of total) had operations reserves (see Table 3 below). The most common operations reserve was working funds which 376 (86% of all municipalities) reported in 2019. In that same year, only 153 (35%) municipalities had contingencies, 122 (28%) tax rate stabilization, and 81 (19%) building code administration reserves. On average, municipalities had in 2019 operations reserves balances representing 13% of their adjusted revenues. Only working funds reserves represented 11% of the adjusted revenues of municipalities in 2019 on average.

**Table 3:** Number of municipalities with reserves and average reserves to adjusted revenues ratios by general purpose category, 2019

General purpose	Number of municipalities	Mean reserves to adjusted revenues ratio
Capital General	386	6%
Capital Growth	288	13%
Replacement of equipment	217	9%
subtotal capital	417	19%
Building Code	79	2%
Contingencies	153	5%
Tax rate stabilization	122	4%
Working funds	375	11%
subtotal operations	424	13%
Debenture repayment	21	5%
Insurance	116	1%
Post-employment benefits	49	1%
Sick leave	78	1%
WSIB	81	1%
subtotal future liabilities	202	2%
Non-specified (operations or capital)	431	40%

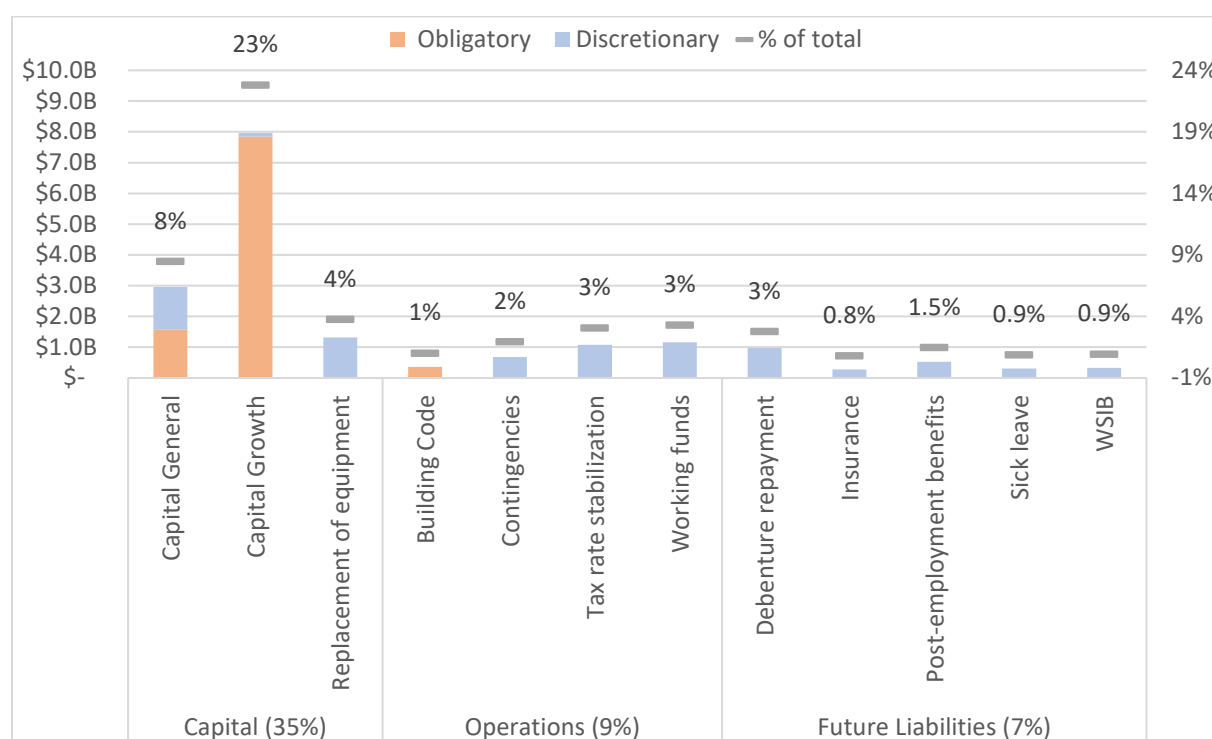
Notes: The non-specified category includes all balances that are reported in the FIR only by municipal service purpose.

Source: MFOA, based on FIR data

Future liabilities reserves totalled \$2.4B or 7% of all municipal reserves in 2019 (see **Figure 5**). The most important item in this category was debenture repayment reserves whose total balances amounted to \$1B or 3% of total municipal reserves in Ontario. Post-employment benefits combined balances amounted to \$0.5B or 1.5% of all municipal reserves followed by sick leave (\$0.3B, 0.9%), WSIB (\$0.3B, 0.9%) and insurance (\$0.3B, 0.8%).

Contrary to operations and capital reserves future liabilities reserves were only reported by 202 municipalities or 46% of total municipalities (see Table 3 below). Of this number, 116 municipalities (27% of total) reported insurance reserves, 82 (19%) WSIB, 79 (18%) sick leave, 50 (11%) post-employment benefits, and 21 (5%) debenture repayment. Overall, the mean balance that municipalities reported for future liabilities reserves was only 2% of their adjusted revenues in 2019.

**Figure 5:** Reserves and reserve funds balances in billions of dollars and as a percentage of total reserves by general purpose subcategories, all municipalities, 2019



Source: MFOA, based on FIR data

## Summary

In summary, the analysis of 2019 FIR data indicate that of the reserves held by Ontario municipalities 49% were reported in a way that does not identify an intended service. Approximately 35% of balances



were held with the intended purpose of financing capital costs, 9% for the funding of operations and 7% for settling future liabilities.

The analysis classifies the general purpose subcategories of reserves into four groups (see Figure 6 below). The first group is composed of the four common subcategories (reported by at least 50% of municipalities) for which also municipalities reported large balances (at least 5% of their annual adjusted revenues on average):

- general capital reserves,
- growth capital reserves,
- working funds and
- reserves with a non-specified general purpose.

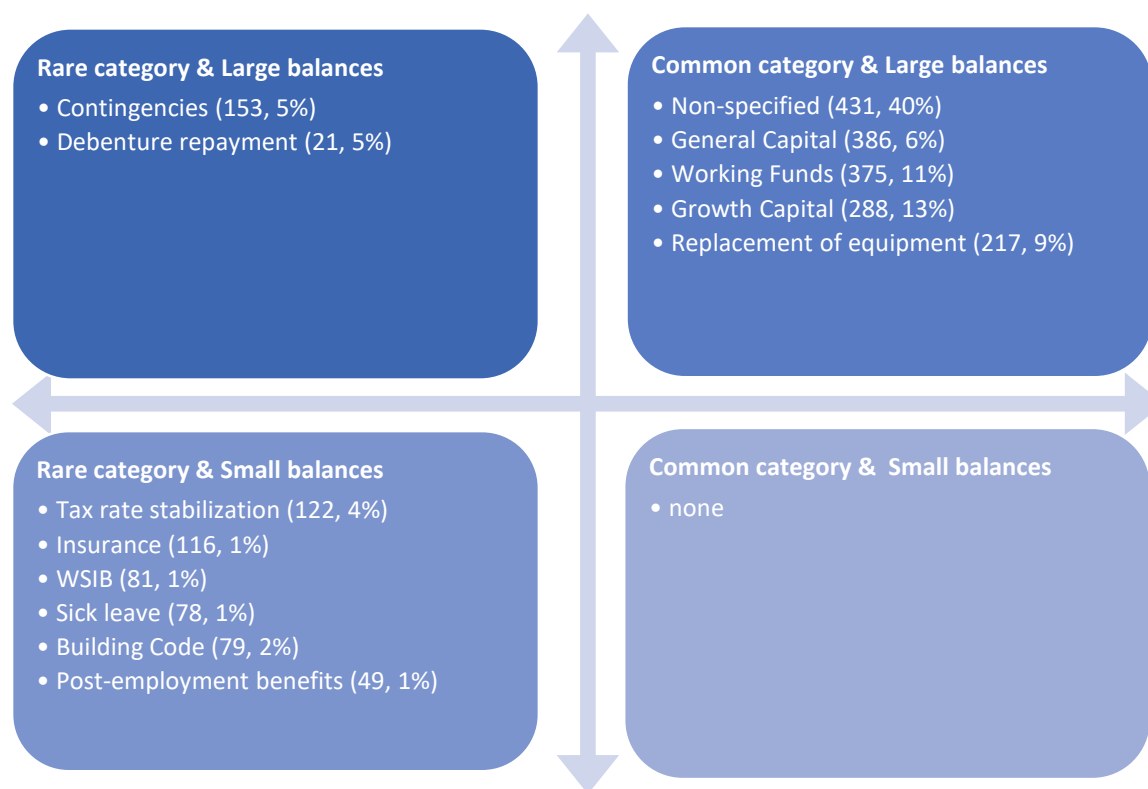
The second group is made of two subcategories that were rarely reported by municipalities, but in which municipalities held relatively large balances:

- contingencies and
- debenture repayment

The third group is composed of the six subcategories that were rarely reported and in which municipalities held relatively small balances on average:

- tax rate stabilization,
- insurance,
- WSIB,
- sick leave,
- Building Code administration and
- post-employment benefits reserves.

**Figure 6:** Purpose category of municipal reserves according to the number of municipalities with the reserve category and size of the reserve in 2019



**Notes:**

The numbers in brackets represent the number of municipalities that reported reserves balances in the categories and the mean reserves to annual adjusted revenues in percentage. For instance, contingencies reserves were reported by 153 municipalities and these municipalities reported having end of year balances representing 5% of their adjusted revenues on average.

Common categories are those that were reported by at least 50% of municipalities in 2019. Rare categories are those that were reported by less than 50% of municipalities in 2019.

Large balance categories are those for which the mean reserves balance to adjusted revenues ratio was above 5% in 2019. Small balance categories are those for which the mean reserves balance to adjusted revenues ratio was below 5% in 2019

Source: MFOA, based on the analysis of FIR data

## Distribution of reserves balances by municipal service purpose

This subsection analyzes the reserves that municipalities held in 2019 according to their municipal service purpose. Bear in mind that not all municipalities provide all services.

In 2019, 24% of municipal reserves balances reported by Ontario municipalities in their FIRs did not have an associated municipal service. As noted above, many of these balances are reserves which are corporate in nature and do not lend themselves to a municipal service analysis (e.g., sick leave, insurance, WSIB, post-employment benefits). However, others seem to be aligned with a specific service but are not included in the FIR's service analysis of reserve fund and reserve balances.

About 20% (\$7B) of municipal reserves in 2019 were held by municipalities for supporting the delivery of water and sewer services. The vast majority of these reserves (\$6B of \$7B) were discretionary while about \$1B were obligatory reserves, mostly development charges. While only two thirds of municipalities (66%) had water and sewer reserves, this group of municipalities held significant balances representing 18% of their adjusted revenues on average.

Roadways reserves represented about 13% (\$4.4B) of total municipal reserves in 2019. Reserves in this category were in almost equal shares obligatory (\$2.4B) and discretionary (\$1.9B). Holding reserves to support roadways services was the rule rather than the exception in 2019 as 86% of municipalities reported balances in this category in 2019. In addition, municipalities held significant balances for roadways reserves representing 12% of their adjusted revenues on average.

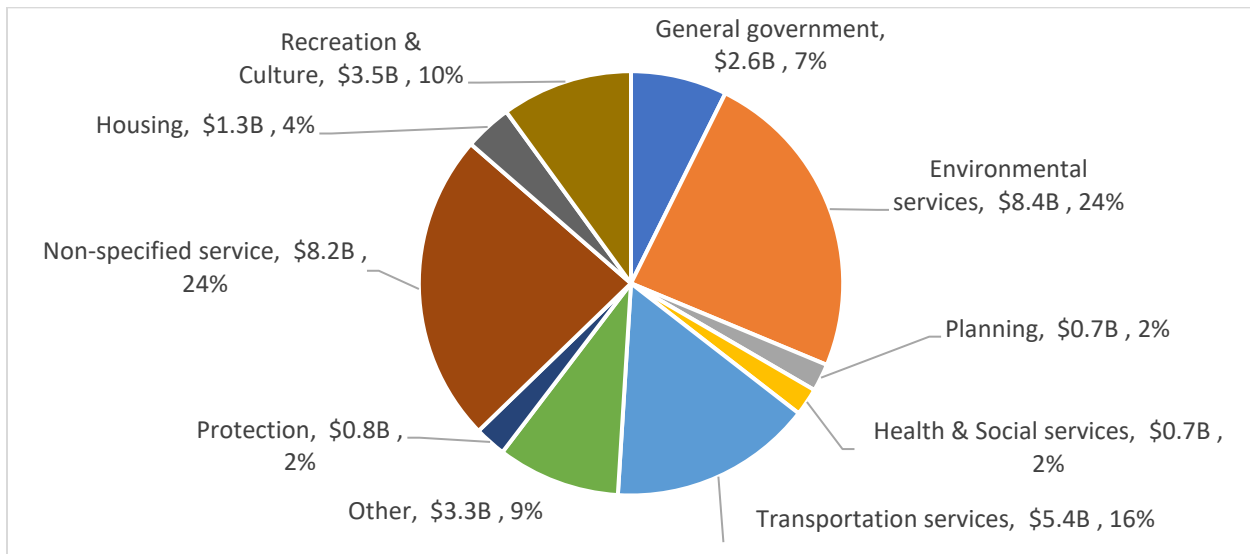
Recreation and culture reserves represented 10% (\$3.5B) of total municipal reserves in 2019. This category of reserves were mostly obligatory reserve funds: \$1.1B development charges deferred revenue and \$1.8B parkland in-lieu-of cash reserve funds. Nearly all municipalities (92%) had reserves earmarked for recreation and culture in 2019, the mean reserve to adjusted revenues ratio for this category was 6%.

General government reserves amounted to 7% (\$2.5B) of total reserves in 2019, virtually all discretionary reserves. The vast majority of municipalities (81%) had general government reserves in 2019 with the mean per capita balance by municipality amounting to 6% of their adjusted revenues.

The combined balances of the categories of planning and development, protection services, health and social services were 7% of all municipal reserves in 2019. However, it is important to note that these are among the most common reserves categories reported by municipalities in 2019: 365 municipalities (85% of total) had protection reserves, 303 (71%) had planning and development reserves and 58% had health and social services reserves. Despite being common, generally municipalities have relatively small balances for these categories ranging from 1% to 4% of their annual adjusted revenues.

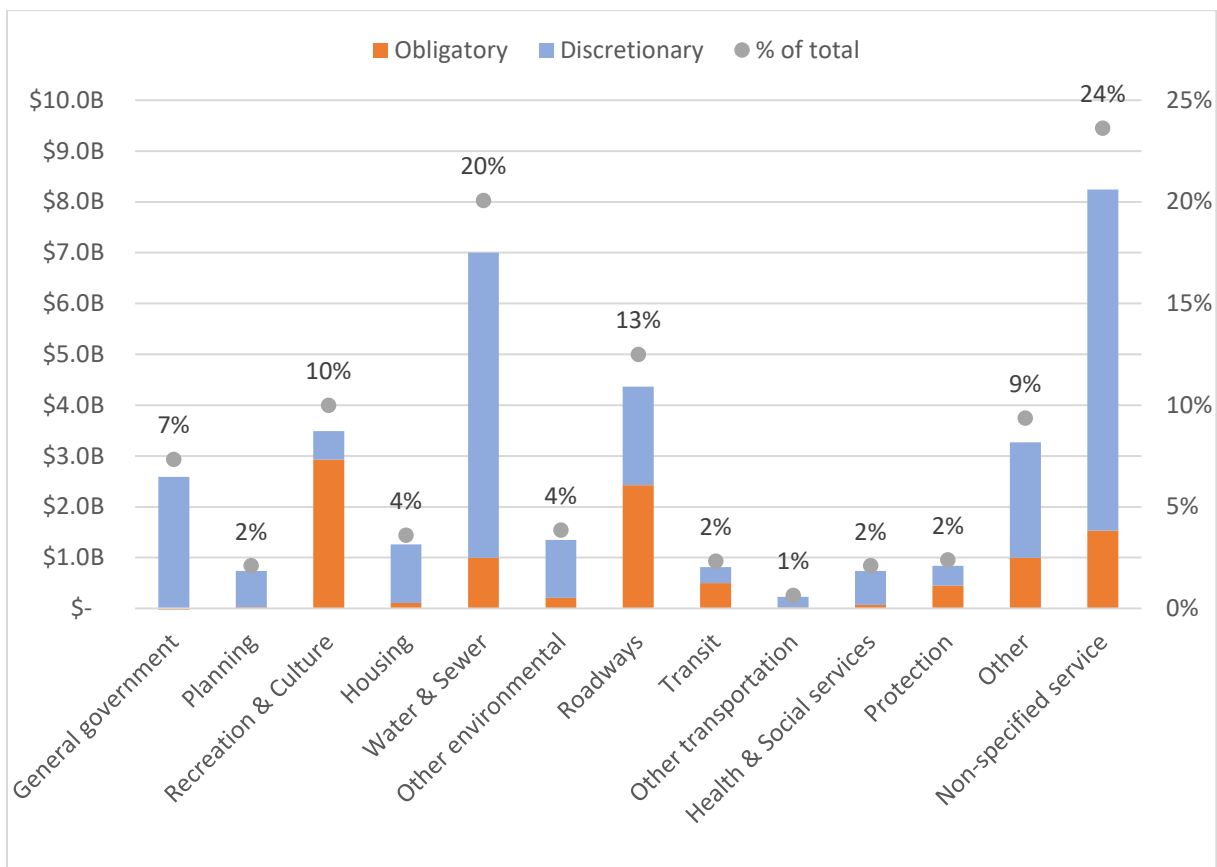
The categories of transit and housing reserves amounted to 6% of all reserves in 2019. However, only a small share of municipalities held reserves in these categories due to the fact that only a small number of municipalities provide transit and housing services: only 12% had housing reserves and 25% had transit reserves. The balances held represented only 1% to 2% of the adjusted revenues of the municipalities with these types of reserves in 2019.

**Figure 7:** Reserves and reserve funds balances by municipal service purpose category, billions of dollars, all municipalities, 2019



Source: MFOA, based on FIR data

**Figure 8:** Reserves and reserve funds balances in billions of dollars and as a percentage of total reserves by municipal service purpose, all municipalities, 2019



**Table 4:** Number of municipalities with reserves and average reserves to adjusted revenues ratios by municipal service purpose category, 2019

Municipal service	Number of municipalities	Mean reserves to adjusted revenues ratio
General government	360	6%
Planning	294	2%
Health & Social services	250	1%
Housing	49	3%
Recreation & Culture	406	6%
Protection	371	4%
Roadways	370	12%
Transit	107	1%
Other transportation	194	1%
Other services	324	9%
Water & Sewer	288	18%
Other environmental	293	4%
Non-specified service	435	21%

Source: MFOA, based on FIR data

## Summary

In summary, in 2019, almost 74% of municipal reserves balances were in the following five categories: non-specified municipal service (24% of all reserves), water and sewer (20%), roadways (13%), recreation and culture (10%) and general government (7%). The combined categories of transit, housing, planning and development, protection services, health and social services amounted to 13% of all municipal reserves.

In addition, the analysis classifies the municipal service purpose categories of reserves into three groups (see Figure 6 below).

The first group is composed of the five common categories (reported by at least 50% of municipalities) for which municipalities held relatively large balances in 2019 (at least 5% of their annual adjusted revenues on average):

- general government,
- recreation and culture,
- roadways, water and sewer and
- non-specified services reserves.

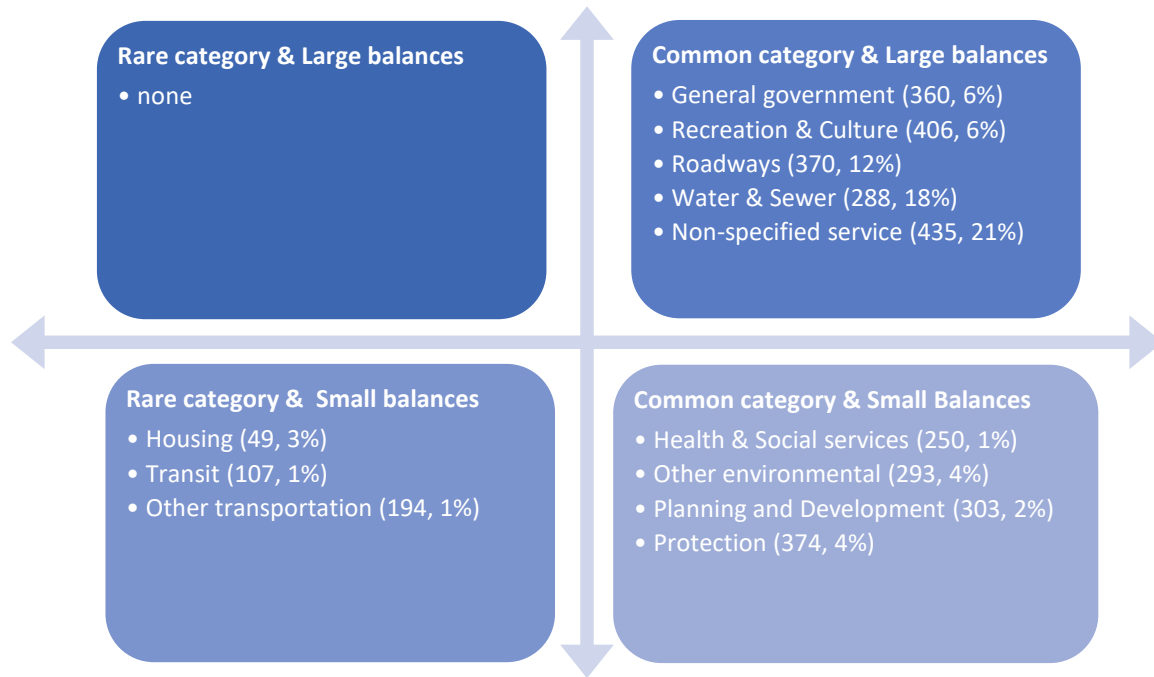
The second group is made of up of four categories that were also common but in which municipalities held relatively small balances:

- health and social services,
- other environmental services,
- planning and development and
- protection services.

The third group is composed of the three categories that were rarely reported by municipalities and in which they had relatively small balances on average:

- housing,
- transit and
- other transportation serves.

**Figure 9:** Purpose category of service-specific municipal reserves according to the number of municipalities with the reserve category and the size of the reserve in 2019



**Notes:**

The numbers in brackets represent the number of municipalities that reported reserves balances in the categories and the mean reserves to annual adjusted revenues in percentage. For instance, in 2019, general government reserves were reported by 360 municipalities who reported having a reserves balance in this category representing 6% of their adjusted revenues on average.

Common categories are those that were reported by at least 50% of municipalities in 2019. Rare categories were reported by less than 50% of municipalities in 2019.

Large balance categories are those for which the mean reserves balance to adjusted revenues ratio was above 5% in 2019. Small balance categories are those for which the mean reserves balance to adjusted revenues ratio was below 5% in 2019

Source: MFOA, based on 2019 FIR data

## Conclusion

The report outlines the roles that reserves have in municipal long-term financial management as well as the main types of reserves that municipalities in Ontario establish.

The analysis found that municipalities set up reserves for specific purposes and uses to pay for operating and capital expenditures. Municipalities maintain reserves, in conjunction with other financial strategies, to achieve broader long-term goals such as financial sustainability and flexibility. Reserves are also an important risk mitigation tool to protect municipal services and finances from the effects of unanticipated events. Municipalities face the challenge of making a variety of decisions regarding reserves and reserve funds considering their specific circumstances and goals.

The distinctions among reserves, discretionary reserves funds and obligatory reserve funds are related to the degree of discretion that municipalities have in determining the origin and uses of the funds. Obligatory reserves are established by a municipality to comply with provincial legislative requirements or with an agreement with other entities, notably, the Federal and Provincial governments.

In respect to reserves and discretionary reserve funds, there is a wide diversity of practices among Ontario municipalities. Many municipalities classify their reserves into four categories: working funds, contingent liabilities, capital and operations. There is even more diversity in the degree of disaggregation and total number of funds that municipalities choose to establish. Some of the reserves and reserve funds established by municipalities are defined broadly while others are more narrowly defined using more than one criterion.

The analysis found that, in 2019, total municipal reserves in Ontario amounted to \$34.9B, 71% of this amount were discretionary reserves and 29% were obligatory reserves. Municipalities had on average \$80M total reserves and \$1,871 total reserves per resident. In addition, municipalities had on average total reserves balances representing about two thirds of their annual adjusted revenues, about one time their annual expenses without amortization, about 1.4 times their taxation revenues and 6 times their long-term debt outstanding.

Of the total reserves held by Ontario municipalities in 2019: 49% were reported in a way that does not permit to identify an intended purpose, 35% were held with the intended purpose of financing capital costs, 9% for the funding of operations and 7% for settling future liabilities.

The analysis classified the general purpose subcategories of reserves into four groups. The first group is composed of the four common subcategories (reported by at least 50% of municipalities) for which municipalities also reported large balances (at least 5% of their annual adjusted revenues on average): general capital reserves, growth capital reserves, working funds and reserves with a non-specified general purpose. The second group is made of two subcategories that were rarely reported by municipalities, but in which municipalities held relatively large balances: contingencies and debenture repayment. The third group is composed of the six subcategories that were rarely reported and in which municipalities held relatively small balances on average: tax rate stabilization, insurance, WSIB, sick leave, Building Code administration and post-employment benefits reserves.

The analysis of the reserves balances by municipal service purposes found that 74% of municipal reserves balances were in the following five categories: non-specified municipal service (24% of all reserves), water and sewer (20%), roadways (13%), recreation and culture (10%) and general government (7%). The combined categories of transit, housing, planning and development, protection services, health and social services amounted to 13% of all municipal reserves.

In addition, the analysis classified the municipal service purpose categories of reserves into three groups. The first group is composed of the five common categories (reported by at least 50% of municipalities) for which municipalities held relatively large balances in 2019 (at least 5% of their annual adjusted revenues on average): general government, recreation and culture, roadways, water and sewer and non-specified services reserves. The second group is made of up of four categories that were also common but in which municipalities held relatively small balances: health and social services, other environmental services, planning and development and protection services. The third group is composed of the three categories that were rarely reported by municipalities and in which they had relatively small balances on average: housing, transit and other transportation.



## Considerations for future research

As noted previously, MFOA has undertaken work on municipal reserves and reserve funds to:

- Increase member knowledge of the role and uses of reserves and reserve funds,
- build municipal capacity for members to create and manage reserves and reserve funds,
- increase understanding on their place in a long-term financial plan and how to follow “best practices” with respect to reserve and reserve fund policies,
- encourage discussion, including with the province, to determine if any changes should be recommended with respect to the financial reporting of reserves and reserve funds in Financial Information Returns to better facilitate an understanding of how municipalities use reserve funds and reserves.

This initial report answers several questions on reserves and reserve funds, including:

- Which municipalities have reserves or reserve funds?
- What is the magnitude of reserve and reserve fund balances in the most recent year that data is available (2019)?
- What types of reserves and reserve funds have municipalities created? and
- For what purposes are reserves and reserve funds established?

Several suggestions for additional work came to light during the preparation of this report. Some of the suggestions for a subsequent phase of work arose during the analysis supporting this paper. Other suggestions arose in discussion with the Reserves and Reserve Funds Steering Committee as well as discussions with other MFOA members. Below is a summary of some of the suggestions that we heard. They are in no order of importance and are not necessarily mutually exclusive. Some suggestions might work very well in tandem with other suggestions. It will be the responsibility of MFOA’s Board of Directors to determine which, if any, of these suggestions for further work would best promote the goals for this project re-stated above.

### Updating the Analysis

The most recent year for the analysis is 2019. The choice to use 2019 was made based on the number of completed FIRs available. However, an update of the analysis could begin to examine impacts on reserve fund and reserve balances resulting from the pandemic. As of early November, there are 74 FIRs still unavailable for 2020. As more FIRs become available for 2020, it would be useful to see the impact on trends in reserve fund and reserve balances identified in this report. Obviously, the pandemic has also extended into 2021 and additional impacts may well be observed. However, it will be some time before a province-wide analysis of reserves and reserve funds can be carried out that includes 2021 data. It might be possible to examine 2021 impacts on specific municipalities that file their FIRs early in 2022. This might provide some early indications of the impact of the pandemic on municipal reserve fund and reserve balances.

## **Trend Analysis for the Period Following Asset Management Requirements**

It may be beneficial to delve into how reserves and reserve funds have changed over the past decade, investigating the influences of asset management, grant programs and the pursuit of financial sustainability.

## **Legal framework for Reserve Funds and Reserves**

Recently completed work by MFOA on municipal debt included a comprehensive discussion of the statutory framework governing municipal debt in Ontario and even touched on elements of the framework in British Columbia and Nova Scotia. The statutory framework for reserves and reserve funds is quite varied. For example, detailed reporting is required for various obligatory reserve funds, including reserve funds established pursuant to the *Development Charges Act, 1997*. On the other hand, there are very few rules with respect to creating a wide range of discretionary reserves. Would MFOA membership benefit from a fulsome discussion of the statutory framework for different types of reserves and reserve funds in Ontario?

## **A Survey on Municipal Reserves and Reserve Funds in Ontario**

The principal source of information on reserves and reserve funds in this report is FIR data during the study period. A secondary source of information that was more qualitative than quantitative was municipal reserve and reserve fund policies. However, notwithstanding these two important information sources, there are still a range of questions that these sources cannot answer. Consideration could be given to whether a well-crafted survey of MFOA members on reserves and reserve funds could augment existing information sources in useful and important ways.

## **Select Case Studies on Municipal Reserves and Reserve Funds**

An obvious technique to understand how and why municipalities use reserves and reserve funds is to ask them. The survey approach, mentioned above, is one important way to gather information from a significant number of members. That work could be complimented by deep dive case studies with a handful of willing municipalities. Such case studies would yield a better understanding of the municipality's strategies and uses of reserve and reserve funds that could uncover recommended good practices for others. Case studies also have the benefit of being able to use current data versus the sometimes significant time lag in FIR data in a province-wide analysis.

Case studies could be broad and high level or narrow and more focused. A broad-based approach to case studies could include information about:

- How many reserves and reserve funds does a municipality have?
- What is the purpose of each of them?
- What strategies does the municipality use for calculating target balances?
- How are contributions to the reserves and reserve funds financed?
- What constitute eligible expenditures from the reserve funds or reserve?
- Which reserve funds and reserve have council approved policies and what are the key elements of a good policy?

- What are the most significant challenges the municipality faces with respect to reserve fund and reserve fund management? Are there recommended strategies for dealing with these challenges?

### **The Importance of Reserve and Reserve Fund Policies**

Adopting financial policies is a best practice recommended by the Government Finance Officers' Association (GFOA). Policies are considered "central to a strategic, long-term approach to financial management."<sup>40</sup> GFOA's best practice offers guidance on the benefits of policies in key financial policy categories which includes general reserves as well as other types of reserves. Additional guidance on policies can be found in GFOA's 2012 publication *Financial Policies*.<sup>41</sup> Finally, GFOA offers a downloadable reserve policy template to assist governments in crafting useful reserve policies.<sup>42</sup> MFOA promotes the adoption of reserves and reserve fund policies by making sound policies created by Ontario municipalities easily accessible in the MFOA Virtual Library. MFOA, in conjunction with Watson and Associates Economists Ltd., also regularly hosts workshops on reserves and reserve funds which includes best practices and practical advice on drafting a reserves and reserve fund policy. These resources provide guidance to municipalities interested in adopting or revising their own policies.

### **Optimal Strategies for Contingency Reserves**

All municipalities have some type of municipal insurance to protect themselves against property damage or liability. In addition, many municipalities may have reserves to deal with unforeseen events or future costs that are difficult to estimate. Stabilization reserves, for example, can offer protection against reductions in revenues or increased expenditures associated with such events as a wet summer (potentially lower water revenues), a snowy winter (higher snow removal costs) or an economic downturn or factory closing (lower tax revenues/higher tax arrears). In addition to these types of events, municipalities are considering significant contingencies such as costs associated with adapting to climate change and revenue losses. Work on best practices with respect to contingency planning, climate change adaptation and the role of reserves in these efforts might be welcomed by MFOA members.

### **Changes In Provincial Reserve and Reserve Fund Reporting**

There are currently two schedules in the FIR that deal with reserves and reserve funds. Schedule 60, entitled "Continuity of Reserves and Reserve Funds" provides information on obligatory reserve funds, discretionary reserve funds and reserves. The following information is provided:

- Opening balances for each class of funds
- In year revenue to each class of funds

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<sup>40</sup> <https://www.gfoa.org/materials/adopting-financial-policies>

<sup>41</sup> Shayne Kavanagh, *Financial Policies*, GFOA, 2012

<sup>42</sup> GFOA, Reserve Policy Template, September 2020, <https://www.gfoa.org/materials/reserve-policy-template>

- For reserves and discretionary reserve funds, the significant revenue source is “allocation of surplus” which is allocated either to capital or operations. Clearly this says very little about the financing of reserves and discretionary reserve funds.
- More information is provided for the financing sources for obligatory reserve funds. Such sources could include development charges, contributions under the Planning Act, and various transfers (e.g., Provincial gas tax, federal gas tax, Building Canada Fund)
- Utilization of each class of funds
  - With respect to reserves and discretionary reserve funds, the main categories are amounts used for acquisition of tangible capital assets, operations or inter-fund transfers
  - For obligatory reserve funds utilization is categorized by the funding source with break-outs for capital versus operations for some sources (e.g., Provincial gas tax, Planning Act).
  - It is difficult to determine utilization on a service basis for any of the classes of funds.
- Year end balances
- Year end balances by service or purpose is provided for:
  - Reserve or discretionary reserve fund balances are reported for several important purposes (e.g., working funds, asset replacement for sewer and water, contingencies, sick leave, insurance and several others)
  - Service level information on year end balances for reserves and discretionary reserve funds is presented using a service categorization that closely resembles that used in schedules 12 (Grants, User Fees and Service Charges) and 40 (Expenses)
  - Partial service information by service is provided for development charges in schedule 61. However, the service categories on schedule 61 do not map perfectly to the categories on schedule 60. Nevertheless, some level of detail is provided for development charges. It is not clear whether the FIR will be modified to provide a similar level of service information with respect to Community Benefit Charges.

While the FIR does indeed provide useful information on reserves and reserve funds, it can nevertheless be difficult to understand completely how municipalities use reserves and reserve funds and what services they finance or purposes for which they are used. Given that it is possible that new schedules may be introduced for Community Benefit Charges, it may be an opportune time to encourage provincial-municipal consultation about reserve and reserve fund reporting to promote better information on the uses for such funds. At the same time, MFOA is aware of member concerns expressed frequently in the past about reporting burdens for both provincial and federal programs. The goal of consultation should be to determine if there is better information that could be collected through FIRs without increasing reporting burdens on municipalities.

### **Reserve Ratios Tool**

Recent MFOA work on debt identified several key fiscal health metrics related to debt used by the Province as well as debt rating agencies. Consideration could be given to developing reserve related metrics as well.

## **Best practices**

As noted above, GFOA has said that establishing policies for reserves and reserve funds is a best practice. During our work on reserves and reserve funds, we have heard that there would also be an interest in guidance on best practices with respect to:

- Setting target balances (operating/contingency reserves) or target contributions (capital financing reserves)
- Forecasting reserve and reserve fund revenues, draws and balances
- Best practices with respect to contingency planning

Further consultation with members could potentially identify additional areas of member interest with respect to best practices.

## **Integrating Reserve and Reserve Fund Policies with Other Financing Approaches**

MFOA members expressed an interest in understanding the role that reserves and reserve funds can play in budgeting and, in particular, capital budgeting. How should reserves and reserve funds be used to support a capital plan? How can reserves and reserve funds be integrated with growth strategies, asset management plans, or debt management strategies?

## **Reserve and Reserve Fund Training**

Given that one of the goals of the work on reserves is to enhance member capacity, an obvious consideration for next steps is to offer online or in class training on reserves and reserve funds. This undertaking would build on MFOA's excellent work delivered in October of 2019 on reserves and reserve funds prepared and delivered by Watson and Associates Economists Ltd. This training consisted of a basic level introductory course that provided an overview of the pertinent legislation, creating reserves and reserve funds, establishing policies and reviewing a sample of such policies. The course focussed on reserves and reserve funds from a budgeting perspective. A more advanced course was provided by Watson and Associates in November of 2019. Consideration could be given to reviewing this work to determine if any updates are required and to modify it based on expressed member interests.

## Appendices

### Appendix 1: Reserve balance ratios, all municipalities, 2019

Metric	Mean	20th percentile	80th percentile
Total balances			
Discretionary reserves	\$57M	\$2M	\$31M
Obligatory reserves	\$23M	\$0M	\$7M
Total reserves	\$80M	\$2M	\$39M
Per capita balances			
Discretionary reserves	\$1,611	\$693	\$2,182
Obligatory reserves	\$260	\$64	\$401
Total reserves	\$1,871	\$865	\$2,486
Reserves to adjusted revenues ratio			
Discretionary reserves	57%	31%	78%
Obligatory reserves	12%	2%	17%
Total reserves	69%	38%	98%
Reserves to property taxation revenues ratio			
Discretionary reserves	116%	65%	159%
Obligatory reserves	24%	5%	33%
Total reserves	139%	78%	190%
Reserves to expenses without amortization ratio			
Discretionary reserves	79%	41%	112%
Obligatory reserves	16%	3%	23%
Total reserves	95%	49%	140%
Reserves to long-term debt outstanding ratio			
Discretionary reserves	5	1	7
Obligatory reserves	1	0	1
Total reserves	6	1	9

## Appendix 2: Mean reserve ratios by group of municipalities, 2019

Metric	Large	Midsize	Small	Very Small	All
Total balances					
Discretionary reserves	\$515M	\$47M	\$13M	\$3.1M	\$57M
Obligatory reserves	\$236M	\$16M	\$3M	\$0.3M	\$23M
Total reserves	\$751M	\$62M	\$16M	\$3.4M	\$80M
Per capita balances					
Discretionary reserves	\$1,063	\$1,036	\$1,305	\$2,156	\$1,611
Obligatory reserves	\$484	\$366	\$235	\$195	\$260
Total reserves	\$1,547	\$1,402	\$1,541	\$2,351	\$1,871
Reserves to adjusted revenues ratio					
Discretionary reserves	56%	54%	65%	52%	57%
Obligatory reserves	28%	21%	12%	6%	12%
Total reserves	84%	76%	77%	57%	69%
Reserves to property taxation revenues ratio					
Discretionary reserves	112%	109%	125%	112%	116%
Obligatory reserves	55%	39%	23%	12%	24%
Total reserves	167%	148%	148%	124%	139%
Reserves to expenses without amortization ratio					
Discretionary reserves	68%	70%	90%	75%	79%
Obligatory reserves	33%	28%	17%	8%	16%
Total reserves	101%	99%	107%	84%	95%
Reserves to long-term debt outstanding ratio					
Discretionary reserves	4	4	8	4	5
Obligatory reserves	3	1	1	0	1
Total reserves	6	5	9	5	6
Source: MFOA, based on 2019 FIR data					

### Appendix 3: Indicators calculation

Indicator	Calculation from FIR data
Total reserves balance Sum of the end of year of obligatory reserve funds, reserves and obligatory reserve fund	SLC 60 L2099 C01 + SLC 60 L2099 C02 + SLC 60 L2099 C03
Discretionary reserves balance Sum of the end of year of reserves and discretionary reserve funds	SLC 60 L 2099 C 02 + SLC 60 L 2099 C03
Obligatory reserves balance Sum of the end of year of obligatory reserve funds	SLC 60 L 2099 C01
Population Sum of total population of residents	SLC 60 L0041 C01
Adjusted revenues: approximation of the total revenues on a cash basis by excluding deferred revenue earned, donated tangible capital assets and increase/decrease in Government Business Enterprise Equity	SLC 10 L9910 C01 – SLC 10 L0830 C01 – SLC 10 L0831 C01 – SLC 10 L1812 C 01 – SLC 10 L1813 C01 – SLC 10 L1814 C01 – SLC 10 L1831 C 01 – SLC 10 L1905 C01
Property taxation revenue: sum of own-purpose taxation revenue and payments-in-lieu of taxes	SLC 10 L0299 C01 + SLC 10 L0499 C01
Expenses without amortization: total municipal expenses excluding amortization expenses	SLC 40 L9910 C11 – SLC 40 L9910 C16
Long-term debt outstanding: total net long term liabilities of the municipality	SLC 74 L9910 C01
Per capita reserves	Total reserves balance ÷ Population
Reserves to adjusted revenues ratio	Total reserves balance ÷ Adjusted revenues
Reserves to property taxation revenues ratio	Total reserves balance ÷ Total taxation revenues
Reserves to expenses without amortization ratio	Total reserves balance ÷ Expenses without amortization
Reserves to long-term debt outstanding ratio	Total reserves balance ÷ Long-term debt outstanding



## Appendix 4: Classification of reserve balances by general purpose

Category	Lines included	FIR reference
Capital reserves		
Capital General	Asset Replacement funds for: Sewer & Water – Sewer	SLC 60 L5030 SLC 60 L5040
	Building Canada Fund (BCF)	SLC 60 L5693
	Canada transit funding (Bill C-48)	SLC 60 L5692
	Gasoline Tax - Federal	SLC 60 L5691
	Gasoline Tax - Province	SLC 60 L5690
	Ontario Clean Water Agency (OCWA) fund for renewals, etc. : Sewer	SLC 60 L5030
	Ontario Clean Water Agency (OCWA) fund for renewals, etc. : Water	SLC 60 L5040
Capital Growth	Development Charges Act - Discounted services	SLC 60 L5620
	Development Charges Act - Non-discounted services	SLC 60 L5610
	Parking revenues	SLC 60 L5660
	Subdivider contributions	SLC 60 L5640
Future liabilities reserves		
Debenture repayment	Debenture repayment	SLC 60 L5670
Insurance	Insurance	SLC 60 L5070
Post-employment benefits	Post-employment benefits	SLC 60 L5090
Sick leave	Sick leave	SLC 60 L5060
WSIB	Workplace Safety and Insurance Board (WSIB)	SLC 60 L5080
Operations reserves		
Building Code Administration	Building Code Act 1992	SLC 60 L5661
Exchange rate stabilization	Exchange rate stabilization	SLC 60 L5680
Replacement of equipment	Replacement of equipment	SLC 60 L5050
Tax rate stabilization	Tax rate stabilization	SLC 60 L5091
Working funds	Working funds	SLC 60 L5010
Contingencies	Contingencies	SLC 60 L5020
Non-specified general purpose (operations or capital)		
Non-specified general purpose (operations or capital)	Balances analysed per service purpose	SLC 60 lines 5205 to 5290
	Other deferred revenue	SLC 60 L5695 SLC 60 L5696 to 5699

## Appendix 5: Classification of reserve balances by municipal service purpose

Municipal services	Lines included	FIR references
General government	General government	SLC 60 L5205 SLC 61 L0205
Health & Social services	Daycare	SLC 61 L0255
	Emergency medical services	SLC 61 L0245
	Health services	SLC 60 L5250
	Homes for the aged	SLC 61 L0250
	Social and family services	SLC 60 L5255
Housing	Housing	SLC 61 L0260
	Social Housing	SLC 60 L5260
Other environmental services	Environmental services : Solid waste collection	SLC 60 L5240
	Environmental services : Solid waste disposal	SLC 60 L5245
	Environmental services : Storm water system	SLC 60 L5230
	Environmental services : Waste diversion	SLC 60 L5246
	Stormwater	SLC 61 L0235
Other transportation services	Parking	SLC 61 L0286
	Parking revenues	SLC 60 L5660
	Transportation services : Air transportation	SLC 60 L5223
	Transportation services : Parking	SLC 60 L5221
	Transportation services : Street lighting	SLC 60 L5222
	Transportation services : Winter control	SLC 60 L5216
Planning and Development	Building Code Act 1992	SLC 60 L5661
	Development studies	SLC 61 L0285
	Planning and development	SLC 60 L5280
Protection	Fire protection	SLC 61 L0210
	Police protection	SLC 61 L0215
	Protection services	SLC 60 L5210
Recreation and Culture	Library	SLC 61 L0275
	Parkland development	SLC 61 L0265
	Recreation	SLC 61 L0280
	Recreation and cultural services : Culture services	SLC 60 L5277
	Recreation and cultural services : Libraries	SLC 60 L5275
	Recreation and cultural services : Museums	SLC 60 L5276
	Recreation and cultural services : Parks	SLC 60 L5265
	Recreation and cultural services : Recreation facilities - Golf C	SLC 60 L5271
	Recreation and cultural services : Recreation facilities - Other	SLC 60 L5274
	Recreation and cultural services : Recreation programs	SLC 60 L5266
	Recreational land (the Planning Act)	SLC 60 L5650
Roadways	Roads and structures	SLC 61 L0220

Municipal services	Lines included	FIR references
Transit	Transportation services : Roadways	SLC 60 L5215
	Canada transit funding (Bill C-48)	SLC 60 L5692
	Gasoline Tax - Province	SLC 60 L5690
	GO transit	SLC 61 L0270
	Transit	SLC 61 L0225
	Transportation services : Transit	SLC 60 L5220
Water and Sewer	Asset Replacement funds for: Sewer & Water - Sewer	SLC 60 L5030
	Asset Replacement funds for: Sewer & Water - Water	SLC 60 L5040
	Environmental services : Wastewater system	SLC 60 L5225
	Environmental services : Waterworks system	SLC 60 L5235
	Ontario Clean Water Agency (OCWA) fund for renewals, etc. : Sewer	SLC 60 L5030
	Ontario Clean Water Agency (OCWA) fund for renewals, etc. : Water	SLC 60 L5040
	Wastewater	SLC 61 L0230
	Water	SLC 61 L0240
Non-specified service	Building Canada Fund (BCF)	SLC 60 L5693
	Contingencies	SLC 60 L5020
	Debenture repayment	SLC 60 L5670
	Exchange rate stabilization	SLC 60 L5680
	Gasoline Tax - Federal	SLC 60 L5691
	Insurance	SLC 60 L5070
	Lot levies	SLC 60 L5630
	Post-employment benefits	SLC 60 L5090
	Replacement of equipment	SLC 60 L5050
	Sick leave	SLC 60 L5060
	Subdivider contributions	SLC 60 L5640
	Tax rate stabilization	SLC 60 L5091
	Working funds	SLC 60 L5010
	Workplace Safety and Insurance Board (WSIB)	SLC 60 L5080
Other Services	Animal control	SLC 61 L0287
	Municipal cemeteries	SLC 61 L0288
	Other	SLC 60 L5290
		SLC 60 L5695
		SLC 60 L5696
		SLC 60 L5697
		SLC 60 L5698
		SLC 60 L5699
		SLC 61 L0290
		SLC 61 L0295
		SLC 61 L0296
		SLC 61 L0297

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## RESERVE POLICY

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**WHEREAS** Council has an obligation to maintain reserves at an appropriate level to ensure future liabilities can be met, capital assets and infrastructure are properly maintained or replaced, and to provide sufficient financial flexibility to respond to economic cycles or unanticipated financial requirements;

**AND WHEREAS** the sustainability of the Municipality's programs and the future replacement of assets and infrastructure requires planned contributions to reserves in the annual budget to achieve appropriate levels of reserves;

**NOW THEREFORE** Council hereby approves the following policy with respect to reserves:

	<b>Stabilization Reserves</b>	<b>Program Specific Reserves</b>	<b>Capital Reserves</b>
<b>Definition</b>	Established to prevent significant fluctuations in the general tax levy and to help the Municipality manage its cash flows by providing a source of funding to offset extraordinary and unforeseen expenditure requirements, one time	Established in response to a need for funding of specific programs.	Established to assist in financing the capital program. As new capital assets are acquired the reserve should increase to assist in planning for future replacement in order to reduce reliance on long term financing.

	expenditures, revenue shortfalls and to provide for various contingent and potential future liabilities.		
<b>Funding Sources</b>	Shall be funded from annual operating surpluses. Year end operating deficits shall be funded from the stabilization reserve.	Shall be funded from operations provided there is a financial plan supporting the need for the reserve. A review shall be conducted annually to ensure adequate funding exists to sustain the program to which the reserve relates. At the conclusion of the program or if the program is not proceeding, the reserve shall be closed and any balance shall be transferred to the stabilization reserves.	Shall be funded through: <ul style="list-style-type: none"> <li>a. Calculated annual contributions from the operating budget based on capital replacement, rehabilitation costs and lifecycle costs. As a minimum this amount should be equal to the annual depreciation amount calculated on the Municipality's assets.</li> <li>b. Net proceeds from the sale of assets and</li> <li>c. Unspent capital in any given year provided the Municipality is in a surplus position.</li> </ul>
<b>Target Levels</b>	Target level is 15% of tax revenues. Once the stabilization reserve level is met, the operating surplus shall be transferred to capital reserves.	Not applicable	The target level for the capital reserves shall be calculated based on the replacement value of the inventory of the Municipality's capital assets taking into consideration the condition of the assets, their useful life and their anticipated disposal value.



<b>Uses</b>	Shall only be used for extraordinary type expenditures including previous years' operating deficits and one time expenditures as approved by Council.	Shall only be used for the program the reserve was set aside for.	Shall only be used to fund the replacement and rehabilitation of the Municipality's assets.

### **REVIEW**

This policy shall be reviewed every five (5) years or as Council deems appropriate.



## RESERVE and RESERVE FUND POLICY

**WHEREAS** Council has an obligation to maintain reserves at an appropriate level to ensure future liabilities can be met, capital assets and infrastructure are properly maintained or replaced, and to provide sufficient financial flexibility to respond to economic cycles or unanticipated financial requirements;

**AND WHEREAS** the sustainability of the Municipality's programs and the future replacement of assets and infrastructure requires planned contributions to reserves in the annual budget to achieve appropriate levels of reserves;

**AND WHEREAS** Section 417 of the Municipal Act, 2001, S.O. 2001, c.25 and amendments thereto, allows a municipality to provide for the establishment of reserve funds for any purpose for which it has authority to spend money;

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**AND WHEREAS** the municipality aims to establish consistent principles, standards and guidelines for the maintenance, management and accounting of reserves and reserve funds;

**NOW THEREFORE** Council hereby approves the following policy with respect to reserves:

### **Objectives:**

The primary objectives for reserves and reserve funds shall be:

- Compliance with statutory requirements
- Financial stability and flexibility
- Provision for major capital projects
- Smoothing of expenditures and fluctuations in the operating budget
- Accountability and transparency

### **Definitions:**

#### **1. Deferred Revenue**

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Amended by Council ~~September 6, 2011. Resolution No. 379-11.~~

Revenue that is considered a liability on the Municipality's financial statements until such time as it is used for current operations. Deferred revenue is an obligatory reserve fund for a specific purpose.

## **2. Discretionary Reserve Fund**

A reserve fund approved by by-law and created at the discretion of Council to earmark revenues intended to finance future expenditures for a designated purpose.

## **3. Obligatory Reserve Fund**

A reserve fund required by legislation or agreement to be segregated from general revenues for a specific purpose or for works undertaken on behalf of the contributors. Development Charges and Cash-in-Lieu of Parkland are examples of obligatory reserve funds.

## **4. Reserve**

An allocation from net revenue, as identified by Council, as part of a funding strategy related to programs or projects set out in the municipality's annual budget. Reserves are not segregated from regular operating funds and earnings derived from their investment are reported as operating revenue.

## **5. Reserve Fund**

A fund with assets that are segregated and restricted to meet the purpose of the reserve fund, based on statutory requirement or defined liability payable in the future. Earnings derived from their investment are maintained with the reserve fund.

### **Types of Reserves and Reserve Funds**

<b><u>Reserves</u></b>			<b><u>Reserve Funds</u></b>		
<b><u>Discretionary</u></b>			<b><u>Obligatory</u></b>		<b><u>Discretionary</u></b>
<b><u>Stabilization Reserves</u></b>	<b><u>Program Specific Reserves</u></b>	<b><u>Capital Reserves</u></b>	<b><u>Development Charges</u></b>	<b><u>Cash-in-Lieu of Parkland</u></b>	<b><u>Specific Purpose</u></b>

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Amended by Council ~~September 6, 2011. Resolution No. 379-11.~~

**Reserves**

	<b>Stabilization Reserves</b>	<b>Program Specific Reserves</b>	<b>Capital Reserves</b>	Formatted Table
<b>DefinitionPurpose</b>	Established to prevent significant fluctuations in the general tax levy and to help the Municipality manage its cash flows by providing a source of funding to offset extraordinary and unforeseen expenditure requirements, one time expenditures, revenue shortfalls and to provide for various contingent and potential future liabilities.	Established in response to a need for funding of specific programs.	Established to assist in financing the capital program. As new capital assets are acquired the reserve should increase to assist in planning for future replacement in order to reduce reliance on long term financing.	Formatted: Indent: Left: 0" Formatted: Indent: Left: 0" Formatted: Indent: Left: 0"
<b>Record Keeping</b>	<u>This reserve is maintained in a single account in the general ledger.</u>	<u>While discretionary, program specific reserves are generally maintained in separate accounts in the general ledger for each program.</u>	<u>A general capital reserve is maintained in a single account in the general ledger.</u>	Formatted: Body Text Indent Formatted: Indent: Left: 0"
<b>Funding Sources</b>	Shall be funded from annual operating surpluses. Year end operating deficits shall be funded from the stabilization reserve.	Shall be funded from operations provided there is a financial plan supporting the need for the reserve. A review shall be conducted annually to ensure adequate funding exists to sustain the program to which the reserve relates. At the conclusion of the program or if the program is not	Shall be funded through: <u>a-1.</u> Calculated annual contributions from the operating budget based on capital replacement, rehabilitation costs and lifecycle costs. As a minimum this amount should be equal to the annual depreciation amount calculated on the	Formatted: Indent: Left: 0" Formatted: Indent: Left: 0" Formatted: Indent: Left: 0" Formatted

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Amended by Council ~~September 6, 2011. Resolution No. 379-11.~~

		proceeding, the reserve shall be closed and any balance shall be transferred to the stabilization reserves.	Municipality's assets. b.2. Net proceeds from the sale of assets and c.3. Unspent capital in any given year provided the Municipality is in a surplus position.
<b>Target Levels</b>	Target level is 15% of tax revenues. Once the stabilization reserve level is met, the operating surplus shall be transferred to capital reserves.	<del>Not applicable</del> Based on annual and long term financial planning; specific to each program.	The target level for the capital reserves shall be calculated based on the replacement value of the inventory of the Municipality's capital assets taking into consideration the condition of the assets, their useful life and their anticipated disposal value.
<b>Uses</b>	Shall only be used for extraordinary type expenditures including previous years' operating deficits and one time expenditures as approved by Council.	Shall only be used for the program the reserve was set aside for.	Shall only be used to fund the replacement and rehabilitation of the Municipality's assets.
<b><u>Roles &amp; Responsibilities - Council</u></b>	In accordance with the Municipal Act 2001, Section 224 ensure that administrative policies, practices and procedures are in place and maintain the financial integrity of the Municipality. Approve transactions to and from reserves through the budget process.		
<b><u>Roles &amp; Responsibilities – Staff</u></b>	<p>CAO and Clerk: support the Treasurer in ensuring the principles and mandatory requirements in this policy are applied consistently across all departments.</p> <p>Treasurer: Develop and propose updates and changes to this policy to Council as necessary; establish and maintain reserves in accordance with this policy; ensure compliance with this policy; ensure transfers to and from reserves as authorized by Council; report reserve balances and forecasts as part of the annual budget process; propose strategies</p>		

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and measures to ensure adequate and appropriate reserves and spending are considered at least annually.

### **Reserve Funds**

	<b>Obligatory</b>	<b>Discretionary</b>	Formatted: Font: Bold
<b>Purpose</b>	To comply with regulatory requirements related to legislated reserve funds such as (but not limited to) Development Charges and Cash in Lieu of Parkland.	To systematically set aside funds to finance future expenditures for a designated purpose.	Formatted Table Formatted: Font: Bold Formatted: Centered Formatted: Font: Bold Formatted: Font: Bold
<b>Record Keeping</b>	Each obligatory reserve fund is maintained in a separate deferred revenue account in the general ledger.	Each discretionary reserve fund is maintained in a separate account in the general ledger.	Formatted: Font: Bold
<b>Bank Accounts and Interest</b>	Each obligatory reserve fund is maintained in a separate, interest bearing bank account. Interest earned remains with the reserve fund. At the conclusion of the annual audit, an amount equal to the prior year's activity is transferred to or from the obligatory reserve fund to balance it to the deferred revenue account.	Discretionary reserve funds do not have their own bank accounts, and interest earned is collected as general operating revenue, not specific to the reserve fund.	Formatted: Font: Bold
<b>Funding Sources</b>	Funds specific to the each reserve fund are collected in accordance with the relevant by-laws and legislation.	Discretionary reserve funds are funded through the operating budget and funding should be specified by by-law and approved in the annual budgeting process.	Formatted: Font: Bold
<b>Target Levels</b>	Development Charges are collected and spent in accordance with the Development Charges Background Study, and associated by-laws, as updated in compliance with the Development Charges Act.  Cash in Lieu of Parkland is collected in accordance with the current Fees and Charges by-law. Annual budget approvals shall include allocation of at least	As specified in the by-law.	Formatted: Font: Bold

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	<u>60% of the reserve fund at the start of the year.</u>	
<u>Uses</u>	<u>As specified in the relevant legislation and by-laws.</u>	<u>As specified in the by-law.</u>
<u>Closure</u>	<u>n/a</u>	<u>As specified in the by-law.</u>
<u>Roles &amp; Responsibilities - Council</u>	<u>In accordance with the Municipal Act 2001, Section 224 ensure that administrative policies, practices and procedures are in place and maintain the financial integrity of the Municipality. Approve appropriate by-laws for the creation, sources, target level, use, and closure of discretionary reserve funds. Approve transactions to and from reserve funds through the budget process.</u>	
<u>Roles &amp; Responsibilities – Staff</u>	<u>CAO and Clerk: support the Treasurer in ensuring the principles and mandatory requirements in this policy and related legislation and regulations are applied consistently across all departments.</u>  <u>Treasurer: Develop and propose updates and changes to this policy to Council as necessary; establish and maintain reserve funds in accordance with legislation, regulation, and policy as applicable; ensure compliance with same; ensure transfers to and from reserves as authorized by Council; report reserve fund balances and forecasts as part of the annual budget process; propose strategies and measures to ensure adequate and appropriate reserve funds and spending are considered at least annually.</u>	

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## Procedure

### Establishment of Reserves and Reserve Funds

Reserves will be maintained in the following categories:

1. Stabilization Reserves (Working Funds)
2. Program Specific Reserves (Operating)
3. Capital

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Reserves can be established through the following processes:

1. Inclusion in the annual budget which is approved by Council; or
2. Through resolution of Council.

The budget document or resolution will clearly identify the name of the reserve being created and the purpose for the reserve. A reserve may be amended through resolution.

Reserve Funds will be maintained in the following categories:

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1. Discretionary: for a specific capital project, operating purpose, or other project or program as specified by Council
2. Obligatory:
  - a) Statutory
  - b) Trusts

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c) Contractual

Council may establish reserve funds if at least one of the following applies:

A mandatory obligation exists, either pursuant to legislation or contract;  
The funds are intended for purchasing or maintaining capital assets;  
The funds are donated for a specific purpose; and/ or  
The funds are intended to fund a future liability.

Establishment of a reserve fund must include the following:

- a) Statement of purpose;
- b) Rationale for the appropriate level to be maintained or targeted in the reserve;
- c) Initial and subsequent contributions;
- d) Uses;
- e) Closure

**REVIEW**

This policy shall be reviewed every ~~five-three~~ (53) years or as Council deems appropriate.

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## RESERVE and RESERVE FUND POLICY

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**WHEREAS** Council has an obligation to maintain reserves at an appropriate level to ensure future liabilities can be met, capital assets and infrastructure are properly maintained or replaced, and to provide sufficient financial flexibility to respond to economic cycles or unanticipated financial requirements;

**AND WHEREAS** the sustainability of the Municipality's programs and the future replacement of assets and infrastructure requires planned contributions to reserves in the annual budget to achieve appropriate levels of reserves;

**AND WHEREAS** Section 417 of the Municipal Act, 2001, S.O. 2001, c.25 and amendments thereto, allows a municipality to provide for the establishment of reserve funds for any purpose for which it has authority to spend money;

**AND WHEREAS** the municipality aims to establish consistent principles, standards and guidelines for the maintenance, management and accounting of reserves and reserve funds;

**NOW THEREFORE** Council hereby approves the following policy with respect to reserves:

### **Objectives:**

The primary objectives for reserves and reserve funds shall be:

- Compliance with statutory requirements
- Financial stability and flexibility
- Provision for major capital projects
- Smoothing of expenditures and fluctuations in the operating budget
- Accountability and transparency

### **Definitions:**

#### **1. Deferred Revenue**

Revenue that is considered a liability on the Municipality's financial statements until such time as it is used for current operations. Deferred revenue is an obligatory reserve fund for a specific purpose.

## **2. Discretionary Reserve Fund**

A reserve fund approved by by-law and created at the discretion of Council to earmark revenues intended to finance future expenditures for a designated purpose.

## **3. Obligatory Reserve Fund**

A reserve fund required by legislation or agreement to be segregated from general revenues for a specific purpose or for works undertaken on behalf of the contributors. Development Charges and Cash-in-Lieu of Parkland are examples of obligatory reserve funds.

## **4. Reserve**

An allocation from net revenue, as identified by Council, as part of a funding strategy related to programs or projects set out in the municipality's annual budget. Reserves are not segregated from regular operating funds and earnings derived from their investment are reported as operating revenue.

## **5. Reserve Fund**

A fund with assets that are segregated and restricted to meet the purpose of the reserve fund, based on statutory requirement or defined liability payable in the future. Earnings derived from their investment are maintained with the reserve fund.

### **Types of Reserves and Reserve Funds**

<b>Reserves</b>			<b>Reserve Funds</b>		
<i><b>Discretionary</b></i>			<i><b>Obligatory</b></i>		<i><b>Discretionary</b></i>
<b>Stabilization Reserves</b>	<b>Program Specific Reserves</b>	<b>Capital Reserves</b>	<b>Development Charges</b>	<b>Cash-in-Lieu of Parkland</b>	<b>Specific Purpose</b>

## Reserves

	<b>Stabilization Reserves</b>	<b>Program Specific Reserves</b>	<b>Capital Reserves</b>
<b>Purpose</b>	Established to prevent significant fluctuations in the general tax levy and to help the Municipality manage its cash flows by providing a source of funding to offset extraordinary and unforeseen expenditure requirements, one time expenditures, revenue shortfalls and to provide for various contingent and potential future liabilities.	Established in response to a need for funding of specific programs.	Established to assist in financing the capital program. As new capital assets are acquired the reserve should increase to assist in planning for future replacement in order to reduce reliance on long term financing.
<b>Record Keeping</b>	This reserve is maintained in a single account in the general ledger.	While discretionary, program specific reserves are generally maintained in separate accounts in the general ledger for each program.	A general capital reserve is maintained in a single account in the general ledger.
<b>Funding Sources</b>	Shall be funded from annual operating surpluses. Year end operating deficits shall be funded from the stabilization reserve.	Shall be funded from operations provided there is a financial plan supporting the need for the reserve. A review shall be conducted annually to ensure adequate funding exists to sustain the program to which the reserve relates. At the conclusion of the program or if the program is not proceeding, the	Shall be funded through: 1. Calculated annual contributions from the operating budget based on capital replacement, rehabilitation costs and lifecycle costs. As a minimum this amount should be equal to the annual depreciation amount calculated on the Municipality's assets.

		reserve shall be closed and any balance shall be transferred to the stabilization reserves.	<p>2. Net proceeds from the sale of assets and</p> <p>3. Unspent capital in any given year provided the Municipality is in a surplus position.</p>
<b>Target Levels</b>	Target level is 15% of tax revenues. Once the stabilization reserve level is met, the operating surplus shall be transferred to capital reserves.	Based on annual and long term financial planning; specific to each program.	The target level for the capital reserves shall be calculated based on the replacement value of the inventory of the Municipality's capital assets taking into consideration the condition of the assets, their useful life and their anticipated disposal value.
<b>Uses</b>	Shall only be used for extraordinary type expenditures including previous years' operating deficits and one time expenditures as approved by Council.	Shall only be used for the program the reserve was set aside for.	Shall only be used to fund the replacement and rehabilitation of the Municipality's assets.
<b>Roles &amp; Responsibilities - Council</b>	In accordance with the Municipal Act 2001, Section 224 ensure that administrative policies, practices and procedures are in place and maintain the financial integrity of the Municipality. Approve transactions to and from reserves through the budget process.		
<b>Roles &amp; Responsibilities – Staff</b>	<p>CAO and Clerk: support the Treasurer in ensuring the principles and mandatory requirements in this policy are applied consistently across all departments.</p> <p>Treasurer: Develop and propose updates and changes to this policy to Council as necessary; establish and maintain reserves in accordance with this policy; ensure compliance with this policy; ensure transfers to and from reserves as authorized by Council; report reserve balances and forecasts as part of the annual budget process; propose strategies and measures to ensure adequate and appropriate reserves and spending are considered at least annually.</p>		

## Reserve Funds

	<b>Obligatory</b>	<b>Discretionary</b>
<b>Purpose</b>	To comply with regulatory requirements related to legislated reserve funds such as (but not limited to) Development Charges and Cash in Lieu of Parkland.	To systematically set aside funds to finance future expenditures for a designated purpose.
<b>Record Keeping</b>	Each obligatory reserve fund is maintained in a separate deferred revenue account in the general ledger.	Each discretionary reserve fund is maintained in a separate account in the general ledger.
<b>Bank Accounts and Interest</b>	Each obligatory reserve fund is maintained in a separate, interest bearing bank account. Interest earned remains with the reserve fund. At the conclusion of the annual audit, an amount equal to the prior year's activity is transferred to or from the obligatory reserve fund to balance it to the deferred revenue account.	Discretionary reserve funds do not have their own bank accounts, and interest earned is collected as general operating revenue, not specific to the reserve fund.
<b>Funding Sources</b>	Funds specific to the each reserve fund are collected in accordance with the relevant by-laws and legislation.	Discretionary reserve funds are funded through the operating budget and funding should be specified by by-law and approved in the annual budgeting process.
<b>Target Levels</b>	<p>Development Charges are collected and spent in accordance with the Development Charges Background Study, and associated by-laws, as updated in compliance with the Development Charges Act.</p> <p>Cash in Lieu of Parkland is collected in accordance with the current Fees and Charges by-law. Annual budget approvals shall include allocation of at least 60% of the reserve fund at the start of the year.</p>	As specified in the by-law.
<b>Uses</b>	As specified in the relevant legislation and by-laws.	As specified in the by-law.

<b>Closure</b>	n/a	As specified in the by-law.
<b>Roles &amp; Responsibilities - Council</b>	In accordance with the Municipal Act 2001, Section 224 ensure that administrative policies, practices and procedures are in place and maintain the financial integrity of the Municipality. Approve appropriate by-laws for the creation, sources, target level, use, and closure of discretionary reserve funds. Approve transactions to and from reserve funds through the budget process.	
<b>Roles &amp; Responsibilities – Staff</b>	<p>CAO and Clerk: support the Treasurer in ensuring the principles and mandatory requirements in this policy and related legislation and regulations are applied consistently across all departments.</p> <p>Treasurer: Develop and propose updates and changes to this policy to Council as necessary; establish and maintain reserve funds in accordance with legislation, regulation, and policy as applicable; ensure compliance with same; ensure transfers to and from reserves as authorized by Council; report reserve fund balances and forecasts as part of the annual budget process; propose strategies and measures to ensure adequate and appropriate reserve funds and spending are considered at least annually.</p>	

### **Procedure**

#### Establishment of Reserves and Reserve Funds

**Reserves** will be maintained in the following categories:

1. Stabilization Reserves (Working Funds)
2. Program Specific Reserves (Operating)
3. Capital

Reserves can be established through the following processes:

1. Inclusion in the annual budget which is approved by Council; or
2. Through resolution of Council.

The budget document or resolution will clearly identify the name of the reserve being created and the purpose for the reserve. A reserve may be amended through resolution.

**Reserve Funds** will be maintained in the following categories:

1. Discretionary: for a specific capital project, operating purpose, or other project or program as specified by Council
2. Obligatory:
  - a) Statutory
  - b) Trusts
  - c) Contractual

Council may establish reserve funds if at least one of the following applies:

A mandatory obligation exists, either pursuant to legislation or contract;

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The funds are intended for purchasing or maintaining capital assets;  
The funds are donated for a specific purpose; and/ or  
The funds are intended to fund a future liability.

Establishment of a reserve fund must include the following:

- a) Statement of purpose;
- b) Rationale for the appropriate level to be maintained or targeted in the reserve;
- c) Initial and subsequent contributions;
- d) Uses;
- e) Closure

## **REVIEW**

This policy shall be reviewed every three (3) years or as Council deems appropriate.

		Projected				actual		
		BAL @		TRANSFERS IN		TRANSFERS OUT	BAL @	
A/C#	DESCRIPTION	DEC 31/23	ADJUST.	AMOUNT		AMOUNT	DEC 31/24	
MISSISSIPPI MILLS RESERVES								
3110	Working Capital	\$ 1,100,000.00					\$ 1,100,000.00	
3112	Capital	\$ 5,838,085.89		\$ 112,924.40		\$ (578,047.82)	\$ 5,372,962.47	
3120	Contingency-General Admin	\$ 337,726.83					\$ 337,726.83	
3130	Municipal Buildings	\$ 149,048.82		\$ 5,500.00		\$ (61,000.00)	\$ 154,548.82	
3145	Buildng Department	\$ 747,870.55		\$ -		\$ (154,795.27)	\$ 593,075.28	
3147	Reserve for Accessibility	\$ 1,669.71					\$ 1,669.71	
3150	Roads-Equipment Replacement	\$ 34,288.65					\$ 34,288.65	
3151	Transportation	\$ 234,424.57		\$ 235,514.73		\$ (343,084.30)	\$ 126,855.00	
3153	Reserve for Winter Control							
3162	Waste Management	\$ 734,838.60		\$ 240,487.32		\$ -	\$ 975,325.92	
3163	Septage	\$ 396,292.23					\$ 396,292.23	
3170	Daycare	\$ 489,831.34		\$ -		\$ (54,000.00)	\$ 489,831.34	
3190	Planning	\$ 14,659.09		\$ -		\$ -	\$ 14,659.09	
3192	C&EDC	\$ 2,817,061.72		\$ -		\$ (99,000.00)	\$ 2,718,061.72	
3191	Reserve for Riverwalk Project							
3193	Reserve for Twinning							
3180	Recreation	\$ (226,007.41)		\$ 36,030.00		\$ (110,000.00)	\$ (226,007.41)	
3188	Recreation-Special Projects							
3194	Reserve-Ticket Surcharge AOTH	\$ 15,231.40		\$ -		\$ -	\$ 15,231.40	
3195	Cash in Lieu of Parkland	\$ 121,779.50		\$ -		\$ -	\$ 121,779.50	
3125	Parking Reserve	\$ 55,737.83		\$ -		\$ -	\$ 55,737.83	
3135	Water & Sewer	\$ 3,686,062.69		\$ 128,262.00		\$ (2,768,273.43)	\$ -	\$ 917,789.26
3185	Museum							
3195	Business Park Development	\$ 1,173,735.35		\$ 221,400.00		\$ -	\$ 1,395,135.35	
ALMONTE/RAMSAY SHARED								
3182	Library Roof-Pakenham	\$ 0.26		\$ -		\$ -	\$ 0.26	
3140	Fire Department Equipment	\$ 186,578.68		\$ 12,718.98		\$ (82,000.00)	\$ 199,297.66	
3182	Library Building Maintenance	\$ 60,676.63		\$ -		\$ -	\$ 60,676.63	
3184	Recreation-Almonte/Ramsay 3%	\$ 0.71		\$ -		\$ -	\$ -	\$ 0.71
RAMSAY WARD								
3199	General Reserves-Community Hall	\$ 2,640.40		\$ -		\$ -	\$ 2,640.40	
PAKENHAM WARD								
3198	General Reserves-Parkland	\$ 266.72		\$ -		\$ -	\$ 266.72	
TOTAL RESERVES		\$ 17,972,500.76		\$ 992,837.43		\$ (4,250,200.82)	\$ 14,857,845.37	



\*note - prior to 2022, reference master sheet. Starting with 2022, individual sheets per reserve have been designed

Account number	Description	reserve type (see policy FIN-07)	actual 2022				budget 2023				budget 2024				
			Balance Dec. 31, 2021	transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024	
30-3110	<a href="#">Working Capital (Reserve for Working Funds)</a>	Reserve - Stabilization	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000	
30-3112	<a href="#">Capital / General (Reserve for Capital)</a>	Reserve - Capital	\$ 5,393,735	\$ 1,096,382	\$ (219,164)	\$ 6,270,954	\$ 6,270,954	\$ 97,280	\$ (175,000)	\$ 8,555,345	\$ 6,193,234	\$ 195,875	\$ (687,197)	\$ 5,701,912	
30-3120	<a href="#">Contingency - General Admin.</a>	Reserve - Program	\$ 337,727	\$ -	\$ -	\$ 337,727	\$ 337,727	\$ -	\$ -	\$ 337,727	\$ 337,727	\$ -	\$ -	\$ 337,727	
30-3130	<a href="#">Reserve for Administration</a>	Reserve - Program	\$ 237,107	\$ 5,500	\$ (99,058)	\$ 143,549	\$ 143,549	\$ 5,500	\$ -	\$ 130,125	\$ 149,049	\$ 5,500	\$ (61,000)	\$ 93,549	
30-3140	<a href="#">Reserve for Policing</a>	Reserve - Program	\$ 204,266	\$ 42,928	\$ -	\$ 247,194	\$ 247,194	\$ -	\$ -	\$ 247,194	\$ 247,194	\$ -	\$ -	\$ 247,194	
30-3145	<a href="#">Reserve for Building Department</a>	Reserve - Program	\$ 878,660	\$ 32,478	\$ -	\$ 911,138	\$ 911,138	\$ -	\$ (164,397)	\$ 862,754	\$ 746,741	\$ (155,299)	\$ -	\$ 591,442	
30-3147	<a href="#">Reserve for Accessibility</a>	Reserve - Program	\$ 1,670	\$ -	\$ -	\$ 1,670	\$ 1,670	\$ -	\$ -	\$ 1,670	\$ 1,670	\$ -	\$ -	\$ 1,670	
30-3150	<a href="#">Reserve for Equipment Replacement</a>	Reserve - Program	\$ 34,289	\$ -	\$ -	\$ 34,289	\$ 34,289	\$ -	\$ -	\$ 34,289	\$ 34,289	\$ -	\$ -	\$ 34,289	
30-3151	<a href="#">Reserve for Roads Department</a>	Reserve - Program	\$ 571,452	\$ 131,056	\$ (323,371)	\$ 379,137	\$ 379,137	\$ 114,119	\$ (258,832)	\$ 429,982	\$ 234,425	\$ 107,119	\$ (338,513)	\$ 3,031	
30-3153	<a href="#">Reserve for Winter Control</a>	Reserve - Program	\$ 97,620	\$ -	\$ -	\$ 97,620	\$ -	\$ -	\$ -	\$ 97,620	\$ 97,620	\$ -	\$ -	\$ 97,620	
30-3162	<a href="#">Reserve for Waste Management</a>	Reserve - Program	\$ 1,085,899	\$ -	\$ -	\$ 1,085,899	\$ 1,085,899	\$ -	\$ (351,060)	\$ 1,085,899	\$ 734,838	\$ 240,487	\$ -	\$ 975,325	
30-3163	<a href="#">Reserve for Septage</a>	Reserve - Program	\$ 356,292	\$ 20,000	\$ -	\$ 376,292	\$ 376,292	\$ 20,000	\$ -	\$ 376,292	\$ 396,292	\$ -	\$ -	\$ 396,292	
30-3170	<a href="#">Reserve for Daycare</a>	Reserve - Program	\$ 708,124	\$ -	\$ (100,501)	\$ 607,622	\$ 607,622	\$ -	\$ (117,791)	\$ 597,363	\$ 489,831	\$ -	\$ (54,000)	\$ 435,831	
30-3180	<a href="#">Reserve for Recreation</a>	Reserve - Program	\$ 127,544	\$ -	\$ (44,322)	\$ 83,222	\$ 83,222	\$ -	\$ (180,000)	\$ 83,222	\$ (96,778)	\$ -	\$ (100,000)	\$ (196,778)	
30-3190	<a href="#">Reserve for Planning and Zoning</a>	Reserve - Program	\$ 29,659	\$ -	\$ -	\$ 29,659	\$ 29,659	\$ -	\$ (15,000)	\$ 29,659	\$ 14,659	\$ -	\$ -	\$ 14,659	
30-3192	<a href="#">Reserve for Economic Development</a>	Reserve - Program	\$ 115,383	\$ 2,193,639	\$ (1,960)	\$ 2,307,062	\$ 2,307,062	\$ 510,000	\$ -	\$ 2,307,062	\$ 2,382,062	\$ -	\$ (75,000)	\$ 2,307,062	
30-3194	<a href="#">Reserve for Ticket Surcharge AOTH</a>	Reserve - Program	\$ 15,231	\$ -	\$ -	\$ 15,231	\$ 15,231	\$ -	\$ -	\$ 15,231	\$ 15,231	\$ -	\$ -	\$ 15,231	
30-3195	<a href="#">Reserve - Cash in Lieu of Parkland</a>	Reserve Fund - Obligatory	\$ 121,780	\$ -	\$ -	\$ 121,780	\$ 121,780	\$ -	\$ -	\$ 121,780	\$ 121,780	\$ -	\$ -	\$ 121,780	
31-3125	<a href="#">Parking Reserve</a>	Reserve Fund - Obligatory	\$ 55,738	\$ -	\$ -	\$ 55,738	\$ 55,738	\$ -	\$ -	\$ 55,738	\$ 55,738	\$ -	\$ -	\$ 55,738	
31-3135	<a href="#">Reserves for Almonte Ward (Water &amp; Sewer)</a>	Reserve - Program	\$ 5,588,215	\$ 602,094	\$ (1,746,379)	\$ 4,443,930	\$ 4,443,930	\$ 730,578	\$ (1,292,118)	\$ 4,443,930	\$ 3,882,391	\$ 267,159	\$ (2,709,498)	\$ 1,440,052	
31-3140	<a href="#">Reserve for Fire Department</a>	Reserve - Program	\$ 132,966	\$ 41,264	\$ -	\$ 174,230	\$ 174,230	\$ 12,349	\$ -	\$ (64,997)	\$ 186,579	\$ 12,719	\$ (82,000)	\$ 117,298	
31-3182	<a href="#">Reserve for Library</a>	Reserve - Program	\$ 67,677	\$ -	\$ -	\$ 67,677	\$ 67,677	\$ -	\$ (7,000)	\$ 67,677	\$ 60,677	\$ -	\$ -	\$ 60,677	
31-3184	<a href="#">Reserve for Alm/Ramsay 3% Recreation</a>	Reserve - Program	\$ -	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
31-3195	<a href="#">Reserve for Industrial Development</a>	Reserve - Program	\$ 1,173,515	\$ 221	\$ -	\$ 1,173,735	\$ 1,173,735	\$ -	\$ (935,071)	\$ 1,173,735	\$ 238,664	\$ -	\$ -	\$ 238,664	
31-3198	<a href="#">Reserve for Pakenham Ward</a>	Reserve - Program	\$ 267	\$ -	\$ -	\$ 267	\$ 267	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
31-3199	<a href="#">Reserve for Ramsay Ward</a>	Reserve - Program	\$ 2,640	\$ -	\$ -	\$ 2,640	\$ 2,640	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL			\$ 18,437,454	\$ 4,165,563	\$ (2,534,755)	\$ 20,068,263	\$ 19,970,643	\$ 1,489,826	\$ (3,496,269)	\$ 22,089,296	\$ 17,623,912	\$ 673,560	\$ (4,107,208)	\$ 14,190,264	

30-3110 Working Capital (Reserve for Working Funds)															
Account Number	Description	Balance Dec. 31, 2021	actual 2022		Balance Dec. 31, 2022	budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)				PROJECT BALANCES (before spending 2023 and 2024)	PROPOSED BALANCES (before spending 2023 and 2024)
			transfer in	transfer out		opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024		
	TOTAL	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000	\$ 1,100,000.00	\$ 1,100,000.00
	3110 balance forward	\$ 1,100,000			\$ 1,100,000	\$ 1,100,000			\$ 1,100,000	\$ 1,100,000			\$ 1,100,000	\$ 1,100,000.00	\$ 1,100,000.00

30-3112 Capital / General (Reserve for Capital)															PROJECT BALANCES (before spending 2023 and 2024)		PROPOSED BALANCES (before spending 2023 and 2024)	
Account Number	Description	Balance Dec. 31, 2021	actual 2022		Balance Dec. 31, 2022	budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)								
			transfer in	transfer out		opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024					
TOTAL		\$ 5,393,735	\$ 1,096,382	\$ (219,164)	\$ 6,270,954	\$ 6,270,954	\$ 97,280	\$ (175,000)	\$ 6,193,234	\$ 6,193,234	\$ 195,875	\$ (687,197)	\$ 5,701,912	\$ 6,043,272	\$ 6,043,272			
3112 balance forward - capital (available funds)		\$ 2,546,706	\$ 537,335		\$ 3,410,434	\$ 3,317,714			\$ 5,817,024	\$ 5,310,702			\$ 5,310,702	\$ 5,310,702	\$ 5,459,176			
3112 balance forward - to actual		\$ 2,144,457	\$ 558,752	\$ (203,900)	\$ 2,499,310	\$ 2,499,310			\$ -	\$ -			\$ -	\$ -				
3112 balance forward - computers		\$ 25,291	\$ 295		\$ 25,586	\$ 25,586			\$ 25,586	\$ 25,586			\$ 25,586	\$ 25,586				
3112 balance forward - election		\$ 50,000			\$ 50,000	\$ 65,000			\$ 65,000	\$ 80,000			\$ 80,000	\$ 80,000	\$ 80,000			
3112 balance forward - strategic plan		\$ 10,000			\$ 10,000	\$ 10,000			\$ 10,000	\$ 10,000			\$ 10,000	\$ 10,000				
3112 balance forward - heritage tax relief		\$ 2,020			\$ 2,020	\$ 2,020			\$ 2,020	\$ 2,020			\$ 2,020	\$ 2,020				
3112 balance forward - cemetary repairs		\$ 7,500			\$ 7,500	\$ 7,500			\$ 7,500	\$ 7,500			\$ 7,500	\$ 7,500				
3112 balance forward - sound system		\$ 4,235			\$ 4,235	\$ 4,235			\$ 4,235	\$ 4,235			\$ 4,235	\$ 4,235				
3112 balance forward - operational review		\$ 6,639			\$ 6,639	\$ 6,639			\$ 6,639	\$ 6,639			\$ 6,639	\$ 6,639				
3112 balance forward - heritage conservation district		\$ 18,203			\$ 18,203	\$ 18,203			\$ 18,203	\$ 18,203			\$ 18,203	\$ 18,203				
3112 balance forward - kiosk / Mayor's Gala		\$ 831			\$ 831	\$ 831			\$ 831	\$ 831			\$ 831	\$ 831				
3112 balance forward - asset management		\$ 6,800			\$ 6,800	\$ 6,800			\$ 6,800	\$ 6,800			\$ 6,800	\$ 6,800				
3112 balance forward - records management		\$ 100,000			\$ 100,000	\$ 100,000			\$ 100,000	\$ 100,000			\$ 100,000	\$ 100,000	\$ 100,000			
3112 balance forward - pound costs		\$ 11,000			\$ 11,000	\$ 11,000			\$ 11,000	\$ 11,000			\$ 11,000	\$ 11,000				
3112 balance forward - heritage committee		\$ 2,700			\$ 2,700	\$ 2,700			\$ 2,700	\$ 2,700			\$ 2,700	\$ 2,700				
3112 balance forward - municipal grants		\$ 2,300			\$ 2,300	\$ 2,300			\$ 2,300	\$ 2,300			\$ 2,300	\$ 2,300				
3112 balance forward - facility manager / H&S		\$ 1,600			\$ 1,600	\$ 1,600			\$ 1,600	\$ 1,600			\$ 1,600	\$ 1,600				
3112 2022 BUDGET - transfer from reserves (general)		\$ 49,060			\$ 49,060	\$ 49,060			\$ 49,060	\$ 49,060			\$ 49,060	\$ 49,060				
3112 2022 BUDGET - transfer from reserve fund		\$ 326,394			\$ -	\$ -			\$ -	\$ -			\$ -	\$ -				
3112 2022 BUDGET - painting / patching interior		\$ 8,000			\$ 8,000	\$ 8,000			\$ 8,000	\$ 8,000			\$ 8,000	\$ 8,000	\$ 8,000			
3112 2022 BUDGET - a/c unit finance area		\$ 15,000			\$ 15,000	\$ 15,000			\$ 15,000	\$ 15,000			\$ 15,000	\$ 15,000	\$ 15,000			
3112 2022 BUDGET - building condition assessment		\$ 5,000			\$ 5,000	\$ 5,000			\$ 5,000	\$ 5,000			\$ 5,000	\$ 5,000	\$ 5,000			
3112 2022 BUDGET - 2021 digitization		\$ 50,000		\$ (15,264)	\$ 34,736	\$ 34,736			\$ 34,736	\$ 34,736			\$ 34,736	\$ 34,736	\$ 34,736			
3112 2023 BUDGET - Transfer In from Operating						\$ (82,280)	\$ 82,280		\$ -	\$ -			\$ -	\$ -				
3112 2023 BUDGET - Transfer in From operating (elections)						\$ (15,000)	\$ 15,000		\$ -	\$ -			\$ -	\$ -				
3112 2023 BUDGET - digitization of records						\$ 35,000		\$ (35,000)	\$ -	\$ -			\$ -	\$ 35,000	\$ 35,000			
3112 2023 BUDGET - accessibility upgrades to website						\$ 15,000		\$ (15,000)	\$ -	\$ -			\$ -	\$ 15,000	\$ 15,000			
3112 2023 BUDGET - digital master plan						\$ 125,000		\$ (125,000)	\$ -	\$ -			\$ -	\$ 125,000	\$ 125,000			
3112 2024 BUDGET - transfer from operating						\$ -			\$ (180,875)	\$ 180,875			\$ -					
3112 2024 BUDGET - transfer from operating (elections)						\$ -			\$ (15,000)	\$ 15,000			\$ -					
3112 2024 BUDGET - transfer to operating						\$ -			\$ 520,837		\$ (520,837)		\$ -					
3112 2024 BUDGET - Finance System - implementation & migration						\$ -			\$ 50,000		\$ (50,000)		\$ -	\$ 50,000	\$ 50,000			
3112 2024 BUDGET - Flags/ Poles for Council Chambers						\$ -			\$ 5,000		\$ (5,000)		\$ -	\$ 5,000	\$ 5,000			
3112 2024 BUDGET - DC Study Updates - 2024						\$ -			\$ 13,360		\$ (13,360)		\$ -	\$ 13,360	\$ 13,360			
3112 2024 BUDGET - Asset Management Plan						\$ -			\$ 90,000		\$ (90,000)		\$ -	\$ 90,000	\$ 90,000			
3112 2024 BUDGET - Debrillators (4)						\$ -			\$ 8,000		\$ (8,000)		\$ -	\$ 8,000	\$ 8,000			



30-3130 Reserve for Administration														
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)				
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024	
TOTAL		\$ 237,107	\$ 5,500	\$ (99,058)	\$ 143,549	\$ 143,549	\$ 5,500	\$ -	\$ 149,049	\$ 149,049	\$ 5,500	\$ (61,000)	\$ 93,549	
3130	balance forward - available for AOTH projects	\$ 59,758			\$ 65,258	\$ 70,758			\$ 70,758	\$ 15,258			\$ 15,258	
3130	balance forward - lighting plan	\$ 1,000			\$ 1,000	\$ 1,000			\$ 1,000	\$ 1,000			\$ 1,000	
3130	balance forward - registry office fence	\$ 40,000			\$ 40,000	\$ 40,000			\$ 40,000	\$ 40,000			\$ 40,000	
3130	balance forward - M.O. Capital	\$ 26,500			\$ 26,500	\$ 26,500			\$ 26,500	\$ 26,500			\$ 26,500	
3130	balance forward - admin buildings	\$ 1,463			\$ 1,463	\$ 1,463			\$ 1,463	\$ 1,463			\$ 1,463	
3130	balance forward - AOTH windows & doors	\$ 100,000			\$ 942	\$ 942			\$ 942	\$ 942			\$ 942	
3130	balance forward - server	\$ 8,386			\$ 8,386	\$ 8,386			\$ 8,386	\$ 8,386			\$ 8,386	
3130	2022 budget		\$ 5,500		\$ -	\$ -			\$ -	\$ -			\$ -	
3130	AOTH windows & doors			\$ (99,058)	\$ -	\$ -			\$ -	\$ -			\$ -	
3130	2023 BUDGET - transfer from operating					\$ (5,500)	\$ 5,500		\$ -	\$ -			\$ -	
3130	2024 BUDGET - transfer from operating									\$ (5,500)	\$ 5,500		\$ -	
3130	2024 BUDGET - Municipal Office Elevator Rpr									\$ 41,000		\$ (41,000)	\$ -	
3130	2024 BUDGET - AOTH Auditorium flr rpr/rpl									\$ 20,000		\$ (20,000)	\$ -	

PROJECT BALANCES (before spending 2023 and 2024)	PROPOSED BALANCES (before spending 2023 and 2024)
\$ 154,549	\$ 154,549
\$ 15,258	\$ 67,049
\$ 1,000	
\$ 40,000	
\$ 26,500	\$ 26,500
\$ 1,463	
\$ 942	
\$ 8,386	
\$ -	
\$ -	
\$ -	
\$ -	
\$ 41,000	\$ 41,000
\$ 20,000	\$ 20,000



30-3145 Reserve for Building Department													
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)			
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024
TOTAL		\$ 878,660	\$ 32,478	\$ -	\$ 911,138	\$ 911,138	\$ -	\$ (164,397)	\$ 746,741	\$ 746,741	\$ (155,299)	\$ -	\$ 591,442
3145 reserve for building department		\$ 836,744			\$ 861,138	\$ 696,741			\$ 696,741	\$ 541,442			\$ 541,442
3145 balance forward - to actual		\$ (8,084)			\$ -	\$ -			\$ -	\$ -			\$ -
3145 building department file system		\$ 50,000			\$ 50,000	\$ 50,000			\$ 50,000	\$ 50,000			\$ 50,000
3145 2022 surplus			\$ 32,478						\$ -	\$ -			\$ -
3145 2023 BUDGET - transfer to operating						\$ 164,397		\$ (164,397)	\$ -	\$ -			\$ -
3145 2024 BUDGET - transfer to operating									\$ -	\$ 155,299	\$ (155,299)		\$ -

PROJECT BALANCES (before spending 2023 and 2024)		PROPOSED BALANCES (before spending 2023 and 2024)	
\$	591,442.31	\$	591,442.31
\$	541,442.31	\$	541,442.31
\$	-		
\$	50,000.00	\$	50,000.00
\$	-		
\$	-		
\$	-		

30-3147 Reserve for Accessibility

Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				actual 2023			budget 2024 (based on 22 actual and 23 budget)			
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024
TOTAL		\$ 1,670	\$ -	\$ -	\$ 1,670	\$ 1,670	\$ -	\$ -	\$ 1,670	\$ -	\$ -	\$ 1,670	\$ 1,670	\$ -	\$ -	\$ 1,670
3147	reserve for accessibility	\$ 1,670			\$ 1,670	\$ 1,670			\$ 1,670			\$ 1,670	\$ 1,670			\$ 1,670

PROJECT BALANCES	PROPOSED BALANCES
(before spending 2023 and 2024)	(before spending 2023 and 2024)
\$ 1,670	\$ 1,670
\$ 1,670	\$ 1,670



30-3150 Reserve for Equipment Replacement															<div>PROJECT BALANCES (before spending 2023 and 2024)</div> <div>PROPOSED BALANCES (before spending 2023 and 2024)</div>	
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)						
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024			
TOTAL		\$ 34,289	\$ -	\$ -	\$ 34,289	\$ 34,289	\$ -	\$ -	\$ 34,289	\$ 34,289	\$ -	\$ -	\$ 34,289	\$ 34,288.65	\$ 34,288.65	
3150 roads - equipment replacement		\$ 34,289			\$ 34,289	\$ 34,289			\$ 34,289	\$ 34,289			\$ 34,289	\$ 34,288.65	\$ 34,288.65	

30-3151 Reserve for Roads Department															
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)				PROJECT BALANCES (before spending 2023 and 2024)	PROPOSED BALANCES (before spending 2023 and 2024)
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024		
TOTAL		\$ 571,452	\$ 131,056	\$ (323,371)	\$ 379,137	\$ 379,137	\$ 114,119	\$ (258,832)	\$ 234,425	\$ 234,425	\$ 107,119	\$ (338,513)	\$ 3,031	\$ 551,575	\$ 551,575
3151 balance forward - available funds		\$ (501,429)			\$ (372,268)	\$ (516,981)			\$ (516,981)	\$ (748,375)			\$ (748,375)	\$ (748,375)	\$ (225,755)
3151 balance forward - roads / sidewalks		\$ 103,861			\$ 0	\$ 0			\$ 0	\$ 0			\$ 0	\$ 0	\$ 0
3151 balance forward - award drain		\$ 39,755			\$ 39,755	\$ 39,755			\$ 39,755	\$ 39,755			\$ 39,755	\$ 39,755	\$ 39,755
3151 balance forward - Levi bridge		\$ 206,261			\$ 116,308	\$ 116,308			\$ 116,308	\$ 116,308			\$ 116,308	\$ 116,308	\$ 116,308
3151 balance forward - plow truck		\$ 174,992			\$ 174,992	\$ 174,992			\$ 174,992	\$ 174,992			\$ 174,992	\$ 174,992	\$ 174,992
3151 balance forward - Mill Run Phase 3A walkway		\$ 15,200			\$ 15,200	\$ 15,200			\$ 15,200	\$ 15,200			\$ 15,200	\$ 15,200	\$ 15,200
3151 balance forward - highway 7 lighting		\$ 3,264			\$ 3,264	\$ 3,264			\$ 3,264	\$ 3,264			\$ 3,264	\$ 3,264	\$ 3,264
3151 balance forward - guardrails		\$ 37			\$ 37	\$ 37			\$ 37	\$ 37			\$ 37	\$ 37	\$ 37
3151 balance forward - tree planting		\$ 9,997			\$ 8,410	\$ 8,410			\$ 8,410	\$ 8,410			\$ 8,410	\$ 8,410	\$ 8,410
3151 balance forward - Frederick Street		\$ 5,000			\$ 5,000	\$ 5,000			\$ 5,000	\$ 5,000			\$ 5,000	\$ 5,000	\$ 5,000
3151 balance forward - salt shed		\$ 2,348			\$ 2,348	\$ 2,348			\$ 2,348	\$ 2,348			\$ 2,348	\$ 2,348	\$ 2,348
3151 balance forward - storm sewers - Ann Street		\$ 53,199			\$ 53,199	\$ 53,199			\$ 53,199	\$ 53,199			\$ 53,199	\$ 53,199	\$ 53,199
3151 balance forward - rock wall - Main St		\$ 7,092			\$ 7,092	\$ 7,092			\$ 7,092	\$ 7,092			\$ 7,092	\$ 7,092	\$ 7,092
3151 balance forward - pavement management		\$ 47,500			\$ 47,500	\$ 47,500			\$ 47,500	\$ 47,500			\$ 47,500	\$ 47,500	\$ 47,500
3151 balance forward - sidewalks		\$ 35,444			\$ 35,444	\$ 35,444			\$ 35,444	\$ 35,444			\$ 35,444	\$ 35,444	\$ 35,444
3151 balance forward - bridge design / inspections Concession 9		\$ 29,793			\$ 29,793	\$ 29,793			\$ 29,793	\$ 29,793			\$ 29,793	\$ 29,793	\$ 29,793
3151 balance fowrard - Pakenham storage shed		\$ 2,224			\$ 2,224	\$ 2,224			\$ 2,224	\$ 2,224			\$ 2,224	\$ 2,224	\$ 2,224
3151 balance forward - Almonte garage repairs		\$ 25,800			\$ 25,800	\$ 25,800			\$ 25,800	\$ 25,800			\$ 25,800	\$ 25,800	\$ 25,800
3151 balance forward - Pakenham garage repairs		\$ 90,735			\$ 90,735	\$ 90,735			\$ 90,735	\$ 90,735			\$ 90,735	\$ 90,735	\$ 90,735
3151 balance forward - Paterson St. crosswalk		\$ 23,000			\$ 23,000	\$ 23,000			\$ 23,000	\$ 23,000			\$ 23,000	\$ 23,000	\$ 23,000
3151 balance forward - Class EA		\$ 8,275			\$ 8,275	\$ 8,275			\$ 8,275	\$ 8,275			\$ 8,275	\$ 8,275	\$ 8,275
3151 balance forward - active transportation		\$ 9,549			\$ 9,549	\$ 9,549			\$ 9,549	\$ 9,549			\$ 9,549	\$ 9,549	\$ 9,549
3151 balance forward - man doors		\$ 56			\$ 56	\$ 56			\$ 56	\$ 56			\$ 56	\$ 56	\$ 56
3151 Camelon Rd. Cluvert required for Conc. 8 road work		\$ 140,000			\$ 13,926	\$ 13,926			\$ 13,926	\$ 13,926			\$ 13,926	\$ 13,926	\$ 13,926
3151 Martin St. South drain repairs		\$ 24,000			\$ 24,000	\$ 24,000			\$ 24,000	\$ 24,000			\$ 24,000	\$ 24,000	\$ 24,000
3151 Transportation master plan		\$ 15,500			\$ 15,500	\$ 15,500			\$ 15,500	\$ 15,500			\$ 15,500	\$ 15,500	\$ 15,500
3151 2022 budget			\$ 131,056						\$ -				\$ -	\$ -	\$ -
3151 2022 Camelon Road Culvert				\$ (126,074)					\$ -				\$ -	\$ -	\$ -
3151 2022 Levi Bridge				\$ (89,953)					\$ -				\$ -	\$ -	\$ -
3151 2022 urban trees				\$ (1,587)					\$ -				\$ -	\$ -	\$ -
3151 2022 Concession 10 Pakenham				\$ (105,757)					\$ -				\$ -	\$ -	\$ -
3151 2023 pavement renewal						\$ 9,750		\$ (9,750)	\$ -				\$ -	\$ 9,750	\$ 9,750
3151 2023 bridge design Concession 9 Pakenham						\$ 29,793		\$ (29,793)	\$ -				\$ -	\$ 29,793	\$ 29,793
3151 2023 ditch mower						\$ 125,000		\$ (125,000)	\$ -				\$ -	\$ 125,000	\$ 125,000
3151 2023 half ton (replace 04)						\$ 34,289		\$ (34,289)	\$ -				\$ -	\$ 34,289	\$ 34,289
3151 2023 urban tree replacements						\$ 3,000		\$ (3,000)	\$ -				\$ -	\$ 1,712	\$ 1,712
3151 2023 stormwater review - CLI						\$ 37,000		\$ (37,000)	\$ -				\$ -	\$ -	\$ -
3151 2023 traffic calming						\$ 20,000		\$ (20,000)	\$ -				\$ -	\$ 9,487	\$ 9,487
3151 2023 BUDGET from operating						\$ (114,119)	\$ 114,119		\$ -				\$ -	\$ -	\$ -
3151 2024 BUDGET pavement management									\$ -	\$ 50,558		\$ (50,558)	\$ -	\$ 50,558	\$ 50,558
3151 2024 BUDGET sidewalk repairs									\$ -	\$ 267,955		\$ (267,955)	\$ -	\$ 267,955	\$ 267,955
3151 2024 BUDGET traffic calming									\$ -	\$ 20,000		\$ (20,000)	\$ -	\$ 20,000	\$ 20,000
3151 2024 BUDGET from operating									\$ -	\$ (107,119)	\$ 107,119		\$ -	\$ -	\$ -

30-3153 Reserve for Winter Control															
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)				PROJECT BALANCES	PROPOSED BALANCES
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024	(before spending 2023 and 2024)	(before spending 2023 and 2024)
		\$ 97,620	\$ -	\$ -	\$ 97,620		\$ -	\$ -	\$ 97,620	\$ 97,620	\$ -	\$ -	\$ 97,620	\$ 97,620.00	\$ 97,620.00
3153	reserve for winter control	\$ 97,620			\$ 97,620				\$ 97,620	\$ 97,620			\$ 97,620	\$ 97,620.00	\$ 97,620.00

30-3162 Reserve for Waste Management																PROJECT BALANCES		PROPOSED BALANCES	
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)					budget 2024 (based on 22 actual and 23 budget)					(before spending 2023 and 2024)	(before spending 2023 and 2024)		
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024						
		\$ 1,085,899	\$ -	\$ -	\$ 1,085,899	\$ 1,085,899	\$ -	\$ (351,060)	\$ 734,838	\$ 734,838	\$ 240,487	\$ -	\$ 975,325	\$ 1,025,325	\$ 1,025,325				
3162	balance forward - Waste Management	\$ 1,090,859			\$ 1,090,859	\$ 739,799			\$ 561,799	\$ 802,286			\$ 802,286	\$ 802,286	\$ 975,325				
3162	balance forward -	\$ (178,000)			\$ (178,000)	\$ (178,000)			\$ -	\$ -			\$ -	\$ -					
3162	balance forward - Waste Management Strategy	\$ 2,591			\$ 2,591	\$ 2,591			\$ 2,591	\$ 2,591			\$ 2,591	\$ 2,591					
3162	balance forward - Landfill Site	\$ 11,380			\$ 11,380	\$ 11,380			\$ 11,380	\$ 11,380			\$ 11,380	\$ 11,380					
3162	balance forward - Weigh Scales	\$ 2,000			\$ 2,000	\$ 2,000			\$ 2,000	\$ 2,000			\$ 2,000	\$ 2,000					
3162	balance forward - Sale of 5N Site	\$ 103,238			\$ 103,238	\$ 103,238			\$ 103,238	\$ 103,238			\$ 103,238	\$ 103,238					
3162	balance forward - Tire Disposal	\$ 3,200			\$ 3,200	\$ 3,200			\$ 3,200	\$ 3,200			\$ 3,200	\$ 3,200					
3162	balance forward - Wood Waste Grinding	\$ 1,600			\$ 1,600	\$ 1,600			\$ 1,600	\$ 1,600			\$ 1,600	\$ 1,600					
3162	balance forward - Grade & Sand Cover	\$ 3,000			\$ 3,000	\$ 3,000			\$ 3,000	\$ 3,000			\$ 3,000	\$ 3,000					
3162	balance forward - Waste Diversion Pilot Project	\$ 10,000			\$ 10,000	\$ 10,000			\$ 10,000	\$ 10,000			\$ 10,000	\$ 10,000					
3162	balance forward - Small Storage Building	\$ 2,531			\$ 2,531	\$ 2,531			\$ 2,531	\$ 2,531			\$ 2,531	\$ 2,531					
3162	balance forward - Blue Box Recycling	\$ 25,000			\$ 25,000	\$ 25,000			\$ 25,000	\$ 25,000			\$ 25,000	\$ 25,000					
3162	balance forward - Howie Rd Monitoring Well	\$ 8,000			\$ 8,000	\$ 8,000			\$ 8,000	\$ 8,000			\$ 8,000	\$ 8,000					
3162	balance forward - Energy Plan Howie Rd	\$ 500			\$ 500	\$ 500			\$ 500	\$ 500			\$ 500	\$ 500					
3162	2023 allocation (no description)					\$ -			\$ -	\$ -			\$ -	\$ -					
3162	2023 BUDGET update to waste management master plan					\$ 50,000		\$ (50,000)	\$ -	\$ -			\$ -	\$ 50,000	\$ 50,000				
3162	2023 BUDGET - transfer to operating					\$ 301,060		\$ (301,060)	\$ -	\$ -			\$ -	\$ -					
3162	2024 BUDGET - transfer from operating									\$ (240,487)	\$ 240,487		\$ -						

30-3163 Reserve for Septage															
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)				PROJECT BALANCES (before spending 2023 and 2024)	PROPOSED BALANCES (before spending 2023 and 2024)
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024		
		\$ 356,292	\$ 20,000	\$ -	\$ 376,292	\$ 376,292	\$ 20,000	\$ -	\$ 396,292	\$ 396,292	\$ -	\$ -	\$ 396,292	\$ 396,292.23	\$ 396,292.23
3162	balance forward - septage	\$ 356,292			\$ 376,292	\$ 396,292			\$ 396,292	\$ 396,292				\$ 396,292.23	\$ 396,292.23
3162	2022 - transfer in		\$ 20,000	\$ -					\$ -	\$ -				\$ -	\$ -
3162	2023 BUDGET - transfer from operating					\$ (20,000)	\$ 20,000		\$ -	\$ -				\$ -	\$ -

PROJECT BALANCES (before spending 2023 and 2024)	PROPOSED BALANCES (before spending 2023 and 2024)
\$ 396,292.23	\$ 396,292.23
\$ 396,292.23	\$ 396,292.23
\$ -	
\$ -	

30-3170 Reserve for Daycare													
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)			
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024
		\$ 708,124	\$ -	\$ (100,501)	\$ 607,622	\$ 607,622	\$ -	\$ (117,791)	\$ 489,831	\$ 489,831	\$ -	\$ (54,000)	\$ 435,831
3170 balance forward - Capital available		\$ 647,387			\$ 553,607	\$ 435,816			\$ 435,816	\$ 381,816			\$ 381,816
3170 balance forward - Licensing		\$ 11,432			\$ 11,202	\$ 11,202			\$ 11,202	\$ 11,202			\$ 11,202
3170 balance forward - 2014 Daycare Projects		\$ 1,245			\$ 1,245	\$ 1,245			\$ 1,245	\$ 1,245			\$ 1,245
3170 balance forward - Painting		\$ 12,476			\$ 12,476	\$ 12,476			\$ 12,476	\$ 12,476			\$ 12,476
3170 balance forward - Parking/Signage		\$ 3,000			\$ 3,000	\$ 3,000			\$ 3,000	\$ 3,000			\$ 3,000
3170 balance forward - Playground		\$ 3,384			\$ 3,384	\$ 3,384			\$ 3,384	\$ 3,384			\$ 3,384
3170 balance forward - F&E		\$ 5,700			\$ 5,700	\$ 5,700			\$ 5,700	\$ 5,700			\$ 5,700
3170 balance forward - Emergency Lights		\$ 6,000			\$ 6,000	\$ 6,000			\$ 6,000	\$ 6,000			\$ 6,000
3170 balance forward - Sun Shade		\$ 5,000			\$ 749	\$ 749			\$ 749	\$ 749			\$ 749
3170 balance forward - Mechanical Room/Assessment		\$ 12,500			\$ 10,260	\$ 10,260			\$ 10,260	\$ 10,260			\$ 10,260
3170 2022 - kitchen				\$ (93,780)					\$ -	\$ -			\$ -
3170 2022- licensing				\$ (230)					\$ -	\$ -			\$ -
3170 2022 - sunshade				\$ (4,251)					\$ -	\$ -			\$ -
3170 2022 - mechanical assessment				\$ (2,240)					\$ -	\$ -			\$ -
3170 BUDGET 2023 - childcare expansion assessment						\$ 30,000		\$ (30,000)	\$ -	\$ -			\$ -
3170 BUDGET 2023 - flooring in preschool room						\$ 21,000		\$ (21,000)	\$ -	\$ -			\$ -
3170 BUDGET 2023 - State Street cupboards						\$ 10,000		\$ (10,000)	\$ -				\$ -
3170 BUDGET 2023 - lower roof replacement						\$ 15,000		\$ (15,000)	\$ -	\$ -			\$ -
3170 2023 BUDGET - transfer to operating						\$ 41,791		\$ (41,791)	\$ -	\$ -			\$ -
3170 2024 BUDGET - sun shade 208 State Street									\$ 6,500		\$ (6,500)		\$ -
3170 2024 BUDGET -fencing 208 State Street									\$ 7,500		\$ (7,500)		\$ -
3170 2024 BUDGET - shelving units									\$ 40,000		\$ (40,000)		\$ -

PROJECT BALANCES (before spending 2023 and 2024)		PROPOSED BALANCES (before spending 2023 and 2024)	
\$	565,831.34	\$	565,831.34
\$	381,816.25	\$	435,831.34
\$	11,202.17		
\$	1,245.00		
\$	12,475.69		
\$	3,000.00		
\$	3,383.72		
\$	5,700.00		
\$	6,000.00		
\$	748.98		
\$	10,259.53		
\$	-		
\$	-		
\$	-		
\$	30,000.00	\$	30,000.00
\$	21,000.00	\$	21,000.00
\$	10,000.00	\$	10,000.00
\$	15,000.00	\$	15,000.00
		\$	-
\$	6,500.00	\$	6,500.00
\$	7,500.00	\$	7,500.00
\$	40,000.00	\$	40,000.00



30-3190 Reserve for Planning and Zoning																		
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)			balance Dec. 31, 2023	actual 2023			budget 2024 (based on 22 actual and 23 budget)			balance Dec. 31, 2024	PROJECT BALANCES (before spending 2023 and 2024)	PROPOSED BALANCES (before spending 2023 and 2024)
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out		transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out			
		\$ 29,659	\$ -	\$ -	\$ 29,659	\$ 29,659	\$ -	\$ (15,000)	\$ 14,659	\$ -	\$ -	\$ 29,659	\$ 14,659	\$ -	\$ -	\$ 14,659	\$ 29,659.09	\$ 29,659.09
3190 Planning					\$ -	\$ (15,000)			\$ (15,000)			\$ -	\$ (15,000)			\$ (15,000)		
3190 balance forward - Computer Hardware/Software		\$ 1,414			\$ 1,414	\$ 1,414			\$ 1,414			\$ 1,414	\$ 1,414			\$ 1,414	\$ (15,000.00)	\$ 14,659.09
3190 balance forward - Design Guidelines		\$ 13			\$ 13	\$ 13			\$ 13			\$ 13	\$ 13			\$ 13	\$ 1,414.07	
3190 balance forward - Reserve St./LEAR		\$ 27,500			\$ 27,500	\$ 27,500			\$ 27,500			\$ 27,500	\$ 27,500			\$ 27,500	\$ 12.83	
3190 balance forward - Lighting		\$ 732			\$ 732	\$ 732			\$ 732			\$ 732	\$ 732			\$ 732	\$ 27,500.00	
3190 BUDGET 2023 - private road study						\$ 15,000	\$ (15,000)		\$ -			\$ -	\$ -			\$ -	\$ 732.19	
																	\$ 15,000.00	\$ 15,000.00



30-3192 Reserve for Economic Development															PROJECT BALANCES		PROPOSED BALANCES	
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)				(before spending 2023 and 2024)	(before spending 2023 and 2024)			
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024					
		\$ 115,383	\$ 2,193,639	\$ (1,960)	\$ 2,307,062	\$ 2,307,062	\$ 510,000	\$ -	\$ 2,817,062	\$ 2,382,062	\$ -	\$ (75,000)	\$ 2,307,062	\$ 2,382,062	\$ 2,382,062			
3192	C&EDC								\$ -									
3192	balance forward - no description	\$ (14,221)			\$ (14,221)	\$ 495,779			\$ 495,779	\$ (14,221)			\$ (14,221)	\$ (14,221)	\$ 57,247			
3192	balance forward - TODS	\$ 1,524			\$ 1,524	\$ 1,524			\$ 1,524	\$ 1,524			\$ 1,524	\$ 1,524	\$ 1,524			
3192	balance forward - Tree Planting	\$ 5,000			\$ 5,000	\$ 5,000			\$ 5,000	\$ 5,000			\$ 5,000	\$ 5,000	\$ 5,000			
3192	balance forward - Banner Arms/Banners	\$ 6,154		\$ (1,960)	\$ 4,194	\$ 4,194			\$ 4,194	\$ 4,194			\$ 4,194	\$ 4,194	\$ 4,194			
3192	balance forward - PR Consultant	\$ 388			\$ 388	\$ 388			\$ 388	\$ 388			\$ 388	\$ 388	\$ 388			
3192	balance forward - Business Attraction	\$ 3,351			\$ 3,351	\$ 3,351			\$ 3,351	\$ 3,351			\$ 3,351	\$ 3,351	\$ 3,351			
3192	balance forward - Chirstmas Lights	\$ 5,701			\$ 5,701	\$ 5,701			\$ 5,701	\$ 5,701			\$ 5,701	\$ 5,701	\$ 5,701			
3192	balance forward - MM Signage	\$ 36,082			\$ 36,082	\$ 36,082			\$ 36,082	\$ 36,082			\$ 36,082	\$ 36,082	\$ 36,082			
3192	balance forward - Community Engagment	\$ 4,836			\$ 4,836	\$ 4,836			\$ 4,836	\$ 4,836			\$ 4,836	\$ 4,836	\$ 4,836			
3192	balance forward - Pedestrian Signage	\$ 3,055			\$ 3,055	\$ 3,055			\$ 3,055	\$ 3,055			\$ 3,055	\$ 3,055	\$ 3,055			
3192	balance forward - CPR Fence	\$ 2,180			\$ 2,180	\$ 2,180			\$ 2,180	\$ 2,180			\$ 2,180	\$ 2,180	\$ 2,180			
3192	balance forward - Tables & Chairs	\$ 5,135			\$ 5,135	\$ 5,135			\$ 5,135	\$ 5,135			\$ 5,135	\$ 5,135	\$ 5,135			
3192	balance forward - Flower Baskets	\$ 24			\$ 24	\$ 24			\$ 24	\$ 24			\$ 24	\$ 24	\$ 24			
3192	balance forward - Welcome Signs	\$ 5,000			\$ 5,000	\$ 5,000			\$ 5,000	\$ 5,000			\$ 5,000	\$ 5,000	\$ 5,000			
3192	balance forward - Nudes Calendar	\$ 2,750			\$ 2,750	\$ 2,750			\$ 2,750	\$ 2,750			\$ 2,750	\$ 2,750	\$ 2,750			
3192	balance forward - Variety Show	\$ 2,360			\$ 2,360	\$ 2,360			\$ 2,360	\$ 2,360			\$ 2,360	\$ 2,360	\$ 2,360			
3192	balance forward - Active Transp Summit profits	\$ 2,487			\$ 2,487	\$ 2,487			\$ 2,487	\$ 2,487			\$ 2,487	\$ 2,487	\$ 2,487			
3192	balance forward - Orchestra Profits	\$ 1,215			\$ 1,215	\$ 1,215			\$ 1,215	\$ 1,215			\$ 1,215	\$ 1,215	\$ 1,215			
3192	balance forward - Trash Dance (net)	\$ 1,490			\$ 1,490	\$ 1,490			\$ 1,490	\$ 1,490			\$ 1,490	\$ 1,490	\$ 1,490			
3192	balance forward - Business Park Sign	\$ 10,018			\$ 10,018	\$ 10,018			\$ 10,018	\$ 10,018			\$ 10,018	\$ 10,018	\$ 18,518			
3192	balance forward - Business Park Sign	\$ 8,500			\$ 8,500	\$ 8,500			\$ 8,500	\$ 8,500			\$ 8,500	\$ 8,500	\$ 8,500			
3192	balance forward - Computers	\$ 5,355			\$ 5,355	\$ 5,355			\$ 5,355	\$ 5,355			\$ 5,355	\$ 5,355	\$ 5,355			
3192	balance forward - Trade Show Display/Event Stand	\$ 5,000			\$ 5,000	\$ 5,000			\$ 5,000	\$ 5,000			\$ 5,000	\$ 5,000	\$ 5,000			
3192	balance forward - Event Sign Stand	\$ 4,000			\$ 4,000	\$ 4,000			\$ 4,000	\$ 4,000			\$ 4,000	\$ 4,000	\$ 4,000			
3192	balance forward - Waste Receptacles	\$ 8,000			\$ 8,000	\$ 8,000			\$ 8,000	\$ 8,000			\$ 8,000	\$ 8,000	\$ 8,000			
3192	2022 - real estate sold (Adelaide Menzies)		\$ 1,146,630		\$ 1,146,630	\$ 1,146,630			\$ 1,146,630	\$ 1,146,630			\$ 1,146,630	\$ 1,146,630	\$ 1,146,630			
3192	2022 - budget from operations (Business Park Grant)		\$ 663,200		\$ 663,200	\$ 663,200			\$ 663,200	\$ 663,200			\$ 663,200	\$ 663,200	\$ 663,200			
3192	2022 - real estate sold (Registry Office) -		\$ 383,809		\$ 383,809	\$ 383,809			\$ 383,809	\$ 383,809			\$ 383,809	\$ 383,809	\$ 383,809			
3192	2023 BUDGET - transfer from operating					\$ (510,000)	\$ 510,000		\$ -	\$ -			\$ -	\$ -	\$ -			
3192	2024 BUDET - Gazebo - Kirkland Park Almonte					\$ -				\$ 20,000		\$ (20,000)	\$ -	\$ 20,000	\$ 20,000			
3192	2024 BUDGET - Mural Refurbishment and Replacement					\$ -				\$ 5,000		\$ (5,000)	\$ -	\$ 5,000	\$ 5,000			
3192	2024 BUDGET - Economic Development Plan					\$ -				\$ 50,000		\$ (50,000)	\$ -	\$ 50,000	\$ 50,000			
														</				

30-3194 Reserve for Ticket Surcharge AOTH														
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)				
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024	
		\$ 15,231	\$ -	\$ -	\$ 15,231	\$ 15,231	\$ -	\$ -	\$ 15,231	\$ 15,231	\$ -	\$ -	\$ 15,231	
3194	Balance Forward - Ticket Surcharge (AOTH)	\$ 15,231			\$ 15,231	\$ 15,231			\$ 15,231	\$ 15,231			\$ 15,231	

PROJECT BALANCES (before spending 2023 and 2024)	PROPOSED BALANCES (before spending 2023 and 2024)
\$ 15,231.40	\$ 15,231.40
\$ 15,231.40	\$ 15,231.40

30-3195 Reserve - Cash in Lieu of Parkland														
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)				
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024	
		\$ 121,780	\$ -	\$ -	\$ 121,780	\$ 121,780	\$ -	\$ -	\$ 121,780	\$ 121,780	\$ -	\$ -	\$ 121,780	
3195	Balance Forward - Cash in Lieu of Parkland	\$ 121,780			\$ 121,780	\$ 121,780			\$ 121,780	\$ 121,780			\$ 121,780	

PROJECT BALANCES	PROPOSED BALANCES
(before spending 2023 and 2024)	(before spending 2023 and 2024)
\$ 121,779.50	\$ 121,779.50
\$ 121,779.50	\$ 121,779.50

31-3125 Parking Reserve																
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)				PROJECT BALANCES	PROPOSED BALANCES	
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024	(before spending 2023 and 2024)	(before spending 2023 and 2024)	
		\$ 55,738	\$ -	\$ -	\$ 55,738	\$ 55,738	\$ -	\$ -	\$ 55,738	\$ 55,738	\$ -	\$ -	\$ 55,738	\$ 55,738	\$ 55,738	
3125	Balance Forward - parking	\$ 55,738	\$ 55,738			\$ 55,738	\$ 55,738			\$ 55,738	\$ 55,738			\$ 55,738	\$ 55,738	

1-3135    Reserves for Almonte Ward (Water & Sewer)															PROJECT BALANCES		PROPOSED BALANCES	
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)				(before spending 2023 and 2024)	(before spending 2023 and 2024)			
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024					
		\$ 5,588,215	\$ 602,094	\$ (1,746,379)	\$ 4,443,930	\$ 4,443,930	\$ 730,578	\$ (1,292,118)	\$ 3,882,391	\$ 3,882,391	\$ 267,159	\$ (2,709,498)	\$ 1,440,052	\$ 5,110,910	\$ 5,110,910			
3135 Balance Forward - Water & Sewer		\$ 2,214,025			\$ 3,348,701	\$ 2,787,161			\$ 2,787,161	\$ 344,822			\$ 344,822	\$ 344,822	\$ 1,307,226			
3135 MRPC Dividend		\$ 123,750			\$ 123,750	\$ 123,750			\$ 123,750	\$ 123,750			\$ 123,750	\$ 123,750				
3135 ADJ ACTUAL		\$ 1,045,853			\$ -	\$ -			\$ -	\$ -			\$ -	\$ -				
3135 Treatment Plant/ W&S InInfrastructure		\$ 1,233,107			\$ -	\$ -			\$ -	\$ -			\$ -	\$ -				
3135 Dark Start		\$ 100,000			\$ 100,000	\$ 100,000			\$ 100,000	\$ 100,000			\$ 100,000	\$ 100,000				
3135 Well 3 maintenance		\$ 33,004			\$ 33,004	\$ 33,004			\$ 33,004	\$ 33,004			\$ 33,004	\$ 33,004				
3135 WWTP Pump Repairs		\$ 44,400			\$ 44,400	\$ 44,400			\$ 44,400	\$ 44,400			\$ 44,400	\$ 44,400				
3135 Farm St.		\$ 23,000			\$ 23,000	\$ 23,000			\$ 23,000	\$ 23,000			\$ 23,000	\$ 23,000				
3135 Sample Wells		\$ 15,640			\$ 15,640	\$ 15,640			\$ 15,640	\$ 15,640			\$ 15,640	\$ 15,640				
3135 Rate Study		\$ 25,000			\$ 25,000	\$ 25,000			\$ 25,000	\$ 25,000			\$ 25,000	\$ 25,000				
3135 Class EA Water Syst Expansion		\$ 67,927			\$ 67,927	\$ 67,927			\$ 67,927	\$ 67,927			\$ 67,927	\$ 67,927				
3135 WWTP Optimization		\$ 6,130			\$ 6,130	\$ 6,130			\$ 6,130	\$ 6,130			\$ 6,130	\$ 6,130				
3135 Well Houses		\$ 19,250			\$ 19,250	\$ 19,250			\$ 19,250	\$ 19,250			\$ 19,250	\$ 19,250				
3135 Distribution Analyzer		\$ 6,600			\$ 6,600	\$ 6,600			\$ 6,600	\$ 6,600			\$ 6,600	\$ 6,600				
3135 OCWA		\$ 27,600			\$ 27,600	\$ 27,600			\$ 27,600	\$ 27,600			\$ 27,600	\$ 27,600				
3135 Conveyor Screens		\$ 7,500			\$ 7,500	\$ 7,500			\$ 7,500	\$ 7,500			\$ 7,500	\$ 7,500				
3135 WWTP floor		\$ 2,500			\$ 2,500	\$ 2,500			\$ 2,500	\$ 2,500			\$ 2,500	\$ 2,500				
3135 Pump Chains		\$ 5,100			\$ 5,100	\$ 5,100			\$ 5,100	\$ 5,100			\$ 5,100	\$ 5,100				
3135 Island SPS Surge Protection		\$ 9,633			\$ 9,633	\$ 9,633			\$ 9,633	\$ 9,633			\$ 9,633	\$ 9,633				
3135 Electrical Instrumentation		\$ 30,140			\$ 30,140	\$ 30,140			\$ 30,140	\$ 30,140			\$ 30,140	\$ 30,140				
3135 Mechanical-Well Sites		\$ 17,166			\$ 17,166	\$ 17,166			\$ 17,166	\$ 17,166			\$ 17,166	\$ 17,166				
3135 Mid Term Water Supply/Storage		\$ 73,628			\$ 73,628	\$ 73,628			\$ 73,628	\$ 73,628			\$ 73,628	\$ 73,628				
3135 Permit to take Water		\$ 10,731			\$ 10,731	\$ 10,731			\$ 10,731	\$ 10,731			\$ 10,731	\$ 10,731				
3135 Risk Management		\$ 15,000			\$ 15,000	\$ 15,000			\$ 15,000	\$ 15,000			\$ 15,000	\$ 15,000				
3135 RV Dumping Station		\$ 2,000			\$ 2,000	\$ 2,000			\$ 2,000	\$ 2,000			\$ 2,000	\$ 2,000				
3135 W&S Master Plan 2018		\$ 3,315			\$ 3,315	\$ 3,315			\$ 3,315	\$ 3,315			\$ 3,315	\$ 3,315				
3135 Repointing 28 Mill St.		\$ 140,413			\$ 140,413	\$ 140,413			\$ 140,413	\$ 140,413			\$ 140,413	\$ 140,413				
3135 Spring St. Pump Station		\$ 7,070			\$ 7,070	\$ 7,070			\$ 7,070	\$ 7,070			\$ 7,070	\$ 7,070				
3135 Winter Freeze List		\$ 40,000			\$ 40,000	\$ 40,000			\$ 40,000	\$ 40,000			\$ 40,000	\$ 40,000				
3135 Infiltration Program		\$ 20,909			\$ 20,909	\$ 20,909			\$ 20,909	\$ 20,909			\$ 20,909	\$ 20,909				
3135 WWTP Fencing		\$ 5,000			\$ 5,000	\$ 5,000			\$ 5,000	\$ 5,000			\$ 5,000	\$ 5,000				
3135 Engineering/Design/MOECC		\$ 64,805			\$ 64,805	\$ 64,805			\$ 64,805	\$ 64,805			\$ 64,805	\$ 64,805	\$ 64,805			
3135 WWTP Roof		\$ 80,000			\$ 80,000	\$ 80,000			\$ 80,000	\$ 80,000			\$ 80,000	\$ 80,000				
3135 Gemmill's Bay Pump Station		\$ 68,021			\$ 68,021	\$ 68,021			\$ 68,021	\$ 68,021			\$ 68,021	\$ 68,021	\$ 68,021			
3135 2022 - transfer in			\$ 342,837										\$ -	\$ -				
3135 2022 - capital purchases				\$ (1,636,934)									\$ -	\$ -				
3135 2022 - capital purchases				\$ (46,515)									\$ -	\$ -				
3135 2022 - year end transfer in			\$ 259,257										\$ -	\$ -				
3135 2022 - year end transfer out				\$ (62,929)									\$ -	\$ -				
3135 2023 - RF meter conversion						\$ 42,120		\$ (42,120)	\$ -				\$ -	\$ 42,120	\$ 42,120			
3135 2023 - OCWA water treatment capital						\$ 140,000		\$ (140,000)	\$ -				\$ -	\$ 140,000	\$ 140,000			
3135 2023 - OCWA sanitary pump station						\$ 67,500		\$ (67,500)	\$ -				\$ -	\$ 67,500	\$ 67,500			
3135 2023 - sample monitoring wells						\$ 15,640		\$ (15,640)	\$ -				\$ -	\$ 15,640	\$ 15,640			
3135 2023 - sewer and water renewal - Princess St.						\$ 795,565		\$ (795,565)	\$ -				\$ -	\$ 795,565	\$ 795,565			
3135 2023 - electronic log book						\$ 10,000		\$ (10,000)	\$ -				\$ -	\$ 10,000	\$ 10,000			
3135 2023 BUDGET - transfer from operating						\$ (730,578)	\$ 730,578		\$ -				\$ -	\$ -	\$ -			
3135 2023 BUDGET - transfer to operating						\$ 221,293		\$ (221,293)	\$ -				\$ -	\$ -	\$ -			
3135 2024 BUDGET - transfer to operating										\$ 109,465		\$ (109,465)	\$ -	\$ -	\$ -			
3135 2024 BUDGET - transfer from operating										\$ (267,159)	\$ 267,159		\$ -	\$ -	\$ -			
3135 2024 BUDGET - RF meter conversion										\$ 43,400		\$ (43,400)	\$ -	\$ 43,400	\$ 43,400			
3135 2024 BUDGET - OCWA water treatment capital per LTFP										\$ 150,000		\$ (150,000)	\$ -	\$ 150,000	\$ 150,000			
3135 2024 BUDGET - OCWA sanitary pump station per LTFP										\$ 10,603		\$ (10,603)	\$ -	\$ 10,603	\$ 10,603			
3135 2024 BUDGET - Union St North Water (Main to Carss)										\$ 864,321		\$ (864,321)	\$ -	\$ 864,321	\$ 864,321			
3135 2024 BUDGET - Union St. North Sanitary (Main to Carss)										\$ 859,630		\$ (859,630)	\$ -	\$ 859,630	\$ 859,630			
3135 2024 BUDGET - Cty Rd. 29 watermain looping (Well 6 to Wylie)										\$ 672,079		\$ (672,079)	\$ -	\$ 672,079	\$ 672,079			

31-3140 Reserve for Fire Department		actual 2022				budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)				PROJECT BALANCES	PROPOSED BALANCES
Account Number	Description	Balance Dec. 31, 2021	transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024	(before spending 2023 and 2024)	(before spending 2023 and 2024)
		\$ 132,966	\$ 41,264	\$ -	\$ 174,230	\$ 174,230	\$ 12,349	\$ -	\$ 186,579	\$ 186,579	\$ 12,719	\$ (82,000)	\$ 117,298	\$ 199,297.68	\$ 199,297.68
3140	Fire Department Brought Forward	\$ (307,034)			\$ (265,770)	\$ (253,421)			\$ (253,421)	\$ (322,702)			\$ (322,702)	\$ (322,702.32)	\$ (322,702.32)
3140	2022 BUDGET replace rapid response vehicle pakenham unit 581	\$ 260,000			\$ 260,000	\$ 260,000			\$ 260,000	\$ 260,000			\$ 260,000	\$ 260,000.00	\$ 260,000.00
3140	2022 BUDGET replace rapid response vehicle almonte unit 580	\$ 180,000			\$ 180,000	\$ 180,000			\$ 180,000	\$ 180,000			\$ 180,000	\$ 180,000.00	\$ 180,000.00
3140	2022 - transfer in		\$ 41,264		\$ -				\$ -	\$ -			\$ -	\$ -	\$ -
3140	2023 - transfer in					\$ (12,349)	\$ 12,349		\$ -	\$ -			\$ -	\$ -	\$ -
3140	2023 transfer out - bunker gear									\$ -			\$ -	\$ -	\$ -
3140	2023 transfer out - training equipment									\$ -			\$ -	\$ -	\$ -
3140	2024 BUDGET - high vault hose									\$ 22,000		\$ (22,000)	\$ -	\$ 22,000.00	\$ 22,000.00
3140	2024 BUDGET - fire station 1 roof repair									\$ 60,000		\$ (60,000)	\$ -	\$ 60,000.00	\$ 60,000.00
3140	2024 BUDGET - transfer from operating									\$ (12,719)	\$ 12,719		\$ -		

31-3182 Reserve for Library													
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				budget 2024 (based on 22 actual and 23 budget)			
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	opening balance	transfer in	transfer out	balance Dec. 31, 2024
		\$ 67,677	\$ -	\$ -	\$ 67,677	\$ 67,677	\$ -	\$ (7,000)	\$ 60,677	\$ 60,677	\$ -	\$ -	\$ 60,677
3182 Library - Building Maintenance		\$ 63,545			\$ 63,545	\$ 56,545			\$ 56,545	\$ 56,545			\$ 56,545
3182 Library - Accessible Door		\$ 2,500			\$ 2,500	\$ 2,500			\$ 2,500	\$ 2,500			\$ 2,500
3182 Library - Space Needs Study		\$ 1,632			\$ 1,632	\$ 1,632			\$ 1,632	\$ 1,632			\$ 1,632
3182 2023 BUDGET - library furniture						\$ 2,000		\$ (2,000)	\$ -				
3182 2023 BUDGET - library technology						\$ 5,000		\$ (5,000)	\$ -				

PROJECT BALANCES	PROPOSED BALANCES
(before spending 2023 and 2024)	(before spending 2023 and 2024)
\$ 67,676.63	\$ 67,676.63
\$ 56,544.88	\$ 60,676.63
\$ 2,500.00	
\$ 1,631.75	
\$ 2,000.00	\$ 2,000.00
\$ 5,000.00	\$ 5,000.00

31-3184 Reserve for Alm/Ramsay 3% Recreation				actual 2022			budget 2023 (based on 22 actual)				actual 2023		
Account Number	Description	Account Number	Balance Dec. 31, 2021	transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	transfer in	transfer out	balance Dec. 31, 2023
			\$ 1	\$ -	\$ -	\$ 1	\$ 1	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -
3184	Ramsay - Balance Forward		\$ 1			\$ 1	\$ 1			\$ 1			\$ -
3184	Ramsay - collapse into general reserves 3112											\$ (1)	



31-3195 Reserve for Industrial Development													
Account Number	Description	Balance Dec. 31, 2021	actual 2022		Balance Dec. 31, 2022	budget 2023 (based on 22 actual)			balance Dec. 31, 2023	budget 2024 (based on 22 actual and 23 budget)			
			transfer in	transfer out		opening balance	transfer in	transfer out		opening balance	transfer in	transfer out	balance Dec. 31, 2024
		\$ 1,173,515	\$ 221	\$ -	\$ 1,173,735	\$ 1,173,735	\$ -	\$ (935,071)	\$ 238,664	\$ 238,664	\$ -	\$ -	\$ 238,664
3195	Balance Forward - Business Park	\$ 1,173,515			\$ 1,173,735	\$ 1,173,735			\$ 238,664	\$ 238,664			\$ 238,664
3195	2022 transfer in		\$ 221						\$ -	\$ -			\$ -
3195	2023 Business Park development*						\$ (935,071)		\$ -	\$ -			

PROJECT BALANCES (before spending 2023 and 2024)	PROPOSED BALANCES (before spending 2023 and 2024)
\$ 238,664	\$ 238,664
\$ 238,664	\$ 238,664

31-3198	Reserve for Pakenham Ward											
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)				actual 2023		
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023	transfer in	transfer out	balance Dec. 31, 2023
		\$ 267	\$ -	\$ -	\$ 267	\$ 267	\$ -	\$ -	\$ 267	\$ -	\$ (267)	\$ -
3198	Pakenham - Balance Forward	\$ 267			\$ 267	\$ 267			\$ 267			\$ -
3198	Pakenham - collapse into general reserves 3112										\$ (267)	

31-3198 Reserve for Ramsay Ward													
Account Number	Description	Balance Dec. 31, 2021	actual 2022			budget 2023 (based on 22 actual)					actual 2023		
			transfer in	transfer out	Balance Dec. 31, 2022	opening balance	transfer in	transfer out	balance Dec. 31, 2023		transfer in	transfer out	balance Dec. 31, 2023
		\$ 2,640	\$ -	\$ -	\$ 2,640	\$ 2,640	\$ -	\$ -	\$ 2,640		\$ -	\$ (2,640)	\$ -
3198 Ramsay - Balance Forward		\$ 2,640			\$ 2,640	\$ 2,640			\$ 2,640				\$ -
3198 Ramsay - collapse into general reserves 3112											\$	(2,640)	