



## **2019 Reserve and Reserve Fund Annual Report**

The Town adopted a Reserve and Reserve Fund Policy in August 2014. The Policy requires that the Treasurer for the Town prepare an annual report with a continuity schedule for the reserves and reserve funds.

### **Reserves**

Reserves are allocations of accumulated net revenue at the discretion of council as part of an overall strategy for funding programs or projects. They are often used to mitigate the impact of fluctuation in operating expenses and revenues. Reserves are not associated with any specific asset, and do not require the physical segregation of money. Reserves do not earn interest.

#### **Reserve Balances at 2019 Year End**

As at December 31, 2019, the total balance of the Town's 28 reserves was \$17,153,778., compared to \$15,408,599 at the end of 2018. These reserves include:

- 6 reserves established for the replacement of capital assets with a total balance of \$1,563,909 (2018 - \$1,926,961);
- 2 reserves established to provide working capital and tax rate stabilization with a total balance of \$3,364,245 (2018 - \$3,268,316);
- 2 reserves established for the water and wastewater system with a total balance of \$9,663,847 (2018 - \$8,474,711); and
- 18 reserves established for funding operational requirements with a total balance of \$2,561,777 (2018 - \$1,738,611).

During 2019, Council established the Modernization Funding Reserve and Town began maintaining the Founders Circle Reserve in accordance with By-law 2019-6993 and the associated agreement. Table 1 summarizes opening balances, transactions and ending balances of all the Town's reserves.

**Table 1 - 2019 Year End Reserve Balances**

Item	Opening Balance Jan 1, 2019	Transfers In	Transfers Out	Year End Surplus Allocation	Ending Balance Dec 31, 2019
Infrastructure Replacement	473,323	-	-	-	473,323
Equipment Replacement	250,398	161,310	(293,907)	-	117,802
Building	383,391	30,000	-	-	413,391
IT Replacement	111,164	55,000	(30,785)	-	135,379
Fleet	508,685	449,900	(734,571)	-	224,014
Emergency Capital Asset Replacement	200,000	-	(13,800)	13,800	200,000
Tax Rate Stabilization	1,012,162	3,497	(40,812)	89,884	1,064,731
Municipal Elections	-	5,000	-	-	5,000
WSIB Reserve	301,900	-	-	19,500	321,400
Façade Improvement Program	51,683	40,000	(49,372)	-	42,311
LACAC*Directory	7,642	25	-	-	7,667
Waste Management	233,925	1,469	-	-	235,394
Industrial Park	30,410	-	-	-	30,410
Economic Development	41,459	-	-	-	41,459
Planning Legal	20,000	-	-	-	20,000
Health Unit Capital	14,428	-	-	-	14,428
Emergency Services	42,935	-	-	-	42,935
Police Cost Stabilization	121,311	94,374	-	-	215,685
Stockey Centre	151,814	83,572	(46,872)	-	188,515

Cemetery and Columbaria	37,745	-	-	-	37,745
Parks	263,368	88,000	-	-	351,368
General Working Capital	2,256,154	-	(927,368)	970,729	2,299,514
Salt Management	18,000	-	-	-	18,000
Winter Control	401,990	-	(103,481)	-	298,509
Wastewater Stabilization	3,366,323	1,616,279	(1,077,247)	-	3,905,355
Water Stabilization	5,108,388	1,420,338	(770,234)	-	5,758,492
Founders Circle	-	32,000	-	-	32,000
Modernization Funding	-	668,150	(9,200)	-	658,950
<b>Total</b>	<b>15,408,598</b>	<b>4,748,914</b>	<b>(4,097,648)</b>	<b>1,093,912</b>	<b>17,153,778</b>

### Projected Balanced at 2020 Year End

The following Table 2 shows the projected reserve balances at the end of 2020, considering the contributions and withdrawals in the 2020 budget and subsequent Council resolutions. The projected balance has increased from the 2019 surplus allocation and is impacted by any deferred projects from 2019.

**Table 2 – Projected 2020 Year End Reserve Balances**

Item	Opening Balance Jan 1, 2020	Transfers In	Transfers Out	Ending Balance Dec 31, 2020
Infrastructure Replacement	473,323	-	-	473,323
Equipment Replacement	117,802	165,594	(58,750)	224,646
Building	413,391	121,460	(87,000)	447,851
IT Replacement	135,379	55,000	(41,000)	149,379
Fleet	224,014	467,985	(302,950)	389,049
Emergency Capital Asset Replacement	200,000	-	-	200,000
Tax Rate Stabilization	1,064,731	-	(128,057)	936,674
Municipal Elections	5,000	5,000	-	10,000

WSIB Reserve	321,400	-	-	321,400
Façade Improvement Program	42,311	40,000	-	82,311
LACAC*Directory	7,667	-	-	7,667
Waste Management	235,394	-	-	235,394
Industrial Park	30,410	-	-	30,410
Economic Development	41,459	100,000	-	141,459
Planning Legal	20,000	-	-	20,000
Health Unit Capital	14,428	-	-	14,428
Health Unit Cost Stabilization	-	29,514	-	29,514
Emergency Services	42,935	-	-	42,935
Police Cost Stabilization	215,685	-	-	215,685
Stockey Centre	188,515	36,000	(66,900)	157,615
Cemetery and Columbaria	37,745	-	(25,000)	12,745
Parks	351,368	-	(142,000)	209,368
General Working Capital	2,299,514	-	-	2,299,514
Salt Management	18,000	-	-	18,000
Winter Control	298,509	-	-	298,509
Wastewater Stabilization	3,905,355	1,531,800	(3,732,149)	1,705,006
Water Stabilization	5,758,492	1,387,300	(1,342,925)	5,802,867
Founders Circle	32,000			32,000
Modernization Funding	658,950		(15,000)	643,950
<b>Total</b>	<b>17,153,778</b>	<b>3,939,653</b>	<b>(5,941,731)</b>	<b>15,151,700</b>

## Reserve Funds

Reserve funds are segregated and restricted to meet specific purposes. They are monies set aside either by a By-law of a municipality (*discretionary reserve fund*) or by the

requirement of provincial legislation (*obligatory reserve fund*). Interest earned by a reserve fund must be allocated to the specific reserve fund.

### Reserve Fund Balances at 2019 Year End

As at December 31, 2019, the total balance of the Town's 21 reserve funds was \$5,249,423, compared to \$4,589,095 at the end of 2018. Table 3 summarizes opening balances, transactions and ending balances of the reserve funds in 2019.

**Table 3 - 2019 Year End Reserve Fund Balances**

Reserve Fund	Opening Balance Jan 1, 2019	Interest	Transfers In	Transfers Out	Ending Balance Dec 31, 2019
Association of WPS Municipalities	1,460	34	-	-	1,493
Bobby Orr Hall of Fame	137,414	2,887	-	-	140,302
Bobby Orr Hall of Fame Scholarship	18,000	22	-	(2,000)	16,022
Bobby Orr Hall of Fame Special Projects	254,742	6,533	63,479	(87,028)	237,727
Capital Asset Legacy	934,701	7,713	120,234	-	1,062,648
Capital Replacement	757,187	7,196	468,820	-	1,233,202
Development Charges/Lot Levy	107,501	2,600	-	-	110,101
EMS Equipment/Capital	189,790	5,244	464,400	(596,815)	62,618
Federal Gas Tax	-	3,257	790,513	(403,196)	390,574
Future Pool	46,060	1,124	170,000	(106,513)	110,671
Land Ambulance Severance	558,627	12,985	-	-	571,611
Land Ambulance Surplus	618,650	23,468	56,140	-	698,258
Main Street Revitalization	43,650	1,015	-	(21,060)	23,604
Municipal Parking	120,542	3,420	-	(6,000)	117,962

Property/Parkland	93,022	2,368	5,389	-	100,779
Public Transit (Provincial Gas Tax)	50,967	2,003	56,314	-	109,285
Sewer Development	121,938	3,035	4,441	-	129,415
Smelter Wharf	366,676	9,084	75,000	(36,810)	413,950
Splash Pad	40,765	1,024	2,500	-	44,289
Treetops	1,807	42	-	-	1,850
Water Development	125,596	3,120	4,441	-	133,157
	<b>4,589,095</b>	<b>98,175</b>	<b>2,281,671</b>	<b>(1,259,423)</b>	<b>5,709,518</b>

### Projected Balance at 2020 Year End

The following Table 4 shows the projected reserve fund balances at the end of 2020 considering the contributions and withdrawals in the 2020 budget and subsequent Council resolutions.

**Table 4 – Projected 2020 Year End Reserve Fund Balances**

Reserve Fund	Opening Balance Jan 1, 2020	Interest	Transfers In	Transfers Out	Ending Balance Dec 31, 2020
Association of WPS Municipalities	1,493	34	-	-	1,527
Bobby Orr Hall of Fame	140,302	3,138	-	-	143,440
Bobby Orr Hall of Fame Scholarship	16,022	413	-	(2,000)	14,435
Bobby Orr Hall of Fame Special Projects	237,727	3,600	-	(35,000)	206,327
Capital Asset Legacy	1,062,648	5,598	120,235	-	1,188,481
Capital Replacement	1,233,202	10,307	-	(309,850)	933,659
Development Charges/Lot Levy	110,101	1,375	-	(50,000)	61,476
EMS Equipment/Capital	62,618	4,139	480,567	(345,000)	202,324
Federal Gas Tax	390,574	11,140	399,938	(788,736)	12,916
Future Pool	110,671	1,110	-	(63,487)	48,294

Land Ambulance Severance	571,611	10,897	-	-	582,508
Land Ambulance Surplus	698,258	18,670	-	-	716,928
Main Street Revitalization	23,604	335	-	(23,939)	-
Municipal Parking	117,962	2,588	-	-	120,550
Property/Parkland	100,779	1,556	-	-	102,335
Public Transit (Provincial Gas Tax)	109,285	1,062	57,961	-	168,308
Sewer Development	129,415	2,920	-	-	132,335
Smelter Wharf	413,950	9,390	46,079	-	469,419
Splash Pad	44,289	779	-	-	45,068
Treetops	1,850	18	-	-	1,868
Water Development	133,157	3,005	-	-	136,162
	<b>5,709,518</b>	<b>92,074</b>	<b>1,104,780</b>	<b>(1,618,012)</b>	<b>5,288,360</b>