

## **SCHEDULE 60 - Continuity of Reserves and Reserve Funds**

### **General Information**

Reserves and reserve funds are comprised of funds set aside for specific purposes by Council and funds set aside for specific purposes by legislation, regulation or agreement. For financial reporting purposes, reserve funds set aside by legislation, regulation or agreement are reported as deferred revenue, a liability, on the Consolidated Statement of Financial Position. Other reserve funds and reserves are balances within the accumulated surplus.

Schedule 60 contains a continuity section (lines 0299 to 2099) and an analysis section (lines 5010 to 9930).

Three columns have been created to distinguish Obligatory reserve funds/Deferred revenues from Discretionary reserve funds and Reserves.

**All schedules of the FIR should be prepared in conjunction with the audited financial statements. Obligatory reserve funds are reported as part of deferred revenue. The reason is that such funds, by their nature, involve restrictions on their use and are not available for the discretionary use of Council.**

### **CONTINUITY SECTION**

#### **Line 0299      Balance, Beginning of Year**

Enter the beginning balance for Obligatory reserve funds/Deferred revenue in column 1, Discretionary reserve funds in column 2, and Reserves in column 3.

For each column, the balance at the beginning of the year on Line 0299 should equal the amount reported in the previous year as the balance at the end of the year on Line 2099.

#### **Reserve Inflows**

**This section identifies sources of inflows to obligatory reserve funds/deferred revenue, discretionary reserve funds, and reserves.**

#### **Line 0310      Allocation of Surplus**

**This line is automatically calculated.** The amounts reported on this line represent the allocation of surplus to the discretionary reserve funds and reserves for both operating and capital purposes.

#### **Line 0315      Allocation of Surplus: for operating**

Enter allocations from the statement of operations to each of Discretionary reserve funds and Reserves for operating purposes. **Do not enter any negative amounts on this line.**

**Line 0320 Allocation of Surplus: for capital**

Enter allocations from the Statement of Operations to each of: Discretionary reserve funds and Reserves for the acquisition of tangible capital assets. **Do not enter any negative amounts on this line.**

**DEVELOPMENT CHARGES ACT**

All development charges received during the year should be reported on this schedule as an inflow of obligatory reserve funds/deferred revenue, in column 1.

**Development charges are categorized into non-discounted services and discounted services:**

**Line 0610 Non-Discounted Services**

Non-discounted services are those services or service categories for which net growth-related capital costs are 100% recoverable under the Development Charges Act, 1997.

**No negative reporting is allowed on this line.**

**Line 0620 Discounted Services**

Discounted services are eligible services or service categories for which net growth related costs are 90% recoverable under the Development Charges Act, 1997.

**No negative reporting is allowed on this line.**

**Line 0630 Credits utilized (Development Charges Act)**

The credits utilized balance is automatically carried forward from Schedule 61 Column 5 line 0299.

**Line 0699 Subtotal Development Charges Act**

The subtotal is equal to the sum of lines 0610, 0620 and 0630.

**Line 0810 Lot levies**

Report lot levies received previously pursuant to section 164 of the Municipal Act on this Line in either column 2 or 3.

**Line 0820 Sub-divider contributions**

Report sub-divider contributions received previously pursuant to section 51.5 of the Planning Act on this line.

**Line 0830 Recreational land (the Planning Act)**

Report payments received in lieu of parkland dedication under section 51.1 of the Planning Act here.

**Line 0841 Investment income**

Report interest earned from short-term internal loans from reserves and reserve funds.

Report interest income generated on reserve fund balances from external sources such as bank deposits, promissory notes, etc.

**Line 0860 Gasoline Tax - Province**

Report the Provincial gas tax received from the Provincial Government only if these funds have not been utilized during the year.

If the Provincial Gasoline tax revenues have been utilized (“earned”) then the earned revenue should be reported on Schedule 12, under the appropriate transit category.

**Line 0861 Building Code Act, 1992 (section 1.9.1.1 (d))**

Record the building permit fees to cover future enforcement and administrative costs as deferred revenue.

**Line 0862 Gasoline Tax - Federal**

Report the Federal gas tax received from the Federal Government only if these funds have not been utilized during the year.

If the Federal gas tax revenues have been utilized (“earned”) then the earned revenue should be reported on Schedule 12, column 6 – Canada Grants: Tangible Capital Assets, under the appropriate functional category.

**Line 0864 Building Canada Fund (BCF)**

Report the Building Canada fund inflows received from the Federal Government only if the funds have not been utilized during the year.

If the Building Canada Fund inflows have been utilized (“earned”) then the earned revenues should be reported on Schedule 12, column 6 – Canada Grants: Tangible Capital Assets, under the appropriated functional category.

**Line 0870 Inter-Reserve Fund/Reserves Transfer**

This line has been included to allow transfers between the following reserve funds:

Discretionary Reserve Funds and Reserves.

Please note that transfers from Obligatory reserve funds/Deferred revenue to Discretionary reserve funds and Reserves **is not allowed**.

**Line 0895 to Line 0898    Other**

Please specify other inflows of the Obligatory reserve funds/Deferred revenue.

**Line 9940    Total Reserve Inflows & Surplus**

In column 1 (Obligatory reserve funds/Deferred revenue), total inflows on Line 9940 equal the sum of lines 0299 and 0699, plus amounts on lines 0820 through 0898. These lines represent contributions from the Statement of Operations, development charges, sub-divider contributions, payments received in lieu of recreational land, investment income, building code act, and Provincial and Federal gasoline inflows.

In column 2 (Discretionary reserve funds), total inflows on line 9940 equal the sum of Lines 0299, 0310, 0810 and 0841 through 0898. These lines represent contributions from the Statement of Operations, lot levies and investment income.

In column 3 (Reserves), total inflows on Line 9940 equal the sum of lines 0299, 0310, 0810 and 0841 through 0898. These lines represent contributions from the Statement of Operations, lot levies and investment income.

**LESS: UTILIZATION (Outflows) OF RESERVE FUNDS AND RESERVES (TRANSFERS)**

**Line 1012    For acquisition of tangible capital assets**

For each column, report the amount used for the acquisition of tangible capital assets.

**Do not include on this line** any amounts coming from the obligatory reserves such as **development charges, recreational land, provincial gas tax, and federal gas tax.**

**Line 1015    For current operations**

For each column, report the amount used for current operating expenses.

**Do not include on this line** any amounts coming from the obligatory reserves such as **development charges, recreational land, and provincial gas tax.**

**Line 1025    Development Charges earned to tangible capital asset acquisition**

This line is automatically populated from Schedule 61-line 0299 column 8.

**Line 1026      Development Charges earned to operations**

This line is automatically populated from Schedule 61-line 0299 column 7.

**Line 1032      Recreational land (the Planning Act) earned to tangible capital asset acquisition**

Please report recreational land earned for the acquisition of tangible capital assets.

**Line 1035      Recreational land (the Planning Act) earned to operations**

Please report recreational land earned for current operating purposes.

**Line 1042      Deferred revenue earned (Provincial Gas Tax) for Transit (operations)**

Please report the Provincial gas tax - deferred revenue earned – for transit current operating expenses.

**Line 1045      Deferred revenue earned (Provincial Gas Tax) for Transit (Capital)**

Please report the Provincial gas tax –deferred revenue earned – for the acquisition of tangible capital assets only for Transit.

**Line 1047      Deferred revenue earned (Canada Gas Tax)**

Please report the Canada Gas Tax – deferred revenue earned – for the acquisition of tangible capital assets.

**Line 1055      Development Charges Act – Credits Provided**

This line is automatically populated from Schedule 61-line 0299 column 10.

**Line 1070      Inter – Reserve Fund/Reserves Transfer**

This line has been included to allow transfers between the following: Discretionary reserve funds and Reserves.

Please note that transfers from Obligatory reserve funds/Deferred revenue to Discretionary reserve funds and Reserves **is not allowed**.

**Line 0910      Less: Utilization (deferred revenue recognized)**

This line is automatically calculated, and it identifies the utilization (“earned”) of obligatory reserve funds/deferred revenue, discretionary reserve funds, and reserves.

For obligatory reserve funds, utilization is equal to the sum of lines 1012 through 1055.  
For Discretionary reserve funds and reserves, utilization is equal to the sum of lines 1012, 1015, and 1070.

**Line 2099      Balance, End of Year**

**For each column: Balance, end of year - Line 2099 equals**  
**Balance, beginning of year - Line 0299**  
**PLUS: Total reserve inflows & Surplus - Line 9940**  
**LESS: Utilization - Line 0910**

**TOTALS IN LINE 2099 ARE ANALYSED AS FOLLOWS:**

The year-end balances for each column reported in Line 2099 in the Continuity section are analysed further in this section.

**Obligatory reserve funds/Deferred revenue**

In column 1, the year-end balance for obligatory reserve funds/deferred revenue in line 2099 is itemized using the following categories on lines 5610 to 5699:

- Development charges – Discounted and Non-Discounted services**
- Sub-divider contributions (Section 51.5 of the Planning Act)**
- Recreational land (the Planning Act) (Section 42 (15) of the Planning Act)**
- Building Code Act, 1992 (Section 1.9.1.1 (d))**
- Gasoline Tax - Province**
- Gasoline Tax - Federal**
- Canada Transit Funding**
- Building Canada Fund (BCF)**
- Other**

The lines which do not apply are blocked out.

**No negative reporting is allowed on these lines.**

**Discretionary reserve funds**

In column 2, the year-end balance for discretionary reserve funds is analysed in terms of:

**Working funds and other specified uses (Lines 5010 to 5680)**

**Per service function (Lines 5205 to 5290)**

**Reserves**

In column 3, the year-end balance for reserves is analysed in terms of:

## **Working funds and other specified uses (Lines 5010 to 5680)**

### **Per service function (Lines 5205 to 5290)**

For each column, the balance reported on line 9930 of the Analysis section must equal the balance at the end of the year on line 2099 of the Continuity section. A critical error is triggered if the amounts do not equal.

**Lines 5010 to 5290**      **These Lines apply only to Column 2 (Discretionary reserve funds) and Column 3 (Reserves).**

For each column, identify amounts included in the year-end balance on line 2099 which are held for the following purposes: working funds, contingencies, Ontario Clean Water Agency, replacement of equipment, sick leave, insurance, Workplace Safety and Insurance Board (WSIB) and post-employment benefits, lot levies, parking revenues, debenture repayment, exchange rate stabilization and other.

#### **Line 5010      Working funds**

Report the amount set aside to meet current expenditures during the year.

#### **Line 5020      Contingencies**

Report the amounts set aside to offset future expenditures classified as contingencies by your municipality. Amounts set aside may relate to the balance of property taxes under appeal, unresolved litigation, among other balances.

#### **Line 5030      Asset Replacement funds for renewals: Wastewater**

#### **Line 5040      Asset Replacement funds for renewals: Water**

#### **Line 5050      Replacement of Equipment**

#### **Line 5060      Sick Leave**

#### **Line 5070      Insurance**

#### **Line 5080      Workplace Safety and Insurance Board (WSIB)**

#### **Line 5090      Post-employment benefits**

Report the value of reserves or discretionary reserve funds established to provide for the settlement of these liabilities. The value reported is not necessarily the amount of the liability reported in the balance sheet at the year-end on Schedule 70, Consolidated Financial Position.

#### **Line 5091      Tax rate stabilization**

Report the amount set aside to stabilize the impact of future budget tax increases. Amounts set aside may relate to the balance of property taxes under appeal among other balances.

#### **Line 5630      Lot levies**

#### **Line 5660      Parking revenues**

#### **Line 5670      Debenture repayment**

**Line 5680      Exchange rate stabilization**

**Per Service Purpose:**

These lines apply only to Column 2 (Discretionary reserve funds) and Column 3 (Reserves). For column 2 and column 3, identify amounts included in the year-end balance in Line 2099 which are held for capital asset renewal. Per service purposes are identified by function as shown below. Each functional category used in Schedule 40 is included. In addition, selected sub-functions are included for transportation services, environmental services and recreation and cultural services.

<b>General Government</b>	
<b>Protection Services</b>	
<b>Transportation Services</b>	<b>- Roadways; Transit</b>
<b>Environmental Services</b>	<b>- Wastewater System; Storm Sewer System - Waterworks System; Waste Collection - Waste Disposal; Waste Diversion</b>
<b>Health Services</b>	
<b>Social and Family Services</b>	
<b>Social Housing</b>	
<b>Recreation and Cultural Services</b>	<b>- Parks - Rec. Facilities - Golf Course, Marina, Ski Hill - Rec. Facilities - Other - Libraries</b>
<b>Planning and Development</b>	
<b>Other</b>	



## **OBLIGATORY RESERVE FUNDS/DEFERRED REVENUE**

These lines apply to Column 1 only.

Lines 5610 through 5699 provide a list of uses for obligatory reserve funds/deferred revenue. The following categories are available:

Development Charges Act – Non-discounted services  
Development Charges Act – Discounted services  
Sub-divider Contributions  
Recreational Land (the Planning Act)  
Building Code Act, 1992 (**Section 1.9.1**)  
Gasoline Tax - Province  
Gasoline Tax - Federal  
Canada Transit Funding (Bill C-48)  
Building Canada Fund (BCF)  
Other

### **Lines 5610/5620          Development Charges Act**

The sum of lines 5610 and 5620 should agree with the obligatory reserve funds/deferred DC revenue balance in the audited financial statements.

### **Line 9930          TOTAL**

For obligatory reserve funds/deferred revenue (Column 1) the total on line 9930 must equal the sum of lines 5610 to 5697.

For discretionary reserve funds (Column 2), the total on line 9930 must equal the sum of lines 5010 through 5490.

For reserves (Column 3), the total on line 9930 must equal the sum of lines 5010 through 5490.

For each column, the total on line 9930 in the analysis section must equal the amount on line 2099 (Balance, end of year) in the Continuity section of this Schedule.

SLC 60 2099 01 = SLC 60 9930 01

SLC 60 2099 02 = SLC 60 9930 02

SLC 60 2099 03 = SLC 60 9930 03