

## 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 categorized as Obligatory Reserve Funds and 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

The opening balances for obligatory reserve funds/Deferred revenue in column 1, discretionary reserve funds in column 2, and reserves in column 3, all of which are carried forward from the prior year's closing balances.

#### Reserve Inflows

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

#### Line 0312      Contribution from Operations (Previously "Allocation of Surplus")

This section reports contributions to reserves and discretionary reserve funds (includes funds raised for future use as well as any allocations of annual surplus). These amounts should be positive values.

Please note that transfers between reserves/reserve funds should continue to be recorded in line 0870 Inter-Reserve Fund/Reserves Transfer.

## **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.

Section 26.1 of the Development Charges Act (DCA) provides for deferred payments for rental housing and institutional development.

### **Development charges are categorized into:**

#### **Line 0615      Net Development Charges Collected**

This line is automatically populated from Schedule 61B Line 0299 Column 06 less Line 0299 Column 03.

#### **Line 0616      Net Development Charges Receivable**

This line is automatically populated from Schedule 61A Line 0299 Column 20 less Line 0299 Column 18.

#### **Line 0699      Subtotal Development Charges Act**

**This line is automatically calculated as the sum of lines 0615 and 0616.**

#### **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 sections 42 and 51.1 of the Planning Act here.

#### **Line 0834      Community Benefits Charges**

Report community benefits charges received pursuant to section 37 of the Planning Act on this line.

**Line 0841 Investment income**

Report interest earned from short-term internal loans from reserves and reserve funds. Include all interest income generated on reserve fund balances from external sources such as bank deposits, promissory notes, etc.

This section may also include unrealized gains (losses) from fair value measurement of restricted assets. Please refer to PS 3450 Financial Instruments on how to account for unrealized gains (losses) for restricted assets.

**Line 0842 Interest earned on Development Charges Receivable**

This line is automatically populated from Schedule 61 Line 0299 column 18.

**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**

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

**Line 0862 Canada Community – Building Fund (Gasoline Tax – Federal)**

Report the Canada Community-Building Fund grants received from the Federal Government only if these funds have not been utilized during the year.

If the Canada Community-Building Fund 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.

If you have unrealized gains or losses from restricted assets recorded at fair value (such as development charges or gas tax) and you would like to record these amounts separately in deferred revenue, you may use “Other” lines 0895 to 0898 to report these unrealized gains or losses. If you wish, you may also choose to report unrealized gains or losses specific to investments of development charges in Schedule 61 Column 18. Please refer to PS 3450 Financial Instruments on how to account for unrealized gains (losses) for restricted assets.

## **Line 9940 Total Revenues & Surplus**

In column 1 (Obligatory reserve funds/Deferred revenue), total inflows on Line 9940 equal the sum of line 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, community benefits charges, investment income, interest earned on development charges receivables, building code act, and Provincial gasoline and Canada Community-Building Fund inflows.

In column 2 (Discretionary reserve funds), total inflows on line 9940 equal the sum of Lines 0312, 0810, and 0841 through 0898. These lines represent contributions from the Statement of Operations, lot levies, investment income, and inter-reserve fund transfers.

In column 3 (Reserves), total inflows on Line 9940 equal the sum of lines 0312, 0810 and 0841 through 0898. These lines represent contributions from the Statement of Operations, lot levies, investment income, and inter-reserve fund transfers.

**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 (deferred revenue) such as development charges, recreational land, Community Benefits Charges, and provincial 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, Community Benefits Charges, 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 1027 Monies Borrowed from Development Charges Reserve Fund**

This line is used to record amounts borrowed from development charges reserve funds. This line is automatically populated from Schedule 61 Line 0299 Column 23.

**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 1036 Community Benefits Charges Earned**

Please report community benefits charges used in the current year for the acquisition of tangible capital assets.

**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 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 1048.

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 Revenues & 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 5635 to 5699:

**Development Charges Cash Collected**

**Development Charge Instalments Receivable (Uncollected)**

**Sub-divider contributions (Section 51.5 of the Planning Act)**

**Recreational land (the Planning Act) (Sections 42 and 51.1 of the Planning Act)**

**Community Benefits Charges (Section 37 of the Planning Act)**

**Building Code Act, 1992 (Section 1.9.1.1 (d))**

**Gasoline Tax - Province**

**Canada Community-Building Fund (Gasoline Tax – Federal)**

**Building Canada Fund (BCF)**

**Other**

**The lines which do not apply are blocked out.**

## **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>	- Roadways; Winter Control; Transit; Parking; Street Lighting, Air transportation
<b>Environmental Services</b>	- Wastewater System - Storm water System - Waterworks System - Solid waste Collection - Solid waste Disposal - Waste Diversion
<b>Health Services</b>	
<b>Social and Family Services</b>	
<b>Social Housing</b>	
<b>Recreation and Cultural Services</b>	- Parks - Recreation programs - Rec. Facilities - Golf Course, Marina, Ski Hill - Rec. Facilities – Other - Libraries - Museums - Cultural services
<b>Planning and Development</b>	
<b>Other</b>	

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

*These lines apply to Column 1 only.*

Lines 5635 through 5699 provide a list of uses for obligatory reserve funds/deferred revenue. The following categories are available:

### **Line 5635 Development Charges Cash Collected (61B 0299 28)**

This line includes amounts (development charges and interest) that have been collected. This line is automatically populated from Schedule 61B Line 0299 Column 28.

### **Line 5636 Development Charges Instalments Receivable (Uncollected) (61A 0299 25)**

This line includes amounts (development charges and accrued interest) that at year end remain uncollected in accordance with section 26.1 of the Development Charges Act. This line is automatically populated from Schedule 61A Line 0299 column 25.

**Line 5640 Sub-divider Contributions**

**Line 5650 Recreational Land (the Planning Act)**

**Line 5655 Community Benefits Charges**

**Line 5661 Building Code Act, 1992 (Section 1.9.1)**

**Line 5690 Gasoline Tax – Province**

**Line 5691 Canada Community -Building Fund (Gasoline Tax – Federal)**

**Line 5693 Building Canada Fund (BCF)**

**Line 5695 Other**

**Line 5696 Other**

**Line 5697 Other**

**Line 5698 Other**

**Line 5699 Other**

**Line 9930 TOTAL**

For obligatory reserve funds/deferred revenue (Column 1) the total on line 9930 must equal the sum of lines 5635 to 5699.

For discretionary reserve funds (Column 2), the total on line 9930 must equal the sum of lines 5010 through 5290.

For reserves (Column 3), the total on line 9930 must equal the sum of lines 5010 through 5290.

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**

## **Municipal Development-Related Charges**

### **B: Parkland Special Account**

The Planning Act provides tools for municipalities to fund the acquisition of land to be used for parks and other public recreational purposes. The purpose of this section is to record the dedication provisions of land for different types of development. Please record both the number in hectares and the value of the land that has been dedicated for parkland in the current year.

**Please do not include cash-in-lieu amounts (cash-in-lieu contributions for parkland are recorded on line 0830 Recreation land (the Planning Act) and line 5650 Recreation land (the Planning Act) in Schedule 60 (above.)**

**Parkland provided in the year:**

#### **Line 5801 Non-Residential (Standard Rate)**

This line is used to record the dedication of parkland in respect of land proposed for **non-residential-development**. Both the number of hectares of parkland provided and its value are required.

#### **Line 5802 Residential (standard rate)**

This line is used to record the dedication of land in respect of land proposed for residential development based on the standard rate of up to 5% of the land proposed for development. Both the number of hectares of parkland provided and its value are required.

#### **Line 5803 Residential (alternative rate)**

In certain circumstances, municipalities can use the alternative rates of up to 1 hectare of parkland for every 600 dwelling units. This line is used to record dedications in accordance with these alternative land dedication provisions for residential development. Both the number of hectares of parkland provided and its value are required.

#### **Line 5804 Other**

This line is used to record other arrangements made with developers for parkland. Both the number of hectares of parkland provided and its value are required.

### **C: Community Benefits Charges**

In Kind Contributions for the year:

#### **Line 5901 In Kind Contributions (reported in year building permit issued)**

Please enter the dollar value of in-kind contributions.

### **D: Spending or Allocation of Opening Obligatory Reserve Fund Balances**

## Development Charges

**Beginning in 2023 and in each calendar year thereafter, the Development Charges Act, 1997, introduces a requirement for municipalities to spend or allocate at least 60% of the funds in the reserve fund for water supply services, including distribution and treatment services, waste water services, including sewer and treatment services, and services related to a highway (roads and structures) as defined in subsection 1 (1) of the *Municipal Act, 2001* or subsection 3 (1) of the *City of Toronto Act, 2006*.**

### Line 6001 Highways (Roads and Structures)

Please use Line 6001 Column 1 to record the percentage of the monies in the reserve fund at the beginning of the year spent or allocated in the year on Highways (Roads and Structures), as described above.

Please use Line 6001 Column 2 to record the amount of the monies in the reserve fund at the beginning of the year spent or allocated in the year on Highways (Roads and Structures), as described above.

### Line 6002 Wastewater Services, Including Sewers, and Treatment Services

Please use Line 6002 Column 1 to record the percentage of the monies in the reserve fund at the beginning of the year spent or allocated in the year on Wastewater Services, Including Sewers, and Treatment Services, as described above.

Please use Line 6002 Column 2 to record the amount of the monies in the reserve fund at the beginning of the year spent or allocated in the year on Wastewater Services, Including Sewers, and Treatment Services, as described above.

### Line 6003 Water Supply Services, Including Distribution and Treatment

Please use Line 6003 Column 1 to record the percentage of the monies in the reserve fund at the beginning of the year spent or allocated in the year on Water Supply Services, including Distribution and Treatment, as described above.

Please use Line 6003 Column 2 to record the amount of the monies in the reserve fund at the beginning of the year spent or allocated in the year on Water Supply Services, including Distribution and Treatment, as described above.

## Parkland

**Beginning in 2023 and in each calendar year thereafter, the Planning Act, Section 42.16.1 introduces a requirement for municipalities to spend or allocate at least 60% of the funds in the parkland special account.**

### Line 6004 Parkland Special Account

Please use Line 6004 Column 1 to record the percentage of the monies in the special account at the beginning of the year spent or allocated in the year on Parkland, as described above.

Please use Line 6004 Column 2 to record the amount of the monies in the special account at the beginning of the year spent or allocated in the year on Parkland, as described above.

### **Community Benefits Charges**

**Beginning in 2023 and in each calendar year thereafter, the Planning Act, Section 42.47 introduces a requirement for municipalities to spend or allocate at least 60% of the funds in the parkland special account.**

### **Line 6005 Community Benefits Charges Special Account**

Please use Line 6005 Column 1 to record the percentage of the monies in the special account at the beginning of the year spent or allocated in the year on Community Benefits Charges, as described above.

Please use Line 6005 Column 2 to record the amount of the monies in the special account at the beginning of the year spent or allocated in the year on Community Benefits Charges, as described above.