

SCHEDULE 60 • Continuity of Reserves and Reserve Funds

General Information

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

Three columns have been created in order to identify Obligatory reserve funds/Deferred revenues, Discretionary reserve funds and Reserves.

Obligatory reserve funds are to be 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.

Beginning with the 2003 FIR, there were only three reserve funds deemed to be obligatory reserve funds. They are reserve funds established for Development charges, Subdivider contributions and for Recreational land (Planning Act). The reserve funds deemed to be obligatory reserve funds in 2002 and prior years: Lot levies, Parking revenues, Debenture repayment and Exchange rate stabilization are no longer mandated as obligatory reserve funds. These reserve funds are to be reported with working fund and other discretionary reserve funds in Lines, 5630, 5660, 5670, 5680 in schedule 60.

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.

Revenues

This section identifies sources of revenues to Obligatory reserve funds/Deferred revenue, Discretionary reserve funds and Reserves.

Line 0410 Contributions from revenue fund

Enter transfers from the revenue fund to each of: Obligatory reserve funds/Deferred revenue, Discretionary reserve funds, and Reserves.

Contributions from the revenue fund reported on Line 0410 are also reported in Schedule 40, Column 9 (Transfers to Own Funds) by function.

Line 0420 Contributions from capital fund

Enter transfers from the capital fund on this Line.

Generally there will be no transfers from the capital fund to obligatory reserve funds/deferred revenue.

The sum of columns 1, 2 and 3 is carried forward to Schedule 50, Capital Fund Operations (SLC 50 3420 01).

Line 0499 Subtotal

This subtotal for Contributions from own funds is equal to Line 0410 + 0420.

DEVELOPMENT CHARGES ACT

All development charges should be reported on this schedule as revenues of obligatory reserve funds/deferred revenue, in column 1.

Revenues from development charges, should not be reported in the following schedules relating to revenue fund revenues or capital fund revenues:

- Schedule 10 - Revenue Fund Receipts
- Schedule 50 - Capital Fund Operations
- Schedule 52 - Sources of Capital Fund Financing and Expenditures

Expenditures related to development charges should be reported in the capital fund as they occur. Since the expenditures are financed by transfers from obligatory reserve funds/deferred revenue to the capital fund, the transfer is also reported in Schedule 52, Sources of Capital Fund Financing and Expenditures.

The following entries are made to report transfers from obligatory reserve funds/deferred revenue to the capital fund:

- Report the amount transferred from obligatory reserve funds/deferred revenue to the capital fund as an expenditure in this schedule in SLC 60 1010 01.
- Report the amount transferred from obligatory reserve funds/deferred revenue to the capital fund in Schedule 52, column 2 (Contributions from own funds - reserves, reserve funds, deferred revenue).
- The capital fund expenditure is reported in Schedule 52, in column 7 (Capital expenditures), according to function.

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.

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.

Line 0630 Credits utilized (Development Charges Act)

Report credits claimed in respect of works installed in lieu of cash payment of development charge obligations under the Development Charges Act, 1997. Credits are claimed as the credited units of development are built out.

Example: If 1/2 the units in a development are built in year 1, only 1/2 the credited amount may be claimed. The remaining credits are claimed proportionately as the remaining units are built

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 columns 2 or 3. In 2002 and prior years, lot levies received were reported in column 1.

Expenditures related to lot levies should be reported in the capital fund as they occur in Schedule 52, column 7 (Capital expenditures). Since the expenditures are financed by transfers from discretionary reserve funds/reserves to the capital fund, the transfer is also reported in:

SLC 60 1010 01 (Expenditures - Transferred to capital fund)

Schedule 52, Column 2 (Contributions from own funds: Reserves, Reserve funds, Deferred revenue)

Line 0820 Subdivider contributions

Report subdivider contributions received pursuant to section 164 of the Municipal Act on this line.

Expenditures related to subdivider contributions should be reported in the capital fund as they occur in Schedule 52, column 7 (Capital expenditures). Since the expenditures are financed by transfers from obligatory reserve funds/deferred revenue to the capital fund, the transfer is also reported in:

SLC 60 1010 01 (Expenditures: Transferred to capital fund)

Schedule 52, Column 2 (Contributions from own funds: Reserves, Reserve funds, Deferred revenue)

Line 0830 Recreational land (the Planning Act)

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

INVESTMENT INCOME

Line 0840 Investment income - From own funds

This line refers to interest earned from short-term internal loans from reserves and reserve funds to the revenue fund.

Line 0850 Investment income - From other

This line refers to interest income generated on reserve fund balances from external sources such as bank deposits, promissory notes, etc..

Line 0860 Gasoline Tax - Province

This line refers to gasoline tax revenue received from the Provincial Government. Gasoline tax

revenues should only be reported on this line if the conditional grant has not been utilized during the year.

Line 9910 TOTAL Revenues

In column 1 (Obligatory reserve funds/Deferred revenue), total revenues on Line 9910 equal the sum of Lines 0499 and 0699, plus amounts on Lines 0820 through 0860. These Lines represent contributions from the revenue fund, contributions from the capital fund, development charges, subdivider contributions, payments received in lieu of recreational land, investment income and gasoline tax revenue from the province.

In column 2 (Discretionary reserve funds), total revenues on Line 9910 equal the sum of Lines 0499, 0810 and 0840 through 0850. These Lines represent contributions from the revenue fund, contributions from the capital fund, and investment income.

In column 3 (Reserves), total revenues on Line 9910 equal the sum of Lines 0499, 0810 and 0840 through 0850. These Lines represent contributions from the revenue fund, contributions from the capital fund, and investment income.

Expenditures

This section identifies expenditures of obligatory reserve funds/deferred revenue, discretionary reserve funds and reserves.

Line 1010 Transferred to capital fund

For each column, report the amount transferred to the capital fund.

SLC 60 1010 01 + 02 + 03 equals SLC 52 9910 02

Note that the amount in Schedule 52 is carried forward to SLC 50 2020 01.

Line 1020 Transferred to revenue fund

For each column, report the amount transferred to the revenue fund.

The sum of the columns is carried-forward to Schedule 10 (SLC 60 1020 01 + 02 + 03 = SLC 10 3020 01).

Line 1030 Charges for long term liabilities - principal and interest

For each column, report the amount used to finance principal and interest repayments on long term debt.

Line 1040 Development Charges Act - Credits utilized (Capital Fund)

In the same year that credits are utilized and reported as revenue on Line 0630 of this schedule, report the amount of the credit as an expenditure of the capital fund on this Line.

Line 1050 Development Charges Act - Credits utilized (Revenue Fund)

In general, transfers from DCA obligatory reserve funds/deferred revenue (including credits utilized) are made to the capital fund and not the revenue fund. This Line is provided in the event that the

amount of the credit is transferred to the revenue fund and reported as an expenditure of the revenue fund.

Line 9920 TOTAL Expenditures

Total expenditures are equal to the sum of Lines 1010 through 1050 for each column.

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 - Line 9910

LESS: Total expenditures - Line 9920

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 5660:

- development charges
- subdivider contributions
- recreational land (the Planning Act)
- gasoline tax

The Lines which do not apply are blocked out.

Discretionary reserve funds

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

- working funds and other specified uses (Lines 5010 to 5090 and 5630 to 5680)
- current purposes by function (Lines 5205 to 5290)
- capital purposes by function (Lines 5405 to 5490)

Reserves

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

- working funds and other specified uses (Lines 5010 to 5090 and 5630 to 5680)
- current purposes by function (Lines 5205 to 5290)
- capital purposes by function (Lines 5405 to 5490)

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 5090

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 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 as working funds to meet current expenditures during the course of the year.

Line 5020 Contingencies

Line 5030 Ontario Clean Water Agency (OCWA) fund for renewals, etc. - Sewer

Line 5040 Ontario Clean Water Agency (OCWA) fund for renewals, etc. - 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 5630 Lot levies

Line 5660 Parking revenues

Line 5670 Debenture repayment

Line 5680 Exchange rate stabilization

CURRENT PURPOSES

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 current purposes. Current purposes are identified by function as shown below. Each

functional category used in Schedule 40 is included. In addition, selected subfunctions are included for transportation services, environmental services and recreation and cultural services. Note that the same functional categories are used to analyze amounts held for capital purposes.

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

Line 5245 Waste disposal

Beginning in the 2002 reporting year, report discretionary reserve funds relating to operating expenditures for the closure and post-closure of landfill sites in SLC 60 5245 02. Report reserves relating to operating expenditures for the closure and post-closure of landfill sites in SLC 60 5245 03. See Line 5445 below.

Line 5290 Other

For column 2 and column 3 report amounts held for other current purposes.

CAPITAL PURPOSES

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 which are held for capital purposes. Capital purposes are identified by function. The categories used for capital purposes are the same as those used for current purposes shown above.

Line 5445 Waste disposal

Beginning in the 2002 reporting year, report discretionary reserve funds relating to capital expenditures for the closure and post-closure of landfill sites in SLC 60 5445 02. Report reserves relating to capital expenditures for the closure and post-closure of landfill sites in SLC 60 5445 03. See Line 5245 above.

Line 5490 Other

For column 2 and column 3, report amounts held in the discretionary reserve funds for other capital purposes.

OBLIGATORY RESERVE FUNDS/DEFERRED REVENUE

These Lines apply to Column 1 only.

Lines 5610 through 5650 and 5690 provide a list of uses for obligatory reserve funds/deferred revenue. The following categories are available:

- Development Charges Act
- Subdivider Contributions
- Recreational Land (the Planning Act)
- Gasoline Tax

Line 9930 TOTAL

For obligatory reserve funds/deferred revenue (Column 1) the total on Line 9930 must equal the sum of Lines 5610 to 5650 and 5690.

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.

$$\text{SLC 60 2099 xx} = \text{SLC 60 9930 xx}$$