



2020 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 2020 Year End

As at December 31, 2020, the total balance of the Town's 32 reserves was \$21,185,765., compared to \$17,153,778 at the end of 2019. These reserves include:

- 10 reserves established for the replacement of capital assets with a total balance of \$3,402,301 (2019 - \$1,563,909);
- 2 reserves established to provide working capital and tax rate stabilization with a total balance of \$4,267,453 (2019 - \$3,364,245);
- 2 reserves established for the water and wastewater system with a total balance of \$10,348,573 (2019 - \$9,663,847); and
- 18 reserves established for funding operational requirements with a total balance of \$3,167,438 (2019 - \$2,561,777).

During 2020, Council established the Big Sound Marina Reserve and the Town began maintaining the Covid-19 Funding Reserve in accordance with Resolution 2020-093 and the associated agreement. A separate reserve was established with \$100,000 transferred from the Winter Control Reserve to the Storm Water Management Reserve. Table 1 summarizes opening balances, transactions and ending balances of all the Town's reserves.

Table 1 - 2020 Year End Reserve Balances

Item	Opening Balance Jan 1, 2020	Transfers In	Transfers Out	Year End Surplus Allocation	Ending Balance Dec 31, 2020
Infrastructure Replacement	473,323	19,979	(2,931)	-	490,371
Equipment Replacement	117,802	209,760	-	-	327,562
Building	413,391	136,460	(60,904)	-	488,948
IT Replacement	135,379	67,200	(33,056)	-	169,523
Fleet	224,014	467,985	(150,407)	-	541,592
Big Sound Marina	-	1,293,240	(108,935)	-	1,184,305
Emergency Capital Asset Replacement	200,000	-	-	-	200,000
Tax Rate Stabilization	1,064,731	0	(30,500)	103,690	1,137,921
Municipal Elections	5,000	5,000	-	-	10,000
WSIB Reserve	321,400	-	-	19,700	341,100
Façade Improvement Program	42,311	40,000	(21,731)	-	60,580
LACAC*Directory	7,667	-	-	-	7,667
Waste Management	235,394	1,326	-	-	236,720
Industrial Park	30,410	-	-	-	30,410
Economic Development	41,459	100,000	-	-	141,459
Planning Legal	20,000	-	-	-	20,000
Health Unit Cost Stabilization	-	29,514	-	-	29,514
Health Unit Capital	14,428	-	-	-	14,428
Emergency Services	42,935	-	-	-	42,935
Police Cost Stabilization	215,685	-	(27,668)	-	188,018

Stockey Centre	188,515	4,986	-	-	193,501
Cemetery and Columbaria	37,745	-	(12,277)	-	25,468
Parks	351,368	48,000	-	-	399,368
General Working Capital	2,299,514	830,018	-	-	3,129,532
Salt Management	18,000	-	-	-	18,000
Storm Water Management	0	100,000	-	-	100,000
Winter Control	298,509	193,808	(100,000)	-	392,318
Wastewater Stabilization	3,905,355	1,776,476	(1,328,382)	-	4,353,449
Water Stabilization	5,758,492	1,516,321	(1,279,689)	-	5,995,124
Founders Circle	32,000	3,095	-	-	35,095
Modernization Funding	658,950	-	(13,536)	-	645,414
Covid-19 Funding	-	235,443	-	-	235,443
Total	17,153,778	6,978,611	(3,070,014)	123,390	21,185,765

Projected Balanced at 2021 Year End

The following Table 2 shows the projected reserve balances at the end of 2021, considering the contributions and withdrawals in the 2021 budget and subsequent Council resolutions. The projected balance has decreased from the 2020 surplus allocation and is impacted by any deferred projects from 2020.

Table 2 – Projected 2021 Year End Reserve Balances

Item	Opening Balance Jan 1, 2021	Transfers In	Transfers Out	Ending Balance Dec 31, 2021
Infrastructure Replacement	490,371	157,208	-75,800	571,779
Equipment Replacement	327,562	165,594	-117,920	375,236
Building	488,948	121,460	-42,000	568,408
IT Replacement	169,523	60,000	-172,500	57,023
Fleet	541,592	467,985	-57,500	952,077

Big Sound Marina	1,184,305	-	-1,184,305	0
Emergency Capital Asset Replacement	200,000	-	-	200,000
Tax Rate Stabilization	1,137,921	0	-4,557	1,133,364
Municipal Elections	10,000	5,000	-	15,000
WSIB Reserve	341,100	-	-	341,100
Façade Improvement Program	60,580	40,000	-40,000	60,580
LACAC*Directory	7,667	-	-	7,667
Waste Management	236,720	-	-	236,720
Industrial Park	30,410	-	-	30,410
Economic Development	141,459	-	-	141,459
Planning Legal	20,000	-	-	20,000
Health Unit Cost Stabilization	29,514	-	-	29,514
Health Unit Capital	14,428	-	-	14,428
Emergency Services	42,935	-	-	42,935
Police Cost Stabilization	188,018	-	-	188,018
Stockey Centre	193,501	36,000	-85,649	143,852
Cemetery and Columbaria	25,468	-	-12,277	13,191
Parks	399,368	-	-	399,368
General Working Capital	3,129,532	-	-	3,129,532
Salt Management	18,000	-	-	18,000
Storm Water Management	100,000	-	-	100,000
Winter Control	392,318	-	-	392,318
Wastewater Stabilization	4,353,449	1,705,604	-2,100,000	3,959,053
Water Stabilization	5,995,124	1,090,459	-427,346	6,658,237
Founders Circle	35,095	-	-15,000	20,095
Modernization Funding	645,414	-	-350,000	295,414
Covid-19 Funding	235,443	235,443	-201,538	269,348
Total	21,185,765	4,084,753	-4,886,392	20,384,127

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 2020 Year End

As at December 31, 2020, the total balance of the Town's 21 reserve funds was \$7,575,274, compared to \$5,324,862 at the end of 2019. [Table 3](#) summarizes opening balances, transactions and ending balances of the reserve funds in 2020.

Table 3 - 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	18	-	-	1,511
Bobby Orr Hall of Fame	140,302	2,089	-	-	142,391
Bobby Orr Hall of Fame Scholarship	16,022	208	-	-	16,230
Bobby Orr Hall of Fame Special Projects	237,727	2,949	-	(2,916)	237,759
Capital Asset Legacy	1,062,648	789	370,545	-	1,433,982
Capital Replacement	1,233,202	10,309	1,925,472	(114,919)	3,054,065
Development Charges/Lot Levy	110,101	1,351	-	(17,055)	94,397
EMS Equipment/Capital	62,618	1,989	480,567	(338,722)	206,453
Federal Gas Tax	390,574	4,157	388,789	(783,520)	0
Future Pool	110,671	832	-	(54,644)	56,860
Land Ambulance Severance	571,611	6,758	-	-	578,370
Land Ambulance Surplus	313,601	6,807	274,929	-	595,336
Main Street Revitalization	23,604	289	-	(23,893)	0
Municipal Parking	117,962	1,466	-	-	119,428
Property/Parkland	100,779	1,241	-	-	102,020

Public Transit (Provincial Gas Tax)	109,285	1,480	57,961	(2,142)	166,584
Sewer Development	129,415	1,591	-	-	131,006
Smelter Wharf	413,950	5,091	75,000	(36,810)	457,231
Splash Pad	44,289	547	-	-	44,836
Treetops	1,850	22	150	-	2,022
Water Development	133,157	1,635	-	-	134,793
	5,324,862	51,619	3,573,413	(1,374,620)	7,575,274

Projected Balance at 2021 Year End

The following Table 4 shows the projected reserve fund balances at the end of 2021 considering the contributions and withdrawals in the 2021 budget and subsequent Council resolutions.

Table 4 – Projected 2021 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	1,511	18	-	-	1,529
Bobby Orr Hall of Fame	142,391	1,500	-	(143,891)	0
Bobby Orr Hall of Fame Scholarship	16,230	413	-	(2,000)	14,643
Bobby Orr Hall of Fame Special Projects	237,759	2,949	43,891	-	284,599
Capital Asset Legacy	1,433,982	1,332	103,200	(400,000)	1,138,514
Capital Replacement	3,054,065	21,477	-	(485,000)	2,590,542
Development Charges/Lot Levy	94,397	1,158	-	(32,945)	62,611
EMS Equipment/Capital	206,453	6,559	490,178	(460,000)	243,189
Federal Gas Tax	0	2,078	797,204	(426,421)	372,861
Future Pool	56,860	428	30,000	(9,690)	77,598
Land Ambulance Severance	578,370	6,838	-	-	585,208
Land Ambulance Surplus	595,336	6,807	274,929	-	877,071
Main Street Revitalization	-	-	-	-	-
Municipal Parking	119,428	1,484	-	-	120,912
Property/Parkland	102,020	1,256	-	-	103,276

Public Transit (Provincial Gas Tax)	166,584	2,256	57,961	-	226,800
Sewer Development	131,006	1,612	-	-	132,618
Smelter Wharf	457,231	5,623	75,000	(45,110)	492,745
Splash Pad	44,836	554	-	-	45,390
Treetops	2,022	22	-	-	2,044
Water Development	134,793	1,655	-	-	136,448
	7,575,274	66,019	1,872,363	(2,005,057)	7,508,599