



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Donna White
DATE: 19/03/2018
SUBJECT: 2017 Reserves Listing
ATTACHMENTS: 2017 Working Reserve, 2017 Reserves Balance

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby receives the 2017 Working Reserve and 2017 Reserve Fund Listing as presented by the Director of Finance for information purposes.

EXECUTIVE SUMMARY

As part of the yearend audit process, the Director of Finance compiles a listing of the Working Reserve Balance and a total of all the Township Reserves.

DISCUSSION

A Reserve such as the Working Reserve is simply an allocation of accumulated net revenue. It does not require physical segregation of money or assets. A reserve may be established for a predetermined purpose and applied for that purpose at the discretion of council. A reserve is created by including in the current budget, the amount that is to be transferred to a reserve during the year. The balance in the Working Reserve at December 31, 2017 is \$2,044,451.71.

A reserve fund is established to account for assets that have been segregated for a specific purpose. There are two types of reserve funds: obligatory and discretionary. Discretionary reserve funds are created when Council wishes to earmark dollars to finance a future expenditure. Obligatory Reserve Funds must be created whenever a statute requires revenues for special purposes to be segregated from the general municipal reserves. North Huron's Obligatory Reserve Funds include: Development Charges, Building Code Act, Cash in Lieu of Park Land and Federal Gas Tax and OCIF Formula Base Reserve. The total of the various Reserve Funds is \$8,437,022.79 with the largest amount belonging to Water and Sewer at \$6,060,344.17.

The total of all reserves for the Township of North Huron at December 31, 2017 is \$10,481,474.50 which is a decrease from 2016 in the amount of \$103,084.44.

	2016	2017
Working Reserve	\$2,779,423.89	\$2,044,451.71
Reserve Funds	\$7,805,135.05	\$8,437,022.79
Total	\$10,584,558.94	\$10,481,474.50

FINANCIAL IMPACT

The reserve and reserve fund balances are recorded on Schedule 60 of the annual Financial Information Return (FIR) and the information is also included in the Township Financial Statements.

FUTURE CONSIDERATIONS

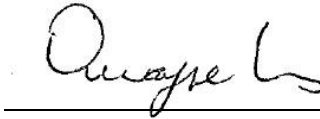
Projects included in the 2018 Draft Budget that are to be funded from reserves will be discussed as part of the budget process.

RELATIONSHIP TO STRATEGIC PLAN

Goal #4: Our administration is fiscally responsible and strives for operational excellence.

A handwritten signature in cursive script that reads "Donna White".

Donna White, Director of Finance

A handwritten signature in cursive script that reads "Dwayne Evans".

Dwayne Evans, CAO