

POLICY	General Reserve and Reserve Fund Policy
CATEGORY	Finance 05-04
AUTHORITY	Council
RELATED POLICIES	Investment Policy, Growth Reserve Policy
EFFECTIVE DATE	July 23, 2024

1. Purpose:

This policy establishes guiding principles, primary objectives, key criteria for the administrative responsibility, and standards related to the care and management of financial Reserves and Reserve Funds held by the Corporation of the County of Elgin (County of Elgin) as it relates to:

- Establishing reserves and reserve funds for planned future capital expenditures, unexpected events or extraordinary expenditures which would otherwise cause fluctuations in the operating or capital budgets;
- Managing reserves and reserve funds in a responsible manner; and
- Utilizing reserves and reserve funds solely for their intended purpose.
- Responsibilities of employees and Council who govern and administer public funds

A financial reserve is a provision for an amount that is designated for a future purpose that extends beyond the current fiscal year. Reserves are established for a variety of purposes:

- to ensure the ongoing financial stability of the organization;
- to protect against known risks and unforeseen events;
- to provide for life cycle replacement of County-owned capital assets;
- to meet specific obligatory liabilities;
- to smooth expenditures which would otherwise cause fluctuations in operating or capital budgets due to known increases in need;
- to provide for planned future expenditures and
- to provide a source of internal financing

The County of Elgin has a variety of reserves and reserve funds, both obligatory and discretionary, as outlined in **Appendix A: Reserve and Reserve Fund Policy Schedule**.

2. SCOPE

The General Reserve and Reserve Fund Policy applies to all departments and local boards of the Corporation of the County of Elgin.

1. It shall be the County's practice to establish and maintain segregated reserve funds that meet all statutory obligations.
2. Reserves and reserve funds shall be managed in accordance with the **Municipal Act, 2001, as amended**, this includes, but not limited to:
 - Section 11 which defines spheres of jurisdiction between Upper and Lower tier municipalities to pass by-laws respecting accountability, transparency and financial management;
 - Section 290 (2) the budget shall set out the estimated revenues and expenditures of reserves and reserve funds contained within a County's budget;
 - Section 291 covering multi-year budget requirements of municipalities;
 - Section 417 (4) that money raised for a reserve fund shall be paid into a special account and shall be invested only in securities or classes of securities prescribed;
 - Section 418 (3) as allowed by the Corporation, shall combine money held in any fund (including General, Capital and Reserves and Reserve Funds) for investment purposes; and
 - Section 418 (4) that earnings from combined investments shall be credited to each segregated fund in proportion to the amount invested in it.

3. Reserves and Reserve Funds Management

a) Establishment and Modification of Reserves and Reserve Funds

Reserves and reserve funds shall only be established or modified if they are supported by a Council approved financial plan identifying the funding needs, targets, contribution sources, projected drawdowns and investment of funds.

Target funding levels may be established for all reserve and reserve funds. Methods for calculating reserve and reserve fund targets shall be determined on a case-by-case basis considering the following:

- Purpose of fund and how it is funded
- Synergy as it relates to current Strategic Plan
- Certainty of end needs
- Best practices/standards regarding the identification of need and target balance levels (with reference to MFOA, GFOA, PSAB, GAAP, etc.)
- Economic factors
- Reserve and reserve fund balances and associated targets shall be reviewed periodically to ensure adequate reserve and reserve fund levels.
- Changing of Reserve and Reserve Fund names can be made with the approval of the Treasurer or designate while ensuring the purpose and intended use of the reserve or reserve fund is not changed.

b) Investment of Reserves and Reserve Funds:

- a) Reserves and reserve funds shall be invested for a term that will not exceed its expected date of need ie. where such investment would require the County to borrow at a higher rate of interest to support cashflow or investment requirements.
- b) Reserves and reserve funds shall be invested in accordance with the Council Approved Investment Policy.
- c) Interest earned on reserves shall be recognized as revenue in the operating budget. The County recognizes that reserves created for the purposes of Provincial or Federal funding have mandatory requirements to allocate interest on these Reserves ex. Canada Build Fund. Therefore, when possible, this same treatment will be given to all reserves when surplus is available and allows at year end.

c) Contributions To/Drawdowns From Reserves and Reserve Funds:

- a) Contributions to/drawdowns from reserves and reserve funds shall be made in accordance with applicable resolution of Council or by-law and/or this Policy.
- b) Contributions to/drawdowns from reserves and reserve funds shall be approved by Council as part of the normal annual budget process and posting of any year end surplus/deficit.
- c) Where Provincial or Federal funding becomes available, after the budgeting process, there may be need to use reserve funds for the purposes of matching contributions to the funding amount. Such special circumstances, would require approval by Council with the specifics outlined in a special report and would not exceed reserves set aside for that department or purpose.
- d) Council approved contributions to/drawdowns from reserves and reserve funds not realized due to significant changes in scope or feasibility of the project/purchase for which they were approved shall be reported to Council as part of the budget variance reports, budgetary process, or a report to Council that includes year end closing such as the year end audited Financial statements
- e) Contributions to/drawdowns from reserves and reserve funds shall take into account intergenerational equity between current and future tax/ratepayers.
- f) Contributions to/drawdowns from reserves and reserve funds shall not circumvent or deviate from a Policy directly related to the reserve being referenced for change ie. Growth Reserve Policy or other Policy as approved by Council at a later date.

d) Intra-fund Lending/Temporary Borrowing of Reserves and Reserve Funds:

- a) Intra-fund lending between reserves and reserve funds shall be permitted to temporarily finance capital and/or operating cash flow deficiencies to avoid external borrowing costs. Intra-fund lending can be accomplished by allowing a non-obligatory reserve or reserve fund to go into a deficit position with a plan on how the reserve will be replenished back to its target reaching state

Short-term or Long-term inter-fund borrowing is permitted to cover a reserve or reserve fund shortfall over a period of less than two years where;

- sufficient funding is available
- it is deemed appropriate by the Treasurer; and
- interest is paid annually on the borrowed funds where applicable
- Council will be advised through reports on the capital project or by way of the budget and year-end financial statement presentation

- b) External debt and debt servicing costs shall be budgeted and paid from the operating fund. There is one exception to this rule:

- As per the Development Charges Act, debt may be included as a capital cost to leverage development charge revenue while waiting for DC collections to catch up to growth-related spending. The DC debt related costs will be recovered from the appropriate DC reserve fund.
- The above rule will be applied to the Growth Reserve by default

e) Termination of Reserves and Reserve Funds:

- a) A discretionary reserve or reserve fund may be terminated (wound down and closed) when the program or project it supports meets any of the following criteria:
- No longer within the scope of the County's strategic plan
 - Program commitments have been completed and no future commitments are expected
 - The Treasurer is confident that balances in other areas can mitigate the need to hold any remaining reserve or reserve fund balance
- b) Reserves or reserve funds identified for termination shall be reported to Council for review and approval during the year end process. Reporting shall include recommendations regarding the timing of wind down, closure and the allocation of any existing fund balances including returning to funding partners as per obligatory obligations.

f) Adequacy of Funding

The adequacy of an individual reserve or reserve fund shall be determined on a case-by-case basis, taking into consideration the purpose of the reserve and the magnitude and timing of all future commitments and projected funding sources. Sources of expected need will be referenced such as Transportation Master Plan, Asset Master Plan or Growth related plan when available to inform these decision.

Appendix A: Reserve and Reserve Fund Policy Schedule may outline and include the target balances for each reserve and reserve fund. If a reserve or reserve fund has exceeded the recommended target, the Treasurer will review the source of funding and consider transferring funds to areas where there is high need or high priority, subject to Council approval.

g) Reserve funding philosophy and targets:

Use of Surplus/Deficit at year end:

- Departmental Operating Reserves: Use of Reserve is identified in departmental budgets during budget approval cycle and set up as a special project. At year end, reserves are replenished/depleted during year end process based on actual changes and not budgeted amounts (Actual revenue received less actual costs used) by respective departments.
- Growth Related Reserve: Reference Growth Related Reserve Policy for further information on use and funding.
- Specific Funding Sources: As per contractual agreement, the County is obligated to spend all funds relative to certain agreements. When funding is not spent it may be carried forward as a deferred revenue through the use of a reserve. Such agreements include but are not limited to: Development charges, Canada Community Build Fund (formerly federal gasoline tax), and Ontario Community Infrastructure Fund.
- Reassessment Reserve will identify the accumulation of half of any new assessments that are considered at risk. The intent of this reserve is to ensure that the funds are not used for general purpose by the County until any potential appeal is settled. The amount is intended to identify amounts that may be at risk of reimbursement to the ratepayer. This number is an estimate of what might be awarded and actuals may be higher or lower once settled.
 - Appeals can be costly and may go back as much as three years to capture assessment reimbursement, so it is acceptable to allocate funds to the reserve for three years and to allocate legal costs against these funds as may be necessary. Once claims are settled, the claim surplus/deficit would be reallocated to/from this reserve as follows:
 - Growth Reserve – Fund one full cycle of taxation missed due to initial deferral (equal to two years of one half of assessment) where it may have been allocated during its inaugural year.
 - Specific Facility Capital Funds, or Capital Fund
- Millrate Stabilization Reserve is used to Stabilize tax rates, to secure our short-term borrowing line of credit, and to decrease risk by providing in year working capital funds between Levy payments. The reserve is

held at no less than one quarter of the current year's Levy in any given quarter. In the past, this reserve has provided assurance to our Borrowing By-Law for the bank, has enabled us to borrow from reserves on a short-term basis in order to self-finance, and has enabled Council to approve extended time for our Local Municipal Partners to pay Levy during Covid. This reserve includes operating project carryforward amounts and additional top up of year end surplus funds when available.

- Capital Reserve Fund is funded with annual transfers that are allocated based on any actual surplus/deficit that is identified on completed Capital projects from all areas of the County. The purpose of this fund is to assist in the future replacement of existing assets within the asset replacement program to mitigate the need for debt. This can apply to short-term assets such as equipment but more often applies to longer-term assets such as Roads/Bridges. Funds may be reallocated if preferred to a Specific Facility Reserve.
- Specific Facility Capital Reserve identify funds reserved for individual building assets of the County of Elgin. Specific facility reserves may be replenished based on revenue received for use/rental of the facility as determined each year in conjunction with any year-end surplus reallocation. When this replenishment is not prioritized and zero balances are maintained, it identifies areas of gap with erosion of position as existing assets are used/amortized. Planned major replacements or refurbishments identified may trigger the replenishment or use of these reserves. Reserves are not used for the purpose of regular repairs and maintenance which should be budgeted and managed through the operating budget. When Capital works are completed for specific facilities using borrowed Reserve funds, the specific facility Capital Reserve fund will show negative until the self-funded amount is paid back or until the balance is funded through the use of Long-Term Debt.
- Capital Fund Net Long Term Debt outlines the amount still owing on debt taken out by the County to fund Capital asset projects.
- Work-In-Progress Completed Reserve will be equal to the funds that have been used to complete Capital projects that are being carried forward.
- Net Book Value (NBV) Tangible Capital Assets equals the value of the Tangible Capital Assets completed and in Service less any accumulated amortization due to use or age of the Asset.
- Capital Fund – Completion of Work-In-Progress will equal the remaining amount of budget that has been raised in prior year's that is set aside for projects that are in progress but are not yet completed.

h) Responsibilities

Council must approve the:

- establishment of new reserves and reserve funds
- consolidation of reserves and reserve funds
- Use of funds to and from reserves and reserve funds as prescribed by **Appendix A: Reserve and Reserve Fund Policy Schedule**
 - during the budget process
 - during the year end close
 - throughout the year by special report if required to leverage funding opportunities or as determined by an unanticipated event of nature
 - Variation from this policy must be justified and approved by Council.

The Treasurer has overall responsibility for the management and administration of reserves and reserve funds. Once Council approves use of reserves and reserve funds by way of budget or year end surplus, the Treasurer shall have overall authority for the reserves and reserve funds managed by the Municipality. This includes authorization for the Treasurer to rename and redescribe the function of a reserve fund provided that the reserve is used for substantially the same purpose. The Treasurer may also close reserve funds that are no longer needed by the Municipality, provided that the Treasurer shall report any such reserve fund closures to Council during the year end process.

The Treasurer may delegate all or some of the management authority over the reserves and reserve funds to a designate. The Treasurer or designate(s) has the responsibility for setting reserve and reserve fund targets as may be applicable.

The Treasurer, or designate, shall prepare the following reports regarding reserves and reserve funds managed by the Municipality:

- Annual Audited Financial Statements - the annual audited financial statements shall include a statement of financial position, financial activities, and changes in fund balances for reserves and reserve funds
- Budget Reports - reserve and reserve fund balances and projected contributions from/to shall be presented in each budget. Annual changes to reserve and reserve fund balances shall be presented with each annual budget update, or specifically by resolution if required
- Financial Information Return (FIR) as required by the Ministry

i) Policy Review and amendments:

This policy is to be reviewed once per term of Council

The Treasurer has the authority to administratively **amend Appendix A: Reserve and Reserve Fund Policy Schedule** when deemed necessary. Administrative amendments authorized are:

- Updating Appendix A for Council approved changes, additions or deletions of individual reserve or reserve funds.
- Updating Appendix A for refinement of the reserve and reserve fund targets as new and improved information becomes available through the Asset

- Management or other initiatives
- Updating Appendix A for the authorization language in the event of a corporate reorganization that changes titles referenced in the Policy

4. Definitions

Deferred revenue means revenue that is considered a liability on the County's financial statements until, over time, it becomes relevant to current operations, such as a prepayment received from something that has not yet been provided. Deferred revenue is set aside in an obligatory reserve fund for a specific purpose by legislation, regulation, or agreement. Development charges, Canada Community Build Fund (formerly federal gasoline tax), and Ontario Community Infrastructure Fund are examples of deferred revenue.

Discretionary reserve funds are created under the Municipal Act when an municipality wishes to earmark revenue to finance a future expenditure for which it has the authority to spend money, and to set aside a certain portion of any year's revenues so that the funds are available in the future as required. Where (O) is not assigned in Schedule A Reserve is denoted as Discretionary.

Obligatory reserve funds are created when a provincial statute requires that revenue received for specific purposes is segregated from the general revenues of the County. Obligatory reserve funds are to be used solely for the purpose prescribed for them by statute. Denoted in Schedule A by (O).

Reserve means an allocation from net revenue after the provision for all known expenditures, as part of an overall strategy for funding programs or projects as set out in the annual budget or set aside as surplus at year end as confirmed by the audited statements and is authorized under the provisions set out in the Municipal Act. Reserves have no reference to a specific asset, may earn interest when surplus is available, do not require segregation, and may be established for a pre-determined purpose.

Reserve Fund means a fund with assets that are segregated and restricted to meet the purpose of the reserve fund. It is based on a statutory requirement or defined liability payable in the future and is usually prescriptive as to the basis for collection and use of monies in the fund. All interest earnings derived from reserve fund assets must remain and accumulate in that reserve fund. There are two types of reserve funds: obligatory and discretionary.

APPENDIX A: Reserve and Reserve Fund Policy Schedule

RESERVE NAME	#	PURPOSE	TARGET BALANCE	SOURCE OF FUNDS	USE OF FUNDS	AUTHORITY/TIMING
OPERATING (Obligatory = (O))						
Reserves Donations Elgin	2600	For general use by the Home to benefit resident quality of life. (O)	Balance is actual donations received less any in year spend. Balance is to remain in a surplus position	Received donations or other monetary gifts given for resident use.and not used.	To offset special projects that enhance the Home other than General Repairs and Maintenance.	Budget approval for use of funds and year end adjustment to actual spend. Possible in year approvals if matching County share required to obtain special funding.
Reserves Donations Terrace	2610	For general use by the Home to benefit resident quality of life. (O)	Balance is actual donations received less any in year spend. Balance is to remain in a surplus position	Received donations or other monetary gifts given for resident use.and not used.	To offset special projects that enhance the Home other than General Repairs and Maintenance.	Budget approval for use of funds and year end adjustment to actual spend. Possible in year approvals if matching County share required to obtain special funding.
Reserves Donations Bobier	2620	For general use by the Home to benefit resident quality of life. (O)	Balance is actual donations received less any in year spend. Balance is to remain in a surplus position	Received donations or other monetary gifts given for resident use.and not used.	To offset special projects that enhance the Home other than General Repairs and Maintenance.	Budget approval for use of funds and year end adjustment to actual spend. Possible in year approvals if matching County share required to obtain special funding.
Reserves Donations Alma College Alumnae	2625	For general use by the Archives to maintain Alma College Collection. (O)	Balance is actual donations received less any in year spend. Balance is to remain in a surplus position	Received donations from Almae College Alumnae and fund held for Collection maintenance once held by Alumnea	To offset special projects that feature or enhance the Collection other than General Repairs and Maintenance.	Budget approval for use of funds and year end adjustment to actual spend. Possible in year approvals if matching County share required to obtain special funding.
Mill Rate Stabilization Fund	2640	Provide cash flow, working capital, sufficient liquidity, offset extraordinary and unforeseen corporate expenditures. Mitigate fluctuations to the tax rate for planned one-time operating budget impacts. (O)	25% of current year levy and moving toward ideally meeting 25% of total revenue Reserve balances cannot fall below \$15 million to support potential obligations related to borrowing.	Council approved transfers from the operating fund and approved surplus allocations from the operating budget at year end.	To offset budget deficits arising from unforeseen, extraordinary, expenditures. Working Capital	Budget approval for use of funds and year end adjustment to actual spend.
Staff Training	2670	For general use by Human Resources to provide ongoing training for Staff.	Balance is to remain in a surplus position	Balance is derived from closed projects setting aside unspent funds on Staff Training project if not carried forward. Balance is to remain in a surplus position	To offset special projects that feature or enhance the training of staff if more than approved by the budget.	Budget approval for use of funds and year end adjustment to actual spend. Possible in year approvals if matching County share required to obtain special funding.
Reserves Donations Library	2680	For general use by the Library to benefit patrons or carryout a special project (O)	Balance is actual donations received less any in year spend. Balance is to remain in a surplus position	Received donations or other monetary gifts given for Library use.and not used.	To offset special projects that enhance the Home other than General Repairs and Maintenance.	Budget approval for use of funds and year end adjustment to actual spend. Possible in year approvals if matching County share required to obtain special funding.
Reserves Strategic Planning	2700	For general use by the Council to set aside surplus funds for the next session of Strategic planning or other planning as needed	Balance is to remain in a surplus position and be reflective of anticipated costs of planning as needed by council	Surplus funds set aside to plan for this specific purpose.	To offset special one time costs of Strategic planning without need to levy ratepayers.	Budget approval for use of funds and year end adjustment to actual spend. Possible in year approvals if matching County share required to obtain special funding.
Tree Planting	2730	Used to support programs promoted by Weed and Tree Inspector related to public education. (Could be combined with #2960 Similar purposes both contain small amounts)	Balance to remain in a positive position	Contribution amount Revenue received.	Funds received from permits due to tree cutting via Kettle Creek Conservation Authority.	Actual transfers will be approved at Budget and year end if project planned
Legal Reserve	2775	Set aside for the purpose of Self-funding and to mitigate risk.	Balance is to remain in a surplus position and be reflective of anticipated costs of planning	Surplus funds set aside to mitigate risk between	Not included	Use of funds when known Council to approve by report from DofL and CAO

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RESERVE NAME	#	PURPOSE	TARGET BALANCE	SOURCE OF FUNDS	USE OF FUNDS	AUTHORITY/TIMING
OPERATING (Obligatory = (O))						
Reserves Canada Community Build Fund (formerly Federal Gas Tax)	2750	To set aside unused CCBF for use in next fiscal year or when project completed (O)	Balance is actual when not used.	CCBF funding from Federal Government	Capital Projects as per Agreement Criteria.	At year end and at budget allocation.
Reserves OCIF Funding	2760	To set aside unused OCIF for use in next fiscal year or when project completed (O)	Balance is actual when not used.	OCIF funding from Provincial Government	Capital Projects as per Agreement Criteria.	At year end and at budget allocation.
Reserves Donations Museum	2790	For general use by the Museum for programs supported by donations (O)	Balance is actual received less any in year spend. Balance is to remain in a surplus position	Receipted donations or other monetary gifts given for Museum programming	To offset special projects that enhance Collections or programming	Budget approval for use of funds and year end adjustment to actual spend. Possible in year approvals if matching County share required to obtain special funding.
Reserves Performance Excellence	2830	Set aside for Council to recognize exemplary performance by staff.	There has been no change in the balance of this reserve for many years as it has not been utilized.	Source of funding was a budgeted line item that was discontinued some time ago.	To recognize exemplary staff contributions.	Budget approval could identify special project that this fund might be utilized for. Suggested that this reserve be closed and moved to Staff training reserve.
Reserves Orthodontics	2840	Reserves to self-fund orthodontics benefits to save County from having to purchase benefit for the from Manulife.	Balance is to remain in a surplus position.	Source of funding is a budgeted project that will be set aside if unused for future need.	Staff to draw down benefit limited to \$2,000 reimbursement for paid dental invoices. Applicable to individuals where plan is does not include orthodontics.	Budgeted Project in County budget is provided annually and available to staff.
Reserves Property Reassessment	2890	This reserve was established during the 2024 Budget Cycle sets aside amounts that are potentially at risk of return to the rate payer should an appeal be launched (focus on Large Industrial and Commercial classes).	½ of tax paid on new assessment of property identified that may be at risk of appeal from the County base assessment level only. Taxpayer may be eligible for three years of reimbursement if deemed eligible.	Actual levy that may be at risk during a three - year cycle. Funds will be held until appeal outcomes are concluded.	Appeal outcomes are determined by legal process. Costs for Legal services may need to be deducted if necessary. Repayment to ratepayer is estimate of what may be required.	As known, Treasurer will calculate and set aside at budget time or within year end process if first payment is within Supplemental payments. Reallocation of settled claims will be reallocated to capital reserves and will be completed at year end.
Reserves Archives	2940	For general use by the Archives for programs supported by donations (O)	Balance is actual donations received less any in year spend. Balance is to remain in a surplus position	Receipted donations or other monetary gifts given for Archives programming.	To offset special projects that enhance Collections or programming	Budget approval for use of funds and year end adjustment to actual spend. Possible in year approvals if matching County share required to obtain special funding.
Reserves Woodlot	2960	Used to support programs promoted by Weed and Tree Inspector related to public education. (Could be combined with #2730 Similar purposes both contain small amounts)	Balance to remain in a positive position	Contribution amount Revenue received.	Funds received from permits due to tree cutting via Kettle Creek Conservation Authority.	Actual transfers will be approved at Budget and year end if project planned
Reserves Police Services	2980	Request of the Police Services Board to fund future planned projects. Not funded by County Levy	Balance to remain in a positive position or zero.	Contribution amount Revenue that would be set aside from the Police Services Board Budget.	Upon approval by the Police Services Board.	Budgeted or at year end.

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RESERVE NAME	#	PURPOSE	TARGET BALANCE	SOURCE OF FUNDS	USE OF FUNDS	AUTHORITY/TIMING
CAPITAL (Obligatory = (O))						
Reserves Growth Related	2880	To support Growth using Growth in Lieu of Development Charges being levied at the County level.	In accordance with Growth Reserve Policy.	At time of budget, Treasurer calculates prior year growth and this % of levy is held back one year to fund reserve rather than put into service.	In accordance with Growth Reserve Policy.	Set up at budget and funded at year end in accordance with Growth Reserve Policy.
Reserves Capital Projects	3000	For future use related to existing Capital Asset Renewal.	All surplus and additional funds as available. Ideally, be able to fully fund one year in advance of Capital Renewal needs (\$25M)	Funds set aside from prior year's due to efficiencies on Capital projects that have been closed and put into service. Other Operating Surplus.	To maintain a reasonable replacement cycle and mitigate large spikes requiring increased levy and use of debt.	Budgeted planned renewal withdrawals and deposits of surplus at year end. Mainly these funds have been utilized by Roads department.
Capital Fund Bobier Villa	3200	Bobier Villa facility major capital investment	Capital Asset Building replacement	As required, in advance of full refurbishment of facility. Surplus Funds, Reassessment Reserve or Growth Reserve	To assist with full rehabilitation and reduce need for taxation.	Budgeted Capital needs for full or major replacement when known. Not used for regular repairs and maintenance.
Capital Fund Garage	3205	White Station facility major capital investment	Capital Asset replacement	Revenues generated from use of asset or from surplus or Reassessment Reserves.	To assist with rehabilitation and reduce need for taxation.	Budgeted Capital needs for full or major replacement when known. Not used for regular repairs and maintenance.
Capital Fund Terrace Lodge	3210	Terrace Lodge facility major capital investment	Capital Asset Building replacement	As required, in advance of full refurbishment of facility. Surplus Funds, Reassessment Reserve or Growth Reserve	To assist with full rehabilitation and reduce need for taxation.	Budgeted Capital needs for full or major replacement when known. Not used for regular repairs and maintenance.
Capital Fund Court Facility	3215	Court Facility (not previously established)	Capital Asset Building replacement costs	Revenues generated from use of asset or from surplus or Reassessment Reserves.	To assist with full rehabilitation and reduce need for taxation.	Budgeted Capital needs for full or major replacement when known. Not used for regular repairs and maintenance.
Capital Fund Admin Building	3220	Admin Building facility major capital investment	Capital Asset Building replacement costs	As required, in advance of full refurbishment of facility. Surplus Funds, Reassessment Reserve.	To assist with full rehabilitation and reduce need for taxation.	Budgeted Capital needs for full or major replacement when known. Not used for regular repairs and maintenance.
Capital Fund Heritage Centre	3225	Heritage Museum Facility (identified as not yet established)	Capital Asset Building Replacement costs	Revenues generated from use of asset or from surplus or Reassessment Reserves.	To assist with full rehabilitation and reduce need for taxation.	Budgeted Capital needs for full or major replacement when known. Not used for regular repairs and maintenance.
Capital Fund Sewage Treatment Plant	3230	For future asset replacement of Elgin Manor's Sewage Treatment Plant (O)	Fully fund replacement of asset at life cycle end.	Revenues generated from use of asset or from surplus or Reassessment Reserves.	To replace Sewage Treatment Plant at Elgin Manor at end-of-Life Cycle	Budgeted Capital needs for replacement and add revenues collected at year end.
Capital Fund Elgin Manor	3235	Elgin Manor facility major capital investment	Capital Asset Building replacement costs	As required, in advance of full refurbishment of facility. Surplus Funds, Reassessment Reserve or Growth Reserve	To assist with full rehabilitation and reduce need for taxation.	Budgeted Capital needs for full or major replacement when known. Not used for regular repairs and maintenance.
Capital Fund Ambulance Bases	3240	Ambulance facility major capital investment in facilities only.	Capital Asset Building replacement costs	Revenues generated from use of asset or from surplus or Reassessment Reserves or Growth Reserve	To assist with full rehabilitation and reduce need for taxation.	Budgeted Capital needs for full or major replacement when known. Not used for regular repairs and maintenance.
Capital Fund – Net Long Term Debt	3245	Identifies the amount of debt owing at year end that remains outstanding offset to Asset side of Balance Sheet (O)	Zero or well below Annual Debt Repayment Limits	Balances to actual principle debt outstanding at each year end. Interest is an operating cost.	As approved by Council for Capital refurbishment only. County cannot leverage Long-Term debt for operating purposes.	Planned strategy for asset replacement or growth determines need (Borrowed against Assets)
WIP Completed	3250	Balances to the amount of Capital projects where work has been completed but has not been placed in service (O)	Equal to value of 1800 Work in Progress (WIP) accounts on the asset side of the balance sheet at year end.	Utilization of Surplus to cover these funds is required to balance Account.	As required by Capital program and remaining capital carryforward projects.	Budgeted projects not in service – portion of work completed – No ability to use this reserve as this work is completed (Non Cash)
NBV Tangible Capital Assets	3255	Remaining useful life of assets currently in service (O)	Equal to the <u>historical</u> cost of asset less the value of expended historical use of asset (accounts 1820 to 1940)	Reserves 3250 and 3260 when items placed into service through closed asset report.	Historical values less Amortization equals life of asset left unused.	Entries completed in September for Amortization and at year end during financial statement close. (Non Cash)

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Capital Fund - Completion of WIP	3260	Balances to the amount of Capital projects where work has not been completed and has not been placed in service. (O)	Equal to value of budget from previous years that is unused for 1800 Work in Progress (WIP) accounts on the asset side of the balance sheet at year end.	Utilization of Surplus may be required to cover these funds as work fluctuates from year to year to balance Accounts.	As required by Capital program and remaining capital carryforward projects.	Budgeted projects not in service – portion of budgeted work not completed – No ability to use this reserve as this work is committed and any surplus is not yet realized
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