



FINANCE DEPARTMENT REPORT

Report number: F-04-2022

Subject : Reserves, Reserve Funds, and Deferred Revenue 2021

Prepared by : Nadia Knebel, Director of Finance

Reviewed by : Cécile Maisonneuve, Treasurer

Reviewed by: Josée Brizard, CAO / Clerk

Date: February 28th, 2022

INTRODUCTION

Reserve means an allocation from net revenue at the discretion of council, after the provision for all known expenditures, as part of an overall strategy for funding programs or projects and is authorized under the provisions set out in the *Municipal Act*.

Reserve fund means a fund with assets which 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.

Deferred revenue means revenue that is considered a liability for the municipality's financial statement until, over time, it becomes relevant to current operations, such as a prepayment received for 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.

NATURE OF THE REQUEST

Reserves - Schedule A:

- 1) That the amount of \$62,503 received from The United Counties in 2020 for the provincial offences be transferred to revenue to offset Covid-19 related costs.
- 2) That the unspent amount of \$375 from Ward 1 be transferred back to reserve to be spent in 2022.
- 3) That the unspent amount of \$2,650 from Ward 3 be transferred back to reserve to be spent in 2022.
- 4) That the unspent amount of \$1,430 from Ward 4 be transferred back to reserve to be spent in 2022.
- 5) That the amount of \$893,181 which is the surplus from the sale of the Innovation lots be transferred from capital to reserve. These funds are intended to be used towards South Indian road project in future years.
- 6) That the amount of \$56,500 be transferred to the IT department for the purchase of the SAN server.
- 7) That the amount of \$177,000 be transferred to revenue for the purchase of light rescue truck, bunker suits, and bunker gear. Please note that the bunker suits and gear were budgeted for in 2021 but the amount was returned to reserve at year end since they were not received.

- 8) That the amount of \$68,346 be transferred from the revenue fund for the rehabilitation of the quarry. This amount represent the difference of actual crushing cost versus the amount invoice to different projects.
- 9) That the amount of \$199,738 be transferred from the revenue fund for the Pont Touchette project which was not completed in 2021. That the amount of \$31,129 be transferred to revenue for the amount spent on engineer work for the new design report for the Pont Touchette rehabilitation project.
- 10) That the operating surplus amount of \$50,434 be transferred to the Library.
- 11) Transfer from Revenue fund amounts as proposed in the 2021 operating budget.

The following is a summary of the closing balances presented in the reserves schedule.

- Working capital: \$1,532,654
- Wards: \$11,075
- Administration: \$1,366,770
- Fleet Management: \$542,300
- Storm Management: \$125,000
- Solar Panels: \$114,069
- Election: \$46,116
- Fire Department: \$336,895
- Quarry Rehab: \$113,695
- Road Construction: \$318,609
- Recreation: \$1,037,998
- Planning: \$110,910
- Library: \$280,098

Reserve Fund – Schedule ‘B’

- 1) Transfer between funds, as per the 2021 budget.
- 2) General fund pays interest to the reserve fund at the rate 1.35% annually
- 3) Transfer from Revenue is the amount exceeding from operation.
- 4) Transfer to Capital as per 2021 proposed budget and actual costs.

The following is a summary of the closing balances presented in the reserve fund schedule.

- Garbage Collection: \$1,430,168
- Sewers: \$3,084,074
- Water: \$682,689
- CFE Culvert: \$7,515

Deferred Revenue – Schedule ‘C’

- 1) Interest is being paid at a rate of 1.35% annually on Park Land and Development Charges.
- 2) Amount received from developers for Park Land and Development Charges, the amount for the Building Department is the surplus of the year (more permits issued than budgeted) as per report F-02-2022, Water and Sewer debentures paid in advance.
- 3) Transfer to Capital as per 2021 proposed budget except Montée Gagnon. Development charge applied to this project as portion pertains to growth. See report F-03-2022 for more details.
- 4) Transfer to revenue: Building to finance the operation and other department has projected related expenses for the year 2021.

The following is a summary of the closing balances presented in the deferred revenue schedule.

- Parkland: \$192,829
- Development Charges: \$859,628
- Building Department: \$208,041
- Fire Department: \$25,570
- Public Works: \$15,000
- Water & Sewer: \$43,339
- St-Albert Park: \$2,000
- Limoges Park: \$140
- Recreation bank: 14,836

Administration: 20

SUMMARY

The following is a summary of the closing balances presented in the attached schedules.

- Parkland: \$192,829
- Development Charges: \$859,628
- Building Department: \$208,041
- Fire Department: \$25,570
- Public Works: \$15,000
- Water & Sewer: \$43,339
- St-Albert Park: \$2,000
- Limoges Park: \$140

- Recreation bank: 14,836
- Administration: 20

ATTACHMENTS

Schedule A – Reserve as of Dec. 31st, 2021

Schedule B – Reserve Fund as of Dec. 31st, 2021

Schedule C – Deferred Revenue as of Dec. 31st, 2021

RECOMMENDATION

That Council receives and approves the report F-04-2022 dated February 28th, 2022 as presented.

Nadia Knebel, CPA, CA
Director of Finance



The Nation Municipality / Municipalité de La Nation

Working reserves / Réserves fonds de roulement

Department / Service	Description	Opening Balance 2021 / Solde d'ouverture	Transfer Between Reserve / Transfert entre réserve	Transfer from Revenue Fund / Transfert du fond de revenu	Transfer to Capital / Transfert au Capital	Transfer to Revenue	Transfer from Capital	Estimated year end / Estimé fin d'année 2021
Working Capital / Fond de roulement		1,532,654	-	-	-	-	-	1,532,654
	Covid-19	62,503	-	-	-	62,503	-	-
Ward 1 / Quartier 1		585	-	375	-	-	-	960
Ward 2/ Quartier 2		511	-	-	-	-	-	511
County Grant Ward 3		550	-	2,650	-	-	-	3,200
Ward 4 / Quartier 4		4,973	-	1,430	-	-	-	6,403
Administration		-	-	-	-	-	-	-
	Building Reno / Amélioration batimen	260,781	-	-	-	-	-	260,781
	Employee / Employé	47,499	-	-	-	-	-	47,499
	Divers	-	-	-	-	-	893,181	893,181
	IT Computer / Ordinateur	96,500	-	-	56,500	-	-	40,000
	Land sale / Vente de terrain Manitou	125,310	-	-	-	-	-	125,310
Fleet Management / Flotte équipement		172,300	-	370,000	-	-	-	542,300
Storm Management / Égout Pluviaux		100,000	-	25,000	-	-	-	125,000
Solar Panel / Panneau solaire		98,552	-	15,517	-	-	-	114,069
Election		35,116	-	11,000	-	-	-	46,116
Fire Department / Service d'incendie		-	-	-	-	-	-	-
	Fire Hall & Land / Caserne & terrain	83,895	-	140,000	-	-	-	223,895
	Equipment & Fire Truck	290,000	-	-	177,000	-	-	113,000
Emergency		-	-	-	-	-	-	-
Quarry Rehabilitation South Plantagenet		45,349	-	68,346	-	-	-	113,695
Road Construction & Bridges / Construction de route et pont		-	-	-	-	-	-	-
	Pont touchette	150,000	-	199,738	31,129	-	-	318,609
Recreation		-	-	-	-	-	-	-
	Artificial Ice / Glace artificielle	281,290	-	75,000	-	-	-	356,290
	Recreation capital after Master Plan / Plan directeur pour récréation	398,000	-	148,723	-	-	-	546,723
	St Bernardin	26,485	-	-	-	-	-	26,485
	St Albert Hall Plans	72,000	-	-	-	-	-	72,000
	Balance of Complex 2019 budget	-	-	-	-	-	-	-
	Limoges	36,500	-	-	-	-	-	36,500
	Pavillon / Complex	1,198,463	-	-	1,198,463	-	-	-
Planning		-	-	-	-	-	-	-
	Official Plan Limoges & St Isidore Economic Development / Development Economique	36,910	-	-	-	-	-	36,910
		74,000	-	-	-	-	-	74,000
Library General / Bibliothèque	Library	229,664	-	50,434	-	-	-	280,098
Total		5,460,389	-	1,108,213.02	1,463,092.41	62,503.00	- 893,181.13	5,936,188



Reserve Funds / Fonds de réserve

Name of Account / Nom du compte	Opening Balance / Solde d'ouverture	Transfer between Funds / Transfert entre fonds	Interest/ Intérêts	Transfer from revenue / Transfert du revenue	Transfer to Capital / Transfer au capital	Closing Balance 2021 / Solde de fermeture 2021
Transportation	- 0	100,440	- -	100,440	-	-
Environment (Landfills + Garbage & Recycling collection & disposal)						-
Garbage Collection / Collecte des ordures	- 1,266,355	- 100,440	- 27,847	- 67,007	31,481 -	1,430,168
General Sewer / Égout général	- 2,082,121	- -	- 28,283	- 1,093,401	293,870 -	2,909,935
Sewers / Égout St Albert	- 97,895	- -	- 1,330	- 69,993	8,914 -	160,303
Sewers / Égout St Isidore	- 4,650	- -	- 63	- 6,410	- -	11,123
Sewers Growth / Égout croissance Limoges	0	- -	0 -	302,771	302,771	0
Sewers / Égout Fournier	0	- -	0 -	2,712	- -	2,712
Water / Eau Projet Brisson	- 1,310	- -	18	-	- -	1,328
Water / Eau Forest Park	- 5,953	- -	81	-	- -	6,034
Water / Eau St Isidore	- 146,545	- -	- 1,991	- 107,811	30,611 -	225,736
Water Growth / Eau Croissance Limoges	- 1,910,960	- -	- 25,958	- 323,096	2,260,014	0
Water / Eau Limoges	- 575,455	- -	- 7,817	- 234,562	368,242 -	449,592
Ponceau CFE	- 7,414	- -	101	-	- -	7,515
Total	- 6,098,658	- -	93,488 -	2,308,204	3,295,905 -	5,204,446

Schedule "C"



REVENUE REPORTÉS / DEFERRED REVENUE

Department / Service	Opening Balance / Solde d'ouverture	Interest / Intérêt	Transfer from client / Transfert des clients	Transfer to capital / Transfert au capital	Transfer to revenue in / Transfert du revenue	Closing balance / Solde fermeture 2021
Parkland Nation / Fin de parc Dev Charge Nation / Frais développement	- 110,519 -	2,014 -	80,295	-	- -	192,829
Building / Construction	- 1,060,268 -	13,229 -	254,269	465,862	2,276 -	859,628
Fire Department	- 87,056	- -	120,984	-	- -	208,041
Public Works / Travaux publics	- 25,570	-	-	-	- -	25,570
Water & Sewer / Eau & Égout	- 15,000	-	-	-	- -	15,000
Tile Drainage	- 33,717	- -	13,174	-	3,552 -	43,339
Recreation provincial grant / Octroi provincial	-	-	-	-	-	-
Recreation BFL	-	-	-	-	-	-
St Albert Park / Parc St Albert	- 2,000	-	-	-	- -	2,000
Limoges Park / Parc Limoges	- 140	-	-	-	- -	140
Transfer Bank recreation / Transfert banque récréation	- 14,836	-	-	-	- -	14,836
Administration	- 62,000	- -	20	-	62,000 -	20
TOTAL	- 1,411,106 -	15,243 -	468,743	465,862	67,828 -	1,361,402