



# RESERVES AND SUPPLEMENTARY INFORMATION

## Budget Governance Framework

The 2024 Budget and Business Plan will be prepared in accordance with the following framework:

- The annual budget reflects and supports the priorities of the Town's Strategic Plan.
- The annual budget is prepared in consideration of the targets and mitigation measures set out in the Town's 2023 Long Range Financial Plan (LRFP) update and the financial policies approved by Council.
- The annual budget includes the investment required to maintain infrastructure in a state of good repair in accordance with the Corporate Asset Management Plan.
- Ongoing expenses are funded from sustainable revenue sources to ensure continuity of services.
- Maintain current service levels for program and staffing, leverage technology solutions to support efficiencies and productivity.
- Align capital programs with available resources while ensuring compliance with legislation and health and safety standards.
- The total annual debt servicing cost (principal and interest payments) is not to exceed Council's approved debt limit of 10% of the Town's tax levy.
- Defer the growth-related capital program until development charges come in; (infrastructure servicing discussions with Halton Region ongoing).
- All growth-related infrastructure costs that can be recovered under the Development Charges Act will be supported from development charge revenue.
- The annual budget will reflect the long range financial plan to restore appropriate funding for reserves to support long-term financial stability.
- Reserves are maintained as per the Reserve and Reserve Fund Policy to repair/replace infrastructure, fund identified priorities, and ensure long-term financial sustainability.
- Staff will pursue all available grants to reduce the need to use Town reserves to fund budgeted programs (federal, provincial and other funding opportunities).
- New services, service level enhancements and increases to the full-time equivalent staff complement require an accompanying Budget Inclusion form to be considered by Council as part of the annual budget process.
- The timing of the growth-related capital projects will align with expected growth in the Town.
- 2024 capital projects will require an accompanying Capital Project Information Sheet to be considered by Council as part of the annual budget process.

## Basis of Budgeting

The Town of Halton Hills prepares all financial information on an accrual basis in accordance with Canadian Public Sector Accounting Standards as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. This means that transactions and events are recognized in the period in which they occur. The Town, however, does not include a budget for amortization expenses, as permitted under Ontario Regulation 284/09 under the Municipal Act, 2001.

A supplementary report, required to be adopted prior to budget approval, is presented to Council annually, converting the Capital and Operating budgets into PSAB format, to meet the regulations of Ontario Regulation 284/09.

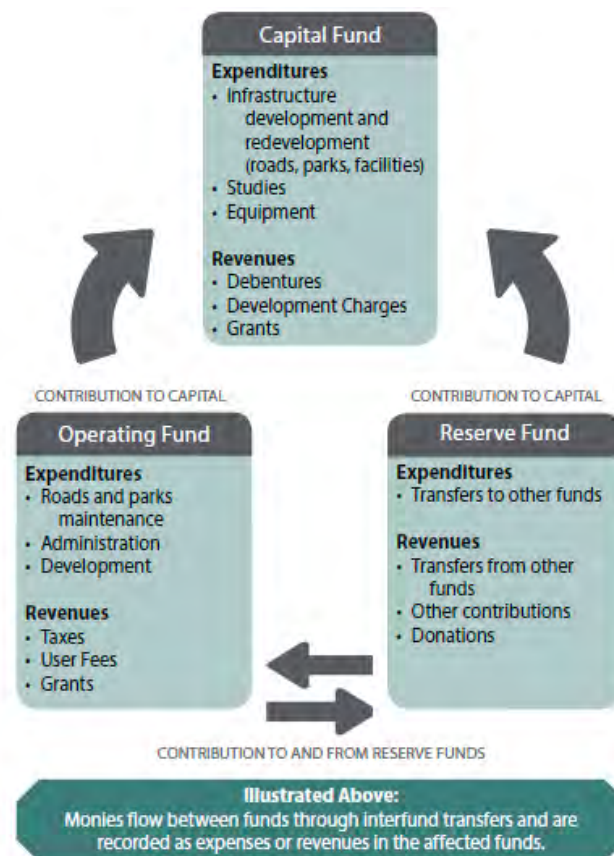
## Fund Accounting

Financial information is prepared in accordance with a fund structure which consists of an Operating fund, Capital Fund and Reserve Funds. A fund is defined as a segregation of assets and related liabilities that is administered as a separate accounting entity. Each fund has its own assets and liabilities, and raises or is granted its own money for its own purposes, and records its own expenditures. Separate fund accounting provides an increased measure of control over the assets of the fund by ensuring the assets are not inadvertently utilized by another fund.

**Capital Fund** is used to record all capital expenditures as well as the financing of these capital expenditures, including long term borrowing, grant funding and taxation monies raised specifically for capital expenditures.

**Operating Fund** is used to record all revenues and resources that are not otherwise accounted for in another fund. Unrestricted revenues such as taxes are recorded in the Operating Fund.

**Reserve Funds** are established to hold monies that have been segregated for a specific purpose.



## **Strategic Actions Shaping our Future**

The Town of Halton Hills annual budgets are influenced by various long-term plans, Town policies and external factors. The following information outlines the guidelines and specific budget influences that shaped the 2023 budget.

### **Long Range Financial Plan**

The Town's Long Range Financial Plan (LRFP) is a living financial model that is updated and documented each year in advance of the budget cycle. The LRFP is prepared for planning purposes and contains polices, assumptions and what-if scenarios that model potential financial outcomes. These scenarios are used by staff throughout the budget process to assess affordability, identify potential funding strategies and guide decision making for all potential budgetary needs each year. Through this, the goal is to improve and strengthen the long-term financial health of the Town.

For its long-term outlook, the LRFP model is built on growth assumptions. Growth assumptions are developed based on input from Town staff who have a connection to the development process, utilizing the best information available to date, such as Halton Region's Allocation Program, Town's Secondary Plans, available industrial land inventory reviews, and development projects currently in the consultation/planning process.

Taking into consideration DC revenues and assessment growth resulting from anticipated growth, staff then undertake a detailed reserve cash flow analysis to estimate the level of investment required to sustain the reserves and debt financing needs in accommodating the approved capital plan. These capital financing requirements are then combined with the anticipated operating pressures to estimate annual tax rate impacts over the planning horizon.

The resulting impacts are then reviewed based on financial affordability (i.e., the annual tax rate target), which may result in mitigation measures, to bring the impact closer to the affordability target.

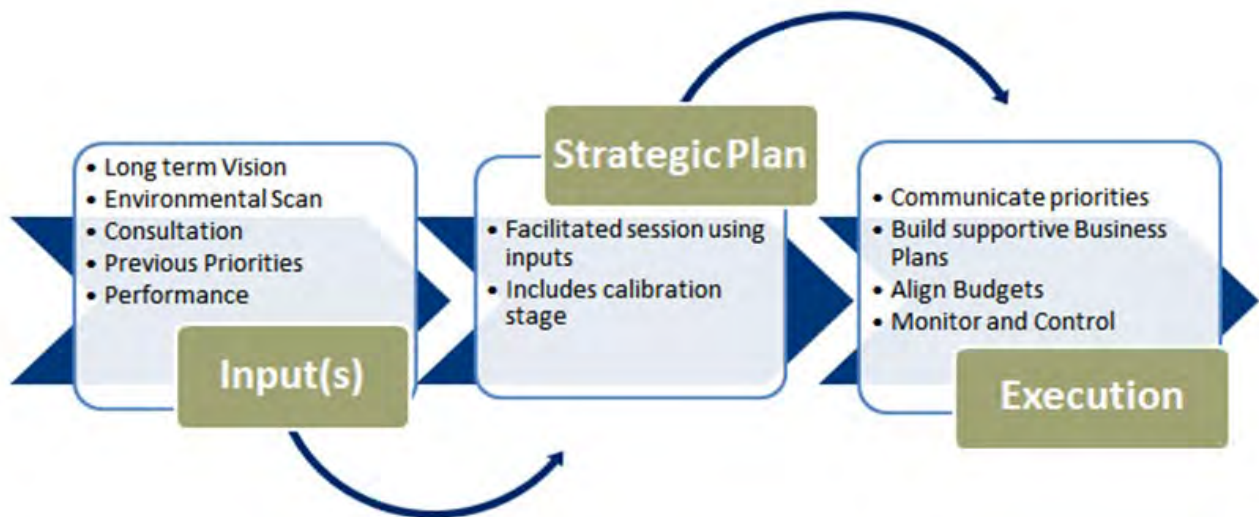
### **Finding Efficiencies and Reducing Costs**

The Town monitors activities and services for efficiencies and cost reductions on an ongoing basis and uses savings to mitigate other budget pressures. The Town has maintained services and delivered on Council's strategic priorities through prior budgets by introducing more efficient approaches that reduce costs and, in many cases, also enhance services. Savings enable staff to reallocate resources to areas needing greater support and prepare for the future of the Town.

### Advancing Council’s Priorities

Council’s strategic priorities as expressed through the Town of Halton Hills Strategic Plan are key considerations in the preparation of the annual departmental business plans and the Town’s budget. A strategic plan is established each term of Council to identify the key priorities and focus resources. An overview of the process is depicted in Figure 1.

**Figure 1: Process Overview**



The plan includes a vision, mission, values and focus areas, accompanied by guiding statements. Understanding that the strategic plan for this current term of Council (2022 to 2026) has not yet been finalized, staff have been monitoring its progress and prepared the 2024 budget to align with this progress to date. The relationship of Council’s strategic plan to the annual budget and business plan document is depicted in Figure 2 below.

**Figure 2: Hierarchy of Strategic Planning documents**



## Long-Term Debt

The Town currently has external debt related to capital infrastructure issued by the upper-tier municipality, the Region of Halton and Southwestern Energy Inc.

Provincial limits on municipal debt are set based on a maximum percentage of revenues that may be used to service debt costs (e.g., interest and principal payments) on an annual basis. In the Province of Ontario, municipalities have the authorization to incur long-term debt for municipal infrastructure as long as annual debt repayments do not exceed 25 per cent of net revenues as calculated by the provincial Ministry of Municipal Affairs and Housing in the Towns' Annual Repayment Limit report (ARL). For 2024, the Town's estimated annual debt carrying costs of \$2.6 million, is well below the provincial limit (\$13.9M).

There are key policies adopted by Council as it relates to debt issuance:

1. Future debt service payments will be made while ensuring the following:
  - The provision of essential services is not jeopardized
  - Financial flexibility is maintained by ensuring that there are sufficient revenues to accommodate unanticipated expenditures and revenue fluctuations
  - Outstanding debt obligations will not threaten long-term financial stability
  - The amount of outstanding debt will not place an undue burden on taxpayers
2. The Town's debt charges, including external debt charges related to development charges, as a percentage of tax levy, will not exceed 10 per cent as considered acceptable by credit rating agencies.

## Reserve and Reserve Funds

Reserves and reserve funds are established by Town by-law and/or through Provincial legislation. Both reserves and reserve funds are considered during the annual operating and capital budget process and for the purpose of long-term planning. They are funded through annual contributions from the operating budget as well as external sources.

### Reserves

Reserves are an allocation of accumulated net revenue. They are not associated with any specific asset and are generally used to mitigate the impact of fluctuations in costs and revenue. The Town currently has three different types of reserves:

- **Capital reserves** are a set of funds used to set aside money for the acquisition, repair and/or renewal of capital infrastructure. Funds are utilized to assist in the financing of infrastructure renewal, asset replacement costs identified by the

Corporate Asset Management Plan, and to supplement capital funding to allow access to funding programs through other levels of government.

- **Operating reserves** are unrestricted funds set aside to provide for potential future planned or unplanned expenditures.
- **Stabilization reserves** are created to offset extraordinary and unforeseen expenditure requirements, and address volatility in the tax rate. They may also be used to fund revenue shortfalls and assist with the management of cash flows.

## Reserve Funds

Reserve funds are segregated and restricted to meet a specific purpose. They represent monies set aside either through a municipal by-law or to meet a provincially legislated requirement. Interest earned on reserve funds must be allocated to the specific reserve fund that earned it. There are two types of reserve funds:

- **Obligatory Reserve Funds** shall be created whenever a statute or legislation requires that revenue received for special purposes are to be segregated from the general revenues of the Town. Obligatory reserve funds are created solely for the purpose prescribed for them.
- **Discretionary Reserve Funds** are established whenever Council wishes to set aside revenues to finance a future expenditure or to provide for a specific contingent liability, for which it has authority to spend money, so that the funds are available as required.

## Reserve & Reserve Fund Listing:

Reserve Name	Fund No	Purpose of Fund	Funding Sources	Utilization of Funds
<b>Obligatory Reserve Funds</b>				
Development Charges - Transportation - Storm Water Management - Fire Services - Recreation & Parks - Library Services - Growth-Related Studies - Transit Services	11 12 14 15 16 17 18	Legislated under the <i>Development Charges Act</i> to fund growth related capital costs.	Contributions received from Developers as per the DC By-Law.	Growth related capital costs identified in the DC Background Study.
Community Benefits Charge (CBC)	19	Legislated under the <i>Planning Act</i> to fund growth related capital costs.	Contributions received from Developers as per the Town's CBC By-Law and the <i>Planning Act</i> .	Growth related capital costs that are not already financed through development charges (DC) or parkland dedication and that are outlined in the CBC Strategy
Building Permit	21	To address likely ranges in year-to-year volatility of service volumes in accordance with the <i>Building Code Act</i> . The reserve is used to defer revenues received in advance of work being performed.	1. Annual revenue received in advance of associated expenses based on expense to revenue formula 2. Building permit fees collected between September and December are deferred to the following year.	Activities that support the delivery of building permit services and are embedded in the building permit fee structure.
Canada Community-Building Funding	22	To fund infrastructure capital projects in accordance with the terms of the Municipal Funding Agreement.	Federal Government contributions delivered through AMO.	Eligible programs outlined in the Municipal Funding Agreement.
Deferred Federal Grants	23	To track revenues received from government grants and fund programs and capital projects identified in the grant agreements.	Government grant contributions	Eligible programs outlined in the government grant funding agreement.
Growth Stabilization	24	To hold deferred revenues from development applications and agreements that have not yet been earned on the statement of financial position.	Revenues from fees imposed to recover the cost of processing of development (planning and engineering) applications and agreements.	Activities that support the delivery of planning and engineering services and are embedded in the development application fee structure.



Reserve Name	Fund No	Purpose of Fund	Funding Sources	Utilization of Funds
Parkland: Cash-in-Lieu	25	To fund the acquisition of land for parks or to fund the development of parkland.	Contributions received in lieu of land being conveyed to the Town for parkland requirements as per the Planning Act	Purchase of land for parks or recreational purpose and development or redevelopment of land, parks and recreational facilities.
Transportation Maintenance	26	To fund maintenance costs for stormwater management ponds.	Developer contributions through developer agreements.	Ongoing maintenance of stormwater management ponds.
Gateway Feature	27	To cover the costs associated with the maintenance or removal of gateway features for subdivisions e.g. signs etc.	Historical developer contributions	Maintenance of gateway features.
Private Traffic Signal Maintenance Fund	28	To facilitate the maintenance of private traffic signals (i.e. in private parking lots or others)	Historical developer contributions	Ongoing operation, maintenance and future equipment replacement for traffic signals installed at private entrances.
<b>Discretionary Reserve Funds</b>				
John Elliott Award	60	Established in 1981, in memory of the late John Elliott, for the purpose of awards to students of Georgetown District High School.	One time donation of \$10,000 in memory of the late John Elliott	Guidelines on awards as outlined in By-law 81-153.
<b>Capital Reserves</b>				
Capital Replacement	39	To fund the replacement or extend the useful life of existing capital assets.	1. Annual operating contribution as informed by the Corporate Asset Management Plan 2. Gains on sale of buildings	Replacement or renewal of assets as identified and prioritized in the Corporate Asset Management Plan, or to minimize risk by completing emergency repairs. Major rehabilitation of existing buildings or assets.
Cemetery Development	66	To provide for the purchase, replacement and expansion of capital items related to Cemetery operations.	Annual operating contributions	Capital costs of future columbarium purchases and expansion as well as renewal costs of existing columbarium.
Equipment	52	To fund the replacement of the Town's rolling stock and equipment.	1. Annual operating contributions 2. Gains on sale of equipment	Purchase of operations vehicles and equipment, fire trucks, special transit buses, recreation equipment and vehicles, and by-law enforcement vehicles.

Reserve Name	Fund No	Purpose of Fund	Funding Sources	Utilization of Funds
Library	74	To fund the Library non-growth capital projects and operating budget deficits for the Library.	1. Annual operating surplus from the Library 2. Additional funding will be provided by the Town to the Library Board should unplanned non-discretionary cost increases occur within any given budget year	Capital requirements of the Library as it relates to non-growth capital projects and annual operating budget deficits.
New Capital	40	To fund new capital assets.	1. Funded through the phase-out of the GTA pooling at the Region to a \$2M per year cap 2. Annual operating contribution 3. Gains on sale of surplus land	Supplement non-development charge costs of growth-related capital projects. Construction costs of new infrastructure.
Public Art	79	To fund the installation of public art on Town-owned property or within Town-owned infrastructure in accordance with the Public Art Policy.	Annual operating contribution	Planning, design, fabrication and installation of public art on Town-owned property or within Town-owned infrastructure. The development and updating of a Public Art Master Plan.
Technology Replacement	31	To fund the replacement of computer hardware based on a replacement cycle and computer software acquisitions.	1. Annual operating contributions 2. Gains on sale of information technology equipment	Purchase of computer hardware and software outlined in the 10-year capital forecast and associated training costs.
Transportation Infrastructure	55	To fund the rehabilitation and replacement of transportation infrastructure assets.	Annual operating contribution	Replacement or rehabilitation costs to extend the useful life of transportation infrastructure assets including roads, sidewalks parking lots and associated assets.
<b>Stabilization Reserves</b>				
Contingency	34	To provide for unforeseen expenditures or uncertain liabilities including unplanned changes affecting the Town's operations.	Contribution of interest earned in excess of budgeted amount	Unforeseen and emergency expenditures as well as uncertain new expenditures.
Severe Weather Event	51	To set aside funding for winter control costs which exceed the Town's current year operating budget allocation.	Annual operating contribution	Annual winter control deficits or severe weather events.

Reserve Name	Fund No	Purpose of Fund	Funding Sources	Utilization of Funds
Tax Rate Stabilization	36	To mitigate tax rate changes during the preparation of the annual operating budget and to protect the Town against unanticipated operating expenditures or to smooth expenditures that do not occur annually.	Annual operating contribution	One-time expenditures identified through the operating budget or annual operating deficits.
<b>Operating Reserves</b>				
Community Sustainability	77	To support community projects related to the environment and sustainability.	Donation from TransCanada Energy	Community projects that support Council's objectives related to the environment and sustainability. Includes the Corporate Sustainability Action Plan initiatives and funding for the Community Sustainability Investment Fund.
Fire Services	70	To support the incremental hiring of full-time fire staff and increases to operating costs to support full time future operations of the Fire Department as the Town grows.	Annual operating contribution	Annual operating costs associated with hiring full time fire staff in the Fire Department. Contingencies to support changes to future operations of the department.
Georgetown Hospital Expansion and Renovation	38	To fund the debenture costs associated with the Town's share of the 2011 Georgetown Hospital redevelopment.	Annual operating contribution	Debenture payments for Georgetown Hospital redevelopment. Repayment to be completed in 2021.
Strategic Planning	41	To fund programs which support the strategic direction of Council.	Annual operating contribution	Capital projects and programs that support the strategic direction of Council as prioritized by the capital ranking of NTCA projects.
WSIB	32	The Town is classified as a "Schedule 2" employer and is responsible for the costs of its workers' compensation claims.	Annual operating contribution	Accident claims filed by employees who are injured in the workplace. Claims filed by employees or their survivors for work-related occupational diseases as set out in the applicable Regulation.

Reserve Name	Fund No	Purpose of Fund	Funding Sources	Utilization of Funds
Retrofit Program	44	To track and report loan and grant funds for the Retrofit Halton Hills program.	Annual capital contribution and grant funds	Loans to homeowners for eligible projects.

## Reserves, Discretionary Reserve Funds, Obligatory Reserve Funds & Trust Funds Status as of September 30, 2023

On July 17, 2018, Council approved changes to the General Reserve and Reserve Fund Policy, POLICY-2018-0004 through report CORPSERV-2018-0030. Changes included the amalgamation of various existing reserves, the addition of new reserves, and clarification around the intent and usage of reserves. Reserve balances will be reviewed as part of the 2023 year end closing process to ensure the balances align with the requirements of the reserve.

The attached schedules A to D illustrate the reserves and reserve funds balances for 2023 as estimated at September 30, 2023. The schedules include opening balances as at January 1, 2023, the activity from January to September 2023, un-booked commitments against the funds and the net new estimated inter-fund borrowing that is required in 2023.

The opening balance column reflects the balances as published in the 2022 financial statements and have been adjusted to incorporate the 2022 Library Service's operating surplus and the Town's overall operating deficit.

The activity from January to September 2023 includes the interest that has been earned on the reserves/reserve funds during the period and movements in and out of the funds. In accordance with Council approval, the Treasurer can authorize the reallocation of funds between reserves to meet the needs identified in the Long Range Financial Plan and the Town's capital program.

The inter-fund loan represents the borrowing between reserves and reserve funds. As of December 31, 2022, reserves have loaned \$23.5M to cover shortfalls in the development charges reserve funds and this is expected to increase to \$30.5M by the end of December 2023. The reserves will be repaid with interest when future development charges are collected.

Schedule A represents a summary of the detailed schedules B to D, with schedule B listing the Town's reserves and discretionary reserve funds, schedule C lists the obligatory reserve funds, and schedule D shows the trust funds that the Town administers.

Town of Halton Hills

**Summary of Reserves, Reserve Funds and Trust Funds**

Schedule A

September 30, 2023

Schedule	Opening Balance		Reductions	Interest	Interfund loan	Ending Balance 30-Sep-23	Outstanding Commitment to Capital	Interfund Interfund	Interfund Loan <sup>1</sup>	Estimated Unbooked Add/Commit	Estimated Balance <sup>2</sup> 31-Dec-23
	1-Jan-23	Additions									
<b>Schedule B Reserves &amp; Discretionary Reserve Funds</b>											
Capital Reserves	25,592,891	8,709,186	(13,326,032)	358,300	-	21,334,345	-	-	(11,476,585)	9,198,219	19,055,979
Stabilization Reserves	7,438,205	984,013	(176,992)	70,741	-	8,315,966	-	-	-	(547,946)	7,768,020
Operating Reserves	5,694,570	1,357,123	(458,420)	8,109	-	6,601,381	-	-	-	144,301	6,745,682
Discretionary	10,230	-	(230)	231	-	10,231	-	-	-	-	10,231
<b>Schedule C Obligatory Reserve Funds</b>											
Development Charges	3,934,315	1,019,766	(13,614,092)	282,180	-	(8,377,832)	-	-	11,476,585	(3,013,735)	85,018
Other Deferred Revenue	28,585,276	3,452,791	(8,635,334)	752,281	-	24,155,015	-	-	-	595,833	24,750,848
<b>Schedule D Trust Funds</b>	3,292,657	67,706	(23,035)	91,702	-	3,429,030	-	-	-	-	3,429,030
<b>Grand Total</b>	<b>74,548,144</b>	<b>15,590,584</b>	<b>(36,234,134)</b>	<b>1,563,543</b>	<b>-</b>	<b>55,468,137</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>6,376,671</b>	<b>61,844,808</b>

Notes:

1. Represents forecasted interim loans from the Town's reserve required in 2023 to negate deficit balances in the DC reserves. The interfund loans, including interest, will be recovered from future DC collections.
2. Due to rounding, numbers presented in this table may not add up precisely to the totals provided.

Town of Halton Hills

**Reserves & Discretionary Reserve Funds**

September 30, 2023

Schedule B

Reserve	Fund	Opening Balance				Interfund Loan	Ending Balance 30-Sep-23	Interfund Loan <sup>1</sup>	Estimated Unbooked Add/Commit <sup>2</sup>	Estimated Balance <sup>3</sup> 31-Dec-23
		1-Jan-23	Additions	Reductions	Interest					
<b>Capital Reserves</b>										
Capital Replacement	39	9,639,838	5,155,220	(6,852,500)	235,443	-	8,178,002	-	1,864,892	10,042,894
Cemetery Development	66	57,949	20,786	(25,000)	-	-	53,735	-	20,786	74,520
Equipment	52	3,918,860	1,124,826	(3,896,000)	-	-	1,147,686	-	1,124,826	2,272,512
Library Capital	74	662,202	23,850	(168,000)	-	-	518,052	-	23,850	541,902
New Capital	40	6,220,353	1,450,171	(1,979,532)	122,857	-	5,813,850	(11,476,585)	4,919,798	(742,936)
Public Art Reserve	79	97,796	-	-	-	-	97,796	-	-	97,796
Technology Replacement	31	(526,417)	630,350	(205,000)	-	-	(101,067)	-	481,067	380,001
Transportation Infrastructure	55	5,513,650	300,000	(200,000)	-	-	5,613,650	-	760,000	6,373,650
Energy Revolving Fund	42	8,658	3,983	-	-	-	12,642	-	3,000	15,642
Total Capital Reserves		25,592,891	8,709,186	(13,326,032)	358,300	-	21,334,345	(11,476,585)	9,198,219	19,055,979
<b>Stabilization Reserves</b>										
Contingency	34	2,946,160	265,413	-	70,741	-	3,282,313	-	40,954	3,323,267
Severe Weather Event	51	750,000	-	-	-	-	750,000	-	-	750,000
Tax Rate Stabilization	36	3,742,045	718,600	(176,992)	-	-	4,283,652	-	(588,900)	3,694,752
Total Stabilization Reserves		7,438,205	984,013	(176,992)	70,741	-	8,315,966	-	(547,946)	7,768,020
<b>Operating Reserves</b>										
Community Sustainability Reserve	77	-	-	-	-	-	-	-	-	-
Fire Services	70	5,079,545	237,623	-	-	-	5,317,168	-	(246,413)	5,070,755
Georgetown Hospital Exp & Reno	38	267,589	-	-	-	-	267,589	-	-	267,589
Strategic Planning	41	(889,516)	944,500	(246,000)	-	-	(191,016)	-	431,016	240,000
WSIB	32	955,517	175,000	-	-	-	1,130,517	-	(40,303)	1,090,214
Retrofit Program Reserve	44	281,435	-	(212,420)	8,109	-	77,124	-	-	77,124
Total Operating Reserves		5,694,570	1,357,123	(458,420)	8,109	-	6,601,381	-	144,301	6,745,682
<b>Discretionary Reserve Fund</b>										
John Elliott Award	60	10,230	-	(230)	231	-	10,231	-	-	10,231
Total Discretionary Reserve Funds		10,230	-	(230)	231	-	10,231	-	-	10,231
<b>Total Reserves</b>		<b>38,735,895</b>	<b>11,050,321</b>	<b>(13,961,674)</b>	<b>437,380</b>	<b>-</b>	<b>36,261,923</b>	<b>(11,476,585)</b>	<b>8,794,573</b>	<b>33,579,912</b>

## Notes:

1. Represents forecasted interim loans from the Town's reserve required in 2023 to negate deficit balances in the DC reserves. The interfund loans, including interest, will be recovered from future DC collections.
2. Unbooked additions and commitments represent projected transactions to occur between October and December, 2023
3. Due to rounding, numbers presented in this table may not add up precisely to the totals provided.

Town of Halton Hills

**Obligatory Reserve Funds**

September 30, 2023

Schedule C

Reserve	Fund	Opening Balance				Ending Balance 30-Sep-23	Interfund Loan <sup>1</sup>	Estimated Unbooked Add/Commit <sup>2</sup>	Estimated Balance <sup>3</sup> 31-Dec-23
		1-Jan-23	Additions	Reductions	Interest				
<b>Obligatory Reserve Funds (Deferred Revenue)</b>									
<b>Development Charges</b>									
Transportation Services	11	3,917,415	558,083	(9,219,165)	188,228	(4,555,438)	4,180,820	374,618	-
Storm Water Management Services	12	-	5,103	(77,632)	1,680	(70,848)	212,973	(142,125)	-
Fire Protection Services	14	-	77,369	-	1,118	78,486	-	(55,065)	23,421
Recreation and Parks Services	15	-	288,386	(3,328,369)	69,066	(2,970,917)	5,778,457	(2,807,540)	-
Library Services	16	-	36,491	9,807	845	47,142	265,178	(312,320)	-
Administration Services	17	16,900	24,971	(959,155)	21,243	(896,042)	1,035,182	(139,140)	-
Transit Services	18	-	29,363	(39,578)	-	(10,214)	3,974	67,837	61,597
Total Development Charges		3,934,315	1,019,766	(13,614,092)	282,180	(8,377,832)	11,476,585	(3,013,735)	85,018
<b>Other</b>									
Building Permit	21	5,520,373	-	-	125,936	5,646,309	-	221,000	5,867,309
Canada Community-Building Fund	22	6,402,891	1,012,033	(8,125,170)	171,502	(538,743)	-	1,012,033	473,290
Deferred Federal Grants	23	106,122	(104,027)	-	57,992	60,087	-	-	60,087
Growth Stabilization Reserve	24	3,409,453	-	-	77,780	3,487,233	-	(439,300)	3,047,933
Parkland: Cash-in-Lieu	25	9,532,653	2,250,425	(510,164)	231,484	11,504,398	-	(84,900)	11,419,498
Transportation Maintenance	26	3,159,416	294,360	-	77,223	3,530,998	-	(113,000)	3,417,998
Gateway Feature	27	187,533	-	-	4,278	191,811	-	-	191,811
Private Traffic Signal Maintenance Fund	28	266,835	-	-	6,087	272,923	-	-	272,923
Total Other		28,585,276	3,452,791	(8,635,334)	752,281	24,155,015	-	595,833	24,750,848
<b>Total Obligatory Reserve Funds</b>		<b>32,519,591</b>	<b>4,472,557</b>	<b>(22,249,425)</b>	<b>1,034,461</b>	<b>15,777,184</b>	<b>11,476,585</b>	<b>(2,417,902)</b>	<b>24,835,866</b>

## Notes:

1. Represents forecasted interim loans from the Town's reserve required in 2023 to negate deficit balances in the DC reserves. The interfund loans, including interest, will be recovered from future DC collections.
2. Unbooked additions and commitments represent projected transactions to occur between October and December, 2023
3. Due to rounding, numbers presented in this table may not add up precisely to the totals provided.

## Town of Halton Hills

## Schedule D Trust Funds

September 30, 2023

## Schedule D

Trust Fund	Fund	Opening Balance				Interest	Estimated Balance <sup>1</sup> 31-Dec-23
		1-Jan-23	Additions	Reductions			
<b>Trust Funds</b>							
Fairview Cemetery	80	601,877	14,865	(6,922)	13,843	623,664	
Fairview Monuments	81	97,213	2,900	-	2,253	102,366	
Greenwood Cemetery	82	1,295,613	24,599	(14,862)	29,723	1,335,073	
Greenwood Monuments	83	227,463	6,100	-	5,266	238,829	
Hornby Presbyterian Cemetery	84	896	-	(10)	20	906	
Limehouse Presbyterian Cemetery	85	36,135	4,180	(806)	905	40,414	
Limehouse Presbyterian Monuments	86	4,349	800	(99)	116	5,165	
Union Presbyterian Cemetery	87	5,045	-	-	115	5,160	
Union Presbyterian Monuments	88	1,242	-	-	28	1,271	
Hillcrest Cemetery	89	356,436	14,262	-	14,066	384,763	
Wm. Osler Health Cntr.-Geo. Hosp. Campus	91	15,026	-	(336)	337	15,027	
Hillcrest Investments	93	434,756	-	-	16,998	451,754	
Hillcrest Bequest	94	216,607	-	-	8,031	224,638	
Transportation Maintenance	98	-	-	-	-	-	
<b>Total Trust Funds</b>		<b>3,292,657</b>	<b>67,706</b>	<b>(23,035)</b>	<b>91,702</b>	<b>3,429,030</b>	

## Notes:

1. Due to rounding, numbers presented in this table may not add up precisely to the totals provided.



## Special Tax Levies

Special Tax Levies are established by the Town to assist with programs for a designated or specific purpose. In report CS-2023-027 2024 Preliminary Budget Forecast, Council approved the collapse of all existing special levies and the renaming of the Infrastructure Gap Special Levy to the State of Good Repair Special Levy.

The State of Good Repair Special Levy was originally introduced in the 2019 budget year at 0.6% of the net tax levy to address long term capital needs for replacement infrastructure as identified in the State of Infrastructure Report. An annual increase of 0.78% is recommended in the 2024 budget to continue to support the replacement and maintenance of core assets and to address the gap between SOGR needs and funding.

## Glossary of Terms

<b>Term</b>	<b>Definition</b>
<b>Accrual Accounting</b>	The Town of Halton Hills records revenues and expenses using the accrual basis of accounting, as prescribed by the Public Sector Accounting Board (PSAB). This is a financial accounting method where revenues are recorded when earned and expenses are recorded when incurred, vs. when cash is physically received, or payments are made. The Town's budget is built on a mix of cash accounting and accrual based accounting.
<b>Actuals</b>	Actual revenues earned and expenditures incurred as opposed to budgeted revenues or expenditures, which are based on a mix of cash accounting and accrual based accounting.
<b>Amortization</b>	The process of expensing an asset over its expected period of use, and moving the cost gradually from an asset to an expense
<b>Annualization</b>	The process of converting a short term value into an annual amount.
<b>Assessment</b>	A value that is calculated by the Municipal Property Assessment Corporation (MPAC) for real property to be used as a basis for calculating property taxes.
<b>Asset Management Information System (AMIS)</b>	An enterprise asset management system used to optimize asset performance and reliability, and to support managing assets to meet service levels while minimizing costs.
<b>Base Budget</b>	The budget required to maintain existing (previously approved) service levels.
<b>Benchmark</b>	The process of measuring the performance of the Town against other municipalities of similar size and against internal key performance metrics to determine operating effectiveness.
<b>Budget</b>	A financial plan for a specified period of time (fiscal year) that estimates all planned revenues and expenditures for various municipal services.
<b>Budget &amp; Business Plan Document</b>	The official annual document prepared by staff, containing detailed expenses and revenues required to operate each department (both operating and capital)
<b>Building Construction Price Index (BCPI)</b>	A quarterly series of indexes published by Statistics Canada that measures the change over time in the prices that contractors charge to construct new commercial, institutional, industrial, and residential buildings.
<b>Canadian Union of Public Employees (CUPE)</b>	Canada's largest union, with more than 715,000 members across the country. CUPE represents workers in health care, emergency services, education, early learning and child care, municipalities, social services, libraries, utilities, transportation, airlines and more.
<b>Capital Budget and Forecast</b>	A plan of proposed capital expenditures to be incurred in the current year and over a period of nine future years, identifying each capital project and the method of financing.

<b>Term</b>	<b>Definition</b>
<b>Capital Chargeback</b>	A method of recovering capital expenditures from the operating budget for costs directly related to the management and support of select capital projects.
<b>Capital Expenditure</b>	An expense for the acquisition, betterment, or replacement of tangible capital assets.
<b>Cash-In-Lieu of Parkland (CIL)</b>	Payment of money in lieu of conveyance of parkland as defined by the <i>Planning Act</i> .
<b>Community Benefits Charges (CBC)</b>	Charges collected from developers that are imposed under the <i>Planning Act</i> , when land is developed for certain high-density residential structure.
<b>Consumer Price Index (CPI)</b>	A monthly indicator published by Statistics Canada of changes in consumer prices experienced by Canadians. It is calculated by comparing, over time, the cost of a fixed basket of goods and services purchased by consumers.
<b>Current Value Assessment (CVA)</b>	To establish a property's assessed value, MPAC analyzes sales of comparable properties in the area. This method, called Current Value Assessment (CVA), is used by most assessment jurisdictions in North America.
<b>Debenture</b>	A long term financing loan which the Town secures through the Region of Halton to fund large capital projects.
<b>Deficit</b>	The excess of expenditures over revenues in a given period.
<b>Department</b>	A Town of Halton Hills business unit that provides a specific type of service (for example Recreation & Parks, Planning & Development)
<b>Development Charges (DC)</b>	Charges collected from developers that are imposed under the <i>Development Charges Act</i> , when land is developed.
<b>Development Charges (DC) By-law</b>	By-law approved by Council to authorize the amount and collection of Development Charges under the <i>Development Charges Act</i> .
<b>Environmental Assessment (EA)</b>	A process to identify, predict and evaluate the effects of proposed construction on the environment.
<b>Expenditures</b>	An amount of money spent on purchasing goods or services.
<b>Fleet</b>	All vehicles owned and operated by the Town.
<b>Full Time Equivalent (FTE)</b>	A standard measure of staffing equivalent to that produced by one person working full time for one year.
<b>Geographical Information System (GIS)</b>	A system that integrates existing imagery and tabular spatial data into a common shared database.
<b>Grant</b>	A monetary contribution received by the Town from another organization (including the provincial and federal governments). The Town of Halton Hills also provides grants to businesses and individuals through various grant programs.
<b>Halton Hills Official Plan</b>	The policies on how land in the Town of Halton Hills should be used. It is prepared with input from the community and helps to ensure that future planning and development will meet the specific needs of the Town.

<b>Term</b>	<b>Definition</b>
<b>Halton Region</b>	The geographic area made up of the City of Burlington, the Town of Halton Hills, the Town of Milton, the Town of Oakville.
<b>Inflation</b>	A rise in the average level of prices and decline of purchasing power over time.
<b>Levy</b>	The annual budget requirement to fund service levels that are collected from property owners.
<b>Long Range Financial Plan (LRFP)</b>	A comprehensive ten-year financial plan that is updated periodically to sustain the Town's services and assets. The LRFP is prepared for planning purposes and follows polices and contains assumptions and what-if scenarios of potential financial outcomes.
<b>Municipal Property Assessment Corporation (MPAC)</b>	MPAC is the organization responsible for property value assessment through a uniform, province-wide system.
<b>Non-tangible Capital Assets (NTCA)</b>	Capital expenses that do not meet the criteria of a Tangible Capital Asset (TCA).
<b>Operating Budget</b>	The budget outlines the funds required each year to maintain service levels and covers categories such as: salaries, wages, materials, supplies and utilities.
<b>Performance Indicators</b>	A quantifiable set of indicators that the Town uses to measure results.
<b>Performance Measures</b>	An outcome of an analysis of performance indicators that is used to determine how effective and/or efficient a program is in achieving its objectives.
<b>Property Tax</b>	A levy based on the assessed value of property.
<b>Province</b>	The Province of Ontario
<b>Provincial Offences Act (POA)</b>	An Ontario Act that governs how charges are processed and prosecuted. It applies to all provincial statutes, as well as municipal by- laws and some minor federal contraventions.
<b>Public Sector Accounting Board (PSAB)</b>	A board under the Chartered Professional Accountants of Canada (CPA Canada), which serves the public interest by developing accounting standards for the public sector. PSAB also provides guidance for financial and other information reported by municipalities.
<b>Rates and Fees</b>	User based fees imposed to recover the costs of providing a service (i.e: Business Licences).
<b>Reserve</b>	Monies set aside to protect the Town against unplanned expenditures and to plan for the construction of large capital projects, as part of the Long Range Financial Plan.
<b>Reserve Fund</b>	Monies segregated and restricted to meet a specific purpose in accordance with either municipal by-law or legislated requirement (e.g. Development Charges).

<b>Term</b>	<b>Definition</b>
<b>Revenue</b>	Monies that a government receives as income, including property taxes, user fees, grants and interest earnings.
<b>Special Levies</b>	Taxes raised to provide a funding source for a specific purpose or objective.
<b>Staff Complement</b>	The total number of full time equivalent staff positions as approved by Council.
<b>Strategic Plan</b>	A plan that is established by each term of Council to identify strategic priorities.
<b>Supplementary Taxes</b>	Property taxes resulting from assessment added to the tax roll after the returned roll.
<b>Surplus</b>	The excess of revenues from current operations over expenditures in a given period.
<b>Tangible Capital Assets (TCA)</b>	Tangible capital assets include items such as roads, bridges, buildings, vehicles, land, storm water systems and computer hardware. TCAs are subject to annual amortization.
<b>Tax Levy</b>	The annual budget requirement to fund service levels that are collected from property owners.
<b>Tax Rate</b>	The actual rate of tax applied to the Current Value Assessment (CVA) to determine total taxes levied.