

Type of Decision									
Meeting Date	Friday, June 5, 2009				Report Date	Wednesday, June 3, 2009			
Decision Required	X	Yes		No	Priority	X	High		Low
Direction Only		Information Only			Type of Meeting	X	Open		Closed
REPORT TITLE									
Reserve Fund Definitions 05/06/09/003									

Subject: Reserve Fund amendments and definitions.

Recommendation: That the following resolution be adopted to align our accounting with GAAP as noted by our auditor, to clear up ambiguity and eliminate unnecessary funds.

**WHEREAS** changes to fund accounting and differences in our accounting practises and those of our auditor have resulted in some inconsistencies;

**AND WHEREAS** these changes require the Gas Tax Funds (and all grants not yet utilized) being declared deferred revenue and not reserve funds and not being recognized until the year the funds are used;

**AND WHEREAS** in the past the Townships of Head, Clara & Maria have segregated the Gas Tax Funds in a reserve fund;

**AND WHEREAS** our reserves currently hold two funds entitled Fire Equipment Replacement and Fire Suppression (Wages) that are no longer required;

**AND WHEREAS** in order to reallocate these funds to current account needs the funds should be combined and renamed;

**AND WHEREAS** the names of some of the other funds are ambiguous and unclear;

**BE IT RESOLVED THAT** in order to align our books with our auditor's financial reports the amount of \$7,197 be removed from Gas Tax Reserves and allocated to deferred revenue until such time as the funds are used;

**AND FURTHER THAT** the Fire Equipment Replacement and the Fire Suppression (Wages) funds be combined and renamed the Fire Contingency fund to be used for unusual costs incurred due to forest fires within the municipality or when the cost of our fire agreement with the MNR exceeds budgeted costs;

**AND FURTHER THAT** the attached list of Fund Names and Definitions be adopted for use by staff and Council to assist in clarifying and defining the use of the specific moneys in each fund as per the requirements of the *Municipal Act* and the Public Sector Accounting Board.

Background/Executive Summary: - self explanatory

Financial Considerations/Budget Impact: - none

Policy Impact: None.

Resources/Others Consulted:

Approved and Recommended by the Clerk

Melinda Reith,  
Municipal Clerk

Melinda Reith