

COUNCIL REPORT

Meeting Date: September 2, 2025
Department: Financial Services
Report No.: FIN-2025-16
Submitted by: William Dakin, Director of Finance & IT/Treasurer
Lindsay Laskey, Manager of Accounting/Deputy Treasurer
Approved by: Rob Browning, Chief Administrative Officer

SUBJECT: **Approval of 2024 Transfers to-from Deferred Revenue, Reserves and Reserve Funds**

RECOMMENDATION: THAT: Council confirms transfers to deferred revenue, reserves, and reserve funds in 2024 of \$19,033,075 and transfers from deferred revenue, reserves, and reserve funds in 2024 of \$13,649,806, and further;

THAT: Council approves the transfer of 2024 year-end operating net revenue of \$2,051,237 and 2024 capital net revenue of \$(4,629,286) to-from departmental reserves.

BACKGROUND:

As required by legislation, Council approves transfers to and from deferred revenue, reserves, and reserve funds. This report summarizes the request to confirm transfers done in 2024, most of which were in budget, and recommends transfers of 2024 year-end operating and capital net revenue to departmental reserves.

COMMENTS:

The attached “Summary Activity of Reserves and Reserve Funds in 2024” summarizes deferred revenue and reserve activity for 2024.

Transfers to Deferred Revenue, Reserves and Reserve Funds

In 2024, \$19,033,075 was transferred to deferred revenue, reserves, and reserve funds. \$2.051M relates to the transfer of 2024 departmental net operating surpluses. Other noteworthy amounts include \$761k in AMO - CCBF funding (formerly gas tax) received, \$750k budgeted transfer to the Community Partnership Reserve, \$842k in departmental transfers to the fleet reserve, \$2.574M and \$3.079M budgeted transfers to water and wastewater rate stabilization reserves respectively, \$593k

NG911 grant received, \$2.261M in OCIF funding received in 2024, and \$2.626M total transfers to reserves of unspent taxation on capital projects. In addition to the above, total interest earned on the reserve funds in 2024 was \$1.122M.

Transfers from Deferred Revenue, Reserves and Reserve Funds

In 2024, \$13,649,806 was transferred from deferred revenue, reserves and reserve funds. This includes \$1.856M in OCIF grants allocated to 2024 capital projects, \$1.472 deferred CDFC grant applied to Skilled Trades Centre expenditures, \$360k deferred MTO Transportation grant allocated to the operation of the Inter-Community Transit, \$414k in NG911 funding applied to 2024 capital expenses, \$901k spent on fleet purchases, and \$6.184M in EPW reserves to finance various capital projects.

Development Charges

Total interest earned on development charges in 2024 was \$1.538M, and development charges totaling \$1.914M were received by the Municipality in 2024. As budgeted, \$2.726M in DC's were spent on capital projects, and \$489k was transferred to operations to finance loan repayments.

The attached "Proposed Transfer of 2024 Operating and Capital Net Revenues to Reserves" shows a net allocation of \$2.051M to reserves from operations, and a net allocation from reserves of \$4.629M to capital projects. Both transfers are included in the amounts presented above.

Also attached for Council's review, is a continuity schedule of 2024 reserves, reserve funds, deferred revenue and DC's.

CONSULTATION:

Finance Department staff

FINANCIAL IMPLICATIONS:

These transfers will help to improve the financial stability of the Municipality and to meet its future spending requirements.

STRATEGIC PLAN ALIGNMENT:

This matter is in accord with the following strategic priorities:

Local Infrastructure and Capital Investment: Households and businesses in Strathroy-Caradoc will be supported by reliable, financially responsible, and well-maintained infrastructure networks.

Managing the Challenges of Growth for the Municipal Organization: Strathroy-Caradoc will be an inclusive community where growth is managed to accommodate a range of needs and optimize municipal resources.

ATTACHMENTS:

Summary Activity of Reserves and Reserve Funds in 2024

Proposed Transfer of 2024 Operating and Capital Net Revenues to Reserves
2024 Reserves, Reserve Funds, Deferred Revenue and DC's Continuity