

## Allocation Exercise – ANSWER KEY

ITEM	BUDGET CATEGORY
1. Council plans to purchase some chlorine.....	4.1 (p.3)
2. Council to purchase new siding for Town Hall to be installed by the town's maintenance worker ..... OR If contracted out .....	1.5.2 (p.2) or 7.2.5.2 (p.5)  1.5.2 (p.2) or 7.2.5.2 (p.5)
3. Council plans to purchase a new safe.....	1.2.5 (p.2) or 7.2.5.2 (p.5), if Tangible Capital Asset
4. Council plans to take out a health and life insurance plan for its clerk and manager.....	1.2.2 (p.2)
5. The town has an ambulance service that operates in the region. Bandages and supplies will need to be purchased...	2.2 (p.3)
6. Council plans to repair its sidewalks and streets using its own staff.....	3.2.1 (p.3)
7. Insurance policy for town buildings, equipment, fire protection etc.....	1.2.8 (p.2)
8. Council plans to develop a town plan by inviting tenders.....	5.1 (p.4)
9. (a) Council gives a donation to a local community organization (example: local service club)..... (b) Council gives a grant to the recreation committee to do work on the playground..... (c) Council gives a grant to the recreation committee for no specific purpose.....	1.5.4 (p.2)  6.2.2 (p.4)  6.5 (p.4)
10. Council has an accumulated deficit of \$60,000.00. They plan to reduce it over a 5 year period at \$12,000 per year.....	7.2.3 (p.5)
11. Council has a bank loan for a truck.....	Debt Charges Summary (p.1)
12. Council has taken out a bank loan consolidating all outstanding loans.....	Debt Charges Summary (p.1)

13. Council budgets for the Auditor's fee.....	1.2.7 (p.2)
14. (a) Council is planning to hire a pest control company to deal with the rat infestation at the town's landfill.....	4.3 (p.3)
(b) Mice and carpenter beetles have become a problem at the Town Hall. The town wants to: I.) Purchase some mouse traps.....	2.3 (p.3)
ii) Hire a pest control company to deal with the beetles.....	2.3 (p.3)
15. Workers Compensation fee must be budgeted for.....	1.2.3 (p.2)
16. Consultants' fees.....	1.2.7 (p.2)
17. The salary for the staff engineer.....	1.5.1 (p.2)
18. Wages for the maintenance worker who does all the minor repairs to the water system, the roadways, the town vehicle, as well as providing janitorial services for the town office and the recreation centre.....	1.5.2 (is OK, but many town break it out in the appropriate sections) (p.2)
19. The Town Clerk wishes to take a course on Budgeting.....	1.5.3 (p.2)
20. Upcoming legal action against the municipal Council could result in a loss of revenue.....	7.2.4 (p.5)
21. Municipality plans to invest in a new drinking water supply system.....	7.2.5.1 (p.5) – if using Gas Tax; or 7.2.5.2 (p.5) – if no loan involved; or debt charge summary, if loan is involved (p.1)
22. Costs for photocopying the required forms and ballots for a municipal general election.....	1.3 (p.2)
23. The municipality needs to pay for the construction of signs to advertise a community celebration.....	5.4 (p.4)