

COMMUNICATION 136030

Received From: Trisa McConkey, CPA, CGA, Treasurer
Addressed To: Committee of the Whole
Date: March 26, 2024
Topic: 2023 Public Sector Accounting Board (PSAB) Budget

SUMMARY

The attached report provides a restatement of the 2025 budget to conform to O. Reg. 284/09. The restatement results in an accounting surplus of \$17,631,676 for 2025.

BACKGROUND

Since 2009, the Public Sector Accounting Board (PSAB) has required the adoption of the full accrual basis of accounting by municipalities. This resulted in a change from the reporting of expenditures to the reporting of expenses.

COMMENT

Expenditures represent outlays of assets, such as cash, to purchase goods and services; however, under the full accrual basis of accounting, expenses are charged as the goods and services are utilized or consumed. As a result, amounts are to be reported for non-cash expenses including amortization, tangible capital asset additions and disposals, post-employment benefits expenses and principal paid on debt. Section 290 of the Municipal Act, 2001 requires municipalities to prepare zero balanced, or cash-based budgets which include all expenditures and revenues for the taxation year. Council approved the 2025 zero-based budget under Motion No. 20-135-05 on December 10, 2024.

Ontario Regulation 284/09, Budget Matters – Expenses, allows municipalities to exclude from the budgets prepared under Section 290, estimated amounts for non-cash expenses. The regulation then requires that a report be prepared about the excluded expenses and the estimated change in the accumulated surplus of the municipality and that the report be adopted by Council resolution. This report is attached.

**TOWN OF CARLETON PLACE
2025 PSAB BUDGET**

	2024 BUDGET	2025 BUDGET
Traditional Surplus (Deficit)	\$0	\$0
 PSAB Additions		
Net Change in Capital Assets	90,364,090	65,245,503
Principal Paid on Debt	429,874	462,400
Funding of Unfinanced Capital	0	625,656
Transfers to Reserves	5,442,588	3,979,151
 PSAB Deductions		
Post Employment Benefits	-12,000	-10,400
Increase in Debt	0	0
Increase in Unfinanced Capital	-1,606,624	-342,000
Amortization	-4,000,000	-5,000,000
Transfers from Reserves	-82,429,790	-47,328,634
 PSAB Surplus (Deficit)	 <u>\$8,188,139</u>	 <u>\$17,631,676</u>

FINANCIAL IMPLICATIONS

There are no financial implications resulting from this report.

STAFF RECOMMENDATION

THAT Council approves the 2025 Public Sector Accounting Board (PSAB) Budget prepared by the Treasurer as required by the Municipal Act, 2001 O. Reg. 284/09.