

COMMUNICATION 131XXX

Received From: Trisa McConkey, CPA, CGA, Treasurer
Addressed To: Committee of the Whole
Date: May 12, 2020
Topic: 2020 Public Sector Accounting Board (PSAB) Budget

SUMMARY:

The attached report provides a restatement of the 2020 budget to conform to O. Reg. 284/09. The restatement results in an accounting surplus of \$5,352,371 for 2020.

BACKGROUND:

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

COMMENTS:

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 2020 zero-based budget under Motion No. 3-131-04.

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.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from this report.

STAFF RECOMMENDATION

THAT Council approve the 2020 Public Sector Accounting Board (PSAB) Budget prepared by the Treasurer as required by the Municipal Act, 2001 O. Reg. 284/09.

**TOWN OF CARLETON PLACE
2020 PSAB BUDGET**

	Budget 2020	Budget 2019
Traditional Surplus (Deficit)	\$ -	\$ -
PSAB Additions		
Net Change in Capital Assets	\$ 14,461,000	\$ 10,422,096
Principal Paid on Debt	\$ 640,751	\$ 581,510
Funding of Unfinanced Capital	\$ 212,588	\$ 237,907
PSAB Deductions		
Post Employment Benefits	(\$ 72,300)	(\$ 30,000)
Increase in Debt/Unfinanced Capital	(\$ 341,000)	(\$ 900,000)
Amortization	(\$ 3,750,000)	(\$ 3,700,000)
Net Change in Reserves	(\$ 5,798,668)	(\$ 1,284,840)
PSAB Surplus (Deficit)	\$ 5,352,371	\$ 5,326,673