

## Report FR-CS-36-16

**To:** Chair Eccles and Members of the Corporate Services Committee  
**From:** Kevin Wepler, Director of Finance  
**Meeting Date:** November 8, 2016  
**Subject:** **Ontario Regulation 284/09 – 2017 Budget**  
**Status:** Recommendation adopted by Committee as presented per Resolution CS81-16; Endorsed by County Council November 22, 2016 per Resolution CC149-16;

### Recommendation(s)

- 1. That Report FR-CS-36-16 regarding Ontario Regulation 284/09 – 2017 Budget be received for information.**

### Background

Accounting standards and reporting requirements changed dramatically with the introduction of tangible capital assets accounting and reporting. The new accounting standards, however, do not require that budgets be prepared on the same basis. The County of Grey like most municipalities continues to prepare budgets on the traditional cash-basis.

Ontario Regulation 294/09 allows municipalities to exclude from the annual budget expenses related to capital asset amortization, post-employment benefits, and solid waste landfill closure and post-closure costs. If municipalities do not budget for these expenses a report is to be submitted to council with respect to the exclusions.

The County of Grey's 2017 budget for Revenue and Expenditures is being considered by Council on November 22, 2016 and this budget presentation will exclude the following expenses:

1. The budget excludes the amortization of tangible capital assets (a non-cash expense) but includes transfers of tax levy funding to capital projects and reserves for tangible capital asset renewal – the amount of these transfers is GREATER than the annual estimated amortization of capital assets.

2. The budget excludes future post-employment benefit expense but includes the current year's expense for eligible retired employees.
3. The budget does not include any solid waste landfill closure and post-closure expenses as the County of Grey does not have landfill sites and therefore is not subject to these costs.

The actual amortization costs for 2015 as per the audited statements was \$13,443,194 and in comparison the estimated amortization for 2016 totals \$14,106,619. The total gross capital expenditures proposed in the 2017 budget are estimated at \$28,384,398. In addition to these gross expenditures, an additional \$891,400 is being allocated to reserves for future capital spending. Notwithstanding the financial statement requirements, the County will continue to:

- Manage capital investments and tax levy requirements in order to try and provide sufficient contributions to maintain lifecycle replacement and rehabilitation requirements of its capital assets.
- Budget for the current year cost of post-employment benefits in each year's operating budget.

## Financial / Staffing / Legal / Information Technology

### Considerations

There are no direct financial implications associated with this report. Non-financial asset information will be reported in the 2016 annual audited financial statements.

### Link to Strategic Goals / Priorities

Communication is a key value to the County's Strategic Plan. This report provides information to Council and ratepayers in regards to the 2017 Budget and the stewardship of tax dollars.

### Attachments (none)

Respectfully submitted by,

Kevin Weppler

Director of Finance

