



TOWNSHIP OF NORTH HURON

REPORT

Item No.

REPORT TO: Reeve Vincent and Members of Council
PREPARED BY: Donna White, Director of Finance
DATE: 23/07/2018
SUBJECT: Ontario Regulation 284/09 - 2018
ATTACHMENTS: N/A

RECOMMENDATION:

THAT the Council of the Township of North Huron hereby receives the Ontario Regulation 284/09 – Budget Matters-Expenses report prepared by the Director of Finance for information purposes.

EXECUTIVE SUMMARY

In 2009, accounting standards and financial reporting changed significantly, most notably the inclusion of tangible asset accounts as required by the Public Sector Accounting Board (PSAB). The new standards however, do not require that budgets be prepared on the same basis. Therefore, the Township of North Huron, like many municipalities continues to prepare budgets on a traditional cash basis. Ontario Regulation 284/09 states that municipal budgets may exclude from estimated expenses: amortization on tangible capital assets, post-employment benefits expense and solid waste landfill closure costs and post-closure expenses.

DISCUSSION

The 2018 Township of North Huron Budget does not include the following expenses:

Amortization

Amortization expense, estimated in the amount of \$2,076,569.72 is not included in the 2018 Budget. The budget does include \$178,053.17 for principal repayment of municipal debt and \$1,764,991.00 for capital asset replacement. The account and reporting requirement changes under PSAB are a financial accounting treatment only and do not affect operating surpluses. The difference is one of financial statement presentation only. The Accumulated surplus as at December 31, 2017 is \$62,865,408.00. This amount is comprised of our tangible capital assets, reserves and reserve funds, and long-term investment in Westario Power as shown on Note 12 of the Financial Statements which will be presented to Council by Vodden, Bender and Seebach.

Solid Waste Landfill and Post Closure Expenses

The liability for the costs of solid waste landfill closure and post closure care requirements accrue as the capacity of the site is used. Care requirements include final covering, landscaping, removal of ground water and leachate and ongoing monitoring and maintenance. Reserves of \$189,886.64 have been designated for the Blyth/Hullett Landfill site. Staff are gathering information for a report to establish a dedicated reserve for the Wingham and East Wawanosh landfill sites. The balance of the future liability is expected to be funded through budget allocations to the landfill reserve funds.

Post-Employment Liabilities

Post-employment liabilities includes costs for dental and health benefits that the Township provides to former employees who have retired but not reached the age of 65. The cost of these benefits is \$3,780.00 and is included in the annual budget.

FINANCIAL IMPACT

N/A

FUTURE CONSIDERATIONS

A report will be presented to Council later this year recommending Council authorize staff to transfer funds currently in the working reserve to a dedicated Landfill Post Closure Reserve Fund for the Wingham and East Wawanosh Landfills.

RELATIONSHIP TO STRATEGIC PLAN

Goal #4 – Our administration of fiscally responsible and strives for operational excellence.



Donna White, Director of Finance



Dwayne Evans, CAO