

THE CORPORATION OF THE MUNICIPALITY OF MISSISSIPPI MILLS

STAFF REPORT

DATE: April 8, 2025
TO: Committee of the Whole
FROM: Kathy Davis, Director of Corporate Services, Treasurer
SUBJECT: 2025 Budget Restatement – O. Reg 284/09

RECOMMENDATION:

THAT Committee of the Whole recommend that Council adopt this report to comply with Ontario Regulation 284/09 under the Municipal Act, 2001.

BACKGROUND:

Ontario Regulation 284/09 requires municipalities to prepare a report that identifies excluded expenses in their budget and adopt the report by Council Resolution. There are no direct financial implications associated with this report. The intent is to describe the conversion of the cash-based operating and capital budgets to a Public Sector Accounting Board (PSAB) budget compliant format.

In 2009, accounting standards and financial reporting requirements changed significantly, with the most notable change being the requirement to report on tangible capital assets (TCA). However, these new accounting standards do not require budgets to be prepared on the same basis. Mississippi Mills, like many municipalities, continues to prepare budgets on the traditional cash basis. These budgets do not include the PSAB requirements of accrual accounting and do not account for non-financial assets such as TCA. In addition, this report will address allowable expenses as per Ontario Regulation 284/09 which include: a) amortization expense; b) post-employment benefit expenses; and c) solid waste landfill closure and post-closure expenses. The municipality excludes amortization expenses from its cash-based budget. Landfill closure and post-closure expenses are included in the budget, therefore no adjustment is required. The Municipality does not have post-employment expenses and as such, they are not applicable.

In addition to these included expenses, the cash-based budgets prepared by the Municipality include certain types of transactions that need to be excluded for PSAB reporting purposes. These are debt issuance and repayments, capital expenditures, transfers to reserves, and contributions from reserves.

DISCUSSION:

Attachment 1 presents the approved 2025 Budget and the adjusted budget reflecting adjustments for transfers to/from reserves, capital spending, debt issuance and principal repayment and amortization for purposes of financial reporting.

For the purposes of this accounting exercise the net result of all adjustments is a surplus of \$1,013,404.

It should be noted that this is a financial restatement on a “full-accrual” basis and is not the same as the annual operating deficit/surplus that occurs at year-end. For Council, and management of Municipal operations purposes, the variance reporting of actuals compared to budgets (approved by Council) will continue to be the primary management reporting mechanism.

OPTIONS:

Recommend that Council adopt the report to be compliant with O. Reg 284/09.

FINANCIAL IMPLICATIONS:

There are no direct financial implications with this report.

STRATEGIC PLAN

The reporting under O. Reg 284/09 assures compliance with applicable legislation and supports Strategic Priority 6, Accountable and Transparent Governance.

PUBLIC ENGAGEMENT

No public engagement is required.

SUMMARY:

This report describes the conversion of the cash-based operating and capital budgets to a PSAB budget compliant format in compliance with O. Reg 284/09. The net result of all adjustments is a surplus of \$1,013,404.

Respectfully submitted by,

Kathy Davis,
Director of Corporate Services, Treasurer

Reviewed by:

Ken T. Kelly,
CAO

ATTACHMENTS:

1. 2025 Budget Restatement O. Reg 284/09