

## CAO/Clerk Treasurer's Report

Re: Estimated Expenses Excluded from 2022 Budget

### Recommendation:

That Council for the Township of the Corporation of the Township of Chapple acknowledge acceptance of this report and adopt it by resolution as required by Ontario Regulation #284/09, a copy of which is attached.

### Background:

Ontario Regulation #284-09 allows the Township, when preparing the annual budget, to exclude from the estimated expenses all or a portion of the following:

- Amortization expense
- Post-employment benefit expenses; and
- Solid waste landfill closure and post-closure expenses.

The regulation requires that, before a budget is adopted for the year that excludes any of the above expenses, that

- Report is prepared about the excluded expenses
- That the report is adopted by Council by way of resolution

### Analysis:

It is anticipated that the straight-line amortization/depreciation of Tangible Capital Assets (TCA) for the year 2022 will be approximately the same as 2021 (\$408,666.00). The Township of Chapple realized a decrease in assessment in the amount \$ 3,272,300.00 on the Returned Roll for taxation purposes in 2022. Capital purchases of \$ 1,636,997.89 are included in the 2022 budget.

### Financial Implications:

The amortization incurred over the course of the year reduces accumulated surplus. The Township of Chapple has offset the exclusion of amortization in the 2022 Budget with the replacement and improvement of capital assets. As prioritized in Year 2022 of the Asset Management Plan, engineered studies have commenced for the replacement of Hickey Bridge with the balance of grant funding being transferred to a Reserve. The Township of Chapple has proactively sought and attained funding for equipment upgrades to the Water Treatment Plant, new recreation facilities (Sports Field Picnic Shelter, Washroom Facility for Waterfront Park, Outdoor Rink Upgrade -Cement Floor/Roof) for the community and the replacement of the Off Lake Culvert. Investment dollars will be used for municipal

portions/requirements of grant funding agreements. With consideration to cost of living increases and availability, roads equipment was purchased/replaced – Bobcat Compact Track Loader/Trailer and a F-550 Truck. Maintenance of assets continues to be a priority for Council as it extends the useful life.