

2023 Accrual Budget Report



To: Reeve & Council
From: Tara Allaire, CAO/Clerk-Treasurer
Date: June 13, 2023

Expenses Excluded from 2023 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 O. Reg. 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

- A 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 2023 will be roughly the same as 2022 (\$459,494.29). The Township of Chapple realized an increase in assessment in the amount of \$1,266,900 on the Returned Roll for taxation purposes in 2023. Capital purchases of \$1,408,504 are included in the 2023 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 2023 Budget with the replacement and improvement of capital assets. As prioritized in the Asset Management Plan, and associated Bridge Inspection Reports, the replacement of the Hickey Bridge will take place this summer. The Township of Chapple has proactively sought and attained funding for equipment upgrades to the Water Treatment Plant, and new recreation facilities (Washroom Facility for Waterfront Park, Outdoor Rink Roof) for the community. Investment dollars will be used for municipal portions/requirements of grant funding agreements. With consideration to cost of living increases and availability, an F-550 Truck was purchased to replace aging equipment. Purchase of a Skid-Steer Compact Track Loader has been moved to 2024. Maintenance of assets continues to be a priority for Council to extend the assets useful life.