

Appendix C - Compliance Report under O. Reg. 284/09, Budget Matters – Expenses

The City of Richmond Hill's 2024 Operating Budget:

Amortization and Future Tangible Capital Asset Funding Requirements

The budget does not include amortization expense of its tangible capital assets (\$38.634 million – 2022). The 2024 Operating Budget does include reserve fund contributions of \$28.574 million (\$16.502 million related to Operating and \$12.072 related to Water & Wastewater Budget) for capital asset replacement, and \$3.682 million for new capital assets. The *2024 Capital Budget* reports (SRCFS.23.054) highlighted potential financial impacts on future capital asset funding requirement. Council discussed reserve fund contribution increases, and staff have incorporated it into the current year's budget.

Post-Employment Benefits

The budget does not include post-employment benefits related expenses (\$25.562 million – 2022).

Accumulated Surplus

Including above expenses in the 2024 budget would decrease the City's accumulated surplus by \$64.196 million.

Ontario Regulation 284/09, Budget Matters – Expenses, ONTARIO REGULATION 284/09

Exclusion

1. In preparing the budget for a year, a municipality or local board may exclude from the estimated expenses described in paragraph 3 of subsection 289 (2) and in paragraph 3 of subsection 290 (2) of the Act all or a portion of the following:
 1. Amortization expenses.
 2. Post-employment benefits expenses.
 3. Solid waste landfill closure and post-closure expenses.

Report

2. (1) For 2011 and subsequent years, the municipality or local board shall, before adopting a budget for the year that excludes any of the expenses listed in section 1,
 - (a) prepare a report about the excluded expenses; and
 - (b) adopt the report by resolution.
- (2) If a municipality or local board plans to adopt or has adopted a budget for 2010 that excludes any of the expenses listed in section 1, the municipality or local board shall, within 60 days after receiving its audited financial statements for 2009,
 - (a) prepare a report about the excluded expenses; and
 - (b) adopt the report by resolution.

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3. A report under section 2 shall contain at least the following:
 1. An estimate of the change in the accumulated surplus of the municipality or local board to the end of the year resulting from the exclusion of any of the expenses listed in section 1.
 2. An analysis of the estimated impact of the exclusion of any of the expenses listed in section 1 on the future tangible capital asset funding requirements of the municipality or local board.

Review

4. The Ministry of Municipal Affairs and Housing shall initiate a review of this Regulation on or before December 31, 2012.

Commencement

5. **This Regulation is deemed to have come into force on January 1, 2009.**