

Budget Committee

Meeting No.	45	Contact	Matthew Green, Committee Administrator
Meeting Date	Monday, February 7, 2022	Phone	416-392-4666
Start Time	9:30 AM	E-mail	buc@toronto.ca
Location	Video Conference	Chair	Councillor Gary Crawford

BU45.3	ACTION	Adopted		Ward: All
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Response to Ontario Regulation 286/09 Budget Matters - Expenses

Committee Recommendations

The Budget Committee recommends that:

1. City Council receive the report (January 24, 2022) from the Chief Financial Officer and Treasurer for information.

Origin

(January 24, 2022) Report from the Chief Financial Officer and Treasurer

Summary

Ontario Regulation 286/09 "Budget Matters - Expenses" (Regulation) permits the City of Toronto (City) to exclude the following expenses from its annual budget:

- amortization expenses;
- post-employment benefits expenses; and
- solid waste landfill closure and post-closure expenses.

In addition, the Regulation requires that the City:

- prepare a report about the excluded expenses which contains:
 - an estimate of the change in accumulated surplus as a result of the exclusion of the above expenses; and
 - an analysis of the estimated impact of the exclusion of these expenses on future tangible capital asset funding requirements; and
- adopt the report prior to the adoption of its annual budget.

This report is presented to Budget Committee and City Council in response to the Regulation.

The City's annual balanced budget outlines the funds required to support the City's anticipated operating expenses for the fiscal year, along with funds required to support the planned acquisition or development of tangible capital assets. The balanced budget, which is prepared using a cash basis of accounting versus the accrual basis used for financial reporting purposes, excludes the above expenditures, estimated at \$1.56 billion for 2022. The excluded expenses result in a reduction to the City's accumulated surplus balance. The City's accumulated surplus represents the amount the City has invested in its tangible capital assets. These expenses represent non-cash accounting expenditures required for financial reporting.

Background Information

(January 24, 2022) Report from the Chief Financial Officer and Treasurer on a Response to Ontario Regulation 286/09 Budget Matters - Expenses

(<https://www.toronto.ca/legdocs/mmis/2022/bu/bgrd/backgroundfile-175558.pdf>)