

Appendix 3: Annual Surplus Reconciliation

<i>(in thousands)</i>	<u>Approved Budget</u>	<u>2024</u>	<u>2023</u>
Based on budget approach			
Water & Wastewater surplus (deficit)	\$ -	\$ 2,287	\$ (3,461)
Waste Management surplus	-	3,719	3,534
Niagara Transit Commission surplus	-	1,541	2,087
General Levy surplus	-	10,107	4,988
Operating Surplus Total	-	17,654	7,148
PSAS Presentation			
Adjustments: Capital			
Recognize amortization	(120,387)	(120,387)	(107,678)
Recognize accretion	2,670	2,670	(3,689)
Recognize in-year capital program revenues	66,238	66,257	86,742
Recognize capital fund expenditures resulting in operating expenses	(6,097)	(3,031)	(7,154)
Recognize operating fund expenditures resulting in capital assets	2,902	2,902	2,270
Recognize transfer and contribution of tangible capital assets	6,633	6,633	78,604
Recognize proceeds & loss on disposal of assets	(483)	(153)	(12,699)
Capital Subtotal	(48,524)	(45,109)	36,396
Funded			
Remove principal debt repayments	52,396	31,450	34,167
Remove net transfers to reserves (including interest allocation)	111,617	132,445	114,060
Remove sinking fund activity	-	2,211	702
Funded Subtotal	164,013	166,106	148,929
Unfunded			
Recognize change in landfill liability	-	-	-
Recognize power dams liability	-	422	422
Recognize change in unfunded employee future benefits liability	(10,330)	(10,297)	(9,089)
Recognize share of Canada Summer Games Park operations	(298)	(298)	(32)
Unfunded Subtotal	(10,628)	(10,173)	(8,699)
Annual surplus per PSAS consolidated financial statements	\$ 104,861	\$ 128,478	\$ 183,774

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A balanced operating budget, developed for the purposes of setting tax rates and user fees, was approved by Council on December 14, 2023. The operating surplus presented at the top of the chart represents the actual financial results of the Region compared to the operating budget. Since the Region is required to report its annual surplus using Public Sector Accounting standards (PSAS), a number of adjustments are required in order for the financial results to conform with PSAS. For example, in the operating budget, capital projects are recognized when funding is allocated; however, in order to conform with PSAS, an adjustment is required as capital projects should be expensed over time through amortization rather than immediately.