

**Yukon Municipal Financial Information Return Manual  
For the Year Ending Dec 31, 2006**

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# 1. Introduction

## 1.1. General Reporting Requirements for Municipal Governments

### Financial Information Returns (FIR)

The aim of standardized financial reporting for municipalities is to allow for ease of analysis, comparison and utilization of financial information. Such interpretation of financial information is currently possible only to a limited extent, as each municipality uses its own method of organizing and presenting financial information.

Section 242(2) of the *Municipal Act* states, “*The Minister may require the municipality to provide financial information in a standard reporting format consistent with public sector accounting practices.*”

### Financial Statements

Section 255 of the *Municipal Act* requires that each municipality prepare annual financial statements of the municipality in accordance with generally accepted accounting principles for municipal governments recommended by the Canadian Institute of Chartered Accountants (CICA) (s. 258 (2)). The introduction to the accounting recommendations in the CICA Handbook states, “*Governments and other entities in the public sector should refer to the*

*Introduction to the CICA Public Sector Accounting Handbook to determine the appropriate basis of accounting for purposes of their financial reporting.*”

The CICA Public Sector Accounting Handbook may be obtained by contacting the Canadian Institute of Chartered Accountants - Order Department, at 1-800-268-3793.

## 1.2. Accounting Policies Applicable to Municipal Government Reporting

The definitions and accounting policies used for specific items in this manual will generally be the same as those recommended by the Public Sector Accounting Board (PSAB) Statements which apply to annual financial statements. Excerpts from the PSAB handbook have been included to utilize PSAB recommendations as much as possible. However, the FIR is not a financial statement. The FIR is a supplement to current financial reporting requirements.

## **2. Financial Position (Schedule A)**

### **2.1. Reporting Line Definitions**

#### **0201) Cash and Temporary Investments**

Cash and temporary investments contains cash and any investments which are transitional or current in nature and which are capable of reasonably prompt liquidation.

This could include cash on hand, cash on deposit in a bank or other financial institution, term deposits, treasury bills, investment certificates, and marketable securities. Cash accounts with negative balances should be reported as a liability.

#### **0202) Restricted Fund Balances**

This line is used to report funds held at year-end, which can only be spent on specific purposes defined by legislation, legal agreement or other external condition.

This line should not be used to report amounts held in trust or amounts designated for specific purposes by the reporting entity itself.

#### **0203) Unrestricted Fund Balances**

This line represents the amount of the fund balance(s) that has no external restrictions placed on usage.

#### **0205- 0206) Taxes and Grants in Place of Taxes Receivable - Current and Arrears**

Taxes and grants in place of taxes receivable contains the total of all taxes and grants-in-place levied by the municipality, penalties, tax arrears consolidation agreement balances, and charges that have been added to the tax roll, which remain unpaid at the end of the reporting year. The current classification contains the balances levied, applied, or charged during the reporting year, and related penalties.

The arrears classification contains the balances levied, applied, or charged in years prior to the reporting year, and related penalties.

#### **0207) Taxes and Grants in Place of Taxes Receivable - Allowances**

Taxes and grants in place of taxes receivable - allowances contains valuation allowances related to taxes and grants in place of taxes recorded to reduce the carrying balances to reflect the lower of cost or net recoverable value.

The allowance, being a credit accounting balance, is automatically subtracted from the total.

#### **0208) Receivable from Other Governments**

Receivable from other governments contains all balances, except for trade receivable balances, due from Federal, Territorial, or local governments (including government agencies, municipal jurisdictions, school jurisdictions, and

hospital or health jurisdictions).

This will typically include outstanding balances of conditional or unconditional transfers (grants), subsidies, or advances which are due or accrued at the end of the reporting year.

#### **0209) Trade and Other Receivables**

Trade receivables include amounts claimed against a customer for goods or services sold in the ordinary course of business. It also includes amounts receivable from other governments which would otherwise be included in "Receivable From Other Governments" but which are in the nature of trade. Other receivables include all amounts receivable or accrued as receivable from outside organizations or individuals, which are not included in the receivable categories, defined above. This receivable may include fines. "Trade and Other Receivables" should be reported net of allowances for amounts that are expected to be uncollectible.

#### **0210) Inventory of Consumable Supplies**

"Inventory of Consumable Supplies" should be used to report stocks of inventory on hand at the end of the reporting period which will be consumed, by the municipality in the course of providing services in the future.

#### **0212) Inventories Held for Resale - Land**

"Inventories Held for Resale - Land" should be used to report land and related development costs which are intended for sale to outside organizations or individuals.

*NOTE:* These assets, because they are convertible to cash, meet the definition of a "financial asset" per PS1800.15. To comply with PSAB, they would be reported under the operating fund.

#### **0213) Inventories Held for Resale - Other**

"Inventories Held for Resale - Other" should be used to report stocks of inventory (excluding land) on hand at the end of the reporting period which are intended for sale to outside organizations or individuals.

*Note:* Same principle as noted for "Inventories Held for Resale – Land" would apply here.

#### **0215) Other Current Assets**

"Other Current Assets" should be used to report asset balances, which are not included in the asset categories, defined above and which are expected to be realized within one year of the reporting date.

This would generally include deposits placed on agreements for sale.

"Other Current Assets" should also be used to report the total amount of underlevies on requisitioned property taxes which must be recovered in the year following the reporting year.

## **Liabilities**

### **0217) Temporary Loans Payable**

"Temporary Loans Payable" includes amounts payable for borrowings from banks or other sources for the purpose of temporary financing. Temporary financing would generally include all borrowings with a term of one year or less.

### **0218) Payable To Other Governments**

"Payable To Other Governments" includes balances payable to Federal, Territorial, or local governments arising from the purchase of goods or services for resale or for supply and use by citizens at large.

This reporting line should generally include outstanding balances of conditional or unconditional transfers (grants), subsidies, or advances which are due or accrued at the end of the reporting year

### **0219) Accounts Payable & Accrued Liabilities**

A trade account payable is a debt for goods or services purchased in the ordinary course of business.

An accrued liability is a developing but not yet enforceable claim by another person, which is accumulating with the passage of time or the receipt of service. It arises from the purchase of services (including the use of money), which have been only partly performed at the time of accounting and hence are not yet billed or paid for.

This reporting line should include:

- 1) accounts arising from the purchase of goods or services for the municipality's own consumption or use, including purchases from other governments
- 2) accrued interest on borrowings
- 3) accrued rents on leased or rented property
- 4) accrued vacation payable.

### **0220) Deposit Liabilities**

"Deposit Liabilities" should be used to report deposits received by the municipality, which are not expected to be realized within one year of the reporting date, such as utility meter deposits.

### **0221) Deferred Revenue**

"Deferred Revenue" should be used to report amounts (excluding deposits reported under **Deposit Liabilities (0220)**) that are received before the transactions or events occur that give rise to the revenues.

Operating fund deferred revenue would normally include:

- 1) prepaid local improvement levies
- 2) government transfers for operating purposes which are received before revenue recognition criteria have been met.

Capital fund deferred revenue would normally include government transfers for capital purposes which are received before revenue recognition criteria have been met.

### **0222) Long Term Debt**

"Long Term Debt" should be used to report long term obligations arising from a borrowing, including lease obligations on assets, which are recorded as property of the municipality. A borrowing with a repayment term of more than one year would normally be considered a long term debt for reporting purposes.

Long term debt should generally be reported in the capital fund only if the borrowing is for the purpose of financing the acquisition, construction, removal, or improvement of a capital property of the municipality or of improvements of land inventories held for resale by the municipality.

Borrowings which are made for the purpose of financing requisition payments or grants to other organizations should therefore be reported as a long term debt of the operating fund, even though the eventual use of the money by the other organization may be for a capital purpose.

### **0223) Other Current Liabilities**

"Other Current Liabilities" should be used to report liability balances, which are not included in the other liability categories, defined above and are expected to be realized within one year of the reporting date.

"Other Current Liabilities" normally include the total amount of excess collections on requisitioned property taxes which must be applied to taxes levied in the year following the reporting year.

### **0224) Other Long Term Liabilities**

"Other Long Term Liabilities" should be used to report liability balances, which are not included in the liability categories, defined above and which are not expected to be realized within one year of the reporting date.

## **Equity**

### **0227) Restricted Fund Balances**

This line is used to report funds held at year-end, which can only be spent on specific purposes defined by legislation, legal agreement or other external condition.

This line should not be used to report amounts held in trust or amounts designated for specific purposes by the reporting entity itself.

### **0228) Unrestricted Fund Balances**

This line represents the amount of the fund balance(s) that has no external restrictions placed on usage.

### **0229) Total Fund Balances**

Total fund balances must equal the total of **Restricted Fund Balances (0227)** and **Unrestricted Fund Balances (0228)**.

## **3. Financial Activities (Schedule B & C)**

### **3.1 Definition of Revenue**

Revenues shown in the financial activities schedules should be based on the definition provided by PSAB in section 1800.37, in its Handbook.

#### **Operating Fund**

Operating fund revenue should reflect all revenues accruing from external persons or organizations. These will normally include taxes and grants in place of taxes, sales and user charges, penalties, licenses and permits, fines, franchise and concession contracts, returns on investments (interest), rentals, insurance proceeds, and transfers (grants) from other governments.

Internal transfers from reserves, funds, and functions and appropriations from the fund balance of a previous year are not revenues.

Recoveries of costs from allowances, which have previously been established, should be reported as a reduction in total function expenditures otherwise reported, and therefore not reported as revenue.

Where an expenditure is recorded in an operating function (the originating function) and then allocated to another operating function (the destination function) using a gross recovery charge, the gross recovery charge should be reported as a reduction in total function expenditures otherwise reported in the originating function, and therefore not reported as a revenue. In the destination function, the gross recovery charge should be included in reported expenditures.

#### **Capital Fund**

Capital fund revenues should reflect all items which normally increase equity in the capital fund except for internal transfers, and will normally include only special levies for capital purposes, returns on capital fund investments, proceeds from the disposal of capital property, insurance proceeds on capital property, developers agreements and levies, and capital grants.

Internal transfers from reserves, funds, and functions and transfers from the operating fund in respect of capital fund long term debt repayments are not revenues.

Recoveries of costs from allowances, which have previously been established, should be reported as a reduction in total function expenditures otherwise reported, and therefore not reported as revenue.

### **3.2. Definition of Expenditure**

Expenditures shown in the Financial Activities schedules should be based on the definition provided by PSAB in section PS 1800.41.

#### **Operating Fund**

Operating fund expenditures should reflect all expenditures accruing to external persons or organizations. These will normally include salaries and benefits, contracted services, purchases, provisions for allowances (net of recoveries from allowances previously established), transfers (grants) to other governments or

organizations, bank charges, and interest charges on all current and long term debt.

Internal transfers to reserves, funds, and functions and repayments of debt principal are not expenditures.

Where an expenditure is recorded in an operating function (the originating function) and then allocated to another operating function (the destination function) using a gross recovery charge, the gross recovery charge should be reported as a reduction in total function expenditures otherwise reported in the originating function, and therefore not reported as a revenue. In the destination function, the gross recovery charge should be included in reported expenditures.

### **Capital Fund**

Capital fund expenditures should reflect all items, which normally decrease equity in the capital fund except for internal transfers. In most cases, the only expenditures reported in the capital fund will be for capital transfers (grants) made to other organizations and for cost write-downs related to the disposal of capital property.

Internal transfers to reserves, funds and functions are not expenditures.

Capital property purchases do not decrease capital fund equity, and are therefore not reported as expenditures.

### **3.3. Definition of Net Municipal Revenue (Expenditure)**

The "Net Municipal Revenues (Expenditure)" on the Financial Activities schedules should correspond to the difference between revenues and expenditures discussed in PSAB Handbook section 1800.

### **3.4. Revenues and Expenditures Related to the Reserve Fund**

Revenues and expenditures related to the reserve fund, such as interest revenue on reserve fund investments, should be reported in either the operating fund or the capital fund. PSAB Handbook sections PS 1800.55 to .66 provides information about reporting reserves.

### **3.5. Line Definitions**

#### **(0301 / 0366-0370) Council/ Legislative**

This function should be used to report council and council-related activities that are directed to the municipality as a whole and related legislative activities.

### **(0302-0328) Administrative (Revenue)**

This function should be used to report activities related to the administration of the municipality as a whole, including:

### **0303-0307) Property Taxation (Excluding GILT)**

Should be used to report the total amount of property taxes collected by the Municipality exclusive of grants-in-lieu of taxes paid by territorial and federal governments. Reported as revenue of the operating fund under column 1.

### **0308-0312) Grants-in-Lieu of Taxes**

Should be used to report total amount paid as Grants-in-lieu of taxes by territorial and federal governments. Reported as revenue of the operating fund under column 1.

### **0313) Local Improvement Charges**

Should be used to report all local improvement charges levied or collected under Division 3 of Part 6 of the Municipal Act .

All local improvement charges should normally be reported as revenue of the operating fund under column 1.

### **0314) Sales To Other Governments**

"Sales To Other Governments" should be used to report revenue from the sale of goods or services to federal, Territorial, or local governments and their agencies which are, or will be, used by that government to supply a good or service to its citizens which it would normally be responsible for providing.

It should not be used to report services which are consumed directly by other governments.

This category may include the following services provided to other governments:

- 1) road maintenance
- 2) snow removal
- 3) supply of water
- 4) treatment of wastewater
- 5) garbage collection
- 6) fire protection
- 7) police protection.

All sales to other governments should be reported as a revenue of the operating fund under column 1.

### **0315) Sales and User Charges**

"Sales and User Charges" should be used to report revenue from the sales of goods and services to individuals, organizations, corporations or other governments, except for sales reported as "Sales To Other Governments" and revenues from services that would more appropriately fit under a line item below (i.e. sport facility charges would go under "Recreation," utility charges under "Water Supply and Distribution" or "Waste Management," etc).

All sales and user charges should normally be reported as revenue of the

operating fund under column 1.

### **0316) Penalties and Costs on Taxes**

"Penalties and Costs on Taxes" should be used to report all revenue from penalties and costs levied in the tax roll, as well as penalties or interest charges added to water, sewer or other trade accounts.

All penalties and costs on taxes should be reported as a revenue of the operating fund under column 1.

### **0317) Licences and Permits**

"Licences and Permits" should be used to report all revenue from the issuance of municipal licenses and permits. The classification would include:

- 1) professional, business, amusement, taxi, animal, and bicycle licenses
- 2) building/development, construction and demolition permits
- 3) gas, plumbing or power permits.

All licences and permits should be reported as a revenue of the operating fund under column 1.

### **0318) Fines**

"Fines" should be used to report all revenue from an infraction or uncontested infraction of a law or a by-law of the municipality. Fines should be recorded as revenue in the period that they are imposed.

All fines should be reported as revenue of the operating fund under column 1.

### **0319) Franchise and Concession Contracts**

"Franchise and Concession Contracts" includes all revenue from franchise or concession agreements, excluding any portion attributable to normal taxes which must be levied against the property of the franchise or concession holder.

A franchise or concession contract is defined as an agreement whereby the municipality sub-lets or contracts a service which it would normally provide to a franchise or concession holder in return for a percentage of gross sales or retail revenue.

This would normally include contracts to provide:

- 1) electrical utilities
- 2) natural gas utilities
- 3) concessions at municipally-owned sports facilities.

All net franchise and concession contract revenue should be reported as revenue of the operating fund under column 1.

### **0320) Returns on Investments**

"Returns on Investments" should be used to report all revenue resulting from investments. Any losses on investments should also be reported on this line and netted against revenues. This reporting line would normally include:

- 1) interest on securities
- 2) interest on loans and advances
- 3) foreign currency exchange gains and losses on investments

4) discounts on the purchase of securities

5) profits and losses on the sale of investments

Returns on investments held in the operating fund and in the reserve fund for operating purposes should be reported as a revenue of the operating fund.

Returns on investments held in the capital fund and in the reserve fund for capital purposes should be reported as a revenue of the capital fund.

### **0321) Rentals**

"Rentals" should be used to report all revenue from the rental or leasing of municipally owned property.

All rentals should be reported as a revenue of the operating fund under column 1.

### **0322) Insurance Proceeds**

"Insurance Proceeds" should be used to report revenue from insurance loss settlements on capital property.

All insurance proceeds should normally be reported as a revenue of the capital fund under column 2.

### **0323) Proceeds From Disposal of Capital Property**

"Proceeds From Disposal of Capital Property" should be used to report gross proceeds from the sale of capital property, including trade-in allowances.

All proceeds from the disposal of capital property should be reported as a revenue

of the capital fund under column 2.

### **0324) Federal Government Unconditional Transfers**

"Federal Government Unconditional Transfers" should be used to report entitlements, transfers under shared cost agreements, and grants from the Federal Government for which the municipality has full discretion as to its use.

All federal government unconditional transfers should be reported as a revenue of the operating fund under column 1.

### **0325) Federal Government Conditional Transfers**

"Federal Government Conditional Transfers" should be used to report entitlements, transfers under shared cost agreements, and grants from the Federal Government to which conditions are attached or which the municipality can only use for specified purposes.

Federal government conditional transfers which are received for operating purposes should be reported as a revenue of the operating fund under column 1.

Federal government conditional transfers which are received for capital purposes should be reported as a revenue of the capital fund under column 2.

### **0326) Territorial Government Unconditional Transfers**

"Territorial Government Unconditional Transfers" should be used to report entitlements, transfers under shared cost agreements, and grants from the Territorial government for which the municipality has full discretion as to its use.

All Territorial government unconditional transfers should be reported as a revenue of the capital fund under column 2.

**0327) Territorial Government Conditional Transfers**

"Territorial Government Conditional Transfers" should be used to report entitlements, transfers under shared cost agreements, and grants from the Territorial government to which conditions are attached or which the municipality can only use for specified purposes.

Territorial government conditional transfers which are received for operating purposes should be reported as a revenue of the operating fund under column 1.

Territorial government conditional transfers which are received for capital purposes should be reported as a revenue of the capital fund under column 2.

**0328) First Nation Government Unconditional Transfers**

Should be used to report entitlements, transfers under shared cost agreements, and grants from First Nations governments for which the municipality has full discretion as to its use. All First Nation government unconditional transfers should be reported as a revenue of the capital fund under column 2.

**0329) First Nation Government Conditional Transfers**

Should be used to report entitlements, transfers under shared cost agreements, and grants from First Nations government to which conditions are attached or which the municipality can only use for specified purposes.

First Nations government conditional transfers which are received for operating purposes should be reported as a revenue of the operating fund under column 1.

Territorial government conditional transfers which are received for capital purposes should be reported as a revenue of the capital fund under column 2.

**0330) Local Government Transfers**

"Local Government Transfers" should be used to report entitlements, transfers under shared cost agreements, and grants from other local governments.

Local government conditional transfers which are received for operating purposes should be reported as a revenue of the operating fund under column 1.

Local government conditional transfers which are received for capital purposes should be reported as a revenue of the capital fund under column 2.

**0331) Transfers From Local Boards and Agencies**

"Transfers From Local Boards and Agencies" should be used to report entitlements, transfers under shared cost agreements, and grants from local boards and agencies within the municipality.

All transfers from local boards and agencies should be reported as a revenue of the capital fund under column 2.

**0332) Other Administrative Revenue**

"Other Revenue" should be used to report revenues which are not included in the revenue categories defined above.

**Definitions for Administrative Expenditure Items begin on page 22**

**0333. Protective Services**

This category of functions should be used to report activities that provide for the public safety of the inhabitants of the municipality.

**Salaries, Wages, and Benefits (Expenditure Only)**

"Salaries, Wages, and Benefits" should be used to report the remuneration of all employees appointed officials. All forms of remuneration, paid either directly to employees or to others on their behalf (e.g. fringe benefits), are to be included. This would normally include:

- 1) salaries and wages for staff
- 3) employer contributions to Canada Pension Plan, Unemployment Insurance, and other pension and insurance plans
- 4) moving expenses

All salaries, wages, and benefits should be reported as an expenditure of the operating fund under column 1.

**0334) Fire Protection**

This function should be used to report activities related to fire protection and investigation services.

**0335) Emergency Measures and Disaster Services**

This function should be used to report activities related to emergency measures and disaster prevention and recovery services.

**0336) By-law Enforcement**

This function should be used to report activities related to by-law enforcement, including:

- 1) building inspection
- 2) minimum standards control
- 3) building, parking and traffic by-law enforcement (where not provided through the police force)
- 4) animal and weed control
- 5) duties performed by utility officers (by-law regulations and inspections).

**0337) Other Protective Services**

This function should be used to report protective service activities which do not fall within the protective services functions defined above.

**0338. Transportation Services**

This category of functions should be used to report activities related to public transportation.

**Salaries, Wages, and Benefits (Expenditure Only)**

"Salaries, Wages, and Benefits" should be used to report the remuneration of all employees appointed officials. All forms of remuneration, paid either directly to employees or to others on their behalf (e.g. fringe benefits), are to be included. This would normally include:

- 1) salaries and wages for staff
- 2) per diems
- 3) employer contributions to Canada Pension Plan, Unemployment Insurance, and other pension and insurance plans
- 4) moving expenses

All salaries, wages, and benefits should be reported as an expenditure of the operating fund under column 1.

### **0339) Common and Equipment Pool**

This function should be used to report activities which are related to, or benefit, several transportation functions and which cannot be reasonably allocated to those specific functions, such as:

- 1) maintenance and operation of common-use vehicles, general equipment, buildings, yards, workshops, garages, etc.
- 2) general transportation administration
- 3) engineering services

### **0340) Roads, Streets, Walks, Lighting**

This function should be used to report activities which provide for roads, streets, walks and lighting, including:

- 1) roads
- 2) streets
- 3) medians
- 4) boulevards
- 5) sidewalks
- 6) street lighting
- 7) street signs
- 8) traffic signals
- 9) railway crossing signals
- 10) public parking facilities.

### **0341) Airport**

This function should be used to report activities related to air transportation services.

### **0342) Public Transit**

This function should be used to report activities related to public transit systems, including:

- 1) scheduled buses
- 2) transit vehicles
- 3) garages.
- 4) rail lines

5) service buildings

Handi-buses or senior citizen transportation are not included in this definition, and should be reported under the Transportation – Other function.

**0343) Storm Sewers and Drainage**

This function should be used to report activities, which provide for storm sewer and drainage facilities.

**0344) Other Transportation**

This function should be used to report transportation activities, which do not fall within the transportation functions, defined above.

**0345). Environmental Use and Protection**

This category of functions should be used to report activities which provide environmentally regulated utility services, but excluding gas, power, and telephone utilities.

**Salaries, Wages, and Benefits (Expenditure Only)**

"Salaries, Wages, and Benefits" should be used to report the remuneration of all employees appointed officials. All forms of remuneration, paid either directly to employees or to others on their behalf (e.g. fringe benefits), are to be included. This would normally include:

- 1) salaries and wages for staff
- 2) per diems
- 3) employer contributions to Canada Pension Plan, Unemployment Insurance, and other pension and insurance plans
- 4) moving expenses

All salaries, wages, and benefits should be reported as an expenditure of the operating fund under column 1.

**0346) Water Supply and Distribution**

This function should be used to report activities related to acquiring, treating and supplying water, including:

- 1) acquisition of water supply through wells, lakes, rivers
- 2) purchase of water supply from an adjoining jurisdiction, regional services commission, or other authority
- 3) purification and treatment
- 4) transmission and distribution, including operation and maintenance of facilities and lines.

**0347) Wastewater Treatment and Disposal**

This function should be used to report activities related to the collection or removal, treatment, and disposal of sanitary sewage, including:

- 1) sanitary sewers and combined sanitary-storm sewers
- 2) lagoons
- 3) plant and equipment
- 4) public comfort stations

- 5) catch basins
- 6) man holes
- 7) booster stations
- 8) reclamation of sludge areas for lagoons or treatment plants.

### **0348) Waste Management**

This function should be used to report activities related to the collection of garbage and other waste material, as well as the maintenance and operation of sanitary landfill sites, incinerators or other plants, trucks and other equipment used for collection and disposal, and solid waste landfill closure and post-closure costs allocated to the current year.

### **0349) Other Environmental Use and Protection**

This function should be used to report environmental use and protection activities, which do not fall within the environmental use and protection functions defined above. This category includes costs associated with recycling programs.

### **0350. Public Health and Welfare Services**

This category of functions should be used to report activities which provide assistance to disadvantaged individuals and which promote the health of individuals.

### **Salaries, Wages, and Benefits (Expenditure Only)**

"Salaries, Wages, and Benefits" should be used to report the remuneration of all employees appointed officials. All forms of remuneration, paid either directly to employees or to others on their behalf (e.g. fringe benefits), are to be included. This would normally include:

- 1) salaries and wages for staff
- 2) per diems
- 3) employer contributions to Canada Pension Plan, Unemployment Insurance, and other pension and insurance plans
- 4) moving expenses

All salaries, wages, and benefits should be reported as an expenditure of the operating fund under column 1.

### **0351) Family and Community Support Services**

This function should be used to report activities which foster and promote the health and well being of its' citizens, including:

- 1) family counseling
- 2) parent and child development
- 3) alcohol and drug abuse programs
- 4) youth and seniors' drop in centres
- 5) after school care for school aged children.

### **0352) Day Care**

This function should be used to report activities related to a municipally owned and operated day care service established for preschool aged children, including:

- 1) day care centers or homes
- 2) parent and child development
- 3) supervision and support for home care services
- 4) support is provided by the municipality to other authorities or to private day care operators

### **0353) Cemeteries and Crematoriums**

This function should be used to report activities related to a municipal cemetery or crematorium.

### **0354) Other Public Health and Welfare**

This function should be used to report public health and welfare activities which do not fall within the public health and welfare functions defined above, including:

- 1) support and care for indigents
- 2) support for medical practitioners or dentists to ensure residence and practice in the municipality

### **0355. Planning and Development**

This category of functions should be used to report activities which support and control the municipality's physical and economic development.

### **Salaries, Wages, and Benefits (Expenditure Only)**

"Salaries, Wages, and Benefits" should be used to report the remuneration of all employees appointed officials. All forms of remuneration, paid either directly to employees or to others on their behalf (e.g. fringe benefits), are to be included. This would normally include:

- 1) salaries and wages for staff
- 2) per diems
- 3) employer contributions to Canada Pension Plan, Unemployment Insurance, and other pension and insurance plans
- 4) moving expenses

All salaries, wages, and benefits should be reported as an expenditure of the operating fund under column 1.

### **0356) Land Use Planning, Zoning and Development**

This function should be used to report activities related to land use planning, zoning and development, including:

- 1) municipal planning commission
- 2) subdivision and development appeal board
- 3) development officer, planning office or planning services
- 4) research or studies involving planning and zoning for the municipality
- 5) economic development projects funded wholly or partly by the

municipality

**0357) Economic/Agricultural Development**

This function should be used to report activities which enhance local economic and agricultural development, including:

- 1) facilities for conventions
- 2) tourism promotion
- 3) transportation services to seniors, the disabled and the handicapped
- 4) agricultural field services
- 5) control of pests
- 6) soil, weed and crops services
- 7) protection and care of domestic animals
- 8) horticultural development relating to the improvement of homes and farmsteads
- 9) seed cleaning plants

**0358) Subdivision Land and Development**

This function should be used to report activities related to the development of land and infrastructure for use by the municipality or for resale, including:

- 1) acquisition, development and sale of land inventory held for resale
- 2) construction of infrastructure which will ultimately become capital property of the municipality
- 3) receipt and use of cash-in-lieu of reserve land and proceeds from the sale of reserve land.

**0359) Public Housing Operations**

This function should be used to report activities which provide for low-cost and other public municipal housing to individuals and families. These activities are normally under the auspices of a municipal housing authority.

**0360) Land, Housing and Building Rentals**

This function should be used to report activities related to municipally owned land and facilities which are rented or leased to an individual or organization.

**0361) Other Planning and Development**

This function should be used to report planning and development activities which do not fall within the planning and development functions defined above.

**0362. Recreation and Culture**

This category of functions should be used to report activities which provide recreational and cultural services.

**Salaries, Wages, and Benefits (Expenditure Only)**

"Salaries, Wages, and Benefits" should be used to report the remuneration of all

employees appointed officials. All forms of remuneration, paid either directly to employees or to others on their behalf (e.g. fringe benefits), are to be included. This would normally include:

- 1) salaries and wages for staff
- 2) per diems
- 3) employer contributions to Canada Pension Plan, Unemployment Insurance, and other pension and insurance plans
- 4) moving expenses

All salaries, wages, and benefits should be reported as an expenditure of the operating fund under column 1.

### **0363) Recreation Boards**

This function should be used to report activities related to municipal recreation boards.

Activities related to recreation programming and operations, as opposed to governance provided by the board itself, should be reported in the Parks and Recreation function.

### **0364) Parks and Recreation**

This function should be used to report activities which provide for parks and recreation facilities and related programs, including:

- 1) swimming pools
- 2) golf courses
- 3) skating rinks
- 4) curling rinks
- 5) ski areas
- 6) baseball diamonds
- 7) sports fields
- 8) gymnasiums
- 9) community parks and trails

### **0365) Culture: Libraries, Museums, Halls**

This function should be used to report activities which provide for cultural facilities and related programs, including:

- 1) libraries
- 2) museums
- 3) community halls
- 4) performing arts theaters

### **0366) Convention Centre**

This function should be used to report activities which provide for convention centre facilities and related programs.

### **0367) Other Recreation and Culture**

This function should be used to report recreation and culture activities which do not fall within the recreation and culture functions defined above.

### **0368. Other**

This function should be used to report activities which do not fall within the function categories defined above.

### **0370-0387) Administrative (Expenditure)**

#### **Salaries, Wages, and Benefits**

"Salaries, Wages, and Benefits" should be used to report the remuneration of all employees and appointed officials. All forms of remuneration, paid either directly to employees or to others on their behalf (e.g. fringe benefits), are to be included. This would normally include:

- 1) salaries and wages for staff
- 2) per diems
- 3) employer contributions to Canada Pension Plan, Unemployment Insurance, and other pension and insurance plans
- 4) moving expenses

All salaries, wages, and benefits should be reported as an expenditure of the operating fund under column 1.

#### **0377) Contracted and General Services**

"Contracted and General Services" should be used to report expenditures made to acquire services on a contracted basis excluding administrative employment contracts (listed above) and purchases from other governments. This would normally include expenditures for:

- 1) travel and subsistence
- 2) express and cartage
- 3) postage
- 4) communications
- 5) contracted transportation services
- 6) memberships
- 7) conference fees
- 8) advertising in periodicals, newspapers or other media
- 9) designing and printing of forms and publications
- 10) professional services (audit, planning, legal, etc.)
- 11) repair and maintenance of capital property
- 12) rentals of capital property
- 13) licenses and permits
- 14) damage claims
- 15) taxes
- 16) insurance and bond premiums

All contracted and general services should be reported as an expenditure of the operating fund under column 1.

#### **0378) Purchases From Other Governments**

"Purchases from Other Governments" should be used to report expenditures on

services which would normally be provided by the municipality and which are acquired in bulk from another government for redistribution to the citizens of the municipality. This would normally include the purchase of the following services for an area within the municipality's boundary from another municipality:

- 1) road maintenance
- 2) snow removal
- 3) supply of water
- 4) treatment of wastewater
- 5) garbage collection
- 6) fire protection
- 7) police protection.

All purchases from other governments should be reported as an expenditure of the operating fund under column 1.

### **0379) Materials, Goods, Supplies, and Utilities**

"Materials, Goods, Supplies, and Utilities" should be used to report expenditures for the purchase of materials, goods, supplies and utilities, excluding purchases from other governments which are reported above. This would normally include expenditure for the purchase of:

- 1) stationery
- 2) janitorial supplies
- 3) uniforms
- 4) data processing supplies
- 5) pharmaceutical and first aid supplies
- 6) long service awards
- 7) media materials such as library books, periodicals, films, audio recordings, and video recordings.

All materials, goods, supplies, and utilities should be reported as an expenditure of the operating fund under column 1.

### **0380) Provision For (Recovery Of) Allowances**

"Provision For (Recovery of) Allowances" should be used to report allowance provisions required in the current year in respect of year end asset balances and to report direct write-offs of asset balances excluding capital property amortization and dispositions which are reported separately below.

The operating fund (column 1), includes:

- 1) provisions for allowances on uncollectible taxes
- 2) provisions for estimated losses on the collection of outstanding accounts receivable
- 3) direct write-offs of accounts receivable which are considered to be uncollectible
- 4) as a credit, a reduction in allowances provided for operating fund assets in previous years
- 5) as a credit, amounts recovered on accounts previously written off.

The capital fund (column 2), normally includes:

- 1) provisions for allowances on capital fund accounts receivable
- 2) provisions for estimated losses on the sale of land inventories held for resale
- 3) as a credit, a reduction in allowances provided for capital fund assets in previous years.

If the amounts recovered and the reduction in allowances exceed the current provision for allowances, the resulting credit balance should be reported as a negative amount.

### **0381) Transfers to Other Governments**

"Transfers to Other Governments" should be used to report amounts entitlements, transfers under shared cost agreements, and grants made to the Federal, Territorial, or other local governments.

All transfers to other governments should normally be reported as an expenditure of the operating fund under column 1, regardless of the intended use or ultimate disposition of the amount transferred.

### **0382) Transfers To Local Boards and Agencies**

"Transfers To Local Boards and Agencies" should be used to report entitlements, transfers under shared cost agreements, and grants made to local boards and agencies within the municipality. This would normally include grants made to:

- 1) independent library boards
- 2) independent recreation boards
- 3) independent ambulance boards

All transfers to local boards and agencies should normally be reported as an expenditure of the operating fund under column 1, regardless of the intended use or ultimate disposition of the amount transferred.

### **0383) Transfers To Individuals and Organizations**

"Transfers To Individuals and Organizations" should be used to report entitlements, transfers under shared cost agreements, and grants made to individuals and organizations. Examples include grants made to:

- 1) service clubs
- 2) private ambulance operators
- 3) sports organizations

All transfers to individuals and organizations should normally be reported as an expenditure of the operating fund under column 1, regardless of the intended use or ultimate disposition of the amount transferred.

### **0384) Bank Charges and Short Term Interest**

"Bank Charges and Short Term Interest" should be used to report interest charges on temporary borrowings of an original term of one year or less and other bank service charges.

All bank charges and short term interest should be reported as an expenditure of the operating fund under column 1.

### **0385) Interest on Operating Long Term Debt**

"Interest on Operating Long Term Debt" should be used to report the interest on long term debt of the operating fund, which should be on an accrual basis. All interest on operating long term debt should be reported as an expenditure of the operating fund under column 1.

#### **0386) Interest on Capital Long Term Debt**

"Interest on Capital Long Term Debt" should be used to report the interest on long term debt of the capital fund, which should be on an accrued basis. All interest on capital long term debt should be reported as an expenditure of the operating fund under column 1.

#### **0387) General Building Maintenance**

"Building Maintenance" should be used to report those expenditures on day-to-day upkeep of municipal structures (Permanent, temporary or portable building structures, such as offices, garages and warehouses, intended to shelter persons and/or goods, machinery, equipment and working space) that is not captured within another specific function area.

#### **0388) Other Administrative Expenditures**

"Other Expenditures" should be used to report expenditures which are not included in the other expenditure categories defined above.

Under the operating fund (column 1), it will normally include:

- 1) tax rebates and discounts
- 2) deficiencies resulting from revenue from franchise or concession agreements being less than the amount attributable to normal taxes which must be levied against the property of the franchise or concession holder.

## **4. Changes In Capital Property (Schedule E)**

### **4.1. General**

The Changes In Capital Property schedule reports details of additions to, and reductions of, capital properties during the year.

When reclassifying capital property, adjust the opening balances. Such changes should not be treated as additions or reductions.

In most cases, no amounts should be reported under the accumulated amortization section of Schedule E since most municipal capital assets should be carried at cost amounts.

(It should be noted that the PSAB has a research project currently underway to make recommendations dealing with the treatment of physical assets.)

### **4.2. Line Definitions**

#### **0401/07) Engineering Structures**

All permanent municipal structural works, other than buildings, such as roads, bridges, sewers, parks, retaining walls, site improvement and landscaping.

#### **0402/08) Buildings**

Permanent, temporary or portable building structures, such as offices, garages and warehouses, intended to shelter persons and/or goods, machinery, equipment and working space.

#### **0403/09) Machinery and Equipment**

Fixed or movable devices for performing any sort of work, such as motors, pumps, electrical or control devices, office appliances and furniture and mobile equipment. Such items should be inventoried at the end of each year and the valuation entered in the balance sheet. Do not include hand or portable tools, implements and accessories which are of nominal value or short life.

#### **0404/10) Land**

Improved or unimproved land owned by the municipality, including rights-of way. Land which is purchased or held with the intent of resale should not be included in this category, but rather should be reported as "Inventories Held For Resale - Land" (0215) on Schedule A.

#### **0405/11) Vehicles**

To include buses and other mass transit units, automobiles, trucks, tractor-trailer units.

### **5. Future Long Term Debt Repayments (Schedule F)**

The Future Long Term Debt Repayments schedule (Schedule F) reports a breakdown of minimum scheduled principal and interest servicing based on existing long term debt balances.

The total principal balance for operating and capital under columns 1 and 2 respectively for "**Total Principal**" (0507) on Schedule F should agree to the balances reported under columns 1 and 2 for "**Long Term Debt**" (0224) on the Financial Position schedule (Schedule A).

### **6. Tombstone Data (Schedule I)**

For Water, Sewer and Garbage, section (lines 813-819), fill in fields for which there is a discrete rate in your municipality. This is to say, if there is a special rate for Water & Sewer, for example (not simply the sum of the two individual rates), include it in the appropriate line (line 816 in this case).

**0801)** "Community Population" should be based on most recent numbers provided by Yukon Bureau of Statistics.

**0802-0804)** "Number of Municipal Employees" should reflect personnel employed directly by the municipality including any boards, committees or organizations that are accountable to the municipality and are owned or controlled by the municipality, except for government business enterprises.

**0810)** “Residential Tax Rate” should be the tax rate imposed by bylaw for the reporting year on a regular residential dwelling.

**0811)** “Average Assessment” should be the Total Assessed Value minus exempt property, divided by the number of dwelling-units in the municipality.

**0812-0818)** All utility rates recorded should be the regular residential annual rate for the reporting year.

## **7. Financial Reporting Entities**

The Financial Information Return should include the financial data of the municipality as well as any boards, committees or organizations that are accountable to the municipality and are owned or controlled by the municipality, except for government business enterprises.

In determining whether or not an organization should be accounted for in the financial information return of the municipality, the Recommendation found in sections 1300.07 and PS 1300.20 should be applied.

In the case of a government business enterprise, the modified equity method of accounting should be applied. (PS 1300.28)

According to section PS 1300.16, a government business enterprise has the following characteristics:

- 1) it’s a separate legal entity, that can enter into its own contracts and can sue or be sued;
- 2) it has been delegated the financial and operational authority to carry on business;
- 3) it sells goods and services to parties primarily outside of its principal activity; and
- 4) it can maintain its operations and meet its liabilities from revenues received from outside the reporting entity, as a normal course of its operations.

Trusts administered by a municipality should be excluded from the reporting entity (PS 1700.75). Trusts are defined in PS 1700.73 as being property conveyed or assigned to the municipality to be administered as directed by agreement or statute. Trusts are not owned by the municipality, who is also accountable to third parties for use and disposition of trust assets.

## **8. Fund Classifications**

### **8.1. Operating Fund**

The operating fund is synonymous with what the PSAB Handbook refers to as the current fund. It should be used to report all transactions and balances which relate to the general operations of the municipality.

### **8.2. Capital Fund**

The capital fund should be used to report all transactions and balances, which relate to the acquisition, construction, removal or improvement of capital property.

Capital property is property that

- (i) is used in the production or supply of goods and services or is used for a municipal purpose,
- (ii) has a useful life extending beyond 12 months and is intended to be used on a continuing basis, and
- (iii) is not intended for sale in the ordinary course of operations.

For purposes of the Financial Position schedule (Schedule A), the capital fund should be used to report capital property, as well as long term debt and any other assets and liabilities which are incidental to the acquisition, construction, removal or improvement of capital property.

### **8.3. Reserve Fund**

The reserve fund should be used to report money that has been specifically set aside by Council to finance future expenditures, which are either operating or capital in nature.

## **9. Application of Accounting Policies to Specific Items**

### **9.1. Government Transfers**

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, any eligibility criteria have been met by the municipality, and reasonable estimates of the amounts can be made.

PSAB section 3410 should be applied in accounting for grants received by municipalities from federal, Territorial, or other local governments.

In the Financial Information Return and this guide, the term "government transfer" is used to refer to grants or entitlements of money from a government to an individual, an organization or another government for which the government making the grant does not:

- 1) receive any goods or services directly in return;
- 2) expect to be repaid in the future; or
- 3) expect a financial return.

In this context, the term "government transfer" has the distinct meaning described above and does not refer to internal transfers within the municipality's funds or functions, which are generally referred to either as "internal transfers" or as "transfers from (to) another fund or function" in the Financial Information Return. It also does not refer to transmissions of taxes or other money collected by the municipality on behalf of another government or organization, which are referred to as "requisition transfers" in the Financial Information Return.

### **9.2. Interest on Long Term Debt**

Interest on long term debt should be reported on an accrual basis.

### **9.3. Investments**

Investments should be reported at cost. Investment premiums and discounts should be amortized proportionately over the term of the respective investments.

### **9.4. Inventories**

Inventories of materials and supplies should be reported at the lower of cost or net realizable value.

*NOTE:* As inventory of consumable supplies embody a benefit to the municipality beyond the reporting period, they are considered "physical assets" per PS1700.121. To comply with PSAB, they would be reported under the capital fund.

### **9.5. Inventory of Land Held For Resale**

Land held for resale represents a financial asset according to the PSAB Handbook. To comply with PSAB, these assets would be reported in the operating fund on line 0212 of the Financial Position schedule (Schedule A).

### **9.6. Capital Property**

Capital property used in tax-supported operations should be reported at cost. Government transfers for the acquisition of capital property should be reported as capital revenue, and should not reduce the related capital property costs.

Donated assets should be reported at estimated fair value when acquired. In some cases, capital property used in utility functions can be reported at cost less depreciation where utility regulations permit or require this accounting treatment.

### **9.7. Trusts Under Administration**

PSAB section 1300 requires that trusts under the administration of a municipality be excluded from the reporting entity.

Accordingly, trust fund balances and transactions should not be reported in the Financial Information Return.

In this context, the term "trust" refers to property, which has been conveyed or assigned to the municipality to be administered as directed by agreement or statute. It does not refer to internal allocations or designations of assets to a specific purpose by the municipality; the term "reserve" is used to refer to these types of internal allocations in this guide.

Refer to section 6, the Financial Reporting Entities, of this manual for more information.