

May 3, 2012

To: Municipal Councils/Inuit Community Governments and Auditing Firms

Re: **2011 Report of Annual Cash Revenues and Expenditures**

As you are aware, annual budgets required by the *Municipalities Act, 1999* are essentially prepared on a cash-basis. Given that Public Sector Accounting Board (PSAB) financial statements are prepared on an accrual (not cash) basis, comparison of such to the annual budget does not result in an effective means of assessing how a municipal entity actually generated and spent funds compared to its original budget/plan. To address this, we are asking that a *Report of Annual Cash Revenues and Expenditures* be prepared and submitted commencing in 2012 (to cover fiscal year ended December 31, 2011) using the same cash accounting principles used to develop your budget submission.

To assist you in meeting this requirement, you will find enclosed a copy of the Report Template. An electronic version of this template is available on the Department's website (<http://www.ma.gov.nl.ca/ma/>).

Should you have any inquiries please contact the Regional Manager for your area:

Western Region	Arthur Skinner	709-637-8010
Eastern Region	Lori Evoy	709-729-5020
Central Region	Ed Goodyear	709-256-1061
Labrador Region	Bob MacAulay	709-896-2941

While the Department does not currently require the Report be audited, it is recommended you arrange for preparation and submission in conjunction with your 2011 Consolidated Financial Statements which are due on or before June 30, 2012. As discussed, please note that there are different accounting principles used for the *Report of Annual Cash Revenue and Expenditure* (cash based principles) than for the audited Consolidated Financial Statements (Public Sector Accounting Board standards).



Dan Noseworthy
Regional Director (Eastern)



Dan Hynes
Regional Director (Central/Western/Labrador)

Enclosure

Schedule of Surplus (Deficit), Revenue and Expenditures
TOWN OF ????
YEAR ENDED DECEMBER 31, 20??

	Budget	Actual	
	2011	2011	2010
REVENUE			
Taxation			
Property Tax			
Water and Sewer Tax			
Other:			
Poll Tax			
Business Tax			
Utility Tax			
Other Taxes			
Other Revenue - Own Sources			
Sales of Goods and Services			
Other			
Provincial Government Grants:			
Municipal Operating Grant			
Provincial Portion - Debt Charges			
Other Grants			
Grant - Federal Gas Tax Revenue			
Other Grants			
TOTAL REVENUE			
EXPENDITURE			
General Government			
Protective Services			
Transportation Services			
Environmental Services			
Planning & Development			
Recreation and Cultural			
Fiscal Services:			
Debt Servicing - Principal & Interest			
Allowance for Doubtful Accounts			
Capital out of Revenue			
Gas Tax Expenditure			
Other			
TOTAL EXPENDITURE			
CURRENT YEAR SURPLUS/DEFICIT			
ACCUMULATED SURPLUS - Opening Balance			
ACCUMULATED SURPLUS - Closing Balance			