

## Schedule 54: Consolidated Statement of Cash Flows

The consolidated statement of cash flows reflects the effects of a municipality's activities on its cash resources. The statement of cash flows shows how a municipality generated and used cash in the reporting year and the change in cash and cash equivalents at the beginning and end of the reporting year.

The statement of cash flows reports cash flows classified by operating, capital, investing and financing activities.

PSA Section 1201 Financial statement presentation allows a municipality to use either the direct or indirect method to report cash activities in municipal financial statements.

**Please utilize the method in the FIR that was used in the municipal financial statements.**

**The information provided in the statement of cash flows for the FIR should be the same as reported in the municipal financial statement.**

### Direct Method (Schedule 54A):

Please do not report revenues and expenses calculated using the accrual method, instead report gross cash receipts and gross cash payments. Cash receipts (inflows) should be reported as positive amounts and cash payments (outflows) should be reported as negative amounts.

### Operating Transactions:

This category includes cash received and cash spent during the year on the municipality's operations.

Refer to the instructions for Schedule 10 Consolidated Statement of Operations: Revenue and Schedule 40 Consolidated Statement of Operations: Expenses for more information on the line items within the operating transactions category.

### Cash received from:

**Line 0210 Taxes**

**Line 0220 Transfers**

**Line 0230 User Fees**

**Line 0240 Fees, permits, licenses and fines**

**Line 0250 Enterprises**

**Line 0260 Investments**

**Line 0298 Other**

**Line 0299 subtotal: sum of lines 0210 to 0298**

**Cash paid for:**

**Line 0410 Salaries, wages, employment contracts and benefits**

**Line 0420 Material and supplies**

**Line 0430 Contracted services**

**Line 0440 Financing charges**

**Line 0450 External transfers**

**Line 0498 Other**

**Line 0499 subtotal: sum of lines 0410 to 0498**

**Line 2099 Cash provided by operating transactions: line 0299 less line 0499**

**Capital Transactions:**

This category includes cash flow related to the acquisition and disposal of tangible capital assets.

**Line 0610 Proceeds from the sale of tangible capital assets**

**Line 0620 Cash used to acquire tangible capital assets**

**Line 0630 Cash used for construction-in-progress**

**Line 0698 Other**

**Line 0699 Cash applied to capital transactions: sum of lines 0610 to 0698**

### **Investing Transactions:**

Cash flow from investing transactions relates to the purchase and disposal of investments. This category includes investments such as marketable securities and investments in government-controlled business enterprises. Refer to PS 3041 Portfolio investments for a definition of portfolio investments.

#### **Line 0810 Proceed from portfolio transactions**

Report the proceeds from portfolio transactions, such as disposals and redemptions.

#### **Line 0820 Portfolio investments**

Report cash used for portfolio investments.

#### **Line 0898 Other**

#### **Line 0899 Cash provided by (applied to) investing transactions: sum of lines 0810 to 0898**

### **Financing Transactions:**

Cash flow from financing transactions includes the issuance and payment of debt obligations by the municipality. This category also includes cash transactions associated with tangible capital assets acquired through a capital lease.

#### **Line 1010 Proceeds from debt issues**

Report the proceeds from debt issued.

#### **Line 1020 Debt repayment**

Report only the principal debt repayment on this line.

#### **Line 1030 Temporary loans**

Report the proceeds from temporary loans.

#### **Line 1031 Repayment of temporary loans**

Report the repayment of temporary loans.

#### **Line 1096 Other: Please describe**

#### **Line 1097 Other: Please describe**

**Line 1098 Other:** Please describe

**Line 1099 Cash applied to financing transactions:** sum of lines 1010 to 1098

**Increase in cash and cash equivalents:**

**Line 1210 Increase in cash and cash equivalents**

Increase (decrease) in cash and cash equivalents is automatically calculated as follows:

<b>Increase (decrease) in cash and cash equivalents</b>	=	<b>Cash provided by operating transactions</b>	<b>Line 2099</b>
	+		
	+	<b>Cash (applied to) capital transactions</b>	<b>Line 0699</b>
	+	<b>Cash provided by investing transactions</b>	<b>Line 0899</b>
		<b>Cash (applied to) financing transactions</b>	<b>Line 1099</b>

**Line 1220 Cash and cash equivalents, beginning of year**

Cash and cash equivalents, beginning of year, is automatically populated from the previous year's line 9920 Cash and cash equivalents, end of year.

**Line 9920 Cash and cash equivalents, end of year**

Cash and cash equivalents, end of year, is the sum of lines 1210 and 1220.

**Cash and cash equivalents represented by:**

In this section, the end of year balance of cash and cash equivalents is classified by type of component.

Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investing or other purposes.

**Line 1401 Cash**

Cash comprises cash on hand and demand deposits.

**Line 1402 Temporary borrowings**

When bank overdrafts, which are repayable on demand, form an integral part of a municipality's cash management, such that the municipality's bank balance often fluctuates from being positive to overdrawn, bank overdrafts are included as a component of cash and cash equivalents.

### **Line 1403 Short term Investments**

An investment would normally qualify as a cash equivalent only when it has a short maturity of, say, three months or less from the date of acquisition. Equity investments are excluded from cash equivalents unless they are, in substance, cash equivalents.

### **Line 1404 Other**

Please include other types of cash equivalents. Please provide a text description.

### **Line 9940 Cash and cash equivalents, end of year**

Cash and cash equivalents, end of year, is automatically calculated. It is the sum of lines 1401 through 1404. This line is also equal to line 9920.

### **Cash and cash equivalents represented by:**

**In this section, the end of year balance of cash and cash equivalents is classified**

#### **CASH:**

#### **Line 1501 Unrestricted**

Please enter Cash and cash equivalents that are “unrestricted.” Unrestricted Cash means cash that has no restrictions.

#### **Line 1501 Restricted**

Please enter Cash and cash equivalents that are “Restricted.” Restricted Cash means cash amounts in obligatory reserve, development charges, etc., or any reserve funds that council has restricted their use.

#### **Line 1503 Unallocated**

Please enter Cash and cash equivalents that are “unallocated.” “Unallocated” means cash that hasn’t been apportioned between unrestricted and restricted funds.

## **Indirect Method (Schedule 54B):**

Cash receipts (inflows) should be reported as positive amounts and cash payments (outflows) should be reported as negative amounts.

### **Operating Transactions:**

Using the indirect method, cash used in and or available from operations is calculated by adjusting the surplus/deficit for the reporting year for the effects of non-cash items included in the calculation of the reporting year surplus/deficit.

#### **Line 2010 Annual Surplus/Deficit**

Automatically carried over from line 2099, column 1, Statement of Operations: Revenue

#### **Line 2020 Non-cash items including amortization**

Include non-cash items, like amortization as reported on line 9910, column 16, Statement of Operations: Expenses, not specifically requested in lines 2021 through 2040. Line 2020 could include items such as pension expenses not funded in the period.

#### **Line 2021 Contributed (Donated) tangible capital assets**

Enter donated tangible capital assets on this line.

#### **Line 2022 Change in non-cash assets and liabilities**

Include changes in non-cash assets and liabilities not included elsewhere in lines 2020 to 2098. The effect of changes in balances of non-cash assets and liabilities should be reflected as follows:

<b>If a non-cash asset at the end of the current year compared to the end of the previous year,</b>	<b>Effect on cash balance</b>
<b>Increases</b>	<b>Negative</b>
<b>Decreases</b>	<b>Positive</b>
<b>If a non-cash liability at the end of the current year compared to the end of the previous year,</b>	
<b>Increases</b>	<b>Positive</b>
<b>Decreases</b>	<b>Negative</b>

#### **Line 2030 Prepaid Expenses**

Report the change in the prepaid expense balance at year end compared with the balance at the end of the previous year.

**Line 2040 Change in deferred revenue**

Report the change in the deferred revenue balance at year end compared with the balance at the end of the previous year.

**Line 2096 Other: Please describe**

**Line 2097 Other: Please describe**

**Line 2098 Other: Please describe**

**Line 2099 Cash provided by operating transactions:** sum of lines 2010 to 2098

**Capital Transactions:**

This category includes cash flow related to the acquisition and disposal of tangible capital assets.

**Line 0610 Proceeds from the sale of tangible capital assets**

**Line 0620 Cash used to acquire tangible capital assets**

**Line 0630 Change in construction-in-progress**

**Line 0698 Other: Please describe**

**Line 0699 Cash applied to capital transactions:** Sum of lines 0610 to 0698

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**Line 1099 Cash applied to financing transactions: sum of lines 1010 to 1098**

**Increase in cash and cash equivalents:**

**Line 1210 Increase in cash and cash equivalents: Automatically populated.**

Increase (decrease) in cash and cash equivalents is automatically calculated as follows:

<b>Increase (decrease) in cash and cash equivalents</b>	<b>=</b> <b>+</b> <b>+</b> <b>+</b>	<b>Cash provided by operating transactions</b>	<b>Line 2099</b>
		<b>Cash (applied to) capital transactions</b>	<b>Line 0699</b>
		<b>Cash provided by investing transactions</b>	<b>Line 0899</b>
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**Line 1220 Cash and cash equivalents, beginning of year:**

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**Line 9920 Cash and cash equivalents, end of year:** Sum of lines 1210 and 1220.

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**Line 1503    Unallocated**

Please enter Cash and cash equivalents that are “unallocated.” “Unallocated” means cash that hasn’t been apportioned between unrestricted and restricted funds.

**Line 9950    Cash and cash equivalents, end of year**

Cash and cash equivalents, end of year, is automatically calculated. It is the sum of lines 1501 through 1503. This line is also equal to line 9950.