

STAFF REPORT: Finance & IT Services

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REPORT TO: Finance & Administration
MEETING DATE: October 16, 2012
REPORT NO.: FIT.12.58
SUBJECT: Transfer of SuperBuild funds to Reserves
PREPARED BY: Darcy Chapman, Capital Accountant

A. Recommendations

THAT Council receive Staff Report FIT.12.58 "Transfer of SuperBuild funds to Reserves"; and,

THAT Council approve the transfer of SuperBuild funds to the Streetlight Reserve in the amount of \$88,519.45, the Parks & Trails Reserve in the amount of \$59,012.97 and the Parking Lot Reserve in the amount of \$49,177.48.

B. Background

Between 2002 and 2006 the Town was a recipient of the SuperBuild grant program. Superbuild provided about \$10M in funding to complete recreational and cultural upgrades to facilities such as the Depot, River Walk Trail, and Downtown Thornbury beautification (streetscaping). The Town also partnered with Intrawest and Blue Mountain Resort to complete projects at or near the village such as the Plunge.

The projects did not require taxation or capital budget dollars. However, there were three projects which were partially funded by the Town. They were the Arthur Street Parking Lot, River Walk Trail and Street lighting upgrades.

During the 2011 Audit, staff identified \$196,709.90 of unapplied SuperBuild funds that should have been used to fund the three projects listed above. An internal audit determined that the unapplied SuperBuild funds were the result of:

- Grant dollars received prior to the funding of the projects and applied to a separate "holding" account rather than applied to the three projects immediately;
- Funding of the projects from reserves rather than the unexpended capital SuperBuild funds; and
- The closing of the capital projects with the unapplied grant funds remaining in a separate "holding" account, effectively reducing the Town's unfinanced liability.

Staff notes that this matter is an internal accounting reconciliation. All grants related to the SuperBuild program have been previously reconciled and audited. In addition, staff notes that the recommended transfer of funds have been fully recognized as a revenue source in the year it was received. In other words, the accounting oversight had no significant impact on the financial position of the Town.

C. The Blue Mountains' Strategic Plan

Providing a strong, well managed municipal government.

D. Environmental Impacts

N/A

E. Financial Impact

Upon review of the original sources of funding, staff determined that the projects were funded using 100% reserves versus a combination of reserves and grant monies as was originally presented to Council.

Total reserve funding for the three projects were as follows:

Street lights	45%	\$ 123,572
Trails	30%	\$ 85,021
Parking Lot	25%	\$ 71,004
TOTAL		<u>\$ 279,597</u>

Based on the history of the grant program and the capital project funding, staff recommends replenishing the reserves that were used to over-fund the projects between 2003 and 2006. Using a percentage-based approach to the process the reserves would receive the following funds;

Street lights	45%	\$ 88,519.45
Trails	30%	\$ 59,012.97
Parking Lot	25%	\$ 49,177.48
TOTAL		<u>\$196,709.90</u>

Replenishing the affected reserves will allow future projects to be funded within the specific workgroups.

F. In Consultation With

Renee Ouellette, Financial Accountant
Ruth Prince, Manager of Revenue
Shawn Everitt, Director of Recreation

G. Attached

N/A

Respectfully submitted,

Darcy Chapman, Capital Accountant

Robert Cummings, Director of Finance & IT Services

For more information, please contact:

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