



Staff Report

Report To: Dan Best, Chief Administrative Officer
From: **Sandy Becker, Director of Financial Services**
Date: December 17 2018
Report: FIN.18.23
Subject: 2018 Year End Funds Transfers

Recommendations:

That South Huron Council receives the report from S. Becker, Director of Financial Services/Treasurer re: 2018 Year End Funds Transfers; and

That South Huron Council authorizes the Treasurer to make the following financial adjustments at year end;

- a) That funds levied through the 2018 Capital and Operating Budgets approved by Council which are not spent as specified in the budget be transferred to the appropriate reserve;
- b) That accounting transfers of any 2018 year-end surplus or deficits in each budgeted department be transferred to or from reserves or reserve funds as part of the Treasurer's year end procedures;
- c) That where funds approved in the 2018 budget to be allocated from the reserve fund for projects that were not completed or projects where the cost was below the budgeted amount, that those funds be left in the reserve and not be transferred to the revenue fund;
- d) That the capital projects or project additions approved by Council subsequent to the passing of the 2018 Budget for which the source of financing was approved from the reserves or reserve funds, that those monies be transferred in the amount required to cover the 2018 expenditures.

- e) To physically transfer funds as required between the Reserve Fund, Trust Fund, and Operating bank accounts as part of the year end procedures.

Purpose:

Council approval.

Background and Analysis:

Each year, it is necessary to make year-end adjustments to the municipal reserves and reserve funds. This is essentially year-end financial housekeeping transactions.

The purpose of these year-end adjustments to the municipal reserves and reserve funds is to reflect the intent of the 2018 budget document and subsequent Council direction and to allocate any surpluses realized to the appropriate reserve as indicated in our reserve policy.

Within the 2018 budget document transfers to and from reserves along with funds levied are based on estimates received. At the end of the fiscal year the year end reserve adjustments will ensure that we take from the reserves only the amounts necessary to cover the actual expenses incurred. Also to transfer to the appropriate reserve as defined in our reserve/reserve fund policy funds levied which were not spent as specified in the budget (i.e. general tax surplus).

Operational Considerations:

No alternatives are presented related to the proposed recommendation.

South Huron's Strategic Plan:

Section 6.2.2 of the Municipality of South Huron 2015- 2019 Strategic Plan identifies key priorities and strategic directions. The following elements are supported by the actions outlined in this report:

- ✓ Administrative Efficiency and Fiscal Responsibility
Appropriate allocation of reserves based on actuals rather than budget estimates reflects efficiencies realized through the property procurement process.
- ✓ Transparent, Accountable, and Collaborative Governance

Financial Impact:

The actual amount is unknown until the completion of the 2018 financial audit. Per the reserve policy, the 2018 inflows and outflows from each reserve and reserve fund will be reported to Council in 2019 as part of the annual budget process.

Legal Impact:

There are no legal implications for the Corporation resulting from the proposed recommendation.

Staffing Impact:

There are no staffing implications for the Corporation resulting from the proposed recommendation.

Policies/Legislation:

Reserves and Reserve Funds Policy/Procedure
2018 Approved Budget

Consultation:

Chief Administrative Officer

Related Documents:

None

Respectfully submitted,

Sandy Becker, Director of Financial Services