

2019

Ultimate Recipient

Annual Expenditure Report

Information Package

Gas Tax Secretariat
Department of Municipal Affairs and Environment
Confederation Building, West Block
P.O. Box 8700
St. John's, NL
A1B 4J6

Telephone: 1-877-729-4393
Facsimile: (709) 729-3605
E-mail: gastax@gov.nl.ca

Table of Contents

| | |
|--|-----------|
| DISCLAIMER..... | 1 |
| REPORTING BY ULTIMATE RECIPIENTS..... | 1 |
| PURPOSE AND OBJECTIVE..... | 1 |
| GAS TAX ULTIMATE RECIPIENT ANNUAL REPORT..... | 1 |
| AER AUDIT | 2 |
| PRIOR YEAR ADJUSTMENTS | 2 |
| CONFIRMATIONS OF RECEIPTS AND APPROVED PROJECTS FOR AUDITORS | 2 |
| AVAILABILITY OF FORMS..... | 3 |
| AUDITORS CHECKLIST | 3 |
| REVIEW PROCESS | 3 |
| APPENDIX A: SUMMARY OF ULTIMATE RECIPIENTS FUNDING AND CERTIFICATION | 4 |
| APPENDIX B: ULTIMATE RECIPIENT'S PROJECT EXPENDITURE REPORT | 6 |
| TABLE A: OTHER SOURCES OF FUNDING TO DATE..... | 8 |
| ASSET MANAGEMENT PLAN QUESTIONNAIRE..... | 10 |

Disclaimer

The information contained in this document is intended to serve as a reference for Ultimate Recipients that are required to complete Ultimate Recipient Annual Expenditure Reports in relation to the Ultimate Recipient Gas Tax Agreement, as prescribed under the Canada – Newfoundland and Labrador Administrative Agreement on the Federal Gas Tax Fund 2014-2024.

This document should not serve as a substitute for the actual Ultimate Recipient Gas Tax Agreement. These Agreements were referenced during the compilation of this document.

Reporting by Ultimate Recipients

Ultimate Recipients that received allocations of gas tax funding under the Canada – Newfoundland and Labrador Administrative Agreement on the Federal Gas Tax Fund must submit annually an Ultimate Recipient Annual Expenditure Report to the Department of Municipal Affairs and Environment **no later than March 31.**

Purpose and Objective

The primary purpose of the Ultimate Recipient Annual Expenditure Report (AER) Information Package is to promote consistent and full compliance with the reporting and audit requirements of the Ultimate Recipient Gas Tax Agreement in terms of how to properly complete an AER and the expectations surrounding the audit. All Ultimate Recipients are encouraged to use this information package in consultation with their auditors.

The secondary purpose of the guide is to minimize the Province's compilation efforts and time when preparing its AER for the Federal Government. It is the intent that use of this information package will achieve greater consistency across Ultimate Recipients, reduce the amount of time required to satisfy Ultimate Recipients reporting requirements and improve efficiencies of reporting to the Federal Government.

Gas Tax Ultimate Recipient Annual Report

For Gas Tax, it is the Ultimate Recipients responsibility to submit the following:

1. **Summary of Ultimate Recipient's Funding (Appendix A);**
2. **The prescribed Certification signed by the Mayor/ AngajukKâk;**
3. **Ultimate Recipient's Project Expenditure Report (Appendix B);**
4. **Other Sources of Funding to Date (Table A);**
5. **A copy of the auditor's letter; and**
6. **Asset Management Plan Questionnaire (NEW)**

Please forward to the following address **on or before March 31, 2020**:

Gas Tax Secretariat
Department of Municipal Affairs and Environment
4th Floor, Confederation Building, West Block
P.O. Box 8700
St. John's, NL A1B 4J6; or

by emailing: gastax@gov.nl.ca; or

by fax: 1-709-729-3605; or

by uploading: to MSIS (Municipal Support Information System)

AER Audit

The auditor should examine and report on the Ultimate Recipient Annual Expenditure Report:

- whether the financial information contained in the Summary of Ultimate Recipient's Funding and Certification (Appendix A) is complete and accurate and supported by Ultimate Recipient's Project Expenditure Report (Appendix B);
- whether the Ultimate Recipient is compliant with Sections 4.3 and 5.2 and Schedule C of the Ultimate Recipient Gas Tax Agreement. Please note that Sections 4.3 and 5.2 refer to Schedules A and D respectively. To be compliant, the Ultimate Recipient must be compliant with all material provisions of the Agreement;
- Auditors must make note to whether the Ultimate Recipient followed the **Public Procurement Act** and to whether the Ultimate Recipient has a **separate gas tax bank account and to whether the closing balance coincides with the account balance** and to any other matter that the auditor may consider of sufficient interest or importance to mention.

Prior Year Adjustments

Should a prior year adjustment be required for any reason, a note from the auditor is required to explain the adjustment. If the adjustment includes a change to the project expenditures, a revised *Ultimate Recipient's Project Expenditure Report (Appendix B)* is required as well. Prior year adjustment includes addition errors, errors in the project expenditures; wrong carry forward amount and under reported receipts, etc.

Confirmations of Receipts and Approved Projects for Auditors

A confirmation of receipts and approved projects is available to auditors. Requests should be directed to:

Gas Tax Secretariat
Department of Municipal Affairs and Environment
4th Floor, Confederation Building, West Block
P.O. Box 8700
St. John's, NL A1B 4J6

by emailing: gastax@gov.nl.ca; or

by fax: 1-709-729-3605

Availability of Forms

Copies of the AER forms contained in this information package are available:

1. by emailing gastax@gov.nl.ca;
2. on Municipal Affairs and Environment website <http://www.mae.gov.nl.ca/for/gta.html> ; or
3. by calling 1-877-729-4393.

Auditor's checklist:

1. The Audit letter is signed and attached;
2. The Summary of Ultimate Recipients Funding (Appendix A) and the Summary of Ultimate Recipients Project Expenditure Report (Appendix B) are complete;
3. All forms are in the prescribed formats and filled out completely;
4. The cumulative and annual figures are reported on the Summary of Ultimate Recipients Funding (Appendix A);
5. The correct amount is carried forward from the previous year's audit;
6. All receipts for the year are reported;
7. The cumulative and annual amounts spent on eligible projects from the Summary of Ultimate Recipients Funding (Appendix A) matches the details on Summary of Ultimate Recipients Project Expenditure Report (Appendix B);
8. Check that all projects received prior approval of the Gas Tax Committee;
9. Check that the expenditures on any project do not exceed the approved amount;
10. Any interest spent on eligible projects is included on line 4 in Appendix A and in column I on Appendix B;
11. Administration costs are not eligible;
12. For all projects completed within the calendar year, start/end dates and outcomes are indicated on Appendix B.

Review Process

Upon receipt of the AER, the Gas Tax Secretariat will review. The Ultimate Recipient will be notified of any discrepancies.

Appendix A: Summary of Ultimate Recipients Funding and Certification

2019 Ultimate Recipient Annual Expenditure Report

Municipality/Inuit Community Government of _____

For the Year Ended December 31, 2019

| | Annual 01/01/2019– 12/31/2019 | Cumulative 2006- 12/31/2019 |
|--|-------------------------------------|-----------------------------------|
| 1. Opening balance of unspent funding | xx | |
| 2. Received from Government of Newfoundland & Labrador | xx | xx |
| 3. Interest earned on gas tax funds | xx | xx |
| 4. Interest spent on eligible projects | <u>(xx)</u> | <u>(xx)</u> |
| 5. Net interest earned on gas tax funds | xx | xx |
| 6. Gas Tax funds spent on eligible projects | <u>(xx)</u> | <u>(xx)</u> |
| 7. Closing balance of unspent funding | xx | xx |
| 8. Gas Tax bank account balance | xx | xx |
| 9. Gas Tax bank account surplus/deficit | xx | xx |

10. Does the recipient have a separate bank account for Gas Tax funds? Yes ___ No ___

11.

Certification by Ultimate Recipient

I, _____, _____ of the
(Name) (Mayor/ AngajukKâk)

Town/City/Inuit Community Government of _____
certify that the information reported is a true and accurate representation of the Town/City/Inuit Community Government's position with respect to its federal gas tax revenues. I acknowledge and understand that any contravention of the terms and conditions of the Ultimate Recipient Gas Tax Agreement may result in funding being withheld.

Signature: _____ Date: _____

Explanation for the Completion of Summary of Ultimate Recipients Funding

Please include values for all figures in Appendix A.

1. **Opening Balance of Unspent Funding**

This balance should be carried forward from the “Closing balance of unspent funding” of the previous year.

2. **Received from Government of Newfoundland & Labrador**

This amount is the total Gas Tax Funds received in the calendar year from the Department of Municipal Affairs and Environment. This figure is reported on a cash basis.

3. **Interest Earned on Gas Tax Funds**

This figure is the total interest earned on Gas Tax Funds in the calendar year.

4. **Interest Spent on Eligible Projects**

Please include the total amount of interest spent on all projects for the year. This figure must match the total of Column I on Appendix B: *Ultimate Recipients Project Expenditure Report* and must be included in the *Cumulative Gas Tax Funds Spent*.

Please note that starting in 2014 interest can only be spent on eligible projects.

5. **Net Interest Earned on Gas Tax Funds**

Net Interest Earned on Gas Tax Funds equals the Interest Earned on Gas Tax Funds “**MINUS**” Interest spent on eligible projects. Net Interest Earned on Gas Tax Funds cannot be negative.

6. **Gas Tax Funds Spent on Eligible Projects**

Please include the total gas tax funds spent on all projects for the year. This figure must match the total of Column H on Appendix B: *Ultimate Recipients Project Expenditure Report*.

7. **Closing Balance of Unspent Funding**

Closing balance of the unspent funds equals the Opening Balance of Unspent Funding **PLUS** “Received from Government of Newfoundland & Labrador” **PLUS** “Net Interest Earned on Gas Tax Funds” **MINUS** “Gas Tax Funds Spent on Eligible Projects”

8. **Gas Tax Bank Account Balance (NEW)**

Please indicate the amount of Gas Tax Funds remaining in the Ultimate Recipient’s Gas Tax bank account for December 31, 2019.

9. **Gas Tax Bank Account Surplus/Deficit (NEW)**

The surplus/deficit equals the “Closing Balance of Unspent Funding” **MINUS** the “Gas Tax Bank Account Balance”. If for any reason there is a surplus or deficit please give an explanation.

10. Please indicate whether the recipient has a Gas Tax bank account.

11. **Certification by Ultimate Recipients**

For **Municipalities/Cities** this section must be signed and dated by the Mayor/Deputy Mayor. For **Inuit Community Governments** this section must be signed by the AngajukKâk or designate.

Appendix B: Summary of Ultimate Recipients Project Expenditure Report
2019 Ultimate Recipient Annual Expenditure Report

Municipality/Inuit Community Government of _____
 For the Year Ended December 31, 2019

**Required
if project
completed**

**Required
if project
completed**

| A | B | C | D | E | F | G | H | I | J | K |
|----------------|--|----------------|-------------------------|----------------|------------------|--------------------|-------------------|------------------------|--------------------------|---------------------------|
| Project Number | Amount Approved by the Gas Tax Committee | Project Title | Project Description | Current Status | Start & End Date | Total Project Cost | GTF spent in 2019 | Interest Spent in 2019 | Total Gas Tax Fund Spent | Outcomes |
| 01-123-4567 | \$32,000 | Road Upgrading | Upgrades to Main Street | Completed | June-July 2019 | \$52,000 | \$31,500 | \$500 | \$32,000 | 5 kms improved/resurfaced |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | | | | | | | Total | Total | Total | |

Explanation for the Completion of Summary of Ultimate Recipients Project Expenditure Report

A - Project Number:

State project number as stated on your Gas Tax Approval letter.

B - Amount Approved by the Gas Tax Committee:

State the amount approved by the Gas Tax Committee as stated on your Gas Tax Approval letter.

C - Project Title:

State project title as it appears on your Gas Tax Approval letter.

D - Project Description:

Briefly describe the main activities of the project.

E - Current Status:

Indicate the status as of December 31, 2019 by choosing **one** of the following: completed, in progress or not started.

F – Start & End Date (must be completed if project “in progress” or “completed”):

Indicate the start date for any in progress projects and start/end dates of all completed projects.

G – Total Project Cost:

Provide the total cost to complete the project from all sources of funding: Gas Tax, Municipal, Federal, Provincial and any other source of funding. All funding sources must be broken down by the Ultimate Recipient in Table A.

H - GTF spent in 2019:

Include the amount of Gas Tax spent on the project from January 1, 2019 to December 31, 2019. (*The total in this column should match the annual figure in Appendix A, line 6 – Gas Tax Funds Spent on Eligible Projects.*)

I – Interest spent in 2019:

Include the total interest spent on the project from January 1, 2019 to December 31, 2019. (*The total in this column should match the annual figure in Appendix A, line 4 – Interest Spent on Eligible Projects.*)

J - Total Gas Tax Fund Spent:

This equals the cumulative amount of Gas Tax spent on the project.

K – Outcomes (must be completed if project completed):

The Ultimate Recipient must enter the outcome for all projects **completed** during the year. The outcome indicator is indicated on project approval letters.

Table A: Other Sources of Funding to Date

2019 Annual Expenditure Report

Municipality/Inuit Community Government _____
For the Year Ended December 31, 2019

| A | B | C | D | E | F | G |
|---------------|-----------|------------|---------|-------|---------------------|---|
| Project Title | Municipal | Provincial | Federal | Other | Total Other Sources | Program (i.e. MRIF, MCW, etc.) and Project number |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total | | | | | | |

Explanation for the Completion of Summary of Other Sources of Funding to Date

This table should display the amount of additional funding for each project received from sources other than Gas Tax. Each project listed in Appendix B: *Ultimate Recipient's Project Expenditure Report* will also be listed in Table A.

Note: If a project has no additional sources of funding, input a zero into column F for that project.

A – Project Title:

State project title as it was labelled on *Ultimate Recipient's Project Expenditure Report* (Appendix B).

B – Municipal:

Indicate the amount of funding spent from municipal funds.

C – Provincial:

Indicate the amount of funding spent from provincial funding programs.

D – Federal:

Indicate the amount of funding spent from federal funding programs.

E – Other:

Indicate the amount of funding spent from other programs.

F – Total Other Sources:

Equals the total of columns B to E.

G – Program (i.e. MRIF, MCW, etc.) and Project Number:

Indicate the name of the federal or provincial funding program and project number.

Asset Management Plan Information (NEW)

Please answer the following questions:

1. Has your Local Government completed an Asset Management Plan?
Yes ___ or No ___

2. If no, please provide a brief update on the progress/if any on your Local Government's Asset Management Plan?

3. Has your Local Government completed any training on Asset Management Planning?
Yes ___ or No ___

4. If yes, what type of training has your Local Government completed?
