



Staff Report for Audit Committee Meeting

Date of Meeting: June 24, 2025

Report Number: SRCFS.25.014

Department: Corporate and Financial Services

Division: Financial Services

Subject: **SRCFS.25.014 Capital Project Financial Status Report**

Purpose:

In accordance with Financial Control By-law #114-16 and the Capital Budget Financial Monitoring Policy, this report provides the status of existing capital projects, proposes budget and funding adjustments, and recommends closure of capital projects that have been completed. The objective is to allocate any surplus funds back to the original funding sources.

Recommendation(s):

- a) That staff report SRCFS.25.014 be received;
- b) That all capital projects listed in Appendix "A":
 - i. Be closed
 - ii. Projects with a net surplus of \$2.22 million be returned to sources as identified; and
- c) That Budget and Funding Adjustments in the net amount of \$0.66 million additional draws from reserves and reserve funds as identified in Appendix "B" be approved.

Contact Person(s):

- Diana Selicean, Capital and Reserves Financial Management Advisor, Ext. 6427
- Muhammad Raza, Manager of Fiscal Strategy and Long-Term Planning, Ext. 6307
- Gigi Li, Director Financial Services and Treasurer, Ext. #6435
- Sherry Adams, Commissioner Corporate and Financial Services, Ext 2521

Report Approval:

All reports are electronically reviewed and/or approved by the Division Director, Treasurer (as required), City Solicitor (as required), Commissioner, and City Manager. Details of the reports approval are attached.

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Key Messages:

- Before any adjustments, the City has 686 open capital projects with approved funding of \$410.56 million.
- The completion or closure of 78 capital project accounts identified in Appendix “A” and the adjustments recommended in Appendix “B”, result in a net \$1.56 million returning to reserves and reserve funds identified in Appendix “D”.
- After closing and adjustments, the City has 609 open capital projects with approved funding of \$381.04 million.

Background:

The Capital Project Financial Status Report is prepared in consultation with staff responsible for managing departmental capital projects. This report provides a status update of all existing capital project accounts, as well as recommendations for budget adjustments, consolidations, and project closures with any unspent funds being returned to the original funding sources.

Starting 2023, the City transitioned from annual to semi-annual reporting to provide Council with regular updates on capital projects, for staff to reassess budget estimates, and to release surplus funds for other capital projects. The last report informed Council on the Capital Project Status as of September 30, 2024, and received Council approval in November 2024.

This report is prepared as of April 30, 2025. The six appendices to this report provide the following information:

- **Appendix ‘A’, Capital Projects Closing** - lists 78 completed or closed capital projects with a net unspent amount of \$4.49 million. Staff recommend returning a net surplus of \$2.22 million to the original funding sources and transferring the remaining \$2.27 million to existing capital accounts to streamline project administration.
- **Appendix “B”, Project Consolidations, Budget and Funding Adjustments** - lists capital projects into two sections: project consolidations and budget adjustments resulting in a net draw of \$0.66 million from reserves and reserve funds with a net.
- **Appendix “C”, In-Year Capital Budget Adjustments** - lists budget adjustments approved by Council or delegated authority as authorized by the Capital Budget Financial Monitoring Policy and are presented here for information purposes.
- **Appendix “D”, Impact on Reserves and Reserve Funds** - provides a summary of funding impacts on the specific reserves and reserve funds.
- **Appendix “E”, Summary of Capital Closures and Budget Adjustments** - summarizes by Department the project closures and budget/funding adjustments outlined in Appendix “A” and “B”.

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- **Appendix “F”, Status of Ongoing Capital Projects by Department** - outlines the status of all remaining active projects.

Discussion:

I. Status of Capital Projects

After all the adjustments, as outlined in Appendix “E”, 609 capital projects remain (575 City delivered and 34 Third Party) with a combined \$236.45 million of capital works to be completed out of which \$56.63 million has already been procured. Within the total budget of \$381.04 there is \$89.5 million (23%) for projects approved by Council in December 2024 as part of the 2025 Capital Budget Request.

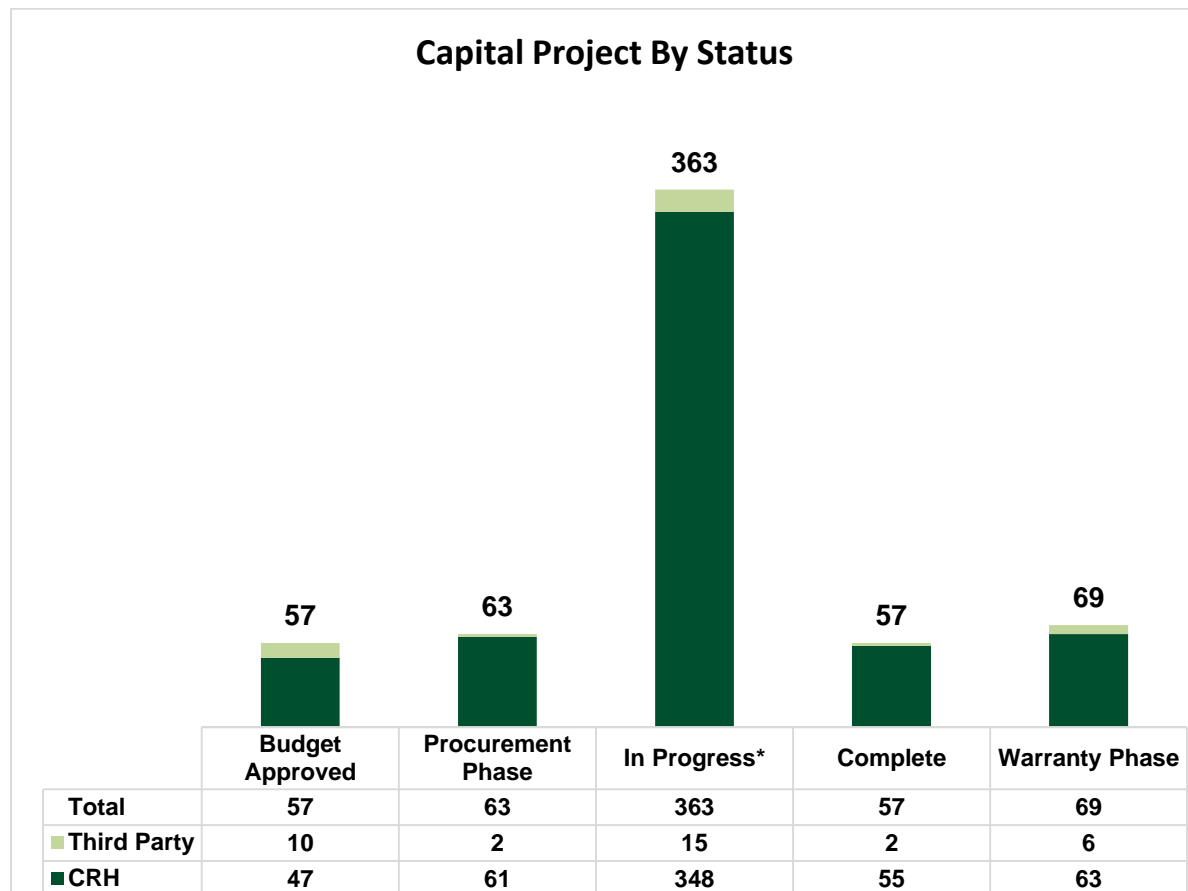
Third party delivered projects have a median open period of 5 years and due to their complexity, dependencies and billing received when projects are substantially completed the unspent commitments is \$51.16 million (86%).

Department	No of Ongoing Accounts	Approved Budget	Spent to Date	Remaining Budget	Outstanding Commitments	Remaining Budget Net of Commitments (\$)	Remaining Budget (%)
City Delivered Projects	575	\$321.53	\$136.59	\$184.94	\$56.29	\$128.65	72%
Infrastructure Engineering Services	319	\$229.93	\$97.79	\$132.14	\$45.02	\$87.12	48%
Corporate and Financial Services	103	\$37.68	\$21.16	\$16.52	\$3.38	\$13.14	7%
Community Services	69	\$31.60	\$7.95	\$23.65	\$5.62	\$18.03	10%
Planning and Building Services	40	\$11.44	\$4.62	\$6.81	\$1.35	\$5.46	3%
Office of the City Manager	12	\$4.55	\$2.32	\$2.23	\$0.09	\$2.14	1%
Richmond Hill Public Library	32	\$6.34	\$2.74	\$3.60	\$0.83	\$2.77	2%
Third Party Delivered and Other Projects	34	\$59.51	\$8.00	\$51.51	\$0.34	\$51.17	28%
Infrastructure Engineering Services	34	\$59.50	\$8.00	\$51.51	\$0.34	\$51.16	28%
Total	609	\$381.04	\$144.59	\$236.45	\$56.63	\$179.82	100%

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Capital projects have been reviewed by staff to assess their project status and categorized as: Budget Approved, Procurement Phase, In Progress, Contingency Project, Warranty Phase or Complete.

The graph below illustrates the status of the 609 open capital projects as of April 30, 2025 after all budget adjustments and closures are completed. The majority of projects are “In Progress” followed by “Procurement Phase” and “Budget Approved”. The latter category is comprised mostly of 2025 capital projects that were approved in December 2024 with the majority expected to be committed soon.



Note: In Progress* includes Environmental Assessment in Progress, Design in Progress, Construction in Progress and In Progress Purchases and Consulting.

II. Capital Projects to be Closed

As identified in Appendix “A”, staff recommend closure of 78 capital project accounts. The net capital surplus of \$2.22 million will be returned to their original funding sources after funding project deficits.

It is normal business that the lifecycle of a capital project may span over multiple years. On average, majority of City projects close within 3 years, which coincide with the average project lifecycle. Due to the on-going and/or grant funding nature of certain

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capital initiatives or timing constraints for projects partnered with the Region or a third party, some projects may remain open for a longer period.

The table below summarizes the capital projects completed or closed during this period by the delivering departments.

No of Capital Accounts	Department	Approved Budget	Project to Date Actual Expenses	Budget Remaining	Returned to Reserve/Reserve Funds	Transferred to another project
76	City Delivered Projects	\$31.54	\$27.50	\$4.04	\$2.22	\$1.83
36	Infrastructure and Engineering Services	\$11.55	\$8.68	\$2.88	\$2.16	\$0.72
14	Community Services	\$13.07	\$12.80	\$0.27	\$0.02	\$0.24
25	Corporate Financial Services	\$6.76	\$6.02	\$0.74	\$0.04	\$0.70
1	RH Public Library	\$0.16	\$0.00	\$0.16	\$0.00	\$0.16
2	Third Party Delivered Projects	\$1.04	\$0.59	\$0.44	\$0.00	\$0.44
2	Infrastructure Delivery	\$0.59	\$0.15	\$0.44	\$0.00	\$0.44
1	Facility Management	\$0.44	\$0.44	\$0.00	\$0.00	\$0.00
78	TOTAL	\$32.58	\$28.09	\$4.49	\$2.22	\$2.27

III. Project Budget and Funding Adjustments

Appendix “B” lists the open capital project accounts that require budget and funding adjustments. Staff recommend consolidation of 38 projects and budget adjustments for 5 capital project accounts.

The net funding of \$0.66 million will be drawn from the funding sources as identified in Appendix “B” and resulted from:

- \$0.78 million net result of additional funding required for 4 projects and project budget reduction of 1 project
- \$0.12 million from proceeds received from sale of assets.

IV. In-Year Capital Budget Adjustments

In-Year Capital Budget Adjustments approved in accordance with the Capital Budget Financial Monitoring Policy are detailed in Appendix “C” for information purposes.

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Financial Implications:

This report provides a capital status update for the first four months of the year with:

- 78 capital projects delivered and closed – resulting in a surplus of \$2.22 million returned to reserves and reserve funds.
- 5 capital project budget adjustments and proceeds from the sale of assets – \$0.66 million net draws from reserves and reserve funds for existing projects.

The net impact of all adjustments is a \$1.56 million returned to reserves and reserve funds and 609 active capital projects remaining. The available budget of remaining projects represents \$236.45 million of capital works to be completed, with \$56.63 million already procured.

Relationship to Council 2024-2027 Strategic Plan Relation:

Presentation of the Capital Project Status Report demonstrates responsible management of resources, and it touches on Pillar 3: Strengthening our Foundations of the Strategic Plan and supports making decisions that are evidence based and data driven to enable the City's long term financial sustainability, as well as social, environmental, and economic sustainability.

Attachments:

The following attached documents may include scanned images of appendixes, maps and photographs. If you require an alternative format, please call the contact person listed in this document.

- Appendix A: Capital Projects Closing
- Appendix B: Project Consolidations, Budget and Funding Adjustments
- Appendix C: In Year Capital Budget Adjustments
- Appendix D: Impact on Reserves and Reserve Funds
- Appendix E: Summary of Capital Closures and Budget Adjustments
- Appendix F: Status of Ongoing Capital Projects by Departments

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Report Approval Details

Document Title:	SRCFS.25.014 Capital Project Financial Status Report.docx
Attachments:	<ul style="list-style-type: none">- SRCFS.25.014 - Appendix A - Capital Projects Closing .pdf- SRCFS.25.014 - Appendix B - Project Consolidations, Budget and Funding Adjustments.pdf- SRCFS.25.014 - Appendix C - In Year Capital Budget Adjustments.pdf- SRCFS.25.014 - Appendix D - Impact on Reserves and Reserve Funds.pdf- SRCFS.25.014 - Appendix E - Summary of Capital Closures and Budget Adjustments.pdf- SRCFS.25.014 - Appendix F - Status of Ongoing Capital Projects by Departments.pdf
Final Approval Date:	Jun 10, 2025

This report and all of its attachments were approved and signed as outlined below:

Gigi Li - Jun 10, 2025 - 11:08 AM

Sherry Adams - Jun 10, 2025 - 3:42 PM

Darlene Joslin - Jun 10, 2025 - 5:16 PM