

Bancroft council faces more bad financial news

By Tony Pearson

Bancroft council was given a report card last week by Collins Barrow Chartered Accountants and its bottom line wasn't as rosy as previously predicted.

Council had previously advertised a surplus over \$350,000. When auditors added all of the town's accounts together ? including the notorious wastewater account ? the result was a \$1 million deficit.

When the town's financial assets were compared to its financial liabilities, the shortfall was over \$7.5 million. This includes \$6.5 million in long-term debt, increased by \$500,000 as a result of covering previously unfunded liabilities.

The auditors also noted that reserve funds have declined, and the ratio of unpaid taxes increased.

Town financial accounting systems were however, pronounced satisfactory. Auditors found no significant misstatements or unusual transactions, had no disagreements towards town management, and appreciated the co-operation they received. They plan to send a subsequent letter outlining concerns with internal control systems in future weeks.

The audit itself will be taken up at the next meeting of committee of the whole.

The majority of council rejected a call for an analysis of town cash flow last month. Many of those who had voted against the motion have since changed their positions.

Councillor Mary Kavanagh, an opponent of the idea a few weeks ago, demanded that council waive its normal procedures in order to pass her motions calling for a quarterly report on cash flow, and annual reports on water and wastewater accounts. Those who had voted down the proposal weeks ago voted positively this time.

Council CAO Hazel Lambe reported that she and treasurer Craig Davidson would meet with ministry officials in the next few weeks to discuss the growing sewer deficit. She said they also plan to meet with other potential funders, and report back to council. Another financial issue was Councillor Charles Mullett's motion that the town stop all grants to municipal groups next year. He explained that his motion didn't cut out sponsorships, like the one to the Rally of the Tall Pines or Saw-Tech, nor did it cut out grants for economic development purposes, such as those to the Wheels, Water and Wings Festival, the Flying Club, or the Bancroft and District Chamber of Commerce for operating a tourist information centre.

In defence of the motion, Mullett noted how many community agencies are successful at raising enough money to meet their needs without town help.

Only Deputy Mayor Jenkins and Councillor Bill Kilpatrick opposed the motion.

?Community groups are the heart of our town and they accomplish great things, usually on limited budgets,? said Jenkins. ?They provide programs and events for far less than the town would be able to do. Quite often it is for our youth or the less fortunate. To eliminate the small amount of funding the town provided is shortsighted in my opinion?

Council also sent the newly proposed town crest back for more study. The proposal was a compromise, containing symbols of both natural resources and English and Irish ethnicity. Most councillors agreed that if prominent ethnicities were to be displayed, Indigenous Canadians should be recognized.