

Township of Southgate
Administration Office
185667 Grey Road 9
Dundalk, ON N0C 1B0



Phone: 519-923-2110
Toll Free: 1-888-560-6607
Fax: 519-923-9262
Web: www.southgate.ca

Staff Report FIN2020-018

Title of Report: **FIN2020-018 2019 Financial Report – December 2019**

Department: **Finance**

Council Date: August 5, 2020

Recommendation:

Be it resolved that Council receive Staff Report FIN2020-018 2019 Financial Report - December 2019 as information; and

That Council approves the transfers from or to Reserves, Deferred Revenue and Reserve Funds as presented.

Background:

On March 6, 2019, Council received Report FIN2019-012 2019 Budget and approved By-law 2019-037 being a by-law to adopt the estimates of revenue and expenditures for the year 2019 in the amount of \$6,662,169.

On May 1, 2019, Council received Report FIN2019-019 2019 Financial Report – March.

On June 19, 2019, Council received Report FIN2019-028 2019 Financial Report – May.

On August 7, 2019, Council received Report FIN2019-033 2019 Financial Report – June.

On September 4, 2019, Council received Report FIN2019-036 2019 Financial Report – July.

On November 6, 2019, Council received Report FIN2019-043 2019 Financial Report – September.

On December 4, 2019, Council received Report FIN2019-051 2019 Financial Report – October.

On December 18, 2019, Council received Report FIN2019-059 2019 Financial Report – November.

Staff Comments:

A financial report for the 12 months ended December 31, 2019 has been prepared. See the attachment for explanations of the more significant variances.

The auditors are scheduled to present the audited financial statements, prepared on a Public Sector Accounting Board (PSAB) basis, September 2, 2020.

A comparison of 2019 Capital – Budget vs Actual reflecting the \$1,756,700 raised from taxation is provided as Attachment 2.

Staff requests that Council approve the transfers to and from reserves as presented in the Schedule of Reserves, Deferred Revenue and Reserve Funds - 2019 Actual, provided as Attachment 3, which reflects tax stabilization transfers.

Financial Implications:

For the year ended December 31, 2019, the tax-supported department surplus is \$Nil and the non-tax department surplus is \$Nil, after additional transfers to/from reserves as follows:

Contribution to the Tax Stabilization Reserve - General	\$ 507,112.23
Contribution from Library Reserves	\$ 5,333.15
Contribution from Winter Maintenance Reserves	(\$ 6,835.74)
Tax-Supported Department Transfer Total	<u>\$ 503,245.78</u>
Contribution to Wastewater Reserves	\$ 50,033.61
Contribution to Water Reserve	<u>\$ 98,599.99</u>
Non-Tax Support Department Transfer Total	<u>\$ 148,633.60</u>

The following table presents the year to date actuals after adjusting for the \$591,606 Modernization grant:

	<u>YTD Budget</u>	<u>YTD Actual</u>	<u>Modernization</u> <u>Grant</u>	<u>Net</u>	<u>%</u>	<u>\$</u>
Total Revenues	15,768,958.00	16,864,762.36	591,606.00	16,273,156.36	103.2%	(504,198.36)
Total Expenses	15,768,958.00	16,864,762.36	591,606.00	16,273,156.36	103.2%	(504,198.36)
Current YTD (Surplus) Deficit - tax-supported	-	-	-	-		0.00

The amount raised from taxation in 2019 for Capital and Special Projects was \$1,756,700 contributed to the Capital Fund or a Capital Reserve.

The schedule of Reserves, Deferred Revenue and Reserve Funds presented has an ending balance of \$13,148,453.24, an increase of \$3,259,823.77. The major variance includes the collection of 2019 Development charges (which are were not budgeted), creation of the Modernization Funds Reserve, and projects that anticipated the use of reserves being deferred.

Communications & Community Action Plan Impact:

This report has been written and presented to Council in accordance with the Southgate Community Action Plan:

Mission Statement Pillars

- Trusted Government
- Economic Prosperity.

Themes:

- Municipal Services
- Public Communications

Core Values:

- Integrity
- Stewardship

Concluding Comments:

For the year ended December 31, 2019, the tax-supported department surplus is \$Nil and the non-tax department surplus is \$Nil, after additional transfers to/from tax stabilization reserves. Staff requests that Council approve the transfers to and from reserves as presented in the Schedule of Reserves, Deferred Revenue and Reserve Funds - 2019 Actual which reflects tax stabilization transfers.

Respectfully Submitted,

Dept. Head: **Original Signed By**
William Gott, CPA, CA, Treasurer

CAO Approval: **Original Signed By**
Dave Milliner, CAO

Attachment:

- 1** 2019 Financial Report for the 12 months ended December 31, 2019
- 2** 2019 Capital – Budget vs Actual
- 3** 2019 Reserves, Reserve Funds, and Obligatory Reserves Schedule