

**Township of Southgate  
Administration Office**

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## **Staff Report FIN2020-025**

**Title of Report: FIN2020-025 2019 Financial Report – Audited  
Financial Statements**

**Department: Finance**

**Council Date:** October 21, 2020

**Recommendation:**

**Be it resolved that** Council receive Staff Report FIN2020-025 2019 Financial Report – Audited Financial Statements as information; and

**That** Council approves The Corporation of the Township of Southgate Consolidated Financial Statements for the year ended December 31, 2019 as presented.

**Background:**

On March 6, 2019, Council received Staff 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 Staff Report FIN2019-019 2019 Financial Report – March.

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

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

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

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

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

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

On August 5, 2020, Council received Staff Report FIN2020-018 2019 Financial Report – December 2019 which presented the financial report for the 12 months ended December 31, 2019 on a Fund Accounting basis, explanations of the more significant variances, and approved transfers from or to Reserves, Deferred Revenue and Reserve Funds that resulted in the tax-supported department surplus of \$Nil and the non-tax department surplus of \$Nil on a Fund Accounting basis.

**Staff Comments:**

On October 21, 2020, BDO Canada LLP presented The Corporation of the Township of Southgate Consolidated Financial Statements for the year ended December 31, 2019, prepared on a Public Sector Accounting Board (PSAB) basis.

Note 12 of the 2019 Consolidated Financial Statements presents a reconciliation of the 2019 Annual Surplus on a PSAB basis to the General Surplus on a Fund Accounting basis. The significant differences are due to accounting principles regarding the presentation of capital expenditures, debt (new and repayments), use of Reserves, Reserve Funds, and Obligatory Reserves, and the requirement to amortize the cost of capital assets.

Staff requests that Council approve the Consolidated Financial Statements for the year ended December 31, 2019 as presented.

**Financial Implications:**

On a Fund Accounting basis, for the year ended December 31, 2019, the tax-supported department surplus is \$Nil and the non-tax department surplus is \$Nil.

On a PSAB Accounting basis, for the year ended December 31, 2019, the Annual Surplus is \$3,650,813.

**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:**

On a Fund Accounting basis, for the year ended December 31, 2019, the tax-supported department surplus is \$Nil and the non-tax department surplus is \$Nil.

On a PSAB Accounting basis, for the year ended December 31, 2019, the Annual Surplus is \$3,650,813.

Staff requests that Council approve The Corporation of the Township of Southgate Consolidated Financial Statements for the year ended December 31, 2019 as presented.

Respectfully Submitted,

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

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

**Attachment:**        None