



Year End Report for  
The Township of Southgate  
December 31, 2019

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We have audited the consolidated financial statements of the Township of Southgate which comprise the consolidated statement of financial position as at December 31, 2019 and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have issued our draft report thereon dated October 21, 2020.

The audit was performed to form an opinion on the consolidated financial statements as a whole. The information in this year-end report is presented for the purposes of additional analysis and is not a required part of the consolidated financial statements. The information was derived from the underlying accounting and other records used to prepare the consolidated financial statements. The information in this year-end report has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling the information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves.

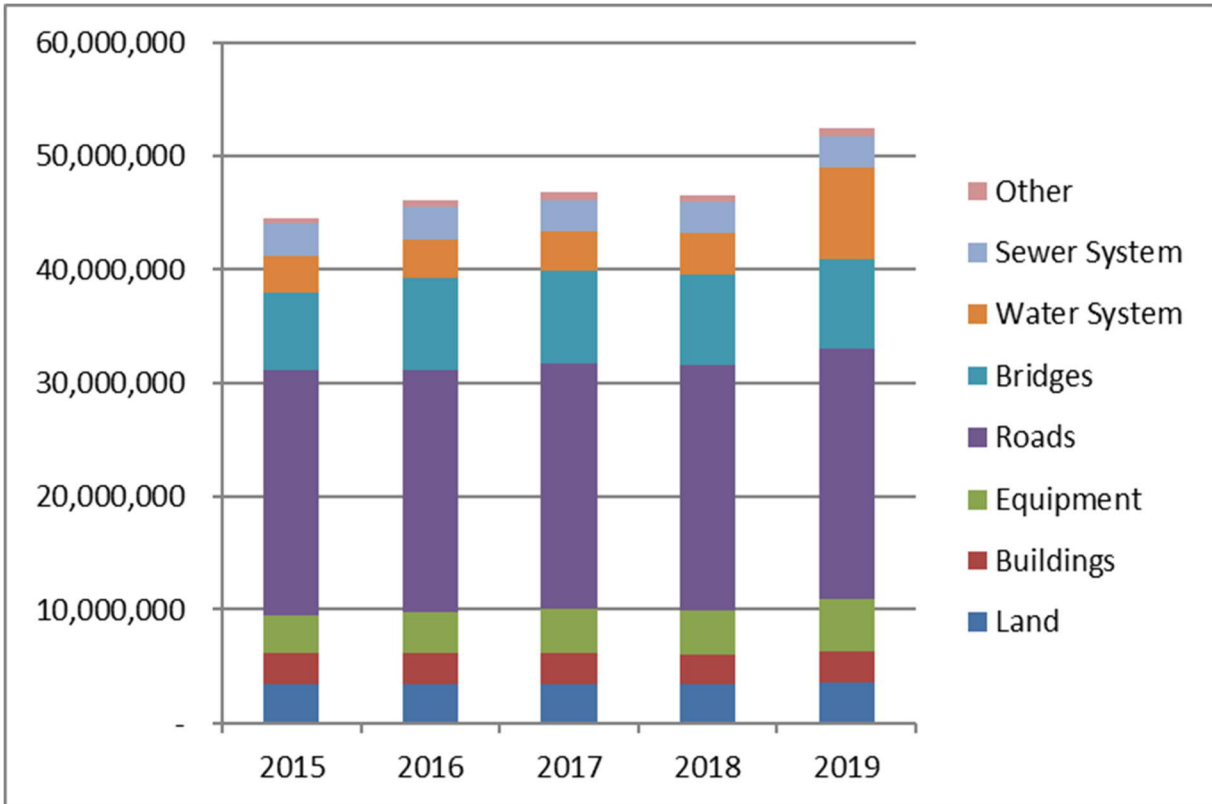
The year-end report is prepared to provide Council with more detailed financial information and graphical analysis of the consolidated financial statements. As a result, the year-end report may not be suitable for other purposes. Our year-end report is intended solely for the use of Council and should not be distributed to or used by parties other than Council in conjunction with the audited consolidated financial statements.

## WHERE ARE YOU TODAY?

	2019	2018	2017	2016	2015
Cash	9,048,830	5,351,452	1,910,598	1,811,025	2,994,860
Investments	1,413,043	1,402,531	1,396,535	1,413,423	1,403,833
	<u>10,461,873</u>	<u>6,753,983</u>	<u>3,307,133</u>	<u>3,224,448</u>	<u>4,398,693</u>
Long-term debt					
Gravel pit	280,000	350,000	410,000	470,000	530,000
Egremont landfill site	990,252	1,134,608	1,275,403	1,412,725	1,544,494
Well D5 and Main Street	3,731,925	-	-	-	-
	<u>5,002,177</u>	<u>1,484,608</u>	<u>1,685,403</u>	<u>1,882,725</u>	<u>2,074,494</u>
Tile drainage loans	376,540	433,644	451,094	521,138	595,926
	<u>5,378,717</u>	<u>1,918,252</u>	<u>2,136,497</u>	<u>2,403,863</u>	<u>2,670,420</u>
Net financial assets	<u>1,958,088</u>	<u>4,158,877</u>	<u>2,709,208</u>	<u>1,902,641</u>	<u>1,389,806</u>
Accumulated surplus					
Invested in tangible capital assets					
Tangible capital assets at cost less amortization	52,418,995	46,627,090	46,807,955	46,081,168	44,586,197
Unfinanced capital	(586,151)	(547,873)	(346,525)	-	-
Capital assets financed by long-term liabilities and to be funded in future years	<u>(5,002,177)</u>	<u>(1,484,608)</u>	<u>(1,685,403)</u>	<u>(1,882,725)</u>	<u>(2,074,494)</u>
Total invested in capital assets	<u>46,830,667</u>	<u>44,594,609</u>	<u>44,776,027</u>	<u>44,198,443</u>	<u>42,511,703</u>
Unfunded post-employment benefits	(129,842)	(133,809)	(137,409)	(141,359)	(130,159)
Unfunded contribution	-	-	-	-	(100,925)
Unfunded solid waste closure and post-closure costs	(320,000)	(350,000)	(380,000)	(350,000)	(340,000)
General surplus (deficit)	-	-	-	-	(21,189)
Unexpended insurance proceeds	-	321,386	-	-	-
Equity in Wellington North Power	146,346	138,086	117,081	103,476	96,368
	<u>46,527,171</u>	<u>44,570,272</u>	<u>44,375,699</u>	<u>43,810,560</u>	<u>42,015,798</u>
Reserves and discretionary reserve funds	8,189,105	6,495,191	5,505,379	4,464,981	4,182,716
	<u>54,716,276</u>	<u>51,065,463</u>	<u>49,881,078</u>	<u>48,275,541</u>	<u>46,198,514</u>

## TANGIBLE CAPITAL ASSETS

	2019	2018	2017	2016	2015
Tangible capital assets					
Beginning of year	46,627,090	46,807,955	46,081,168	44,586,197	44,047,548
Purchases	7,676,127	1,653,751	2,468,529	3,209,108	2,227,250
Disposals	-	(37,770)	-	(30,254)	(78,251)
Amortization	(1,884,222)	(1,796,846)	(1,741,742)	(1,683,883)	(1,610,350)
End of year	52,418,995	46,627,090	46,807,955	46,081,168	44,586,197

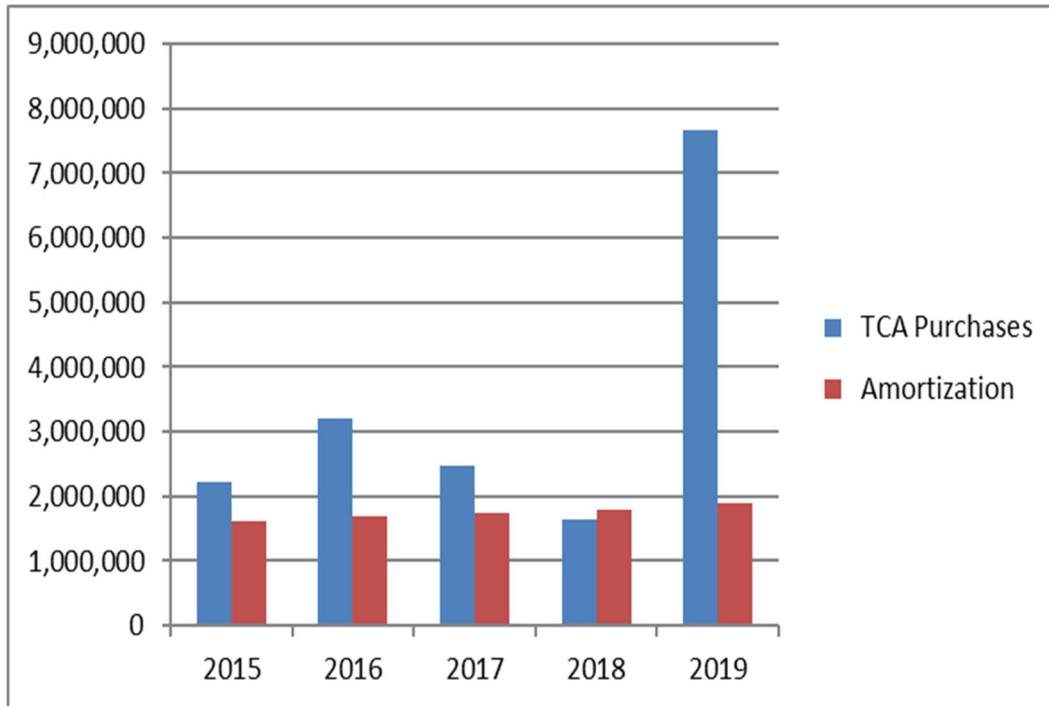


## TANGIBLE CAPITAL ASSETS

As assets age, the TCA Financial Indicator percentage will decrease. The newer the assets, the longer the remaining life of the asset and the higher the percentage.

Age of TCA Financial Indicator  $\frac{\text{Net Book Value of TCA}}{\text{Historical Cost of TCA}}$

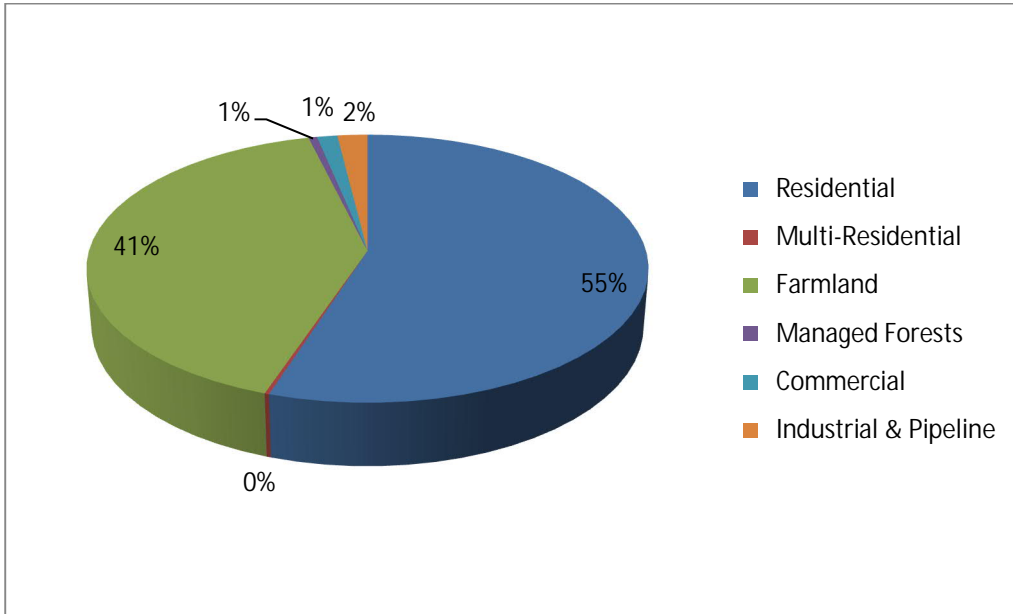
2019	2018	2017	2016	2015
63%	61%	62%	63%	63%



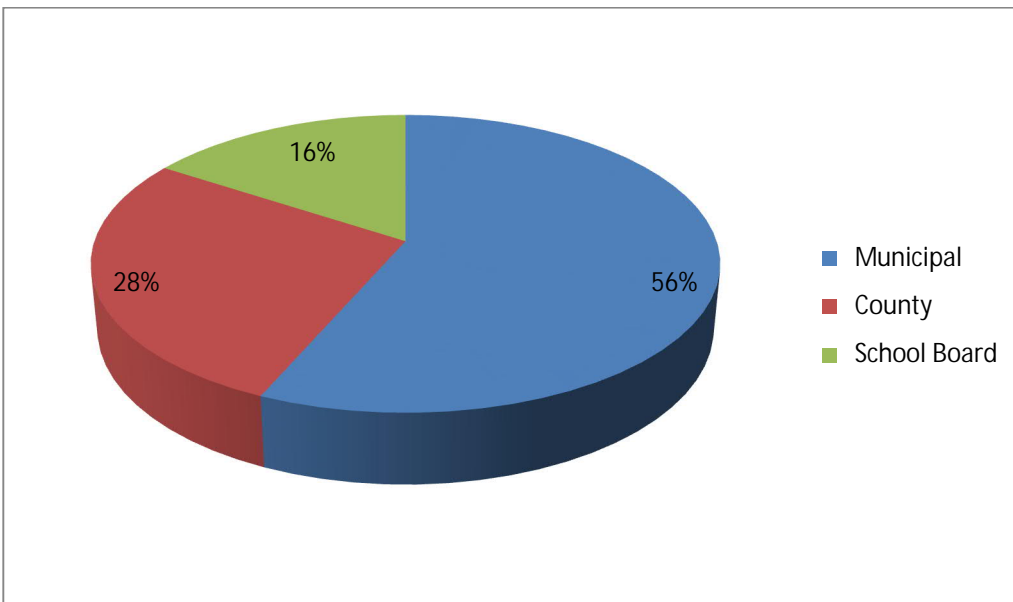
# TAXATION

	2019	% Change	2018	% Change	2017	% Change	2016	% Change	2015
<b>Residential Tax Rate</b>									
Municipal	0.734170%	3.7%	0.707839%	-1.2%	0.716077%	2.3%	0.699752%	3.5%	0.676235%
County	0.357933%	-0.3%	0.359098%	-1.9%	0.365995%	2.4%	0.357563%	-1.7%	0.363835%
School Board	0.161000%	-5.3%	0.170000%	-5.0%	0.179000%	-4.8%	0.188000%	-3.6%	0.195000%
	<u>1.253103%</u>	<u>1.3%</u>	<u>1.236937%</u>	<u>-1.9%</u>	<u>1.261072%</u>	<u>1.3%</u>	<u>1.245315%</u>	<u>0.8%</u>	<u>1.235070%</u>
<b>Assessments (Including Payments-In-Lieu)</b>									
Residential	707,681,319	4.7%	675,774,549	4.9%	644,132,321	2.2%	630,025,816	4.8%	601,413,468
Multi-Residential	3,026,350	1.0%	2,997,600	1.0%	2,968,850	-0.5%	2,984,000	3.6%	2,879,540
Farmland	526,534,130	16.3%	452,905,465	18.5%	382,194,275	24.5%	306,948,500	11.6%	275,019,855
Managed Forests	7,264,228	13.5%	6,402,859	21.4%	5,274,050	19.0%	4,431,100	29.8%	3,414,445
Commercial	17,071,121	3.1%	16,555,224	9.5%	15,121,575	1.5%	14,904,768	4.2%	14,305,518
Industrial & Pipeline	25,212,282	11.7%	22,568,668	47.6%	15,285,950	4.5%	14,621,725	44.0%	10,152,232
	<u>1,286,789,430</u>	<u>9.3%</u>	<u>1,177,204,365</u>	<u>10.5%</u>	<u>1,064,977,021</u>	<u>9.3%</u>	<u>973,915,909</u>	<u>7.4%</u>	<u>907,185,058</u>
<b>Tax Levies</b>									
Municipal	7,002,558	14.2%	6,130,452	4.5%	5,867,738	8.1%	5,429,556	8.9%	4,983,822
County	3,417,073	9.7%	3,114,636	4.4%	2,982,115	8.0%	2,762,449	3.3%	2,673,605
School Board	1,961,170	3.5%	1,895,597	3.4%	1,832,820	3.6%	1,768,389	8.9%	1,624,074
	<u>12,380,801</u>	<u>11.1%</u>	<u>11,140,685</u>	<u>4.3%</u>	<u>10,682,673</u>	<u>7.3%</u>	<u>9,960,394</u>	<u>7.3%</u>	<u>9,281,501</u>
<b>Tax Arrears</b>									
Current	1,079,363		929,313		1,149,891		889,587		910,665
Previous	373,646		417,881		386,928		409,955		285,671
Prior	445,203		491,008		490,105		292,726		192,919
Interest	238,931		212,276		249,306		166,595		94,045
Estimated taxes to be billed	41,900		41,900		41,900		41,900		41,900
	<u>2,179,043</u>		<u>2,092,378</u>		<u>2,318,130</u>		<u>1,800,763</u>		<u>1,525,200</u>
<b>Collection % of</b>									
Current year Taxes	<u>91.3%</u>		<u>91.7%</u>		<u>89.2%</u>		<u>91.1%</u>		<u>90.2%</u>
<b>Tax Arrears as % of</b>									
Total Levy	<u>17.26%</u>		<u>18.41%</u>		<u>21.31%</u>		<u>17.66%</u>		<u>15.98%</u>

## ASSESSMENT



## TAX LEVY



# TAXATION

## Net Municipal Levy Per Capita

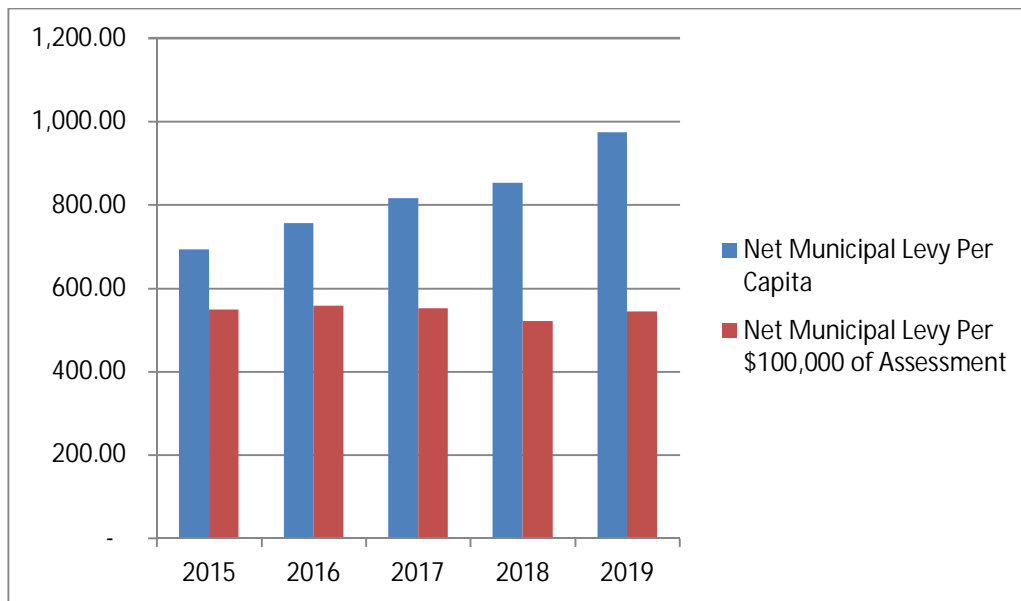
## $\frac{\text{Net Municipal Levy}}{\text{Municipal Population}}$

	2019	2018	2017	2016	2015
Net Municipal Levy (per Financial Statements)	7,002,558	6,130,452	5,867,738	5,429,556	4,983,822
Municipal Population	7,190	7,190	7,190	7,190	7,190
Net Municipal Levy Per Capita	973.93	852.64	816.10	755.15	693.16

## Net Municipal Levy Per \$100,000 of Assessment

## $\frac{\text{Net Municipal Levy} \times \$100,000}{\text{Assessment}}$

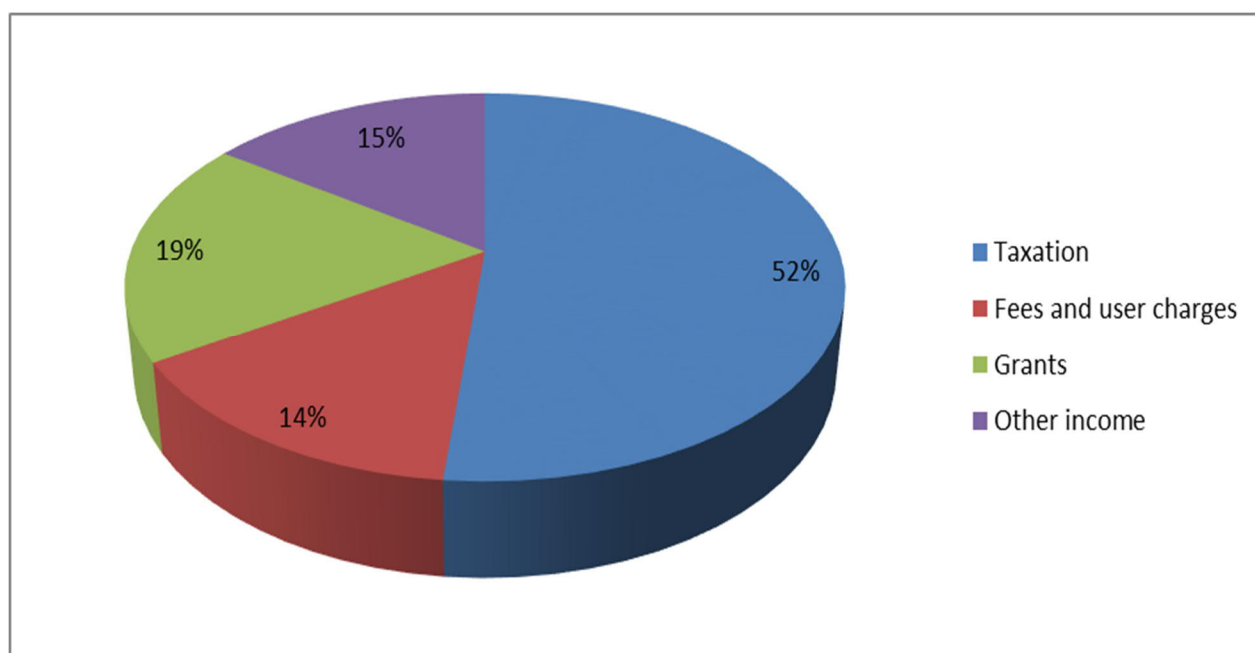
	2019	2018	2017	2016	2015
Net Municipal Levy (per Financial Statements)	7,002,558	6,130,452	5,867,738	5,429,556	4,983,822
Assessment	1,286,789,430	1,177,204,365	1,064,977,021	973,915,909	907,185,058
Net Municipal Levy Per \$100,000 of Assessment	544.19	520.76	550.97	557.50	549.37





## TOTAL REVENUES

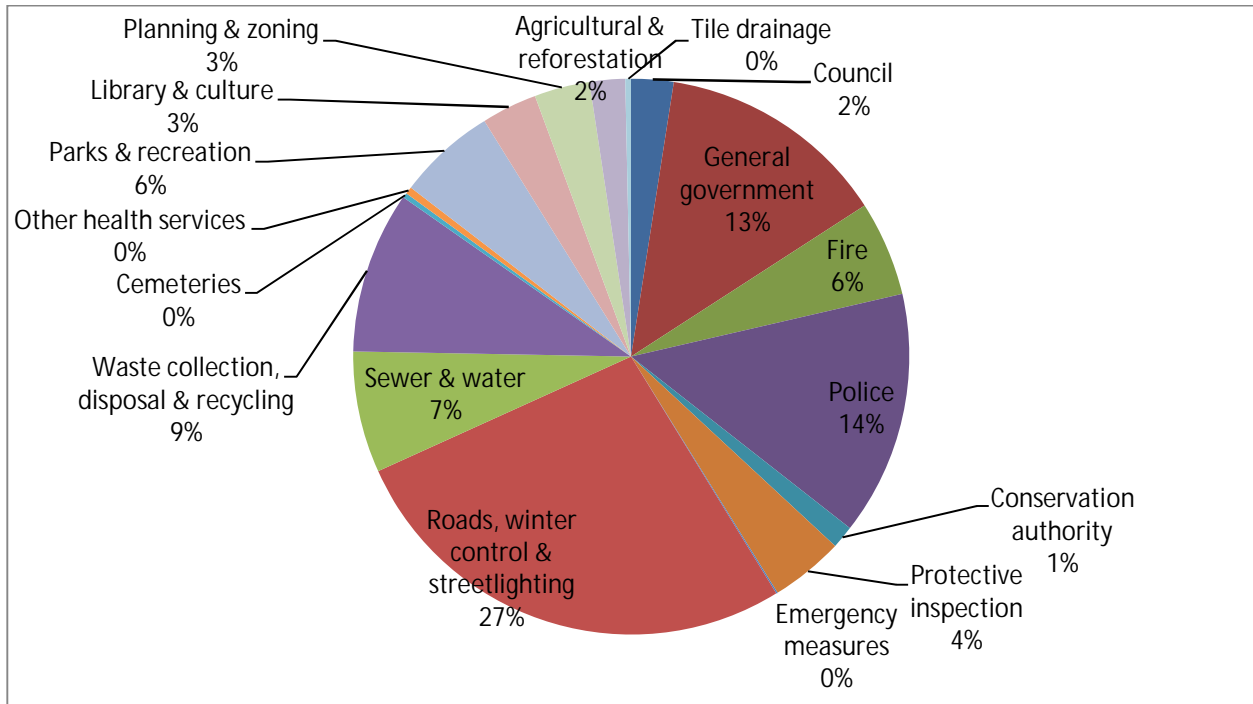
	Budget	2019	2018	2017	2016
Taxation	6,770,263	7,002,558	6,130,452	5,867,738	5,429,556
Fees and user charges	1,736,645	1,958,180	1,687,667	1,529,841	1,418,412
Grants	3,331,535	2,564,298	1,211,708	1,795,286	2,782,380
Other income	3,348,821	2,061,858	1,394,354	1,202,326	800,407
	15,187,264	13,586,894	10,424,181	10,395,191	10,430,755



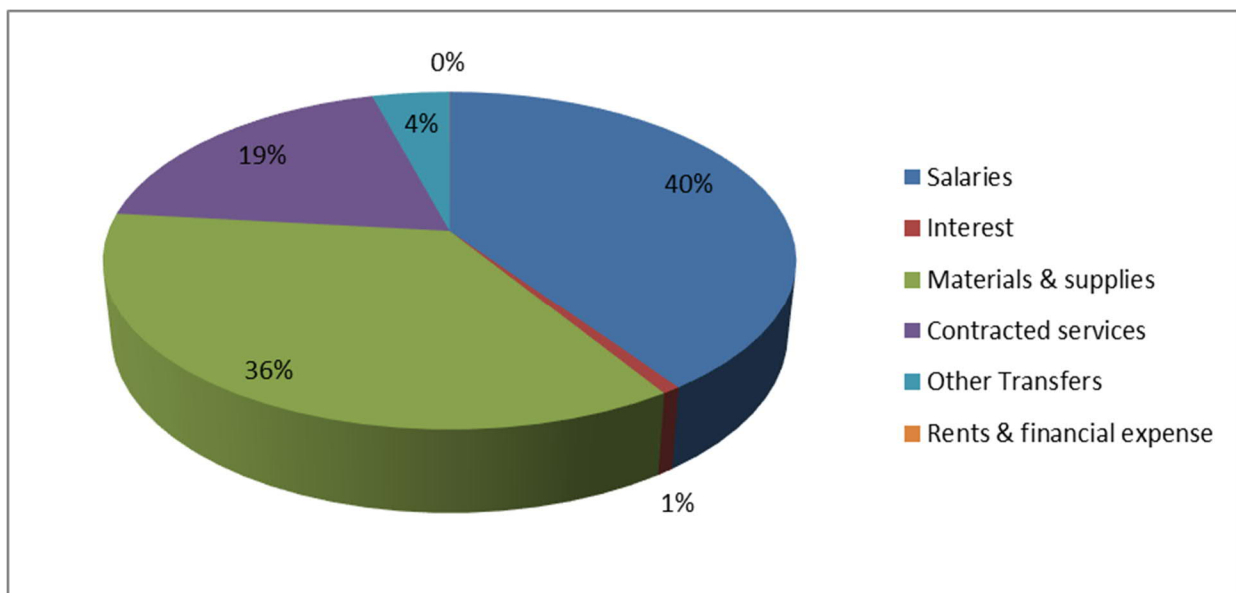
## FOUR YEAR COMPARISON OF OPERATING EXPENSES (Excluding amortization)

	Budget	2019	2018	2017	2016
Council	188,553	196,481	166,052	146,351	158,173
General government	1,064,558	1,080,084	935,427	897,119	803,857
Fire	524,737	445,821	454,106	428,494	469,968
Police	1,147,155	1,142,252	1,107,413	1,099,623	1,068,340
Conservation authority	106,318	107,840	103,942	99,758	97,383
Protective inspection	350,552	342,532	271,841	193,960	161,582
Emergency measures	2,600	7,031	7,466	3,971	3,009
Roads, winter control & streetlighting	2,074,225	2,173,140	2,106,297	1,961,118	1,827,609
Sewer & water	553,657	568,158	458,125	605,317	564,002
Waste collection, disposal & recycling	751,721	757,020	784,202	594,438	576,340
Cemeteries	23,551	23,250	31,084	29,111	25,886
Other health services	40,000	34,281	38,565	8,195	3,000
Parks & recreation	469,775	458,995	446,211	430,695	513,519
Library & culture	239,914	261,668	229,103	185,307	172,495
Planning & zoning	261,914	260,125	259,425	276,448	205,920
Agricultural & reforestation	11,275	165,536	10,796	30,675	62,732
Tile drainage	33,000	27,647	32,894	31,282	35,755
<b>Total</b>	<b>7,843,505</b>	<b>8,051,859</b>	<b>7,442,950</b>	<b>7,021,862</b>	<b>6,749,570</b>
Salaries	3,259,413	3,243,545	2,918,928	2,571,291	2,488,228
Interest	67,821	60,136	71,366	77,453	90,262
Materials & supplies	2,885,490	2,873,464	2,773,706	2,758,558	2,616,379
Contracted services	1,308,604	1,529,722	1,357,136	1,326,147	1,187,380
Other Transfers	319,977	343,276	317,564	4,294	2,022
Rents & financial expense	2,200	1,716	4,250	284,119	365,299
	<b>7,843,505</b>	<b>8,051,859</b>	<b>7,442,950</b>	<b>7,021,862</b>	<b>6,749,570</b>

## 2019 OPERATING EXPENSES BY FUNCTION

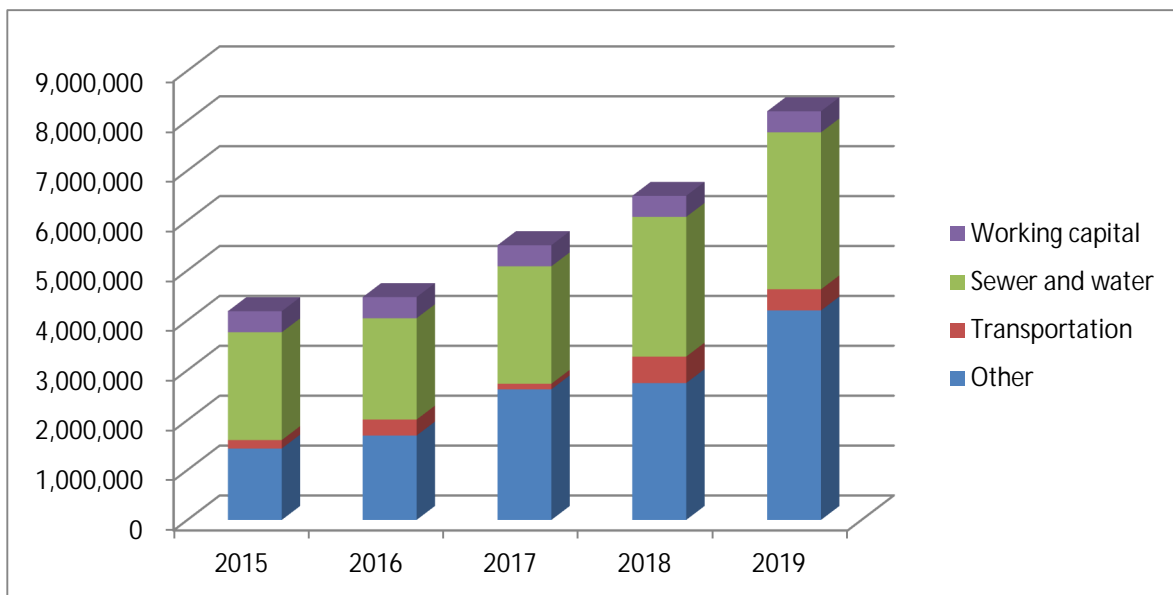


## 2019 OPERATING EXPENSES BY OBJECT



## WHAT DO YOU HAVE FOR THE FUTURE?

	2019	2018	2017	2016	2015
<b>Obligatory Reserve Funds</b>					
Development charges	4,531,429	3,001,154	1,961,038	923,356	721,373
Recreational land	65,417	63,071	62,132	23,897	23,735
Gas tax	-	264,840	34,621	61,517	110,237
Main St. revitalization	-	44,151	-	-	0
	<b>4,596,846</b>	<b>3,373,216</b>	<b>2,057,791</b>	<b>1,008,770</b>	<b>855,344</b>
<b>Reserves and Discretionary Reserve Funds</b>					
Working capital	422,541	422,541	422,541	422,541	422,541
Transportation	423,383	530,286	111,910	319,786	169,440
Sewer and water	3,145,154	2,798,997	2,353,208	2,031,539	2,159,452
Other	4,198,027	2,743,367	2,617,720	1,691,115	1,431,283
	<b>8,189,105</b>	<b>6,495,191</b>	<b>5,505,379</b>	<b>4,464,981</b>	<b>4,182,716</b>



	2019	2018	2017	2016	2015
Reserves as a % of Total Expenses	82.42%	70.30%	62.63%	53.45%	50.43%
Reserves as a % of Own Purpose Taxation	116.94%	105.95%	93.82%	82.23%	83.93%

The Township of Southgate held reserves equivalent to 82.42% of 2019 (2018 - 70.30%) expenses or 116.94% of 2019 (2018 - 105.95%) own purpose taxation.