



Staff Report FIN2020-027

Title of Report: **FIN2020-027 Financial Report – September 2020**

Department: **Finance**

Council Date: November 4, 2020

Recommendation:

Be it resolved that Council receive Staff Report FIN2020-027 Financial Report – September 2020 as information.

Background:

Municipal Act, 2001 s. 290(1) requires a municipality shall:

“prepare and adopt a budget including estimates of all sums required during the year for the purposes of the municipality, including, amounts sufficient to pay all debts of the municipality falling due within the year”.

On February 4, 2020, Council received Staff Report FIN2020-050 2020 Budget which amended the 2020 Budget to a requirement from taxation of \$7,584,704.

On March 17, 2020, the Province of Ontario declared an emergency under s.7.0.1 (1) the Emergency Management and Civil Protection Act.

On March 26, 2020, the Province of Ontario released “Ontario’s Action Plan: Responding to COVID-19 (March 2020 Economic and Fiscal Update)” in lieu of its annual budget. Actions that benefit the Township include:

- Allowing employers to defer WSIB payments for 6 months
- School tax deferral
- Electricity cost relief

On April 15, 2020, Council passed the following resolution:

Be it resolved that Council receive Staff Report FIN2020-007 Financial Impact of COVID-19 as information; and

That Council direct staff bring forth a by-law to amend Section 4 of By-law 2020-002 to extend the penalty free period to July 1, 2020; and

That Council direct staff to not assess penalties or interest on water/wastewater and other outstanding municipal invoices until July 1, 2020; and

That Council reassess relief measures after July 1, 2020 once the impact of this decision on cash flow is known.

On May 6, 2020, Council received Staff Report FIN2020-008 which contained a financial report for the 3 months ended March 31, 2020 and projected a 2020 deficit of \$6,615 and passed the following resolution:

Be it resolved that Council receive regular consent item 8.1.6 - Staff Report FIN2020-008 as information; and

That new information received at the May 6, 2020 Council meeting has shown negative impacts on the Township revenues; and

That pursuant to section 24.12 of the Procedural By-law, Council amend previously adopted motion 2020-176, passed at the April 15, 2020 Council meeting and direct staff to only extend the penalty free period on the first installment of 2020 taxes to July 1, 2020 and the penalties on utilities and general accounts billed in March, April, May 2020 be waived until July 1, 2020.

On May 20, 2020, Council received Staff Report FIN2020-010 which contained a financial report for the 4 months ended April 30, 2020 and projected a 2020 surplus of \$31,585.

On June 17, 2020, Council received Staff Report FIN2020-012 which contained a financial report for the 5 months ended May 31, 2020 and maintained a projected 2020 surplus of \$31,585.

On August 5, 2020, Council received Staff Report FIN2020-017 which contained a financial report for the 6 months ended June 30, 2020 and maintained a projected 2020 surplus of \$31,585.

On September 2, 2020, Council received Staff Report FIN2020-019 which contained a financial report for the 7 months ended July 31, 2020 and maintained a projected 2020 surplus of \$31,585.

On September 16, 2020, Council received Staff Report FIN2020-023 which contained a financial report for the 8 months ended August 31, 2020 and maintained a projected 2020 surplus of \$31,585.

On October 21, 2020, Council received Staff Report FIN2020-026 which provided a projected 2020 surplus of \$83,442.

Staff Comments:

Staff has prepared a financial report for the 9 months ended September 30, 2020. Explanations of the more significant variances is provided in Attachment 1.

Financial Implications:

For the 9 months ended September 30, 2020, the tax-supported department surplus is \$1,072,009.39 and the non-tax department surplus is \$232,798.11. In comparison, for the 9 months ended September 30, 2019, the tax-supported department surplus was \$132,998.67 and the non-tax department surplus was \$143,371.23.

As the COVID-19 situation is ongoing, the total financial impact for the 12 months ended December 31, 2020 is not known. The current estimate is a surplus of

\$83,442. However, additional transfers to/from tax/rate stabilization reserves may result in a surplus/deficit of \$Nil.

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 9 months ended September 30, 2020, the tax-supported department surplus is \$1,072,009.39 and the non-tax department surplus is \$232,798.11.

As the COVID-19 situation is ongoing, the total financial impact for the 12 months ended December 31, 2020 is not known. The current estimate is a surplus of \$83,442. However, additional transfers to/from tax/rate stabilization reserves may result in a surplus/deficit of \$Nil.

Respectfully Submitted,

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

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

Attachment:

- 1** Financial Report for the 9 months ended September 30, 2020