



## **Staff Report FIN2021-012**

**Title of Report:** **FIN2021-012 Financial Report – December 2020**

**Department:** **Finance**

**Council Date:** May 5, 2021

**Recommendation:**

**Be it resolved that** Council receive Staff Report FIN2021-012 Financial Report - December 2020 as information; and

**That** Council approves the 2020 transfers from or to Reserves, Deferred Revenue and Reserve Funds as presented.

**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 May 6, 2020, Council received Staff Report FIN2020-008 which contained a financial report for the 3 months ended March 31, 2020.

On May 20, 2020, Council received Staff Report FIN2020-010 which contained a financial report for the 4 months ended April 30, 2020.

On June 17, 2020, Council received Staff Report FIN2020-012 which contained a financial report for the 5 months ended May 31, 2020.

On August 5, 2020, Council received Staff Report FIN2020-017 which contained a financial report for the 6 months ended June 30, 2020.

On September 2, 2020, Council received Staff Report FIN2020-019 which contained a financial report for the 7 months ended July 31, 2020.

On September 16, 2020, Council received Staff Report FIN2020-023 which contained a financial report for the 8 months ended August 31, 2020.

On November 4, 2020, Council received Staff Report FIN2020-027 which contained a financial report for the 9 months ended September 30, 2020.

On December 2, 2020, Council received Staff Report FIN2020-031 which contained a financial report for the 10 months ended October 31, 2020 and a projected financial report for the year ended December 31, 2020.

On January 13, 2021, Council received Staff Report FIN2021-004 which contained a financial report for the 11 months ended November 30, 2020 and an updated projected financial report for the year ended December 31, 2020, which assumed transfers to/from reserves to achieve a surplus/deficit of \$Nil, assuming the following transfers to/from reserves of:

|   |                      |
|---|----------------------|
| Contribution to the Tax Stabilization Reserve - General | \$ 536,896.05        |
| Contribution to Library Reserves                        | \$ 37,053.32         |
| Contribution to Winter Maintenance Reserves             | \$ 22,240.00         |
| Tax-Supported Department Transfer Total                 | <u>\$ 596,189.37</u> |
| Contribution to Wastewater Reserves                     | \$ 189,318.94        |
| Contribution to Water Reserve                           | <u>\$ 158,102.81</u> |
| Non-Tax Support Department Transfer Total               | <u>\$ 347,421.75</u> |

### **Staff Comments:**

A pre-audit financial report for the 12 months ended December 31, 2020 has been prepared (on a fund accounting basis). See the attachment for explanations of the more significant variances.

The audited 2020 financial statements, prepared on a Public Sector Accounting Board (PSAB) basis, are scheduled to be presented to Council for approval on July 7, 2021.

A comparison of 2020 Capital – Budget vs Actual reflecting the \$2,055,854 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 - 2020 Actual, provided as Attachment 3, which reflects tax stabilization transfers.

### **Financial Implications:**

For the year ended December 31, 2020, 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 Tax Stabilization Reserve - General            | \$ 315,559.41        |
| Contribution to Library Infrastructure Reserve                 | \$ 23,966.37         |
| Contribution to Tax Stabilization Reserve - Winter Maintenance | <u>\$ 143,947.98</u> |
| Tax-Supported Department Transfer Total                        | <u>\$ 483,473.76</u> |
| Contribution to Wastewater Reserve                             | \$ 180,178.47        |
| Contribution to Water Reserve                                  | <u>\$ 80,814.61</u>  |
| Non-Tax Support Department Transfer Total                      | <u>\$ 260,993.08</u> |

The amount raised from taxation in 2020 for Capital and Special Projects was \$2,055,854 contributed to the Capital Fund, Capital Reserve, or expended on a special project.

The schedule of Reserves, Deferred Revenue and Reserve Funds presented has an ending balance of \$17,287,372.09, an increase of \$4,136,430.80. The increase is mainly due to the collection of development charges, contributions to tax/rate stabilization reserves, and creation of the Safe Restart/COVID-19 Reserve.

**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, 2020, 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 - 2020 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**      2020 Financial Report for the 12 months ended December 31, 2020
- 2**      2020 Capital – Budget vs Actual
- 3**      2020 Reserves, Reserve Funds, and Obligatory Reserves Schedule