



## **Staff Report FIN2021-025**

**Title of Report:** **FIN2021-025 Financial Report – 2020 Audited Financial Statements**

**Department:** **Finance**

**Council Date:** August 4, 2021

**Recommendation:**

**Be it resolved that** Council receive Staff Report FIN2021-025 Financial Report – 2020 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, 2020 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.

On May 5, 2021, Council received Staff Report FIN2021-012 which contained a financial report for the 12 months ended December 31, 2020, prepared on a fund accounting basis, and approved 2020 transfers from or to Reserves, Deferred Revenue and Reserve Funds which contained the following transfers to/from reserves of:

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>

**Staff Comments:**

On August 4, 2021, BDO Canada LLP presented The Corporation of the Township of Southgate Consolidated Financial Statements for the year ended December 31, 2020, prepared on a Public Sector Accounting Board (PSAB) basis.

Note 11 of the 2020 Consolidated Financial Statements presents a reconciliation of the 2020 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 recommends that Council approve the Consolidated Financial Statements for the year ended December 31, 2020 as presented.

**Financial Implications:**

On a Fund Accounting basis, for the year ended December 31, 2020, 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, 2020, the Annual Surplus is \$3,031,936.

**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, 2020, 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, 2020, the Annual Surplus is \$3,031,936.

Staff recommends that Council approve The Corporation of the Township of Southgate Consolidated Financial Statements for the year ended December 31, 2020 as presented.

Respectfully Submitted,

**Dept. Head:**

***Original Signed By***

William Gott, CPA, CA, Treasurer

**CAO Approval:**

***Original Signed By***

Dave Milliner, CAO

**Attachment:**

None