



# Year End Report for The Township of Southgate December 31, 2020

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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, 2020 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 August 4, 2021.

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.

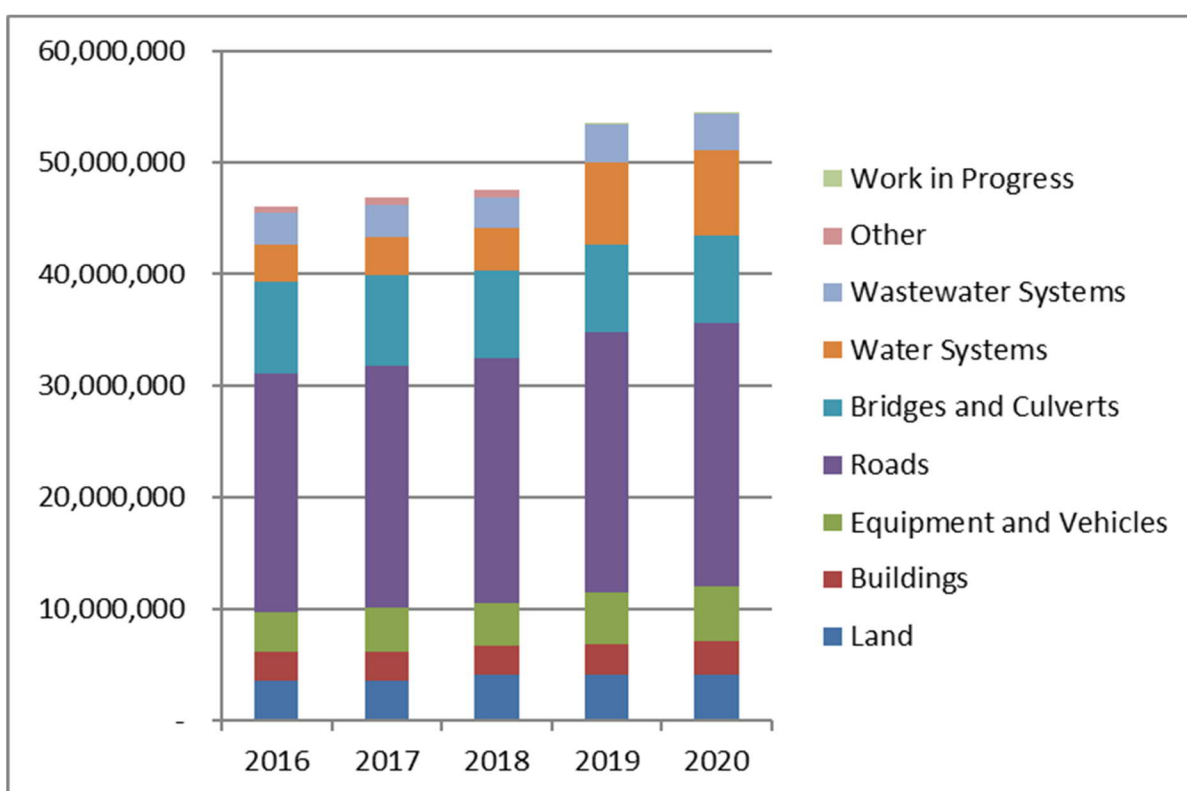
The year-end report is prepared to provide Council with more detailed financial information and graphical analysis of the consolidated financial statements. As a result, the year-end report may not be suitable for other purposes. Our year-end report is intended solely for the use of Council and should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

## WHERE ARE YOU TODAY?

	2020	2019	2018	2017	2016
Cash	14,394,647	9,048,830	5,351,452	1,910,598	1,811,025
Investments	1,434,895	1,413,043	1,402,531	1,396,535	1,413,423
	15,829,542	10,461,873	6,753,983	3,307,133	3,224,448
Long-term debt					
Gravel pit	210,000	280,000	350,000	410,000	470,000
Egremont landfill site	842,246	990,252	1,134,608	1,275,403	1,412,725
Well D5 and Main Street	3,396,731	3,731,925	-	-	-
	4,448,977	5,002,177	1,484,608	1,685,403	1,882,725
Tile drainage loans	285,992	376,540	433,644	451,094	521,138
	4,734,969	5,378,717	1,918,252	2,136,497	2,403,863
Net financial assets	3,883,430	1,958,088	4,158,877	2,709,208	1,902,641
Accumulated surplus					
Invested in tangible capital assets					
Tangible capital assets at cost less amortization	54,370,591	53,348,156	46,627,090	46,807,955	46,081,168
Unfinanced capital	(398,292)	(586,151)	(547,873)	(346,525)	-
Capital assets financed by long-term liabilities and to be funded in future years	(4,448,977)	(5,002,177)	(1,484,608)	(1,685,403)	(1,882,725)
Total invested in capital assets	49,523,322	47,759,828	44,594,609	44,776,027	44,198,443
Unfunded post-employment benefits	(139,550)	(129,842)	(133,809)	(137,409)	(141,359)
Unfunded solid waste closure and post-closure costs	(233,000)	(320,000)	(350,000)	(380,000)	(350,000)
Unexpended insurance proceeds	-	-	321,386	-	-
Investment in Wellington North Power	49,388	146,346	138,086	117,081	103,476
	49,200,160	47,456,332	44,570,272	44,375,699	43,810,560
Reserves and discretionary reserve funds	9,477,213	8,189,105	6,495,191	5,505,379	4,464,981
	58,677,373	55,645,437	51,065,463	49,881,078	48,275,541

## TANGIBLE CAPITAL ASSETS

	2020	2019	2018	2017	2016
Tangible capital assets					
Beginning of year	53,348,156	47,556,251	46,807,955	46,081,168	44,586,197
Purchases	3,196,954	7,676,127	2,635,241	2,468,529	3,209,108
Disposals	(140,820)	-	(37,770)	-	(30,254)
Amortization	(2,033,699)	(1,884,222)	(1,849,175)	(1,741,742)	(1,683,883)
End of year	54,370,591	53,348,156	47,556,251	46,807,955	46,081,168

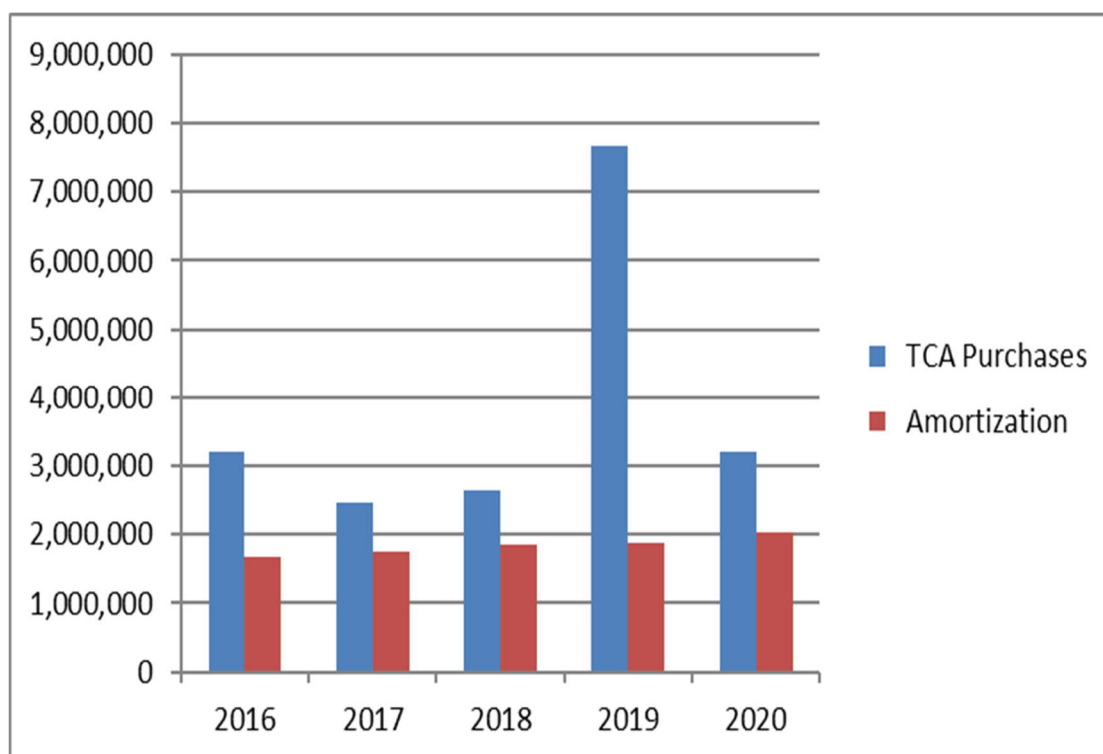


## TANGIBLE CAPITAL ASSETS

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

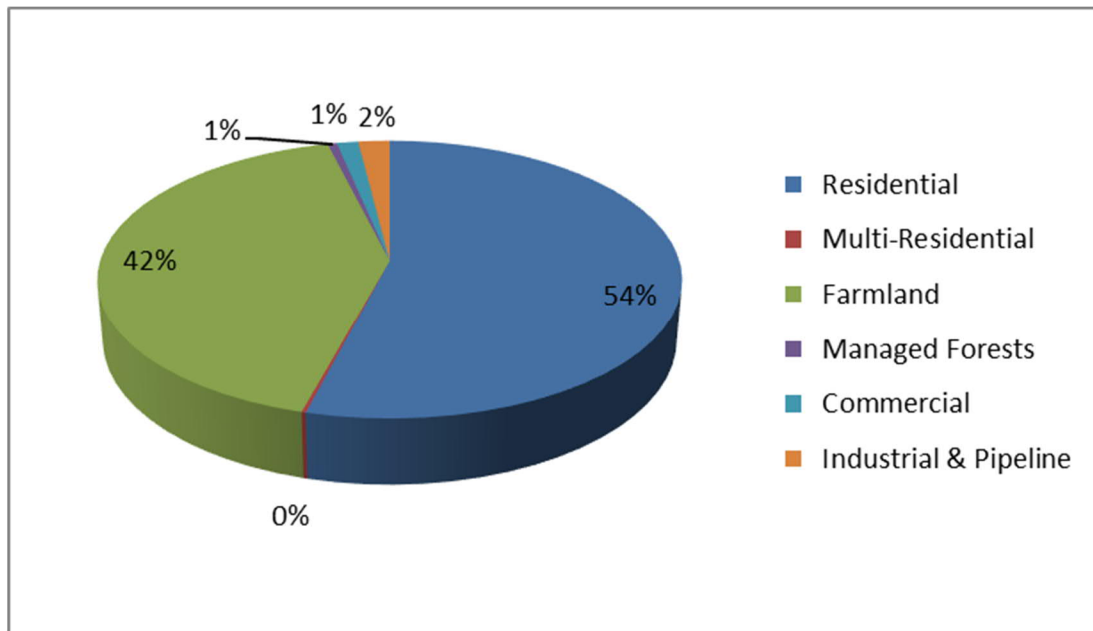
2020	2019	2018	2017	2016
63%	63%	62%	62%	63%



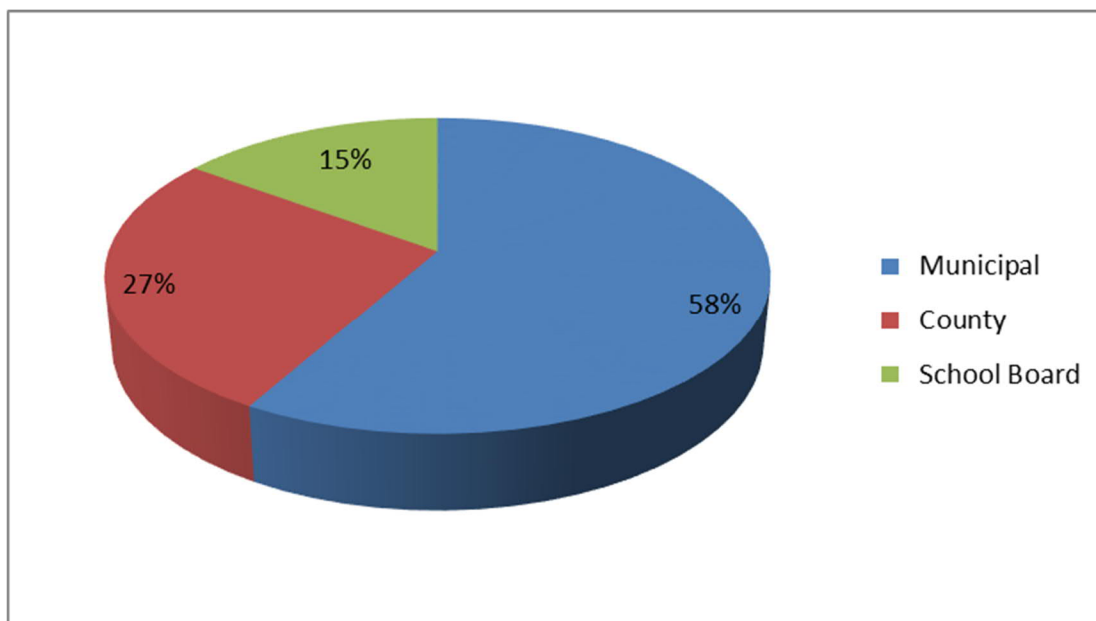
## TAXATION

	2020	% Change	2019	% Change	2018	% Change	2017	% Change	2016
<b>Residential Tax Rate</b>									
Municipal	0.770944%	5.0%	0.734170%	3.7%	0.707839%	-1.2%	0.716077%	2.3%	0.699752%
County	0.356034%	-0.5%	0.357933%	-0.3%	0.359098%	-1.9%	0.365995%	2.4%	0.357563%
School Board	0.153000%	-5.0%	0.161000%	-5.3%	0.170000%	-5.0%	0.179000%	-4.8%	0.188000%
	<u>1.279978%</u>	<u>2.1%</u>	<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>
<b>Assessments (Including Payments-In-Lieu)</b>									
Residential	771,596,369	9.0%	707,681,319	4.7%	675,774,549	4.9%	644,132,321	2.2%	630,025,816
Multi-Residential	3,047,872	0.7%	3,026,350	1.0%	2,997,600	1.0%	2,968,850	-0.5%	2,984,000
Farmland	597,263,489	13.4%	526,534,130	16.3%	452,905,465	18.5%	382,194,275	24.5%	306,948,500
Managed Forests	8,387,100	15.5%	7,264,228	13.5%	6,402,859	21.4%	5,274,050	19.0%	4,431,100
Commercial	19,313,928	13.1%	17,071,121	3.1%	16,555,224	9.5%	15,121,575	1.5%	14,904,768
Industrial & Pipeline	28,164,951	11.7%	25,212,282	11.7%	22,568,668	47.6%	15,285,950	4.5%	14,621,725
	<u>1,427,773,709</u>	<u>11.0%</u>	<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>
<b>Tax Levies</b>									
Municipal	7,819,783	11.7%	7,002,558	14.2%	6,130,452	4.5%	5,867,738	8.1%	5,429,556
County	3,600,969	5.4%	3,417,073	9.7%	3,114,636	4.4%	2,982,115	8.0%	2,762,449
School Board	2,014,250	2.7%	1,961,170	3.5%	1,895,597	3.4%	1,832,820	3.6%	1,768,389
	<u>13,435,002</u>	<u>8.5%</u>	<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>
<b>Tax Arrears</b>									
Current	1,175,909		1,079,363		929,313		1,149,891		889,587
Previous	440,204		373,646		417,881		386,928		409,955
Prior	311,816		445,203		491,008		490,105		292,726
Interest	192,813		238,931		212,276		249,306		166,595
Estimated taxes to be billed	41,900		41,900		41,900		41,900		41,900
	<u>2,162,643</u>		<u>2,179,043</u>		<u>2,092,378</u>		<u>2,318,130</u>		<u>1,800,763</u>
<b>Collection % of</b>									
Current year Taxes	<u>91.2%</u>		<u>91.3%</u>		<u>91.7%</u>		<u>89.2%</u>		<u>91.1%</u>
<b>Tax Arrears as % of</b>									
Total Levy	<u>15.79%</u>		<u>17.26%</u>		<u>18.41%</u>		<u>21.31%</u>		<u>17.66%</u>

## ASSESSMENT



## TAX LEVY



## TAXATION

### Net Municipal Levy Per Capita

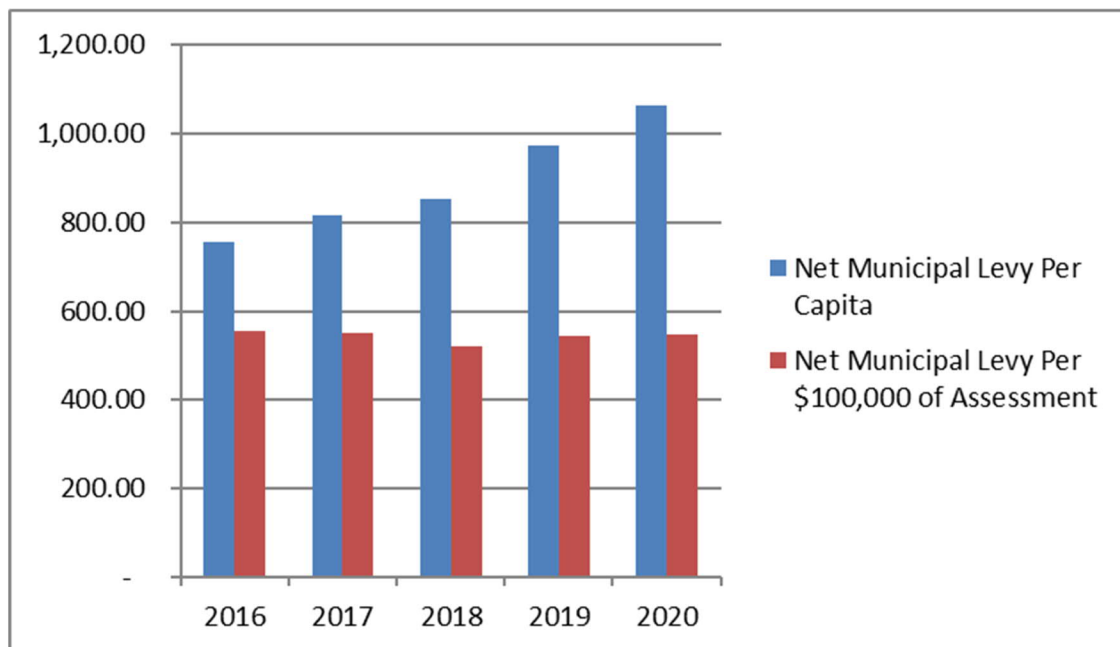
### Net Municipal Levy Municipal Population

	2020	2019	2018	2017	2016
Net Municipal Levy (per Financial Statements)	7,819,783	7,002,558	6,130,452	5,867,738	5,429,556
Municipal Population	7,354	7,190	7,190	7,190	7,190
Net Municipal Levy Per Capita	1,063.34	973.93	852.64	816.10	755.15

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

### Net Municipal Levy x \$100,000 Assessment

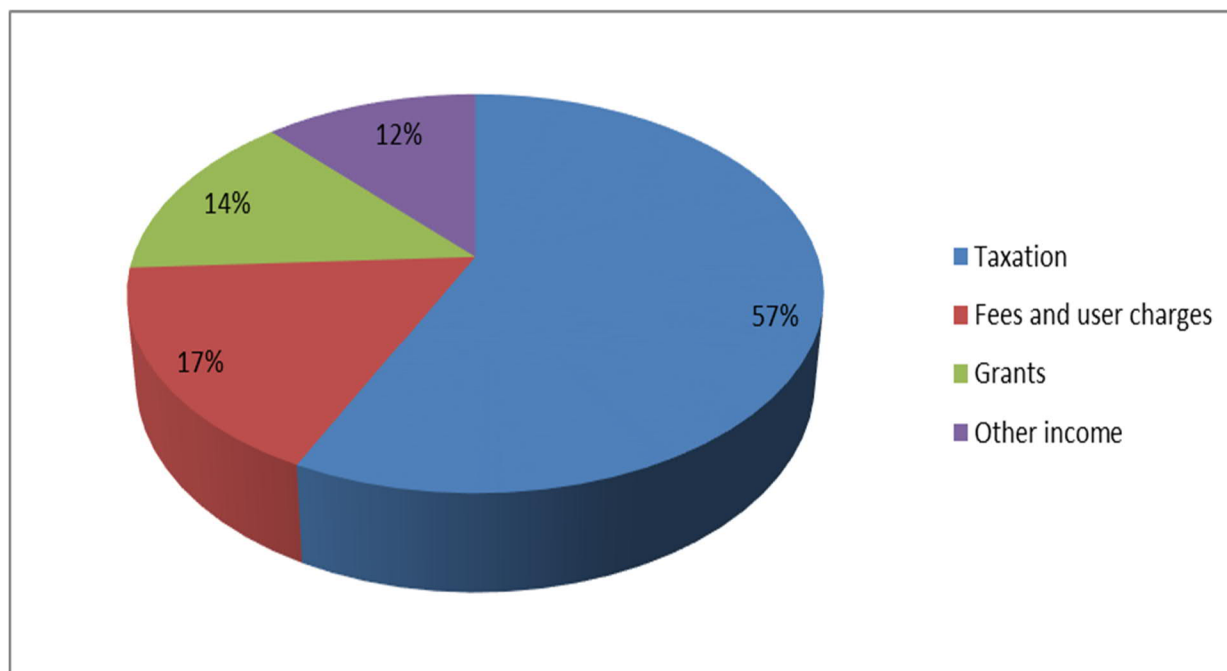
	2020	2019	2018	2017	2016
Net Municipal Levy (per Financial Statements)	7,819,783	7,002,558	6,130,452	5,867,738	5,429,556
Assessment	1,427,773,709	1,286,789,430	1,177,204,365	1,064,977,021	973,915,909
Net Municipal Levy Per \$100,000 of Assessment	547.69	544.19	520.76	550.97	557.50





## TOTAL REVENUES

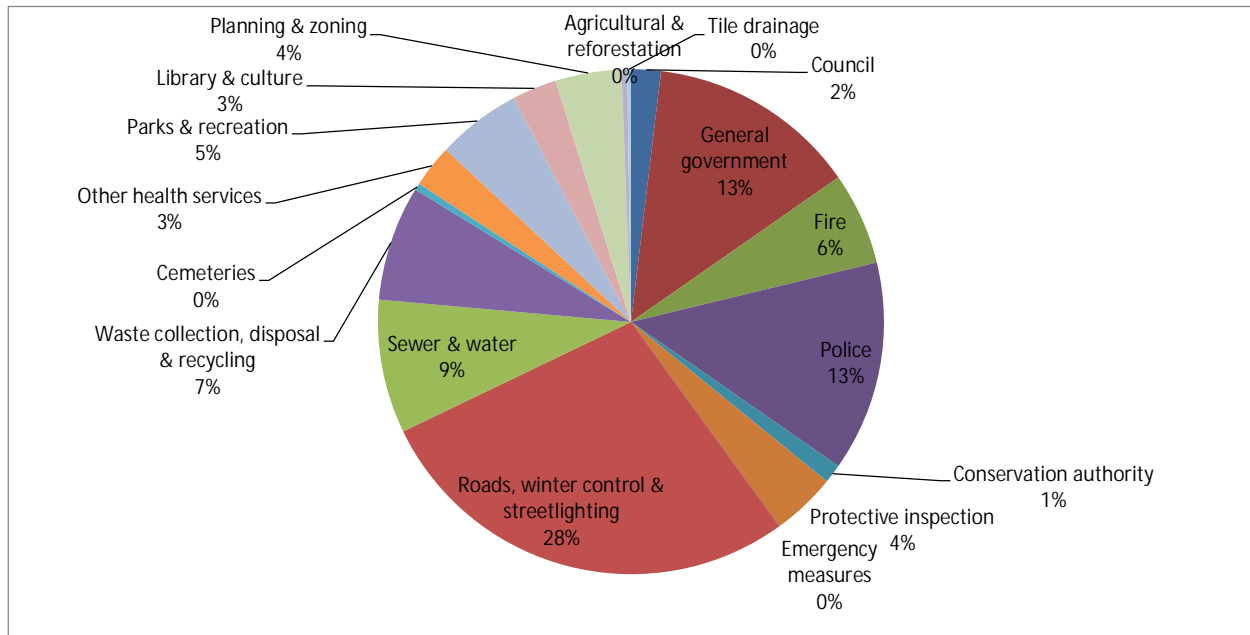
	Budget	2020	2019	2018	2017
Taxation	7,885,099	7,819,783	7,002,558	6,130,452	5,867,738
Fees and user charges	1,904,975	2,322,722	1,958,180	1,687,667	1,529,841
Grants	1,518,639	1,919,998	2,564,298	1,211,708	1,795,286
Other income	4,586,179	1,621,410	2,061,858	1,394,354	1,202,326
	15,894,892	13,683,913	13,586,894	10,424,181	10,395,191



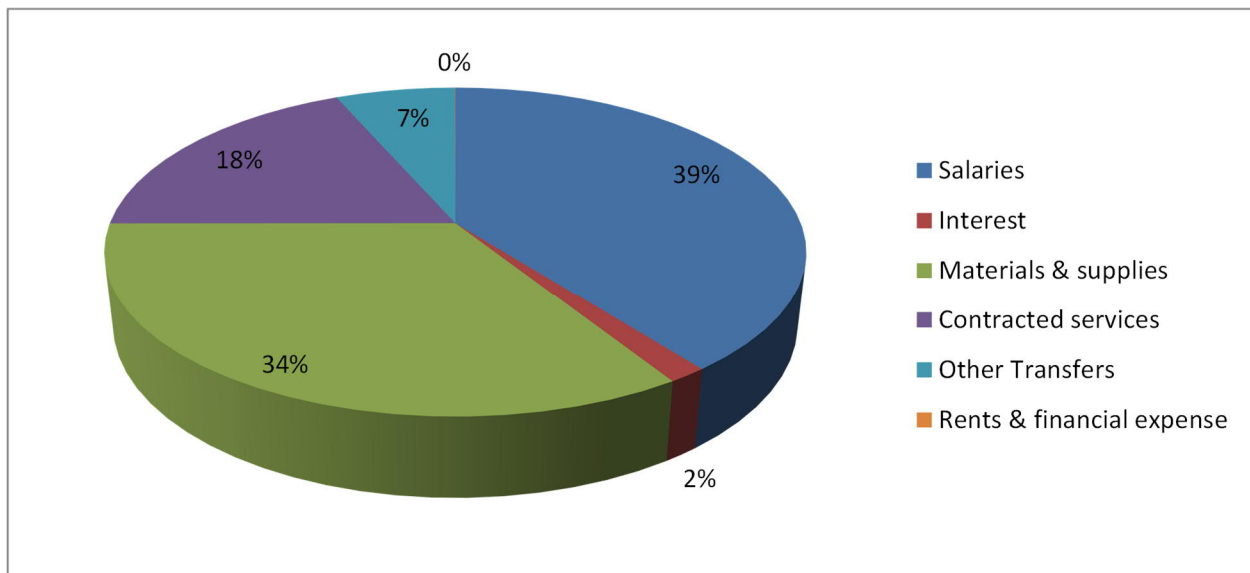
## FOUR YEAR COMPARISON OF OPERATING EXPENSES (Excluding amortization and change in landfill liability)

	Budget	2020	2019	2018	2017
Council	242,070	165,327	196,481	166,052	146,351
General government	1,219,402	1,167,480	1,080,084	935,427	897,119
Fire	620,028	516,491	445,821	454,106	428,494
Police	1,177,471	1,170,002	1,142,252	1,107,413	1,099,623
Conservation authority	107,318	107,351	107,840	103,942	99,758
Protective inspection	435,697	356,335	342,532	271,841	193,960
Emergency measures	3,350	1,925	7,031	7,466	3,971
Roads, winter control & streetlighting	2,409,146	2,420,993	2,173,140	2,106,297	1,961,118
Sewer & water	834,259	744,677	709,841	567,075	605,317
Waste collection, disposal & recycling	639,425	643,321	645,337	705,252	594,438
Cemeteries	31,227	34,706	23,250	31,084	29,111
Other health services	40,000	240,046	34,281	38,565	8,195
Parks & recreation	488,135	469,207	458,995	446,211	430,695
Library & culture	271,290	248,102	261,668	229,103	185,307
Planning & zoning	222,808	367,213	260,125	259,425	276,448
Agricultural & reforestation	11,967	31,333	165,536	10,796	30,675
Tile drainage	32,500	20,771	27,647	32,894	31,282
<b>Total</b>	<b>8,786,093</b>	<b>8,705,278</b>	<b>8,081,859</b>	<b>7,472,950</b>	<b>7,021,862</b>
Salaries	3,908,130	3,438,073	3,243,545	2,918,928	2,571,291
Interest	160,966	134,081	60,136	71,366	77,453
Materials & supplies	3,071,977	2,954,875	2,903,464	2,803,706	2,758,558
Contracted services	1,303,921	1,607,122	1,529,722	1,357,136	1,326,147
Other Transfers	339,599	569,004	343,276	317,564	4,294
Rents & financial expense	1,500	2,123	1,716	4,250	284,119
<b>Total</b>	<b>8,786,093</b>	<b>8,705,278</b>	<b>8,081,859</b>	<b>7,472,950</b>	<b>7,021,862</b>

## 2020 OPERATING EXPENSES BY FUNCTION



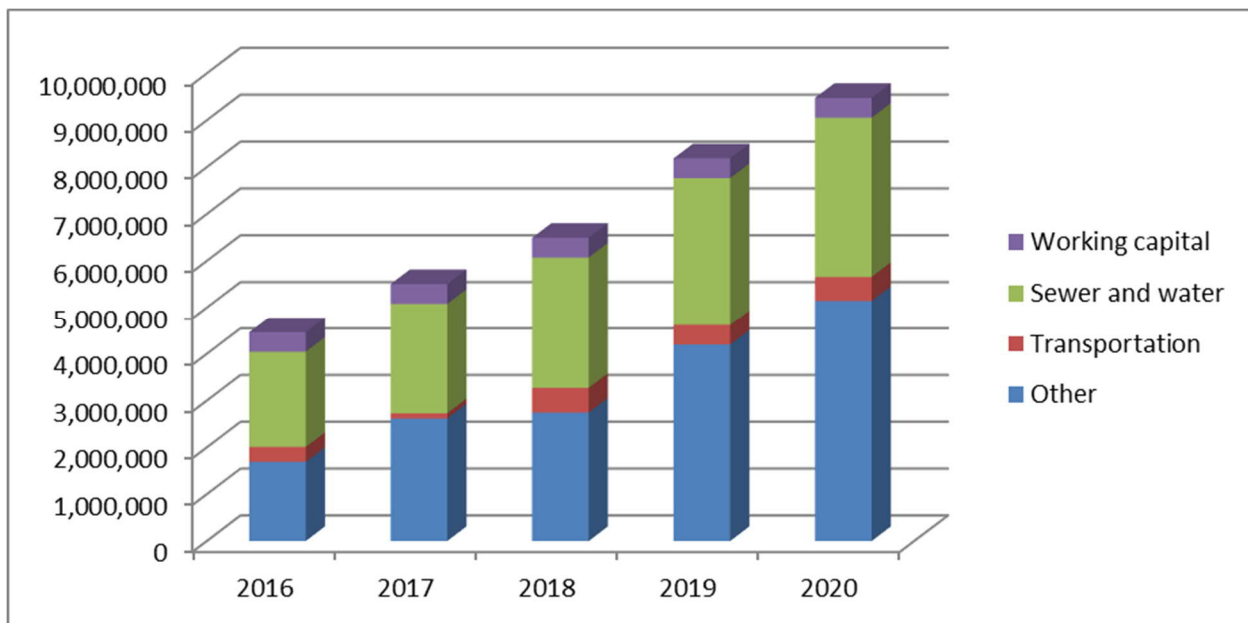
## 2020 OPERATING EXPENSES BY OBJECT



## WHAT DO YOU HAVE FOR THE FUTURE?

	2020	2019	2018	2017	2016
Obligatory Reserve Funds					
Development charges	7,677,438	4,531,429	3,001,154	1,961,038	923,356
Recreational land	66,528	65,417	63,071	62,132	23,897
Gas tax	-	-	264,840	34,621	61,517
Main St. revitalization	-	-	44,151	-	-
	<u>7,743,966</u>	<u>4,596,846</u>	<u>3,373,216</u>	<u>2,057,791</u>	<u>1,008,770</u>

Reserves and Discretionary Reserve Funds					
Working capital	422,541	422,541	422,541	422,541	422,541
Transportation	516,145	423,383	530,286	111,910	319,786
Sewer and water	3,395,336	3,145,154	2,798,997	2,353,208	2,031,539
Other	5,143,191	4,198,027	2,743,367	2,617,720	1,691,115
	<u>9,477,213</u>	<u>8,189,105</u>	<u>6,495,191</u>	<u>5,505,379</u>	<u>4,464,981</u>



	2020	2019	2018	2017	2016
Reserves as a % of Total Expenses	88.97%	82.42%	70.30%	62.63%	53.45%
Reserves as a % of Own Purpose Taxation	121.20%	116.94%	105.95%	93.82%	82.23%