



## **Staff Report FIN2021-032**

**Title of Report:** **FIN2021-032 Financial Report – September 2021**

**Department:** **Finance**

**Council Date:** November 3, 2021

**Recommendation:**

**Be it resolved that** Council receive Staff Report FIN2021-032 Financial Report – September 2021 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 July 8, 2020, Council passed By-law 2020-072 which set the water and wastewater rate structure for 2021 to 2026 which lowered the fixed rate charge and increased the variable rate charge.

On February 3, 2021, Council received Staff Report FIN2020-006 2021 Budget and approved a 2021 Budget which had a requirement from taxation of \$7,990,311, which was estimated to have a blended tax rate increase of 1.5%, based on assumed County and Education tax rate impacts.

On May 19, 2021, Council received Staff Report FIN2021-013 Financial Report – March 2021 which contained a financial report for the 3 months ended March 31, 2021.

On June 2, 2021, Council received Staff Report FIN2021-017 Financial Report – April 2021 which contained a financial report for the 4 months ended April 30, 2021.

On June 16, 2021, Council received Staff Report FIN2021-021 Financial Report – May 2021 which contained a financial report for the 5 months ended May 31, 2021.

On August 4, 2021, Council received Staff Report FIN2021-026 Financial Report – June 2021 which contained a financial report for the 6 months ended June 30, 2021.

On September 1, 2021, Council received Staff Report FIN2021-027 Financial Report – July 2021 which contained a financial report for the 7 months ended July 30, 2021.

On October 6, 2021, Council received Staff Report FIN2021-032 Financial Report – August 2021 which contained a financial report for the 8 months ended August 31, 2021.

**Staff Comments:**

Staff has prepared a financial report for the 9 months ended September 30, 2021. Explanations of the more significant variances is provided in Attachment 1.

Staff has also prepared a financial projection for the year ended December 31, 2021. Explanations of the more significant variances is provided in Attachment 2.

**Financial Implications:**

For the 9 months ended September 30, 2021, the tax-supported department surplus is \$790,859.44 (lower than the prior year due to more accurate timing of expenses in the 2021 Budget and the 2020 shut down due to COVID) and the non-tax department surplus is \$7,634.15 (lower due to the new rates implemented in 2021 and consumption lower than anticipated)

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

For the year ended December 31, 2021, the tax-supported department surplus is projected to be \$Nil and the non-tax department surplus is projected to be \$Nil, assuming additional transfers to/from reserves as follows:

Contribution to Tax Stabilization Reserve - General	\$ 68,393.90
Contribution to Library Infrastructure Reserve	\$ 19,681.00
Contribution to Tax Stabilization Reserve - Winter Maintenance	<u>\$ 43,572.00</u>
Tax-Supported Department Transfer Total	<u>\$ 131,646.90</u>
Reduction in Contribution to Wastewater Reserve	\$ (34,787.79)
Reduction in Contribution to Water Reserve	<u>\$ ( 8,992.14)</u>
Non-Tax Support Department Transfer Total Reduction	<u>\$ (43,779.93)</u>

**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, 2021, the tax-supported department surplus is \$790,859.44 and the non-tax department surplus is \$7,634.15. After transfers to/from reserve for the year ended December 31, 2021, the tax-supported department surplus is projected to be \$Nil and the non-tax department surplus is projected to be \$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, 2021
- 2**      Financial Projection for the year ended December 31, 2021