



## TOWNSHIP OF EDWARDSBURGH CARDINAL ACTION ITEM

**Committee:** Administration and Finance

**Date:** May 10, 2021

**Department:** Finance

**Topic:** 2020 Year End Township Surplus

**Purpose:** To provide an update to Council with respect to the 2020 year end township surplus.

**Background:** The 2020 year-end audit has been completed and financial statements will be presented to Council on May 25<sup>th</sup>. The Township has an operating surplus of \$113,900.24. During the March 8<sup>th</sup> Committee of the Whole meeting, there was consensus from Committee that \$35,000.00 would be transferred to the Tax Write-off reserve and the balance would be transferred to the Winter Control Reserve based on the operating savings under this category in 2020 and to replenish the reserve after the withdrawal in 2019.

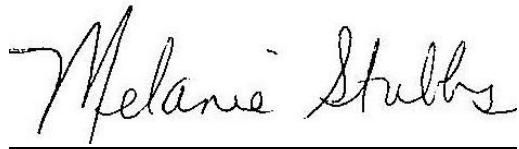
During the audit review it was determined that an amount of \$47,195.72 which was transferred out of the Spencerville Wastewater Reserve fund to purchase the South Street property in 2019 by Resolution 2019-451 should be repaid now that the property was sold in 2020. There are sufficient funds to cover this repayment from the property sale proceeds.

**Policy Implications:** In prior years, the tax rate bylaw directed any surplus/ deficit from Township operations would be transferred to/ from reserves for capital expenditures. Council has the option to direct funds to/from reserves to mitigate any future economic fluctuations and unanticipated events and contingent liabilities.

**Financial Considerations:** Change in reserve balances as a result of the 2020 surplus is as follows:

Account #	Reserve	Balance before transfer	Transfer of 2020 surplus amount	Balance after transfer as of December 31, 2020
01-3512	Tax Write Off	\$57,242.65	\$35,000.00	\$92,242.65
01-3521	Winter Control	\$80,000.00	\$78,900.24	\$158,900.24
<b>Total</b>			<b>\$113,900.24</b>	

**Recommendation:** That Committee recommends that Council approve the proposed 2020 surplus allocation of \$113,900.24 and direct the Treasurer to transfer \$35,000.00 to the Tax Write Off reserve and \$78,900.24 to the Winter Control reserve and further direct the Treasurer to transfer \$47,195.72 into the Spencerville Wastewater Reserve as per audit review.



Treasurer



CAO