



Financial Services Staff Report

Report Number: F15-2024
Report Title: Audited Financial Statements - 2023
Author: Richard Petherick, Manager of Accounting & Deputy Treasurer
Meeting Type: Council Meeting
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Consent Item: No
Final Version: Yes
Reviewed By: Colm Lynn, Director of Finance & Treasurer
Final Review: Senior Management Team

Recommendation:

That the Council of the Township of Woolwich, considering Report F15-2024 respecting Audited Financial Statements - 2023:

1. Approve the Consolidated Financial Statements of The Corporation of the Township of Woolwich for the year ended December 31, 2023, attached as Attachment 1.
2. Direct the Treasurer to publish in a newspaper having general circulation in the municipality, within sixty (60) days, a notice that the Audited Financial Statements, Notes to the Financial Statements and the Auditor's Report and the 2023/2024 tax rate information will be made available at no cost to any taxpayer or resident, upon request.

Background:

The Finance Department is pleased to present for approval the Financial Statements of The Corporation of the Township of Woolwich for the year ended December 31, 2023. These Consolidated Financial Statements reflect the Corporation's overall financial position as at December 31, 2023, and the results of its operations and changes in its financial position for the year then ended.

Comments:

Audited Financial Statements

The Province of Ontario mandates accounting policies for Ontario Municipalities. In addition, the Public Sector Accounting Board (PSAB) is the authoritative source of guidance on accounting policies on any matter in which the Province is silent. Consequently, the Township cannot arbitrarily change or amend its accounting policies in a manner that is inconsistent with the directives of the Province of Ontario or PSAB. These Financial Statements are prepared in accordance with applicable accounting policies.

The Township, not unlike all municipalities in Canada, is required to report on the financial activities of the corporation using the full accrual accounting method. As a result of the changes from PSAB 3150 the "Notes to the Financial Statement" incorporate such items as amortization information, a schedule of activities with regards to the Township's tangible capital assets and a schedule of accumulated surplus.

The External Auditors of the Township of Woolwich are required to report on an annual basis on the Financial Statements of the Township. They are required to report that the Financial Statements have been prepared in accordance with generally accepted accounting principles established by the Public Sector Accounting Board. Financial Statements not prepared in accordance with such principles would require the External Auditors to issue an audit opinion with specific reservations.

The Consolidated Financial Statements are prepared to serve different objectives than the internal financial statements, which accounts for the differences in format and disclosures. The external statements are prepared consistent with the requirements of legislation. For example, they include the activity of local boards (i.e., the BIA's (Business Improvement Area)), the Township's ownership share in Enova Power Corp, as well as non-funded liabilities such as non-vested sick leave and long-term debt as required by PSAB. Conversely, the internal statements are prepared to report on operating performance as compared to the Council-approved budget.

The Audited Financial Statements can be reconciled to the internal reporting of the Township through the year-end surplus (deficit) balances. Staff have attached the reconciliation to this report as Attachment 2.

Interdepartmental Impacts:

None.

Financial Impacts:

Continued budgetary requirements for auditing services.

Community Strategic Plan Impacts:

The Audited Financial Statements provide effective and open leadership by providing an avenue for the Township to be accountable and transparent with regards to the Woolwich's financial wellbeing.

Conclusion:

Staff recommends that council approve the Financial Statements for the year ended December 31, 2023. The Audit Report appended to these statements contains a "clean" audit opinion and will be signed by the Auditor once all outstanding audit requirements are met and Council has given final approval to the statements.

Attachments:

1. 2023 Financial Statements of the Corporation of the Township of Woolwich
2. 2023 Surplus Reconciliation