



Staff Report

Report Title: 2021 Audited Financial Statements

Prepared By: Jodi MacArthur, Treasurer

Department: Treasury

Date: Sep. 7, 2022

Report Number: TR-2022-09-59

File Number:

F10-AUD14

Attachments: 2021 Draft Consolidated Financial Statements, 2021 Auditor's Report

Recommendation:

That the Township of Huron-Kinloss Committee of the Whole hereby receives Report Number TR-2022-09-59 prepared by Jodi MacArthur, Treasurer and approves the 2021 audited financial statements as presented.

Background:

The 2021 consolidated financial statements have been prepared by the Township's auditor Seebach & Company. Once approved, the statements are posted on the Township's website for the public.

The auditors have also provided a report for the Committee that highlights some of the key comparators. They are willing to attend a meeting, if requested to address any concerns or questions of Council. Staff have outlined a summary of the key performance indicators below, to simplify the financial statements and provide an overall snapshot of the Township's financial health.

Discussion:

Indicator 1: Accumulated Surplus (assets less liabilities) Reference – Note 10/Page 4

2017	2018	2019	2020	2021
\$64,374,912	\$67,507,154	\$70,899,775	\$74,107,240	\$77,259,923

Results Achieved:

- Growth from prior year

- \$12.9 million total growth over five year period
- Maintain a positive position

Indicator 2: Debt versus Reserves

Fiscal Year	Debt (note 6/pg 4)	Reserves (sch 1)	Ratio
2017	\$322,693	\$10,676,463	1:33.1
2018	\$318,251	\$9,132,480	1:28.7
2019	\$265,511	\$10,020,775	1:37.7
2020	\$179,424	\$12,061,286	1:67.2
2021	\$157,712	\$14,774,839	1:93.7

Results Achieved:

- Low debt
- Sufficient reserve
- Ratio exceeds recommended minimum of 1:1

Indicator 3: Tangible Capital Assets and Amortization

Fiscal Year	TCA (pg 4/pg 19)	Amortization (pg 6)	Capital Budget
2017	\$55,526,815	\$2,261,266	\$3.38 million
2018	\$59,127,001	\$2,327,857	\$3.85 million
2019	\$62,155,533	\$2,441,002	\$5.84 million
2020	\$64,261,505	\$2,666,762	\$5.58 million
2021	\$64,837,903	\$2,803,224	\$5.83 million

Results Achieved:

- Significant net book value indicates majority of assets are not nearing end of useful life
- Increase in tangible capital assets (TCAs) demonstrates investment in infrastructure

- Investment in TCAs through capital budget is not less than amortization

Financial Impacts:

The audited financial statements and the resulting analysis demonstrate fiscal accountability to both the Province and the public and confirm that the Township remains in a strong financial position.

Strategic Alignment / Link:

The information provided in this report is consistent with and in keeping with the municipality's Vision & Mission.

We are a prosperous community that continues to grow in a sustainable manner by investing in infrastructure; and

We are an accessible community that offers opportunities for everyone by being open and transparent.

Respectfully Submitted By:

Jodi MacArthur, Treasurer

Approved By:

Mary Rose Walden, Chief Administrative Officer