



# Township of Scugog Staff Report

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**Report Number:** FIN-2024-026

**Prepared by:** Laura E. Barta, CPA, CMA, Director of Finance/Treasurer

**Department:** Finance

**Report To:** Council

**Date:** June 24, 2024

**Reference:** Strategic Direction 2: Sustainability: Improve sustainability through financial management, innovative funding and efficient and effective delivery of services

SD2 Objective 1: Formalize long-term financial planning to enhance informed decision making

**Report Title:** **2023 Draft Consolidated Financial Statements**

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## Recommendations:

1. **THAT** Report FIN-2024-026, 2023 Draft Consolidated Financial Statements, be received; and
  2. **THAT** the 2023 Draft Consolidated Financial Statements be approved.
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## 1. Background:

As per the Municipal Act. S294.1 “A municipality shall, for each fiscal year prepare annual financial statements for the municipality in accordance with generally accepted accounting principles for local governments as recommended, from time to time, by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.”

Also, per section 296 “A municipality shall appoint an auditor licensed under the Public Accounting Act, 2004 who is responsible for,

- a) Annually auditing the accounts and transactions of the municipality and its local boards and expressing an opinion on the financial statements of these bodies based on the audit; and
- b) Performing duties required by the municipality or local board.”

The Township appointed BDO as the auditors for the municipality for 2023.

## **2. Discussion:**

Management is responsible for the preparation and fair presentation of the accompanying financial statements. Management is also responsible for the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The auditors are responsible to express an opinion on the consolidated financial statements based on their audit. BDO attended the Township office at the end of October to complete their audit planning work and conducted the final audit in late April. All documentation not obtained during the onsite review was uploaded electronically to the BDO secure portal for review by the auditors. Regular communication via e-mail, telephone and video conference were conducted to complete the audit and financial statements for 2023.

The financial statements are consolidated statements that include the Township of Scugog financials, the Trust Funds, the Scugog Memorial Public Library, the Scugog Memorial Public Library Trust Funds and the Port Perry Central District Business Improvement Area Board.

The draft financial statements will be presented by our Auditors at this meeting and are attached to this report. The statements present fairly in all material respects, the financial position of the Township however due to a difference of opinion on the cost estimates used in determining the value of the Asset Retirement Obligation, the audit opinion may not be unqualified.

## **3. Financial Implications:**

Audit costs related to the 2023 Draft Financial Statements are budgeted for in the Finance Operating Budget.

#### **4. Communication Considerations:**

A copy of the Township's 2023 Consolidate Financial Statements will be posted on the Township's website and available upon request at the front counter of the Municipal Office for review once finalized copies are received from the Auditors.

#### **5. Conclusion:**

It is the recommendation of staff that Council approve the 2023 Draft Consolidated Financial Statements.

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Respectfully Submitted by:

Laura E. Barta, CPA, CMA  
Director of Finance/Treasurer

Reviewed By:

Ken Nix  
Chief Administrative Officer

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#### **Attachments:**

Attachment 1: 2023 Draft Consolidate Financial Statements

**Report Approval Details**

Document Title:	2023 Draft Consolidated Financial Statements - FIN-2024-026.docx
Attachments:	- Attachment 1 -2023 Draft Consolidated Financial Statements.pdf
Final Approval Date:	Jun 21, 2024

This report and all of its attachments were approved and signed as outlined below:



Kenneth Nix