



## Staff Report

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**Report To:** Dan Best, Chief Administrative Officer  
**From:** **Sandy Becker, General Manager of Financial Services**  
**Date:** May 16 2022  
**Report:** FIN11-2022  
**Subject:** 2021 Audited Financial Statements

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### **Recommendations:**

**That** South Huron Council receives the report from S. Becker, General Manager of Financial Services/Treasurer re: 2021 Audited Financial Statements;

**And that** South Huron Council adopts the Audited Financial Statements as presented by Paul Seebach, Seebach & Company.

### **Purpose:**

To provide Council with 2021 Audited Financial Statements.

### **Background and Analysis:**

The audited financial statements are provided pursuant to section 294.1 of the *Municipal Act* which states that a municipality shall, for each fiscal year, prepare annual financial statements in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

Section 295 contains requirements for municipalities to publish the financial statements in a newspaper in the municipality or to advertise the availability of the financial statements within 60 days of receiving the audited financial statements of the previous fiscal year. The audited statements will be posted on our municipal website and an ad was placed in the newspaper

indicating that the financial statements are available on the website or from the municipal office.

If a request is made for a copy of the audited financial statements, one will be provided at no cost to the taxpayer or resident.

Seebach & Company were appointed as external auditors for South Huron and have now completed the 2021 annual audit.

Paul Seebach, Partner, Seebach & Company will be in attendance to present the 2021 Audited Financial Statements.

Attached to this report are the audited statements for;

- Municipality of South Huron
- Exeter Business Improvement Area (BIA)
- Kirkton-Woodham Swimming Pool
- Kirkton-Woodham Community Centre

#### Municipality of South Huron

The COVID-19 pandemic continued to impact the financial transactions and operations throughout 2021. As a team, staff remained focused on keeping our financial footing throughout the pandemic by implementing several control measures. As a result, several operating expense lines were under budget corporate wide, such as training and conferences, repairs and maintenance, supplies and utilities. The COVID 19 funding received was utilized to offset costs directly related to personal protective equipment, hosting vaccination clinics, technology requirements for remote connectivity, and offset lost revenues. The pandemic also had an impact on the completion of several capital projects which were deferred to 2022. As a result revenues collected through the tax levy and grants are reflected in cash balance, reserves and deferred revenues and will remain there until projects are complete.

Overall, the municipality's tax supported budgets realized a favourable year end operating variance of \$716,786. The general operating surplus of \$561,603 was transferred to the working fund reserve, and the winter control surplus of \$155,183 was transferred to the winter control stabilization reserve. Capital surpluses realized due to favourable tenders were transferred to the respective capital replacement reserves.

#### Exeter Business Improvement Area (BIA)

The Exeter Business Improvement Area's financial transactions are part of the overall audit. The revenue and expenses are consolidated with the

municipal financial. The audited financial statement attached to this report has been provided and reviewed by the BIA Treasurer.

#### Kirkton-Woodham Swimming Pool

The Kirkton-Woodham Swimming Pool is joint between the Municipality of South Huron and the Township of Perth South, with each municipality having a 50% interest. The audited financial attached to this report has been provided to the Township of Perth South.

#### Kirkton-Woodham Community Centre Board

The Kirkton-Woodham Community Centre Board is joint between the Municipality of South Huron and the Township of Perth South, with each municipality having a 50% interest. The audited financial statement attached to this report has been provided to the Township of Perth South.

### **Operational Considerations:**

No alternatives are presented.

### **Financial Impact:**

There are no financial implications for the Corporation resulting from the proposed recommendation.

### **Communications:**

Public Notice of meeting to adopt the 2021 Audited statements was placed in the Exeter Lakeshore Times Advocate May 11, 2022 publication and on our website under public notices.

### **Legal Impact:**

There are no legal implications for the Corporation resulting from the proposed recommendation.

### **Staffing Impact:**

There are no staffing implications for the Corporation resulting from the proposed recommendation.

### **Policies/Legislation:**

Municipal Act, 2001, Part VII, Section 294-296  
Reserves and Reserve Funds Policy & Procedure

**Consultation:**

Dan Best, Chief Administrative Officer

**Related Documents:**

Municipality of South Huron – 2021 Audited Financial Statements

Exeter Business Improvement Area – 2021 Audited Financial Statements

Kirkton-Woodham Swimming Pool – 2021 Audited Financial Statements

Kirkton-Woodham Community Centre Board – 2021 Audited Financial Statements

Respectfully submitted,

**Sandy Becker, General Manager of Financial Services**