



## **REPORT**

**REPORT TO:** Mayor Bonnette and Members of Committee

**REPORT FROM:** Dana Stanescu, Accounting Supervisor

**DATE:** July 06, 2020

**REPORT NO.:** CORPSERV-2020-2020

**RE:** 2019 Annual Financial Statements, Management Discussion and Analysis and Financial Information Return

### **RECOMMENDATION:**

THAT Report CORPSERV-2020-2020 dated July 06, 2020 regarding the 2019 Financial Statements, Management Discussion and Analysis, and Financial Information Return be received;

AND FURTHER THAT the 2019 audited draft Financial Statements, and Financial Information Return be approved as presented and forwarded to Council for approval;

AND FURTHER THAT the 2019 Management Discussion and Analysis be received as information;

AND FURTHER THAT the 2019 audit findings report be received as information and forwarded to Council for information.

### **BACKGROUND:**

This report is presented in order to provide General Committee with an overview of the 2019 Financial Statements, and Financial Information Return (FIR). The Financial Statements have been prepared by staff in accordance with Canadian Public Sector Accounting Standards for local governments as recommended and established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. These statements have been audited by the Town's external auditors KPMG, LLP, who have provided an audit findings report.

Approval is requested from Committee for the audited draft 2019 Financial Statements and FIR. As in other years, it will be presented to Council following the General Committee Meeting.

In addition, a Management Discussion and Analysis is also included to provide the Committee with a narrative to accompany the draft financial statements.

#### **COMMENTS:**

The attached financial statements (Appendix A) are presented in draft format and will be finalized pending Council approval on July 06, 2020. The statements consist of:

- Consolidated draft Financial Statements of the Town including the Halton Hills Public Library, the Acton Business Improvement Area, the Georgetown Central Business Improvement Area and Investment in Halton Hills Community Energy Corp. (HHCEC)
- Draft Trust Fund Statements administered by the Town
- Financial Information Return (FIR)

The Municipal Act, 2001, S.O.2001, c25 as amended, specifically states that each municipality will annually report on its financial affairs, accounts and transactions. This information is collated and filed through the Financial Information Return (FIR). The over-arching purpose of the FIR is to gather specified information on the finances of municipalities across Ontario, which is then stored on the Ministry of Municipal Affairs and Housing server. The data is publicly available on the Ministry's website. It is used by the Ministries for policy development, evaluation and monitoring. Other users include the Local Planning Appeal Tribunal, municipalities, municipal associations, Statistics Canada, other provinces, the investment and banking communities, debenture holders, the academic community, consultants and others interested in the municipal sector.

The Management Discussion and Analysis (MD&A) (Appendix B) is a narrative prepared by the Treasurer and staff to supplement the 2019 financial results. An MD&A is an audited document which is intended to supply the reader of the financial statements with a balanced commentary of the Town's financial performance, systems, controls, legal compliance, financial position and financial condition. It also highlights forward-looking information and any future impact on the Town.

The audit findings report (Appendix C) is presented to Committee following the completion of the Town's audit each year. It outlines the audit risks associated with any findings that might have arisen throughout the course of the audit. It also provides an overview of KPMG's approach to audit quality and risk management alongside information on any upcoming regulatory developments pertaining to the Town.

**RELATIONSHIP TO STRATEGIC PLAN:**

This report supports Council's strategic priorities through:

Effective, efficient and economical delivery of the Town's existing services.

**FINANCIAL IMPACT:**

There is no financial impact directly associated with this report.

**CONSULTATION:**

Corporate Services staff was consulted throughout the preparation of the 2019 Financial Statements.

**PUBLIC ENGAGEMENT:**

There is no public engagement associated with this report.

**SUSTAINABILITY IMPLICATIONS:**

The Sustainability Implications of the recommendations of this report were reviewed against the requirements of the Town's Sustainability Implications Worksheet. The Worksheet is completed for substantial non-administrative reports, major projects, studies, policies and initiatives that are relevant to advancing the Town's economic, cultural, environmental and social wellbeing, and quality of life. Since this report is none of the latter, the Sustainability Implications section is not applicable.

**COMMUNICATIONS:**

Notification to residents is made via the Council agenda and the Town's website. Once approved by Council, the Financial Statements, FIR and MD&A will be incorporated into the Town's Annual Financial Report. This report will be posted on the Town's website, and residents can also contact the Service Halton Hills counter to request a printed copy.

**CONCLUSION:**

Once the draft statements have been approved by Council, the annual financial report will be published, which will include the Town's consolidated financial statements, separate financial statements for the Halton Hills Public Library, the Acton Business Improvement Area, the Georgetown Central Business Improvement Area and the Halton Hills Community Energy Corporation (HHCEC).

Reviewed and Approved by,

A handwritten signature in black ink, appearing to read "M. J. Leighton".

Moya Jane Leighton, Town Treasurer and Director of Accounting

A handwritten signature in black ink, appearing to read "C. Mills".

Chris Mills, Commissioner of Corporate Services

A handwritten signature in black ink, appearing to read "C. Mills".

Chris Mills, Acting Chief Administrative Officer