

Meeting Date: April 22, 2025
Department: Financial Services
Report No.: FIN-2025-07
Submitted by: William Dakin, Director of Finance & IT/Treasurer
Lindsay Laskey, Manager of Accounting/Deputy Treasurer
Approved by: Rob Browning, Chief Administrative Officer

SUBJECT: Approval of 2023 Updated Draft Audited Financial Statements

RECOMMENDATION: THAT: Council receive Report FIN-2025-07 “Approval of 2023 Updated Draft Audited Financial Statements” for information, and further;

THAT: the December 31, 2023 Draft Audited Financial Statements for the Municipality of Strathroy-Caradoc be approved.

BACKGROUND:

The Municipality’s 2023 Draft Audited Financial Statements were previously approved by Council on December 2, 2024 (FIN-2024-37).

Public Sector Accounting Standards requires the operations of The Lake Huron Primary Water Supply System, The Strathroy-Caradoc BIA, Tri-Township Arena, and Caradoc Housing Corporation be consolidated into the Municipality’s financial statements. The Municipality’s annual financial statements cannot be finalized until the audited financial statements of each consolidated entity have been finalized.

The Caradoc Housing Corporation was required to update their 2023 Draft Audited Financial Statements before they could be finalized by BDO Canada LLP. The construction of Caradoc Place created the need for the Caradoc Housing Corporation to file additional applications, self-assessments and amended Public Service Body (PSB) HST rebates with Canada Revenue Agency. As a result of the amended PSB HST rebates, the amounts originally presented in the Caradoc Housing Corporation’s 2023 Draft Audited Financial Statements have been updated to reflect a decrease in Accounts Receivable and corresponding increase in Capital Work in Progress of \$183,853. This amount represents the non-rebateable portion of HST that has been added to the

construction cost of Caradoc Place (Capital Work in Progress). The Caradoc Housing Board has recently approved their 2023 Updated Draft Audited Financial Statements, which reflect this change.

Upon consolidation, the 2023 Updated Draft Audited Financial Statements of the Municipality include the \$183,853 decrease in Accounts Receivable and corresponding increase in Capital Work in Progress, to reflect the change from Caradoc Housing Corporation.

COMMENTS:

The Director of Finance & IT will be present to answer questions on the change reflected in the 2023 Updated Draft Audited Financial Statements for the Municipality.

CONSULTATION:

Finance Department Staff

FINANCIAL IMPLICATIONS:

Audited Financial Statements are a legislative requirement for municipalities in the province.

STRATEGIC PLAN ALIGNMENT:

This matter is in accord with the following strategic priorities:

Local Infrastructure and Capital Investment: Households and businesses in Strathroy-Caradoc will be supported by reliable, financially responsible, and well-maintained infrastructure networks.

Managing the Challenges of Growth for the Municipal Organization: Strathroy-Caradoc will be an inclusive community where growth is managed to accommodate a range of needs and optimize municipal resources.

ATTACHMENTS:

- FSD.01 27032025 - DRAFT 8 - MOSC FS - DEC 31, 2023