

Audit Committee Report

DATE: Monday, October 2, 2023

WARD: 1

TITLE: THE BOARD OF MANAGEMENT FOR THE KLEINBURG BUSINESS
IMPROVEMENT AREA 2022 DRAFT FINANCIAL STATEMENTS

FROM:

Michael Coroneos, Deputy City Manager, Corporate Services, City Treasurer and Chief Financial Officer

ACTION: DECISION

Purpose

To obtain Council approval on the Board of Management for the Kleinburg Business Improvement Area 2022 Draft Financial Statements.

Report Highlights

- On the May 29th, 2023 Audit Committee meeting, it was recommended the Board of Management for the Kleinburg Business Improvement Area 2022 Draft Financial Statements to be presented at the Oct 2nd Audit Committee meeting.
- KPMG has identified a \$5k grant receipt recognized in 2022 was related to the 2021 year. This requires a restatement to the 2021 Board of Management for the Kleinburg Business Improvement Area Financial Statements.
- A comparative restatement is presented in the financial statements (Attachment 1- The Board of Management for the Kleinburg Business Improvement Area 2022 Draft Financial Statements note 5).

Recommendation

1. That the Board of Management for the Kleinburg Business Improvement Area 2022 Draft Financial Statements be approved. (Attachment 1)

Background

In the 2022 financial year end audit, KPMG identified the Board of Management for the Kleinburg Business Improvement Area received and recorded a \$5k grant in March 2022, but the related expenses were incurred in 2021. The grant revenue should have been recognized in the 2021 year.

KPMG requires a restatement of the 2021 Board of Management for the Kleinburg Business Improvement Area Financial Statements to adjust grant revenue reported in 2022.

At the May 29th, 2023 Audit Committee meeting, it was recommended the Board of Management for the Kleinburg Business Improvement Area 2022 Draft Financial Statements to be presented at the Oct 2nd Audit Committee meeting.

To restate the 2021 financial statements, the \$5k grant revenue has been adjusted from 2022 and recognized as an accrued revenue in the 2021 Statement of Financial Position.

The adjustment reflects an increase of \$5k in accrued revenue and grant revenue as at December 31, 2021. The accumulated surplus as at December 31, 2021 has been restated from \$42,314 to \$47,458.

A comparative restatement is presented in the financial statements (Attachment 1- The Board of Management for the Kleinburg Business Improvement Area 2022 Draft Financial Statements note 5).

Previous Reports/Authority

May 29th, 2023 Audit Committee Meeting- 2022 Draft Consolidated Financial Statements:

<https://pub-vaughan.escibemeetings.com/filestream.ashx?DocumentId=141475>

[Attachment 1](#) - 2022 Financial Statements Highlights

Analysis and Options

N/A

Financial Impact

N/A

Broader Regional Impacts/Considerations

N/A

Conclusion

The Board of Management for the Kleinburg Business Improvement Area 2022 Draft Financial Statements present fairly, in all material respects, the financial position of each entity as at December 31, 2022 and the results of operations and accumulated surplus, the change in net financial assets and the cash flows for the year ended December 31, 2022 is in accordance with public sector accounting standards.

For more information, please contact:

Nancy Yates, Director of Financial Services/Deputy City Treasurer Ext. 8984

Attachment

1. The Board of Management for the Kleinburg Business Improvement Area 2022 Draft Financial Statements.

Prepared by

Marie Chan, Controller, Ext. 8313

Approved by



Michael Coroneos
Deputy City Manager
Corporate Services, City Treasurer and
Chief Financial Officer