

# Staff Report



Financial Services Department

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**REPORT TO:** Audit Committee

**DATE OF MEETING:** June 24, 2024

**SUBMITTED BY:** Katie Fischer, Director, Financial Reporting and ERP Solutions, 519-741-2200 ext. 4630

**PREPARED BY:** Greg Demacio, Manager, Financial Reporting and Analysis, 519-741-2200 ext. 7895

**WARD(S) INVOLVED:** All

**DATE OF REPORT:** June 18, 2024

**REPORT NO.:** [Report Number]

**SUBJECT:** 2023 Audited Consolidated Financial Statements

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## RECOMMENDATION:

That the 2023 Audited Consolidated Financial Statements of the Corporation of the City of Kitchener be approved.

## REPORT HIGHLIGHTS:

- The purpose of this report is to present the Corporation of the City of Kitchener's consolidated financial statements for the year ended December 31, 2023.
- The key finding of this report is that the independent auditors have completed the audit of the consolidated financial statements, with the exception of certain remaining outstanding procedures as noted in the Audit Findings Report. The auditors have provided a draft Independent Auditor's Report expressing an unqualified audit opinion based on their completed procedures to date.
- There are no financial implications associated with this report.
- Community engagement included having this report posted to the City's website with the agenda in advance of the committee meeting.
- This report supports the delivery of core services.

## BACKGROUND:

Staff is pleased to submit the 2023 Audited Consolidated Financial Statements of the Corporation of the City of Kitchener. A presentation of financial highlights for the year will be given at the Audit Committee meeting on June 24, 2024. Representatives of the City's external auditors will also be in attendance to discuss the Audit Findings Report.

## REPORT:

The consolidated financial statements are prepared in accordance with Canadian generally accepted accounting principles for local governments as established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. These financial statements are prepared on a full accrual basis and combine the results of the tax-based operations, enterprises, local boards, capital activity, and reserve fund activities. Local boards

\*\*\* This information is available in accessible formats upon request. \*\*\*  
Please call 519-741-2345 or TTY 1-866-969-9994 for assistance.

include The Centre in the Square Inc., Kitchener Public Library, Belmont Improvement Area, and Kitchener Downtown Improvement Area. The 2023 year-end results for the tax-based operations and the enterprises were provided to Council in April. Please see Attachment A to this report for a reconciliation between the non-consolidated figures provided in April and the Audited Consolidated Financial Statements.

**STRATEGIC PLAN ALIGNMENT:**

This report supports the delivery of core services.

**FINANCIAL IMPLICATIONS:**

Capital Budget – The recommendation has no impact on the Capital Budget.

Operating Budget – The recommendation has no impact on the Operating Budget.

**COMMUNITY ENGAGEMENT:**

INFORM – This report has been posted to the City’s website with the agenda in advance of the council / committee meeting.

**PREVIOUS REPORTS/AUTHORITIES:**

- [FIN-2023-413](#) External Audit Planning Report for Fiscal Year 2023

**APPROVED BY:** Jonathan Lautenbach, Chief Financial Officer, Financial Services

**ATTACHMENTS:**

- Attachment A – Annual Surplus Reconciliation
- Attachment B – City of Kitchener Financial Report Excerpts (including the Audited Consolidated Financial Statements) for the year ended December 31, 2023
- Attachment C – Audit Committee Presentation
- Attachment D – Audit Findings Report for the year ended December 31, 2023 (KPMG)