



# **Town of Aurora Audit Committee Meeting Agenda**

**Date:** Tuesday, June 28, 2022  
**Time:** 6:15 p.m.  
**Location:** Council Chambers, Aurora Town Hall

Meetings are available to the public in person and via live stream on the [Town's YouTube channel](#). To participate, please visit [aurora.ca/participation](https://www.aurora.ca/participation).

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	<b>Pages</b>
<b>1. Call to Order</b>	
<b>2. Land Acknowledgement</b>	
<b>3. Approval of the Agenda</b>	
<b>4. Declarations of Pecuniary Interest and General Nature Thereof</b>	
<b>5. Delegations</b>	
<b>6. Consideration of Items Requiring Discussion</b>	
<b>6.1. FIN22-024 - 2021 Audited Financial Statements and Audit Report</b>	<b>1</b>
(Presentation to be provided by Giselle Bodkin, Partner, and Andrea Nauss, Manager, Assurance and Accounting, BDO Canada LLP)	
1. That Report No. FIN22-024 be received; and	
2. That the 2021 Audit Reports and Financial Statements for the year ended December 31, 2021, be approved and published on the Town's website.	
<b>6.2. FIN22-022 - 2021 Year-end Operating and Capital Results – As of Dec. 31, 2021</b>	<b>66</b>
1. That Report No. FIN22-022 be received for information.	
<b>7. Adjournment</b>	



100 John West Way  
Aurora, Ontario  
L4G 6J1  
(905) 727-3123  
aurora.ca

Town of Aurora

## Audit Committee Report

No. FIN22-024

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**Subject:** 2021 Audited Financial Statements and Audit Report

**Prepared by:** Elizabeth Adams-Quattrociocchi, CPA, CGA, Manager of Financial Reporting & Revenue / Deputy Treasurer

**Department:** Finance

**Date:** June 28, 2022

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### Recommendation

1. That Report No. FIN22-024 be received; and
2. That the 2021 Audit Reports and Financial Statements for the year ended December 31, 2021 be approved and published on the Town's website.

### Executive Summary

The Town of Aurora's audited financial statements and auditor's report for the year ended December 31, 2021 are presented for approval.

- The audited statements combine all of the town's financial results into one set of statements
- The full accrual version of the financial statement presents a much larger surplus than budget variance reporting
- The summary of unadjusted misstatements is below the materiality threshold
- Procurement for external audit services for 2022, 2023 and 2024 is in progress

### Background

The entire audit package as presented by our auditors BDO Canada LLP is attached, this package includes the 2021 Yearend Audit Report, Letter to the Audit Committee and the audited financial statements which can all be found under Attachment 1. The financial statements were prepared by staff and audited by BDO Canada LLP. These statements

have been marked DRAFT by the auditors as the audit cannot technically be completed until after the approval of the statements by Council. Council is required to approve these statements as part of the finalization of the audit. After the approval the auditors will sign their final report in the coming days. Then financial statements will be made publicly available by being placed on the Town website, a requirement under Section 295 of the Municipal Act, 2001, S.O. 2001, c. 25 as amended (the Act).

## **Analysis**

### **The audited statements combine all of the town's financial results into one set of statements**

The audited financial statements present a consolidation of the Aurora's finances including the combined results of tax and rate funded operating and capital activities and financial results for the Aurora Public Library. The results shown in these consolidated statements differ from the yearend financial performance report to budget because of the inclusion of tangible capital assets and other Public Sector Accounting Standards (PSAS) reporting differences.

As part of the annual audit, BDO performed a review of all Council minutes, including closed session minutes, prior year's internal control letters and consider any concerns raised therein during their current audit. Their audit looks for continuing circumstances, weaknesses or concerns as raised in the prior year and how they may affect the outcome of their current audit.

### **The full accrual version of the financial statement presents a much larger surplus than budget variance reporting**

The audited Public Sector Accounting Board (PSAB) basis financial statements for 2021, as currently drafted, reflect an operating surplus of \$46,247,000. This amount reconciles to the internal report combined tax and user rate funded operating budget surplus of \$3,296,600 as shown in Table 1.

**Table 1**  
**Public Sector Accounting Board 2020 Surplus Reconciliation**

<b>Description</b>	<b>Amount</b>
Tax levy supported budget surplus	2,962,200
User rate supported budget surplus	334,400
<b>Traditional Balanced Consolidated Budget Surplus</b>	<b>3,296,600</b>
Add Back: Debt principal repaid included	1,105,139
Add: Transfers to/from reserves	10,080,000
Add: Capital assets assumed through development	17,590,930
Add: Net deferred revenue adjustment – DC, CIL, FGT	27,378,000
Add: Investment income allocated directly to reserves	2,457,700
Add: Net capitalization of assets adjustment	2,159,700
Deduct: Amortization of capital assets	(17,323,000)
Deduct: Loss on disposal of capital assets	(498,000)
<b>PSAB 2021 “Annual Surplus”: Audited (Draft)</b>	<b>\$46,247,000</b>

Of note, the operating budgeted transfers to/from reserves amount of \$10,080,000 represent budgeted contributions that are considered expenses or revenues under the town’s traditional balanced budget. However, under the Public Sector Accounting Standards (PSAS) in consideration that these transfers simply represent the movement of town surpluses, they are not considered to be true expenses or revenues and therefore any net contributions to reserves should be removed as expenses from the calculated operating surplus resulting in a larger surplus.

In addition, in some instances PSAB requires that the town recognize expenses and revenues that do not result in a cash inflow or outflow such as in the cases of the town’s assumption of assets from developers and the annual amortization of its assets. In these instances, the PSAS require that the Town record a revenue equivalent to the value of the assets that it has assumed from a developer and an expense equivalent to how much value of its existing asset book value that is estimated to have been consumed for the year. Because these two items do not result in a cash impact to the Town, they are not included under the traditional balanced budget surplus calculation and therefore the surplus needs to be increased or decreased by any PSAS generated revenues or expenses, respectively to arrive at the Town’s PSAB 2021 annual surplus.



**The summary of unadjusted misstatements is below the materiality threshold**

During the annual audit, the auditor generates a list of misstatements for which the presented financial statements have not been adjusted for. They are considered to be material if individually, or in aggregate, could reasonably be expected to influence the economic decisions of financial statement users. For 2021, the auditor has defined the Aurora's materiality thresholds as \$10,685,000 for areas surrounding tangible capital assets and \$3,000,000 for all other financial statement areas.

There were no misstatements identified in 2021.

**Procurement for external audit services for 2022, 2023 and 2024 is in progress**

The 2022 yearend audit plan is outside of the current contract with BDO. The procurement for upcoming audit services for 2022, 2023 and 2024 is currently underway and is expected to be completed in the beginning of quarter three of 2022. The requirement of the RFP is an audit plan that includes the scope and approach to the planned audit. Staff are not in a position to comment or challenge the approach that the auditors develop in order to fulfil their professional obligations required when rendering an audit opinion report. From the perspective of the Finance, we continue to be committed to provide the auditors with the documentation requested in an effort to facilitate the audit in a timely manner.

Audit fees are always quoted on the presumption that staff will have completed all requested schedules and support materials in advance of the audit, and that the financial statements and associated notes have been properly and fully prepared by staff. The fee also anticipates not finding any item of substance requiring extensive additional audit effort to resolve or report.

**Advisory Committee Review**

Not applicable

**Legal Considerations**

The annual audit of the Aurora's financial statements fulfils the statutory requirements set out in Section 296 of the Municipal Act.

## **Financial Implications**

There are no financial implications relating to the 2021 yearend audit report. The statements included are presented for receipt by the Audit Committee, as well as to obtain approval of the Consolidated 2021 Financial Statements so that the statements may be published as required by legislation.

The cost for the 2022 audit has been provided for within the 2022 budget. An amount of \$40,900 has been budgeted for the 2022 audit with anticipated fees of \$31,500 for the audit of the consolidated financial statements, excluding administration charges and taxes. Additional audit expenses from this budget include independent actuarial valuations separately commissioned by staff.

## **Communications Considerations**

In accordance with the Municipal Act, 2001, S.O.2001, c25, Section 295, the 2021 audited financial statements will be published on the Town's website. The Town of Aurora will use 'Inform' as the level of engagement for the Town's 2021 audited financial statements. There are five different levels of community engagement to consider, with each level providing the community more involvement in the decision making process. These levels are: Inform, Consult, Involve, Collaborate and Empower. Examples of each can be found in the Community Engagement Policy. These options are based on the International Association of Public Participation (IAP2) Spectrum and assist in establishing guidelines for clearly communicating with our public and managing community engagement. In order to inform the public, this report will be posted to the Town's website.

## **Climate Change Considerations**

The information contained within this report does not impact greenhouse gas emissions or impact climate change adaption.

## **Link to Strategic Plan**

The annual audit is a statutory requirement that is guided by professional standards applicable to all Canadian licensed audit practitioners. Preparation and publication of the annual audited financial statements support the Strategic Plan principles of integrity, progressive corporate excellence and continuous improvement.

## **Alternative(s) to the Recommendation**

Not applicable

## **Conclusions**

The auditors are ready to issue an unqualified opinion on the fairness and completeness of the corporation's financial statements for the year ended December 31, 2021. Staff recommend the approval of the statements. Once approved and final versions are prepared, the Mayor and CAO will sign the statements.

## **Attachments**

Attachment #1 – 2021 Year-End Auditor's reporting package

Attachment #2 – 2021 Draft Financial Statements

## **Previous Reports**

FIN21-032 – 2012 Audited Financial Statements with Audit Report, June 22, 2021

## **Pre-submission Review**

Agenda Management Team review on June 16, 2022

## **Approvals**

Approved by Rachel Wainwright-van Kessel, CPA, CMA, Director, Finance

Approved by Doug Nadorozny, Chief Administrative Officer

# The Corporation of the Town of Aurora

Audit final report to the Audit  
Committee for the year ended December  
31, 2021

START

**BDO**

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# To the Audit Committee of The Corporation of the Town of Aurora

For the year ended December 31, 2021

We are pleased to provide you with the results of our audit of The Corporation of the Town of Aurora (the "Town") consolidated financial statements for the year ended December 31, 2021.

The enclosed final report includes our approach to your audit, including: significant risks identified and the nature, extent, and results of our audit work. We will also report any significant internal control deficiencies identified during our audit and reconfirm our independence.

During the course of our audit, management made certain representations to us—in discussions and in writing. We documented these representations in the audit working papers.

The business environment has changed for us all during the time of COVID-19. Cash flow, strategy, operations: each has received a rethink. As your auditors, we have relied on our digital audit suite to stay connected—among ourselves, with management, and with you.

We look forward to discussing our audit conclusions with you. In the meantime, please feel free to contact us if you have any questions or concerns.

Yours truly,

*BDO Canada LLP*

BDO Canada LLP

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For the year ended December 31, 2021



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## Audit at a glance

As communicated to you in our Planning Report to the Audit Committee, preliminary materiality was assessed as:

\$9,866,000 for financial statement areas surrounding tangible capital assets based on 2% of tangible capital assets

\$2,222,000 for remaining financial statement areas based on 2% of revenues.

Final materiality was assessed as:

\$10,685,000 for financial statement areas surrounding tangible capital assets based on 2% of tangible capital assets

\$3,000,000 for remaining financial statement areas based on 2% of revenues.

We are not aware of any fraud affecting the Town. If you have become aware of changes to processes or are aware of any instances of actual, suspected, or alleged fraud since our discussions held at planning, please let us know.

We have complied with relevant ethical requirements and are not aware of any relationships between the Town and our Firm that may reasonably be thought to bear on our independence.

For the year ended December 31, 2021

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## Status of the audit

We have substantially completed our audit of the year ended December 31, 2021, consolidated financial statements, pending completion of the following items:

- Receipt of signed management representation letter
- Subsequent events review through to the consolidated financial statements approval date
- Approval of consolidated financial statements by the Audit Committee.

We conducted our audit in accordance with Canadian generally accepted auditing standards.

The objective of our audit was to obtain reasonable, not absolute, assurance about whether the consolidated financial statements are free from material misstatement. See [Appendix A](#) for our final independent auditor's report.

The scope of the work performed was substantially the same as that described in our Planning Report to the Audit Committee dated June 22, 2021.

For the year ended December 31, 2021





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## Audit findings

As part of our ongoing communications with you, we are required to have a discussion on our views about significant qualitative aspects of the Town's accounting practices, including accounting policies, accounting estimates and consolidated financial statements disclosures. We look forward to exploring these topics in depth and answering your questions. A summary of the key discussion points are below:

Financial statement areas	Risks noted	Audit findings
Management override of internal controls	A common significant risk in all audit engagements is the risk of management override of controls. Management is in a unique position to perpetrate fraud because of management's ability to directly or indirectly manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively.	In accordance with auditing standards, BDO has performed specific procedures that include testing journal entries, reviewing accounting estimates for biases and obtaining and evaluating the business rationale for transactions that are outside the normal course of operations for the Town, if any. No issues were noted in the performance of these procedures.
Revenue recognition - assumed lands, developer charges and gas tax revenues	<p>There is a significant risk regarding the fair value estimates of the land assumed by the town as the transactions are not officially made at arm's length on the open market.</p> <p>There is a significant risk related to revenue recognized with respect to development charges and gas tax revenue as judgement is required in determining the timing of revenue recognition.</p>	<p>In accordance with auditing standards, BDO has performed specific procedures that include reviewing fair value estimates for bias and obtaining and evaluating the business rationale of transactions that are outside the normal course of operations for the Town, if any. No issues were noted in the performance of these procedures.</p> <p>BDO also reviewed deferred revenue recognition policies for the Town and noted that their treatment is consistent with Public Service Accounting Standards.</p>

For the year ended December 31, 2021



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For the year ended December 31, 2021



## Internal control matters

- ▶ During the audit, we performed the following procedures regarding the Town's internal control environment:
- ▶ Documented operating systems to assess the design and implementation of control activities that were relevant to the audit.
- ▶ Discussed and considered potential audit risks with management.
- ▶ We considered the results of these procedures in determining the extent and nature of audit testing required.



We are required to report to you in writing about any significant deficiencies in internal control that we have identified during the audit.

A significant deficiency is defined as a deficiency or combination of deficiencies in internal control that merits the attention of those charged with governance.

The audit expresses an opinion on the Town's consolidated financial statements. As a result, it does not cover every aspect of internal controls—only those relevant to preparing the consolidated financial statements and designing appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

No control deficiencies were noted that, in our opinion, are of significant importance to discuss.

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## Unadjusted differences

### Summary of unadjusted differences

There were no unadjusted differences noted during the course of our audit engagement.

For the year ended December 31, 2021

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For the year ended December 31, 2021



## Other required communications

Professional standards require independent auditors to communicate with those charged with governance certain matters in relation to an audit. In addition to the points communicated within this letter, the attached table summarizes these additional required communications.

Issue	BDO response
Potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the consolidated financial statements.	No items in this area to note during the audit.
Matters involving non-compliance with laws and regulations.	No items in this area to note during the audit.
Subsequent events that have caused changes to the audit report.	No subsequent events to note.
Emphasis of matters paragraph or other matters paragraphs.	No such paragraphs
Significant matters arising from the audit that were discussed or subject to correspondence with management.	No items to note.

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## How we audit financial statements: Our six-step audit process

### IDENTIFY AND ASSESS RISK

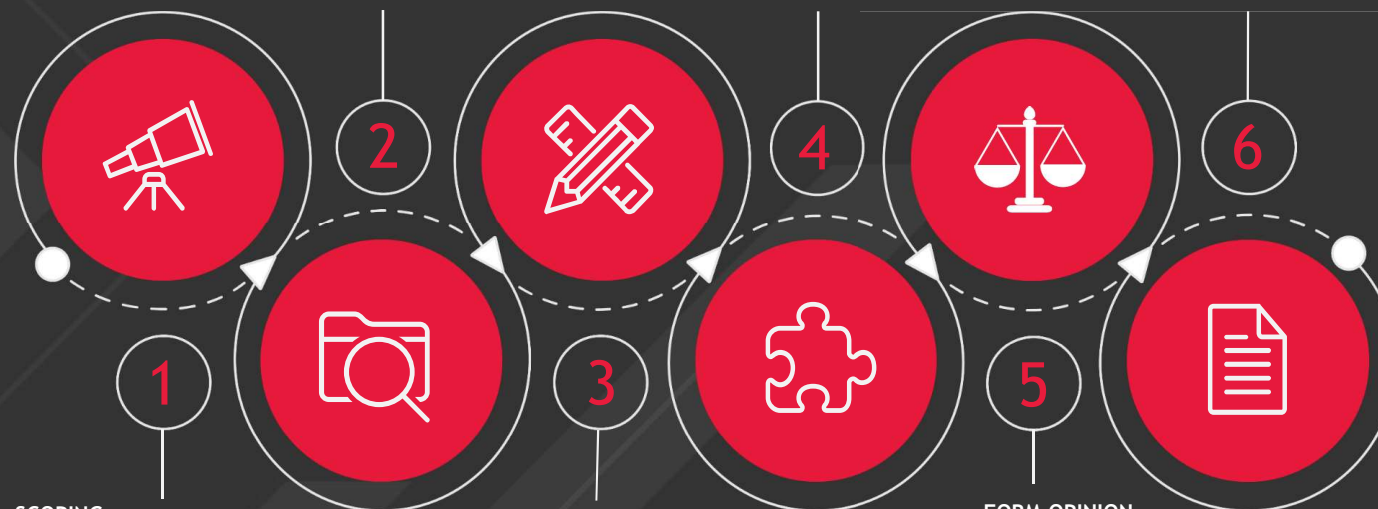
Focus on those areas of financial statements that contain potential material misstatements as a consequence of the risks you face

### OBTAIN AUDIT EVIDENCE

Perform audit procedures while maintaining appropriate degree of professional skepticism, to conclude whether or not the financial statements are presented fairly

### REPORT

Communicate our opinion and details of matters on which we are required to report



### SCOPING

Complete a preliminary review to plan the audit, determine the materiality level, and define the audit scope

### DESIGN AUDIT PROCESS

Design an appropriate audit strategy to obtain sufficient assurance and enable us to report on the financial statements

### FORM OPINION

Evaluate whether we have enough evidence to conclude that the financial statements are free from material misstatement, and consider the effect of any potential misstatements found

### New Standard for Audit Quality



### ISQM 1

The quality of an audit depends not only on the people conducting it—but also on the systems underpinning it. These new rules up the ante for your audit quality.

[SEE THE STANDARD](#)

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## Appendices

For the year ended December 31, 2021

- ▶ Appendix A: Independent auditor's report
- ▶ Appendix B: Representation letter
- ▶ Appendix C: Year-end Report



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For the year ended December 31, 2021



## Appendix A: Independent auditor's report

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## Independent Auditor's Report

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To the Mayor and Councillors of The Corporation of the Town of Aurora

### Opinion

We have audited the consolidated financial statements of The Corporation of the Town of Aurora, (the Town) which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2021, and the consolidated results of its operations, changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.



### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario  
June 28, 2022

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## Appendix B: Representation letter

For the year ended December 31, 2021

The Corporation of the Town of Aurora  
100 John West Way, Box 1000  
Aurora, Ontario  
L4G 6J1

June 28, 2022

BDO Canada LLP  
Chartered Professional Accountants  
300 Lakeshore Drive  
Suite 300  
Barrie Ontario  
L4N 0B4

This representation letter is provided in connection with your audit of the financial statements of The Corporation of the Town of Aurora for the year ended December 31, 2021, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian Public Sector Accounting Standards.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

### **Financial Statements**

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated November 2, 2020, for the preparation of the financial statements in accordance with Canadian Public Sector Accounting Standards; in particular, the financial statements are fairly presented in accordance therewith.

- The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and/or disclosure that are reasonable in accordance with Canadian Public Sector Accounting Standards.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian Public Sector Accounting Standards.
- All events subsequent to the date of the financial statements and for which Canadian Public Sector Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied.
- We have reviewed and approved all journal entries recommended by the practitioners during the audit. A list of the journal entries is attached to the representation letter.

### **Information Provided**

- We have provided you with:
  - access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that you have requested from us for the purpose of the audit; and
  - unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

- We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

### **Fraud and Error**

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.

### **General Representations**

- Where the value of any asset has been impaired, an appropriate provision has been made in the financial statements or has otherwise been disclosed to you.
- The entity has complied with all provisions in its agreements related to debt and there were no defaults in principal or interest, or in the covenants and conditions contained in such agreements.
- There have been no plans or intentions that may materially affect the recognition, measurement, presentation or disclosure of assets and liabilities (actual and contingent).
- The nature of all material uncertainties have been appropriately measured and disclosed in the financial statements, including all estimates where it is reasonably possible that the estimate will change in the near term and the effect of the change could be material to the financial statements.
- There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the entity, except as disclosed in the financial statements.

## Other Representations Where the Situation Exists

- We have informed you of all known actual or possible litigation and claims, whether or not they have been discussed with legal counsel. Since there are no actual, outstanding or possible litigation and claims, no disclosure is required in the financial statements.
- To the extent that our normal procedures and controls related to our financial statement close process were adversely impacted by the COVID-19 outbreak, we took appropriate actions and safeguards to reasonably ensure the fair presentation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards.
- Other than as disclosed in Note 2 to the consolidated financial statements, no other impacts from the COVID-19 outbreak are necessary to be reflected in the consolidated financial statements.
- Disclosures included in the consolidated financial statements regarding the relevant significant business, financial, and reporting impacts of the COVID-19 outbreak accurately reflect management's full consideration of such impacts.

Yours truly,

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Signature

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Position

**Town of Aurora**  
**Summary of Unadjusted Misstatements**  
December 31, 2021

Description of Misstatement	Identified Misstatements	Projections of Identified Misstatements	Estimates	Proposed Adjustments			
				Assets Dr(Cr)	Liabilities Dr(Cr)	Opening R/E Dr(Cr)	Income Dr(Cr)
Likely Aggregate Misstatements Before Effect of Previous Year's Errors and Estimates	-	-	-	-	-	-	-
Effect of Previous Year's Errors				-	-	-	-
Likely Aggregate Misstatements				-	-	-	-

Details of why no adjustment has been made to the financial statements for the above items:

No items noted above.

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## Appendix C: Year-end Report

For the year ended December 31, 2021

# Year End Report for The Corporation of the Town of Aurora

Presented by

Giselle Bodkin, CPA, CA  
Andrea Nauss, CPA, CA



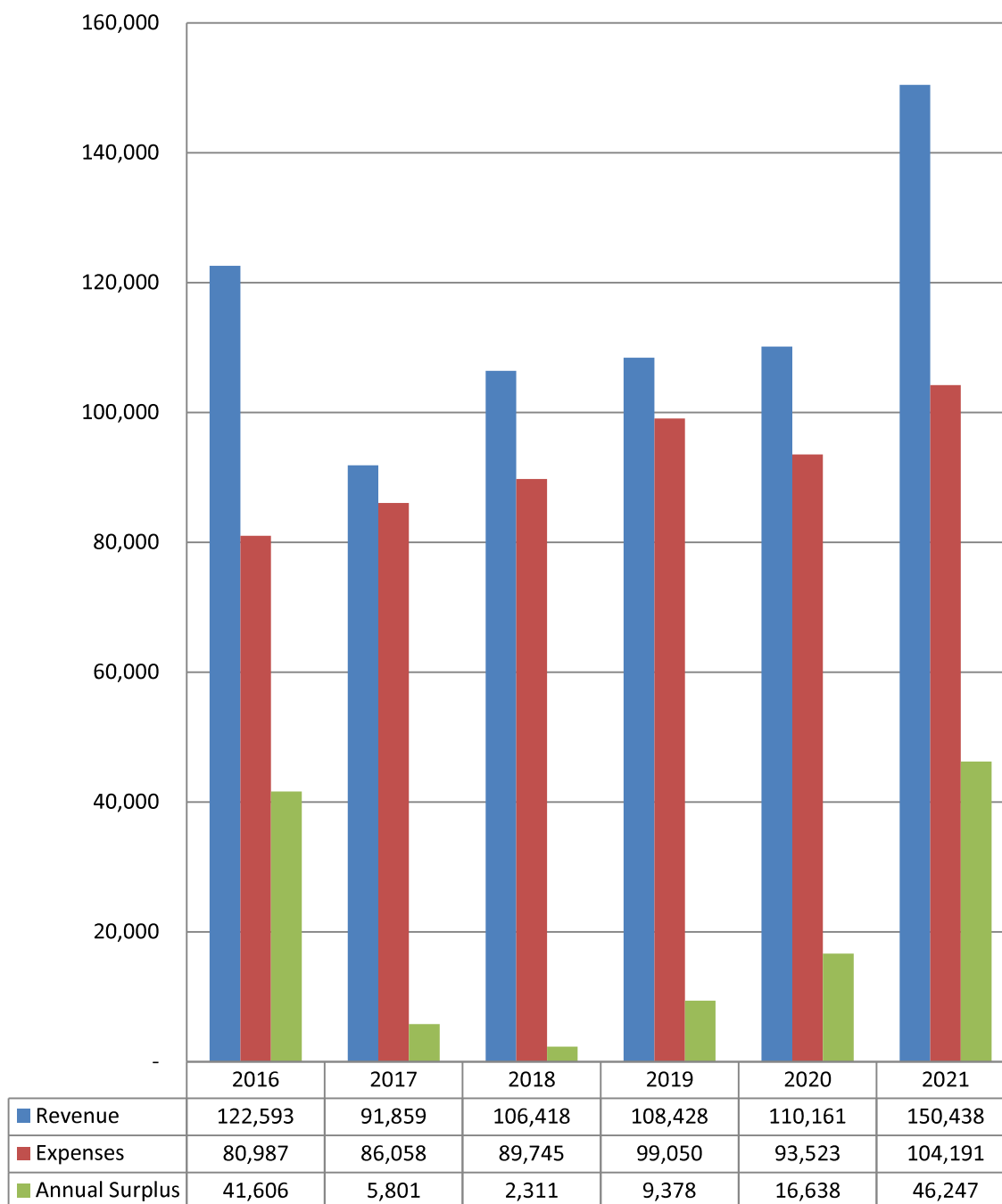
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Where are you today?

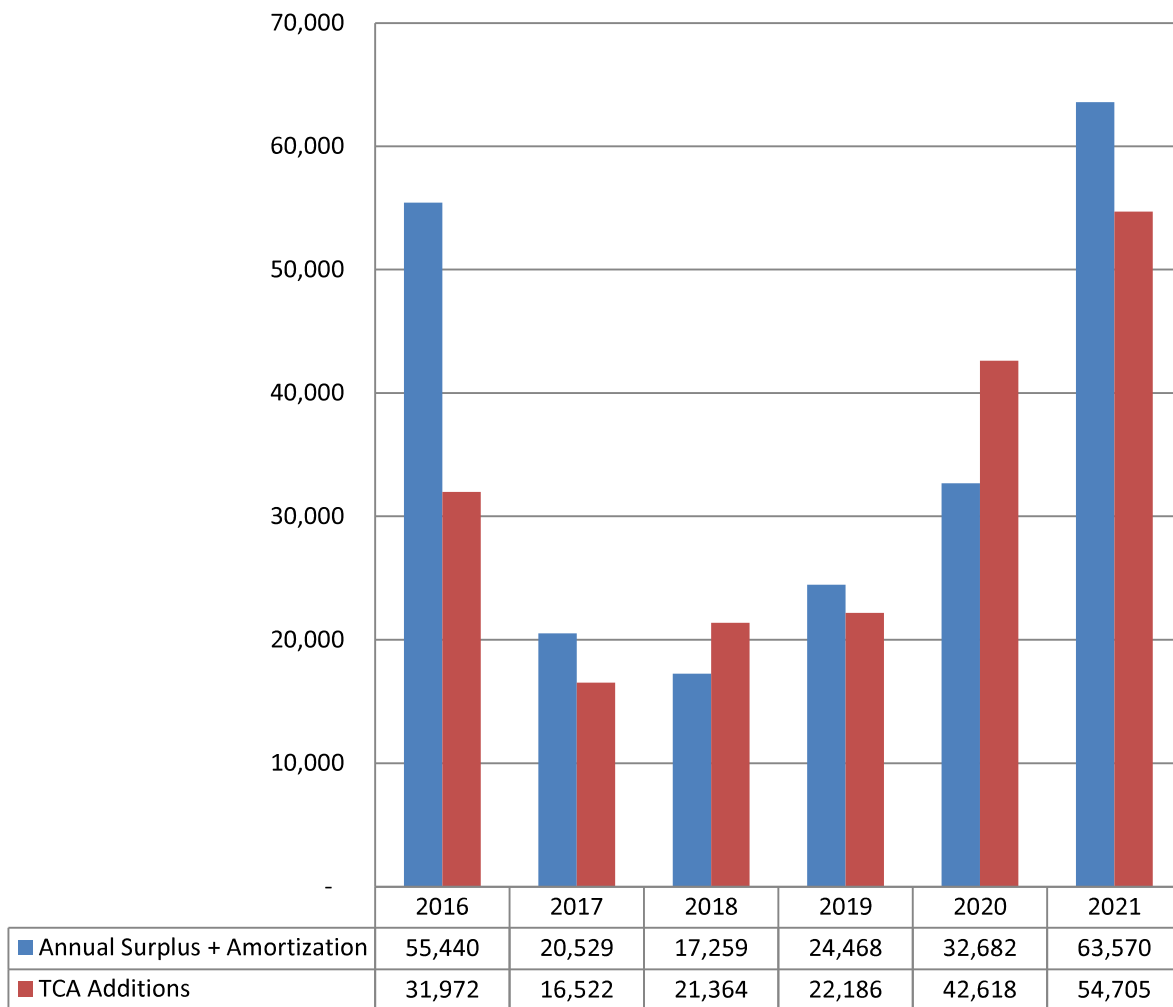
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## TOTAL REVENUE, EXPENSES AND ANNUAL SURPLUS

(IN THOUSANDS '000)

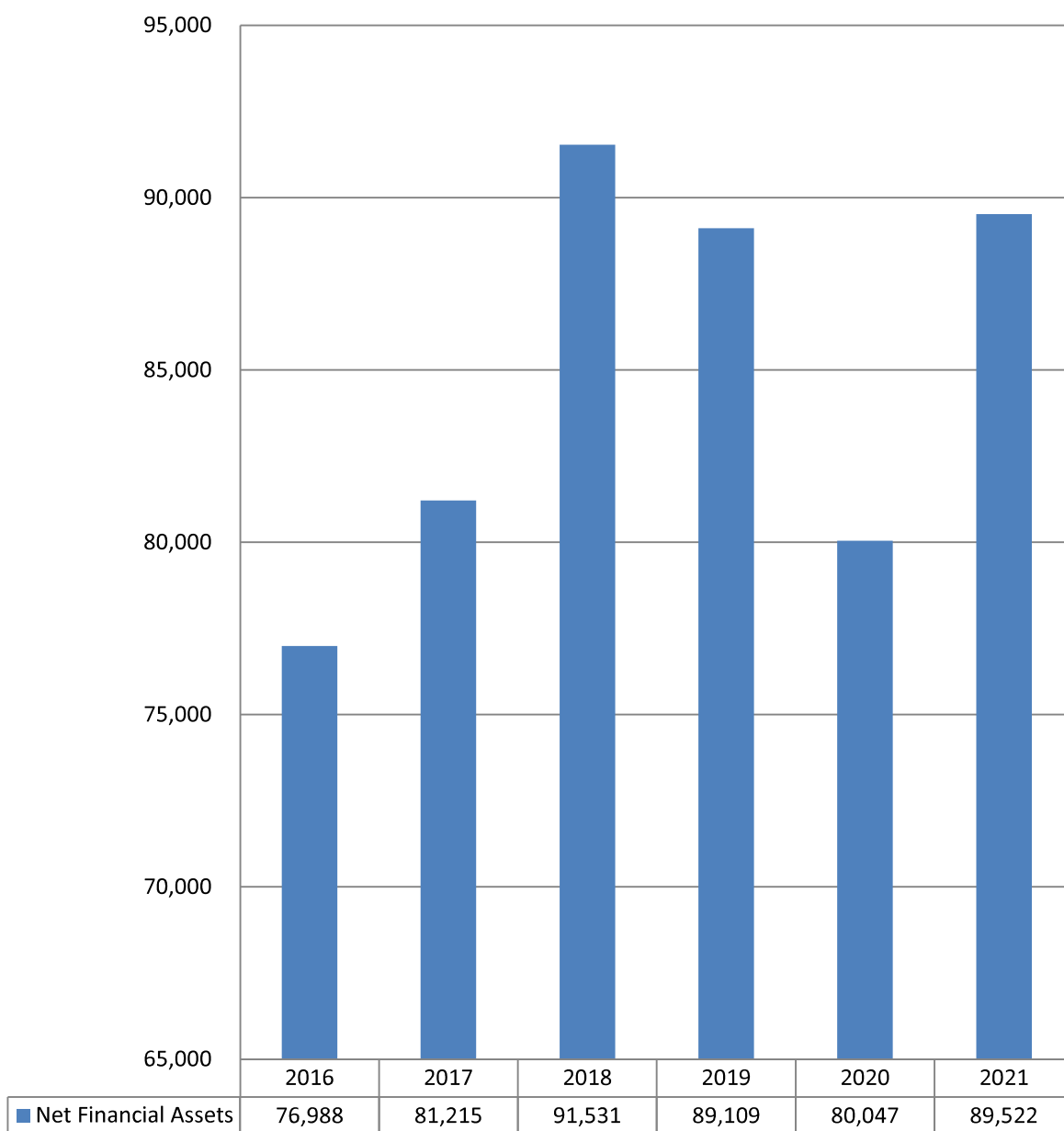


## ANNUAL SURPLUS PLUS AMORTIZATION AND TCA ADDITIONS



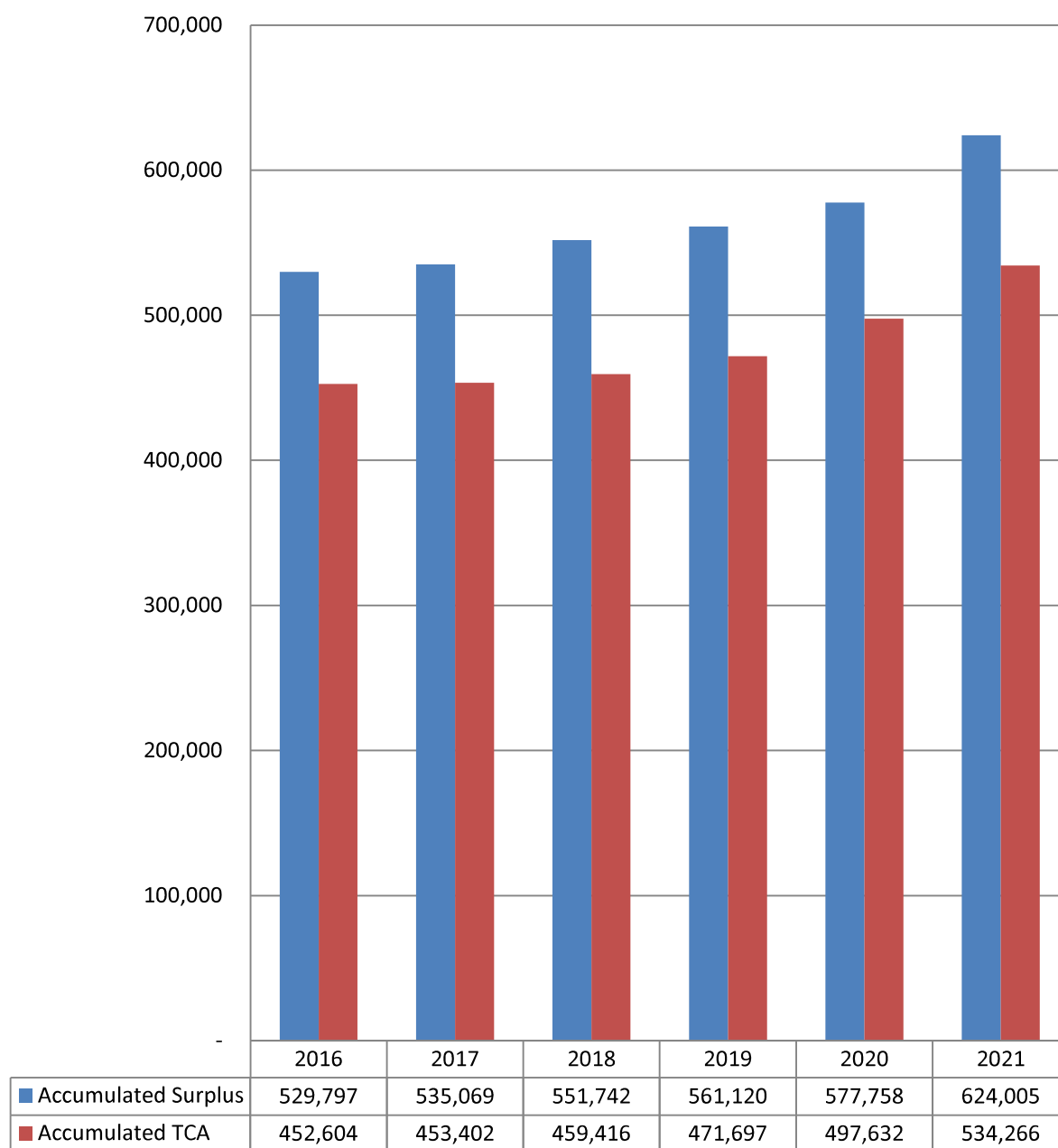
## TOTAL NET FINANCIAL ASSETS

(IN THOUSANDS '000)



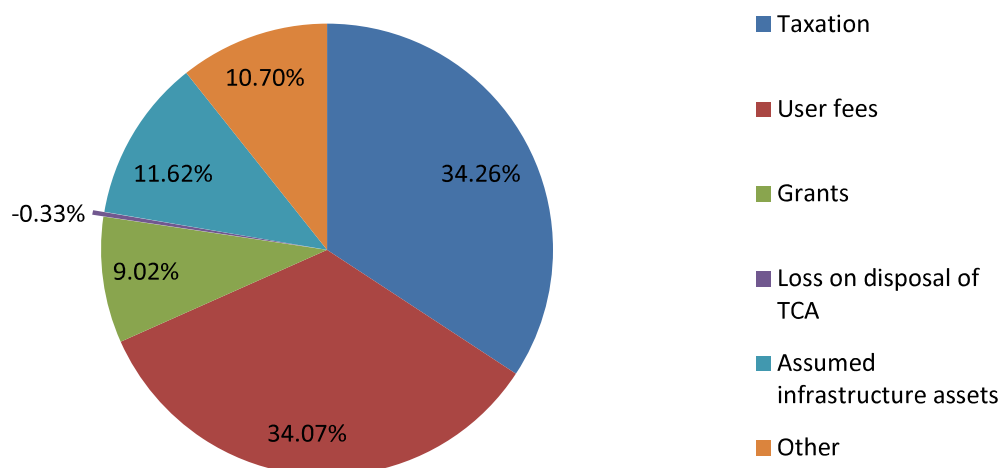
## TOTAL ACCUMULATED SURPLUS AND TANGIBLE CAPITAL ASSETS

(IN THOUSANDS '000)



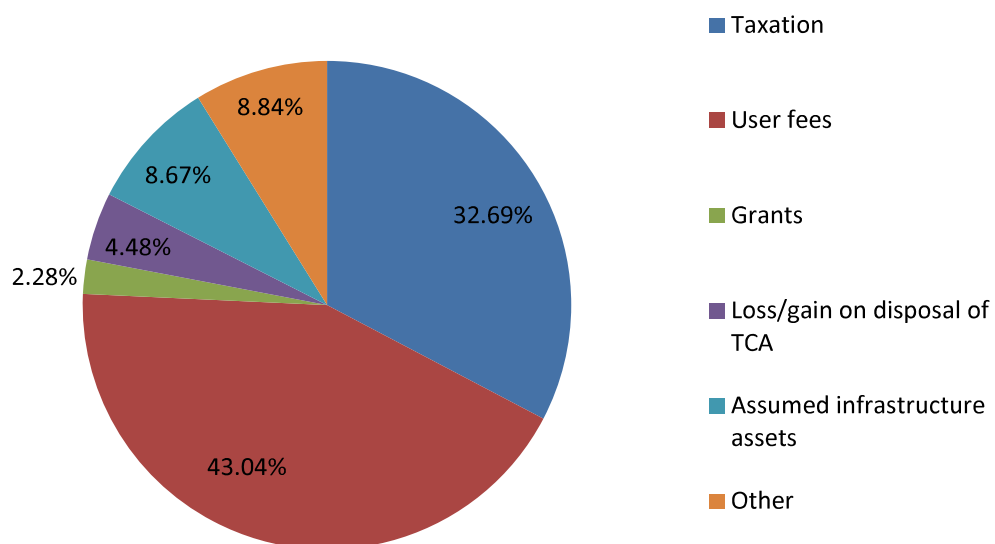
## 2021 REVENUE

### Revenue



## 2016 REVENUE

### Revenue

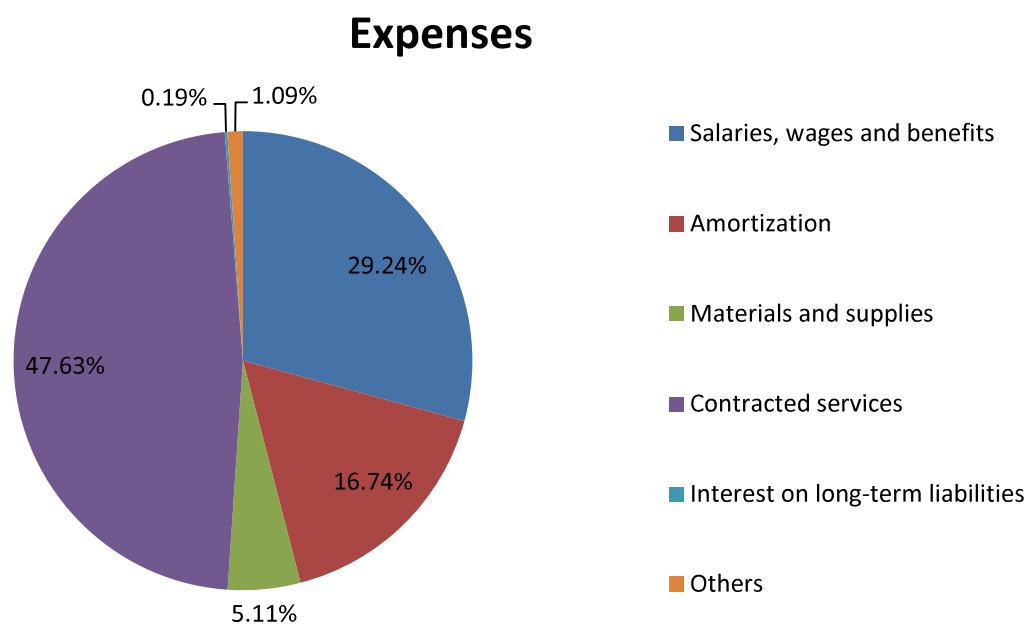


## FIVE YEAR EXPENSE COMPARISON

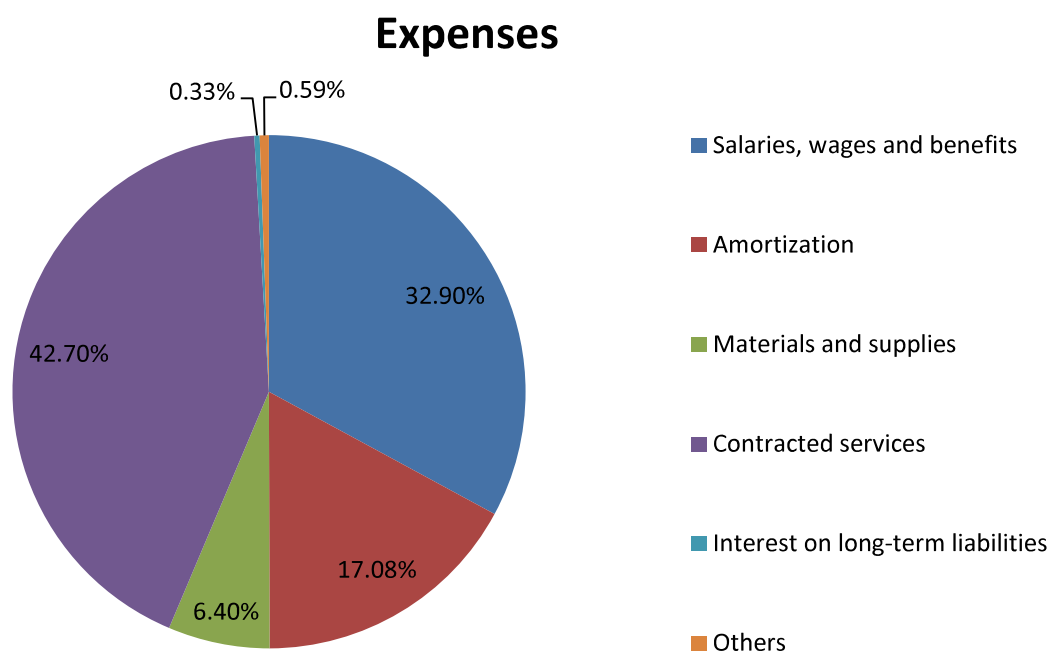
(IN THOUSANDS '000)

	2021	2020	2019	2018	2017
General government	18,145	15,679	17,790	14,862	15,232
Protection to person and property	14,804	14,565	13,434	13,414	12,855
Transportation services	10,950	10,014	10,513	10,083	9,526
Environmental services	35,291	31,897	32,001	28,495	26,050
Leisure and cultural services	22,393	19,619	23,191	21,023	20,327
Planning and development	2,608	1,749	2,121	1,868	2,068
	<b>104,191</b>	<b>93,523</b>	<b>99,050</b>	<b>89,745</b>	<b>86,058</b>

## 2021 EXPENSES



## 2016 EXPENSES





## Audit Committee Best Practice Recommendations

- **Financial Reporting**
  - The Committee should receive monthly internal financial statements and ensure that the financial statements clearly reflect the true performance of the Organization.
  - The Committee should review audit adjustments made and those waived because of immateriality.
  - The Committee should review and approve the draft audited financial statements.
  - Is there a financial expert on the Committee? The financial expert would have the following 5 attributes:
    - Understanding of the financial statements and accounting principles used to prepare the issuer's financial statements;
    - Ability to assess the application of such accounting policies;
    - Experience preparing, auditing, analyzing or evaluating financial statements, or experience supervising individuals engaged in preparing, auditing, analyzing or evaluating financial statements;
    - An understanding of internal controls and procedures for financial reporting;
    - An understanding of audit committee functions
  
- **Risks and Controls**
  - The Committee should create the right tone at the top to foster growth of suitable controls.
  - The Committee should have a sufficient understanding of the risks at the Organization.
  - The Committee should analyze the internal control system to ensure that the risks are adequately mitigated.
  
- **Audit Function**
  - The Committee should ensure that the external auditor selected has sufficient knowledge of and experience in the Organization's industry.
  - The Committee should review the audit fee and ensure that it is in line with the scope of the audit.
  - The Committee should confirm and discuss the auditor's independence.
  - The Committee should keep an open line of communication with the external auditors, including such items as:
    - The auditor's responsibility under Canadian Auditing Standards.
    - The quality of the accounting principles followed by the Organization.
    - Disagreements with management.
    - Difficulties in performing the audit.
    - Major issues management discussed with the auditors before their retention.
  
- **Other Issues to Consider:**
  - Is the Committee independent from the Organization?
  - Is the Committee sufficiently financially literate?
  - Are there clear position descriptions for directors?
  - Is there orientation and continuing education for all directors in place?
  - Is there a written code of business conduct and ethics?
  - Is there a nominating committee?

## Summary of Audit Process

- **Overall Approach**
  - Attain an understanding of processes and controls within the departments by performing system descriptions and walkthroughs.
  - Attain an understanding of internal IT and software, through discussions with the IT department and our systems descriptions.
  - Identify specific areas of the financial information which contain risk, and significant judgment.
  - From these initial stages, we determine what procedures to be performed on the specific areas of the financial statements.
  
- **Income Statement Approach**
  - **Revenue**
    - **Taxation** - we obtain the annual by-law and compare to the revenue recorded following-up on significant differences.
    - **Grants and government transfers** - we obtain a sample of revenue received and agree to the funding documents, following up on differences.
    - **Interest income** - Interest reasonability tests are performed on tax interest, reserve interest, bank and investments.
    - **Assumed infrastructure assets** - we obtain the asset registers and recalculate. We take a sample of additions and trace to the supporting documentation to ensure the amounts agree. We then compare the overall asset registers to that recorded and follow-up on any significant differences.
    - **Gain on disposal of tangible capital assets** - we review the disposals and compare to the asset registers to ensure the cost was removed appropriately. Also, if the assets were sold we obtain documentation on the proceeds to ensure the calculation of the gain/loss is appropriate.
    - **User fees, fines, licenses, permits and other revenue** - we obtain a sample of revenue received and agree to supporting documents and cash receipts, following up on differences. We perform a test of controls in relation to water revenues.
  
  - **Expenses**
    - **Salaries, wages and employee benefits** - we perform a test of controls on a cyclical basis. This tests various input and output controls for salaries. With regards to benefits we perform a reasonability test based on yearly percentages of CPP, EI, and benefits as a percentage of salaries. These are compared to the stated rates and differences are followed up.
    - **Materials and supplies, contracted services and other** - we perform a test of controls on a cyclical basis. The test of controls focus on controls surrounding proper authorization of purchases.
    - **Interest on long-term liabilities** - we review the various debenture contracts and agree the interest expensed to the interest indicated in those.
    - **Amortization** - we recalculate the amortization on a test basis and compare to the actual amounts recorded, following up on any significant differences.

- **Balance Sheet Approach**

- **Assets**

- **Cash** - a bank confirmation is sent to the bank and agreed to the bank reconciliation. The bank reconciliation is agreed to the general ledger and a sample of transactions from the bank reconciliation are tested to ensure proper cut-off.
    - **Taxes receivable** - we perform a year over year analysis on aging and taxes receivable as a percentage of taxation revenue. We vouch a sample of taxes receivable to invoices and subsequent cash receipts. We also perform a large arrears check and follow-up to determine what the approach is to collect from that resident.
    - **User fees and accounts receivable** - we obtain the various accounts receivable account details and for significant balances agree to supporting documentation or perform recalculations. We vouch a sample of receivables to invoices and subsequent cash receipts. For overdue amounts we assess if provisions are adequate.
    - **Portfolio investments** - confirmations are sent to the investment advisors and reviews of continuity schedules are performed.
    - **Land listed for sale** - we obtain the current year listing and for any purchases or sales obtain the agreement and agree the amounts and recalculate any gains/losses.
    - **Tangible capital assets and tangible capital assets under construction** - We take a sample of additions and disposals and trace to the supporting documentation to ensure the amounts agree. We then compare the overall asset registers to the general ledger and follow-up on any significant differences.

- **Liabilities**

- **Accounts payable and accrued liabilities** - we perform cut-off testing to ensure payables have been recorded in the proper period. We test to ensure that accruals are reasonable.
    - **Deposits** - we review the deposits and ensure that amounts received should not be recognized through a sample of items, following up with the specific departments.
    - **Deferred revenue** - we obtain the continuity schedule. For additions we test the supporting grant funding letters, test the calculation of developer charges and the reasonability of interest. For decreases we ensure they are approved in the budget and test a sample to ensure revenue recognition criteria has been met.
    - **Employee benefits liabilities** - we obtain the actuarial report, and review the assumptions made and ensure they are reasonable. We then ensure that the appropriate accounting method has been applied. We follow-up with both the actuary and the Town's Finance department on any unusual items, differences.
    - **Net long-term liabilities** - we obtain third party confirmation on the balance, terms and interest rate, following up on any significant differences.

Attachment 2

**The Corporation of the Town of Aurora  
Consolidated Financial Statements  
For the year ended December 31, 2021**

DRAFT - SUBJECT TO CHANGE

**The Corporation of the Town of Aurora**  
**Consolidated Financial Statements**  
**For the year ended December 31, 2021**

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## Independent Auditor's Report

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To the Mayor and Councillors of The Corporation of the Town of Aurora

### Opinion

We have audited the consolidated financial statements of The Corporation of the Town of Aurora, (the Town) which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statement of operations and accumulated surplus, consolidated statement of change in net financial assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2021, and the consolidated results of its operations, changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario  
June 28, 2022

## The Corporation of the Town of Aurora

### Consolidated Statement of Financial Position

December 31	2021	2020
(Dollar amounts presented in '000's)		
<b>Financial assets</b>		
Cash (note 3)	\$ 12,161	\$ 10,046
Taxes receivable	11,546	15,228
User fees receivable (note 5)	5,919	6,659
Accounts receivable	13,969	8,677
Portfolio investments (note 6)	155,972	130,181
	<u>199,567</u>	<u>170,791</u>
<b>Liabilities</b>		
Notes payable and bank indebtedness (note 8)	9,338	2,700
Accounts payable and accrued liabilities	28,717	25,270
Deposits (note 9)	7,701	3,592
Deferred revenue (note 10)	51,007	49,910
Employee benefits liabilities (note 11)	1,830	1,690
Net long-term liabilities (note 12)	11,452	7,582
	<u>110,045</u>	<u>90,744</u>
<b>Net financial assets</b>	<u>89,522</u>	<u>80,047</u>
<b>Non-financial assets</b>		
Tangible capital assets (note 23)	534,266	497,632
Prepaid expenses	217	79
	<u>534,483</u>	<u>497,711</u>
<b>Accumulated surplus (note 13)</b>	<u>\$ 624,005</u>	<u>\$ 577,758</u>

Contingencies and contractual obligations (notes 19 and 20)

Approved by Council

\_\_\_\_\_ Mayor

\_\_\_\_\_ Chief Administrative Officer



**The Corporation of the Town of Aurora**  
**Consolidated Statement of Operations and Accumulated Surplus**

<b>For the year ended December 31</b>	<b>Budget 2021</b>	<b>2021</b>	<b>2020</b>
(Dollar amounts presented in '000's)			
	(note 4)		
<b>Revenue</b>			
Taxation (note 14)	\$ 52,381	\$ 51,875	\$ 52,715
User fees	35,642	51,601	36,432
Grants (note 15)	3,192	13,658	3,205
Loss on tangible capital asset disposal	-	(498)	(607)
Assumed infrastructure assets	-	17,591	9,730
Other (note 16)	7,013	16,211	8,686
	<u>98,228</u>	<u>150,438</u>	<u>110,161</u>
<b>Expenses</b>			
General government	19,251	18,145	15,679
Protection to person and property	15,163	14,804	14,565
Transportation services	11,089	10,950	10,014
Environmental services	35,198	35,291	31,897
Leisure and cultural services	23,131	22,393	19,619
Planning and development	2,667	2,608	1,749
	<u>106,499</u>	<u>104,191</u>	<u>93,523</u>
<b>Annual surplus (deficit)</b>	<u>(8,271)</u>	<u>46,247</u>	<u>16,638</u>
<b>Accumulated surplus, beginning of year</b>	<u>577,758</u>	<u>577,758</u>	<u>561,120</u>
<b>Accumulated surplus, end of year</b>	<u>\$ 569,487</u>	<u>\$ 624,005</u>	<u>\$ 577,758</u>

**The Corporation of the Town of Aurora**  
**Consolidated Statement of Change in Net Financial Assets**

<b>For the year ended December 31</b>	Budget 2021	2021	2020
(Dollar amounts presented in '000's)			
	(note 4)		
<b>Annual surplus (deficit)</b>	\$ (8,271)	\$ 46,247	\$ 16,638
Amortization of tangible capital assets	17,323	17,323	16,044
Net proceeds on disposal of tangible capital assets	-	250	32
Loss on disposal of tangible capital assets	-	498	607
Acquisition of tangible capital assets	-	(37,114)	(32,888)
Assumed infrastructure assets	-	(17,591)	(9,730)
Change in prepaid expenses	-	(138)	235
<b>Change in net financial assets</b>	9,052	9,475	(9,062)
Net financial assets, beginning of year	80,047	80,047	89,109
<b>Net financial assets, end of year</b>	\$ 89,099	\$ 89,522	\$ 80,047

**The Corporation of the Town of Aurora**  
**Consolidated Statement of Cash Flows**

<b>For the year ended December 31</b>	<b>2021</b>	<b>2020</b>
(dollar amounts presented in '000's)		
<b>Operating transactions</b>		
Annual surplus	\$ 46,247	\$ 16,638
Non-cash charges to operations:		
Amortization of tangible capital assets	17,323	16,044
Loss on disposal of tangible capital assets	498	607
Assumed infrastructure assets	(17,591)	(9,730)
Changes in non-cash operating working capital:		
Taxes receivable	3,682	(5,577)
User fees receivable	740	(1,135)
Accounts receivable	(5,292)	(1,297)
Accounts payable and accrued liabilities	3,447	7,047
Deposits	4,109	(441)
Deferred revenue	1,097	5,366
Employee benefits liabilities	140	127
Prepaid expenses	(138)	235
<b>Total Operating Transactions</b>	<b>54,262</b>	<b>27,884</b>
<b>Capital transactions</b>		
Acquisition of tangible capital assets	(37,114)	(32,888)
Net proceeds on disposal of tangible capital assets	250	32
<b>Total Capital Transactions</b>	<b>(36,864)</b>	<b>(32,856)</b>
<b>Investing transactions</b>		
Decrease (increase) in portfolio investments	(25,791)	4,042
<b>Financing transactions</b>		
Advances / (principal repayments) on long-term liabilities	3,870	(1,072)
Advances / (principal repayments) of notes payable and bank indebtedness	6,638	2,700
<b>Total Financing Transactions</b>	<b>10,508</b>	<b>1,628</b>
<b>Increase in cash</b>	<b>2,115</b>	<b>698</b>
<b>Cash, beginning of year</b>	<b>10,046</b>	<b>9,348</b>
<b>Cash, end of year</b>	<b>\$ 12,161</b>	<b>\$ 10,046</b>

## The Corporation of the Town of Aurora

### Notes to the Consolidated Financial Statements

**December 31, 2021**

(Dollar amounts presented in '000's)

#### 1. Summary of Significant Accounting Policies

The Corporation of the Town of Aurora (the "Town") is a municipality in the Province of Ontario. The Town conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, Municipal Affairs Act and related legislation.

##### **Management's Responsibility**

The consolidated financial statements of the Town are the responsibility of management. They have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board ("PSAB") of The Chartered Professional Accountants of Canada.

##### **Basis of Consolidation**

The consolidated financial statements reflect the assets, liabilities, revenue, expenditures and fund balances of the Town and comprise all of the organizations that are accountable for the administration of their financial affairs and resources to the Town and are owned or controlled by the Town. These boards include:

The Aurora Public Library Board

All inter-organizational and inter-fund transactions and balances are eliminated.

##### **Basis of Accounting**

Revenue and expenses are reported on the accrual basis of accounting whereby revenue is recognized as it is earned and measurable; and expenses are recognized in the period that goods and services are acquired, a liability is incurred, or transfers are due.

##### **Cash**

Cash and cash equivalents are comprised of cash on hand, cash held in financial institutions and temporary investments with maturities of 90 days or less.

##### **Government Transfers**

Government transfers, which include legislative grants, are recognized in the consolidated financial statements in the period in which the events giving rise to the transfers occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, except to the extent possible that the transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulated liabilities are settled.

##### **Tangible Capital Assets**

Tangible capital assets are recorded at cost, less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset using the following rates.

## The Corporation of the Town of Aurora

### Notes to the Consolidated Financial Statements

**December 31, 2021**

(Dollar amounts presented in '000's)

#### 1. Summary of Significant Accounting Policies (continued)

##### Tangible Capital Assets (continued)

Buildings	10 - 50 years
Landscaping & Other	5 - 20 years
Vehicles	7 - 15 years
Other	
Machinery and Equipment	7 - 20 years
Library Collection	7 years
Computer Equipment	4 - 10 years
Facilities (excluding Buildings)	5 - 50 years
Transportation Infrastructure	
Roads	20 - 36 years
Signage	1 - 36 years
Bridges and Other Structures	15 - 40 years
Environmental Infrastructure	
Underground and Other Networks	15 - 100 years

One half of the annual amortization is charged in the year of acquisition and in the year of disposal.

##### Non-pension Post-employment Benefits, Compensated Absences & Termination Benefits

The Town accrues its obligations under employee benefit plans as the employees render the services necessary to earn employee future benefits. The Town has adopted the following valuation methods and assumptions:

- a) Actuarial cost method:  
Accrued benefit obligations are computed using the projected benefit method prorated on service, as defined in PSAB 3250 and PSAB 3255. The objective under this method is to expense each member's benefit under the plan taking into consideration projections of benefit costs to and during retirement. Under this method an equal portion of total estimated future benefit is attributed to each year of service.
- b) Accounting policies:  
Actuarial gains and losses are amortized on a linear basis over the expected average remaining service life ("EARSLS") (expected remaining payment period in respect of the retiring allowance) of members expected to receive benefits under the plan, with amortization commencing in the period following the determination of the gain or loss. Obligations are attributed to the period beginning on the member's date of hire and ending on the expected date of termination, death or retirement, depending on the benefit value.
- c) Workplace Safety and Insurance Board (WSIB):  
The costs of WSIB obligations are actuarially determined and are expensed in the period they occur. Any actuarial gains and losses that are related to WSIB benefits are recognized immediately in the period they arise.

## The Corporation of the Town of Aurora

### Notes to the Consolidated Financial Statements

**December 31, 2021**

(Dollar amounts presented in '000's)

#### 1. Summary of Significant Accounting Policies (continued)

##### **Pension agreements**

The Town makes contributions to the Ontario Municipal Employees' Retirement System ("OMERS"), a multi-employer public sector pension fund, based on the principles of a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees on the basis of predefined retirement age, length of eligible service and rates of remuneration over a fixed period of time.

Because OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of all participating Ontario municipalities and their employees. As a result, the Town does not recognize any share of the OMERS pension surplus or deficit. Accordingly, contributions made during the year are expensed.

##### **Deposits**

The Town receives deposits on building permits and site plan applications that ensure restitution of any potential damage caused by the developer. These deposits are held in trust until the work has been completed, at which point in time, the deposit is returned.

##### **Deferred Revenue**

Deferred revenue represents user charges and fees which have been collected, but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

The Town receives development charges under the authority of provincial legislation and Town by-laws. These funds, by their nature, are restricted in their use and, until applied to specific capital works, are recorded as deferred revenue (formerly obligatory reserve funds).

##### **Use of Estimates**

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements are the allowance for doubtful accounts, taxes receivable, post-employment benefits liabilities, accrued liabilities, the net amount of development charges, the estimated useful lives of tangible capital assets, fair value of assumed infrastructure assets and valuation of tangible capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

##### **Assumed Infrastructure Assets**

Subdivision streets, lighting, sidewalks, drainage, and other infrastructure and in some instances park fixtures and trail networks are required to be provided by subdivision developers. Upon completion they are assumed by the Town and recorded at fair value at the date of assumption. The Town is generally not involved in the construction of these assets. In some instances, the Town may construct these assets on the developer's behalf on a fully cost recoverable basis. Under either scenario the Town does not budget for the contributions from the developer or the capital expenditure.

## The Corporation of the Town of Aurora

### Notes to the Consolidated Financial Statements

**December 31, 2021**

(Dollar amounts presented in '000's)

#### 1. Summary of Significant Accounting Policies (continued)

##### Revenue Recognition

Revenues are recognized as follows:

- a) Taxation revenue is recognized as revenue when it is authorized and the taxable event occurs. For property taxes, the taxable event is the period for which the tax is levied. Related penalties and interest are recognized as revenue in the year that they are earned. As the Town's total taxes receivable are based on management's best estimates at the time, it is possible for the final amount collected to differ as a result of property value reassessments arising from audits, appeals or court decisions.
- b) User fees and other revenues are reported when a performance obligation has been satisfied through the delivery of a good or service or when authority to claim or retain an economic inflow exists and a past transaction or event that gives rise to an asset has been identified.
- c) Grants
  - Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled.
  - Unconditional grant revenue is recognized when monies are receivable.
- d) Investment income earned on surplus funds is reported as revenue in the period earned.  
 Investment income earned on deferred revenue amounts such as development charges and parkland allowances, is added to the associated funds and forms part of the respective deferred revenue balance.  
  
 Investment income earned on the Town's reserve fund balances is added to the associated funds and forms part of the respective period ending reserve fund balance. Reserve fund balances in a debit (over-allocated) position are similarly charged interest.
- e) Development related fees and charges are recognized over the period of services or when required expenses occur if applicable, net of development credits.

#### 2. Uncertainty due to COVID-19

The global pandemic, as a result of COVID-19 has disrupted economic activities and supply chains. As the impacts of COVID-19 continue, there could be further impact on the Town, its citizens, employees, suppliers and other third party associates that could impact the timing and amounts realized on the Town's assets and future ability to deliver services and projects. At this time, the full potential impact of COVID-19 on the Town is not known. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of disruption and the related financial impact cannot be reasonably estimated at this time. The Town's ability to continue delivering non-essential services and employ related staff, will depend on the legislative mandates from the various levels of government. The Town will continue to focus on collecting receivables, managing expenditures and leveraging existing reserves and available credit facilities to ensure it is able to continue providing essential services to its citizens.

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**The Corporation of the Town of Aurora**  
**Notes to the Consolidated Financial Statements**

**December 31, 2021**

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(Dollar amounts presented in '000's)

**3. Cash**

The Town's bank accounts are held at one chartered bank. The bank accounts earn interest at composite prime rate minus 1.75%. As at December 31, 2021, the rate is 0.70% (2020 - 0.70%).

The Town has an overdraft credit facility agreement with TD Bank, to be used for day to day operations. The maximum credit limit is \$1,000 with interest calculated using the composite prime rate minus 0.25%. As at December 31, 2021, the rate is 2.20% (2020 - 2.20%) and the outstanding balance is \$Nil (2020 - \$Nil).

The Town has letters of credit outstanding with the bank as at December 31, 2021 of \$486,208 (2020 - \$486,208), which were required by its utilities provider for security on a development project.

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**4. Budget Reconciliation**

The Budget for 2021 adopted by Council on December 15, 2020 was prepared on a basis not consistent with that used to report actual results (Canadian public sector accounting standards). The budget was prepared on a modified accrual basis, while Canadian public sector accounting standards now require financial statements to be prepared on a full accrual basis. Accordingly, the budget expensed all tangible capital expenditures rather than including amortization expense. As a result, the budget figures presented in the statements of operations and change in net financial assets represent the 2021 budget adopted by Council with adjustments as follows:



## The Corporation of the Town of Aurora

### Notes to the Consolidated Financial Statements

**December 31, 2021**

(Dollar amounts presented in '000's)

#### 4. Budget Reconciliation (continued)

	Revenue	Expense	Net
<b>Council approved budget:</b>			
Operating - Town & Library	\$ 102,352	\$ 102,352	\$ -
Operating - water/sewer	-	-	-
Capital (for multiple years)	-	24,078	(24,078)
<b>Total Council approved budget</b>	<b>102,352</b>	<b>126,430</b>	<b>(24,078)</b>
<b>Less:</b> Multiple years capital	-	(24,078)	24,078
debt principal payments <sup>1</sup>	-	(1,105)	1,105
<b>Plus:</b> 2021 Non-TCA capital	-	2,160	(2,160)
transfers to/from other funds <sup>2</sup>	(4,151)	(14,231)	10,080
transfers from deferred revenue	27	-	27
amortization expense <sup>3</sup>	-	17,323	(17,323)
<b>Adjusted budget per the consolidated statement of operations</b>	<b>\$ 98,228</b>	<b>\$ 106,499</b>	<b>\$ (8,271)</b>

<sup>1</sup> "Debt principal payments" are considered a repayment of a long-term liability and are not considered an expense under accrual accounting - only the related interest portion remains a valid expense under accrual accounting.

<sup>2</sup> "Transfers to/from other funds" represents transfer to/from reserves for expenditures and is not considered a revenue source under accrual accounting.

<sup>3</sup> Under accrual accounting, costs related to the acquisition of "Tangible Capital Assets" are recorded on the balance sheet - only the amortization of existing Tangible Capital Assets is included as an expense.

#### 5. User Fees Receivable

As of the end of 2021 the Town's water receivables that are in dispute and provided for are \$Nil.

#### 6. Portfolio Investments

Portfolio investments are comprised of fixed income securities that are primarily federal, provincial and municipal government bonds, debentures and promissory notes and bearer deposits that mature after more than 90 days. Portfolio investments are valued at the lower of cost or market value.

Portfolio investments of \$155,972 (2020 - \$130,181) have a market value of \$165,830 (2020 - \$140,627).

## The Corporation of the Town of Aurora

### Notes to the Consolidated Financial Statements

#### **December 31, 2021**

(Dollar amounts presented in '000's)

#### **7. Land Listed for Sale**

As of December 31, 2021 the Town has no land listed for sale.

#### **8. Notes Payable and Bank Indebtedness**

For the purposes of constructing Town Square consisting of a new multi-purpose building, new outdoor square, bridge between the existing library and new multi-purpose building and enhancements to existing nearby buildings, the Town has arranged for a construction line of credit through Infrastructure Ontario. The line of credit is fully open, bears a monthly variable interest rate which was 0.96 percent as of December 31, 2021, interest is paid monthly, and the line of credit is to be refinanced within 120 days of completion of the project. It is the Town's intent to refinance any balance remaining on its line of credit upon substantial completion of this project.

As of December 31, 2021 the Town has received a total of \$9,338 in advances from Infrastructure Ontario resulting in an outstanding balance of \$9,338 related to this line of credit.

#### **9. Deposits**

	Beginning Balance 2021	2021 Inflows	2021 Outflows	Ending Balance 2021
Refundable Damage Deposits \$	3,592	4,706	(597)	\$ 7,701

**The Corporation of the Town of Aurora**  
**Notes to the Consolidated Financial Statements**

**December 31, 2021**

(Dollar amounts presented in '000's)

**10. Deferred Revenue**

	Beginning Balance 2021	2021 Inflows	2021 Outflows	Ending Balance 2021
Development charges	\$ 23,402	11,095	(15,799)	\$ 18,698
Parkland purposes	14,787	5,054	(68)	19,773
Federal Gas Tax	7,529	3,609	(5,945)	5,193
Revenue Deferral - General	2,375	6,967	(4,484)	4,858
Provincial Grants	1,817	1,750	(1,082)	2,485
	<b>\$ 49,910</b>	<b>28,475</b>	<b>(27,378)</b>	<b>\$ 51,007</b>

**The Corporation of the Town of Aurora**  
**Notes to the Consolidated Financial Statements**

**December 31, 2021**

(Dollar amounts presented in '000's)

**11. Employee Benefits Liabilities**

	2021	2020
Post-employment benefits	\$ 1,118	\$ 1,074
Accrued sick leave	638	552
	1,756	1,626
WSIB benefits	74	64
	\$ 1,830	\$ 1,690

**Post-employment benefits**

Post-employment benefits are health and dental benefits that are provided to early retirees and employees currently on a long term disability. The Town recognizes these post-employment costs as they are earned during the employee's tenure of service. The accrued benefit obligations for the Town's post-employment benefits and accrued sick leave liabilities as at December 31, 2021 are as follows:

	2021	2020
Accrued benefit obligation, beginning of year	\$ 2,038	\$ 1,999
Add: Benefit expense	176	167
Interest cost	71	69
Less: Benefits paid for the period	(194)	(197)
Accrued benefit obligation, end of year	2,091	2,038
Unamortized actuarial losses	(335)	(412)
Accrued benefit liability	\$ 1,756	\$ 1,626

## The Corporation of the Town of Aurora

### Notes to the Consolidated Financial Statements

#### December 31, 2021

(Dollar amounts presented in '000's)

#### 11. Employee Benefits Liabilities (Continued)

The accrued benefit obligations for the Town's post-employment benefits liability and accrued sick leave as at December 31, 2021 are based on actuarial valuations for accounting purposes as at December 31, 2019 with projections to December 31, 2022. These actuarial valuations were based on assumptions about future events. The economic assumptions used in these valuations are management's best estimates of expected rates of:

	2021	2020
Expected future inflation rates	1.75%	1.75%
Discount on accrued benefit obligations	3.50%	3.50%
Drug costs escalation	6.75%	6.75%
Other health care costs escalation	6.75%	6.75%
Dental costs escalation	3.75%	3.75%

The amount of benefits paid by the Town during the year was \$73 (2020 - \$83).

#### Workplace Safety and Insurance Board (WSIB) benefits

The Town is a Schedule 2 employer under the Workplace Safety and Insurance Act and, as such, assumes responsibility for financing its workplace safety and insurance costs. The accrued WSIB benefit obligations for the Town's WSIB benefits liability as at December 31, 2021 are based on actuarial valuations for accounting purposes as at December 31, 2019 with projections to December 31, 2022. These actuarial valuations were based on assumptions about future events.

**The Corporation of the Town of Aurora**  
**Notes to the Consolidated Financial Statements**

**December 31, 2021**

(Dollar amounts presented in '000's)

**12. Net Long-term Liabilities**

	2021	2020
Debenture, bearing interest at 2.29%, maturing in March 2026. Principal and interest is repayable in semi-annual installments of \$184.	\$ 1,563	\$ 1,889
Debenture, bearing interest at 4.37%, maturing in September 2025. Principal and interest is repayable in semi-annual installments of \$160.	1,165	1,426
Debenture, bearing interest at 2.85%, maturing in May 2023. Principal and interest is repayable in semi-annual installments of \$318.	3,749	4,267
Debenture, bearing interest at 2.65%, maturing in July 2041. Principal and interest is repayable in semi-annual installments of \$109.	3,375	-
Debenture, bearing interest at 2.42%, maturing in July 2036. Principal and interest is repayable in semi-annual installments of \$64.	1,600	-
	<u>\$ 11,452</u>	<u>\$ 7,582</u>

Principal repayments for each of the next five years and thereafter are as follows:

2022	\$ 1,359
2023	1,399
2024	1,441
2025	1,485
2026	1,021
Thereafter	4,747
	<u>\$ 11,452</u>

The interest expense related to the above long-term debt was \$219 (2020 - \$243).

One debenture was issued by The Regional Municipality of York in the name of the Town to fund the construction of a recreation complex. The remaining four debentures were issued by Infrastructure Ontario in the name of the Town of Aurora to fund the Town's conversion of all streetlights to LED, construction of Joint Operations Centre, construction of Hallmark Baseball Diamonds and purchase and fit-up of the Aurora Sports Dome, respectively. These long-term liabilities have been approved by municipal and regional by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

**The Corporation of the Town of Aurora**  
**Notes to the Consolidated Financial Statements**

**December 31, 2021**

(Dollar amounts presented in '000's)

**13. Accumulated Surplus**

Accumulated surplus is comprised of the following:

	2021	2020
<b>Non Financial Surpluses</b>		
General revenue	\$ (13,606)	\$ (22,714)
Invested in tangible capital assets	534,266	497,632
Less: financed by long-term liabilities	(11,452)	(7,582)
<b>Total non-financial surpluses</b>	<b>509,208</b>	<b>467,336</b>
<b>Reserves set aside by Council for Infrastructure</b>		
Infrastructure Sustainability - Water Rate Funded	22,930	18,408
Infrastructure Sustainability - Tax Rate Funded	23,964	21,286
	46,894	39,694
<b>Reserve funds, set aside for specific purposes by Council</b>	<b>34,064</b>	<b>37,752</b>
<b>Proceeds of sale of Aurora Hydro</b>	<b>33,839</b>	<b>32,976</b>
<b>Total reserves and reserve funds</b>	<b>114,797</b>	<b>110,422</b>
<b>Accumulated surplus</b>	<b>\$ 624,005</b>	<b>\$ 577,758</b>

**14. Net Taxation**

	2021	2020
Total taxes levied by the Town	\$ 151,221	\$ 151,527
Less:		
Taxes levied on behalf of the Boards of Education	39,202	39,618
Taxes levied on behalf of the Region of York	60,144	59,194
	<b>\$ 51,875</b>	<b>\$ 52,715</b>

**15. Grants Revenue**

	2021	2020
Federal	\$ 6,157	\$ 599
Provincial	4,614	1,442
Other	2,887	1,164
	<b>\$ 13,658</b>	<b>\$ 3,205</b>

## The Corporation of the Town of Aurora

### Notes to the Consolidated Financial Statements

#### December 31, 2021

(Dollar amounts presented in '000's)

#### 16. Other Revenue

	2021	2020
Penalties and interest on taxes	\$ 1,702	\$ 1,148
Fines	187	172
Licenses, permits and fees	4,255	3,054
Interest income	3,687	3,256
Other	6,380	1,056
	<u>\$ 16,211</u>	<u>\$ 8,686</u>

#### 17. Pension Agreements

OMERS provides pension services to almost 500,000 active and retired members and their approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2021. The results of this valuation disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets at that date of \$117,665 million indicating an actuarial deficit of \$3,131 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the town does not recognize any share of the OMERS pension surplus or deficit.

Contributions in 2021 ranged from 9.0% to 14.6% depending on the level of earnings. As a result, \$2,411 (2020 - \$2,264) was contributed to OMERS for current year services.

#### 18. Insurance Coverage

The Town is self-insured for insurance claims up to \$10 for any individual claim and for any number of claims arising out of a single occurrence.

Claim costs during the year amounted to \$37 (2020 - \$47).

The Town has made provisions for reserves for self-insurance claims under \$10 to be used for those claims that exceed the sum provided for in the annual budget. These reserves are reported on the Financial Statement Operations and Accumulated Surplus under reserves set aside by Council. In 2013, the Insurance stand alone reserve was collapsed into the Town's general Tax Rate Stabilization Reserve; this reserve will be similarly accessible for this purpose. The balance of the Tax Rate Stabilization Reserve as of December 31, 2021 was \$9,306 (2020 - \$8,256).



## The Corporation of the Town of Aurora

### Notes to the Consolidated Financial Statements

**December 31, 2021**

(Dollar amounts presented in '000's)

#### 19. Contingencies

The Town is subject to various legal claims arising in the normal course of its operations. The ultimate outcome of these claims cannot be determined at this time; therefore, no amounts have been recorded in these financial statements. The Town's management believe that the ultimate disposition of these matters will not have a material adverse effect on its financial position.

#### 20. Contractual Obligations

The Town committed contractual obligations on major capital projects of approximately \$37,509 during 2021, which have various contract completion dates.

Effective January 1, 2002, the Town entered into an agreement with the Town of Newmarket with respect to the provision of Fire and Emergency services. Under the Agreement, the Town of Newmarket assumed responsibility for the combined Central York Fire Services. The cost of these services is shared between the two municipalities on the basis of a pre-defined cost sharing formula. The Town's share of costs for the year was \$11,956 (2020 - \$11,044).

#### 21. Segment Information

The Town is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the Consolidated Schedule of Segment Disclosure. The nature of the segments and the activities they encompass are as follows:

##### *Taxation Revenue*

The Town's primary source of funding for its operations is achieved through property taxes levied against property owners.

##### *Governance & Corporate Support*

This functional segment includes The Mayor's office and Council, CAO Office, Legislative Services, Legal, Communication, Information Technology and Financial Services, and all other support services.

##### *Fire & Emergency Services*

Central York Fire Services provides fire and emergency services to the residents of Aurora and Newmarket. The cost the Town paid for these services is described in Note 20.

##### *Building, Bylaw & Licensing Services*

The Town issues a variety of licenses and permits. This segment ensures an acceptable quality of building construction and maintenance of properties through enforcement of construction codes, building standards and by-laws for the protection of occupants. It enforces all zoning by-laws and the processing of building permit applications.

##### *Roads & Related Services*

This segment represents the reconstruction, repair, maintenance works and winter control services provided to the Town's roads, sidewalks, street lighting, walkways and bridges.

## The Corporation of the Town of Aurora

### Notes to the Consolidated Financial Statements

**December 31, 2021**

(Dollar amounts presented in '000's)

#### **21. Segment Information (continued)**

##### *Environmental Services*

This segment represents the water/sewer services and waste management services provided by the Public Works Department.

##### *Community Programs & Events*

This segment represents the services that the Parks & Recreation Services Department provided through community programs and special events.

##### *Parks & Facilities*

This segment maintains numerous recreation facilities, as well as indoor community space for booking and community use. It also maintains parks and playgrounds, open spaces and a vast trail system.

##### *Public Library Services*

This segment of library services covers the Library Board and The Town's library expenses. The funding from the Town to the Library Board is eliminated before the segment amount is determined.

##### *Planning & Development*

This functional segment manages the Town's urban development through the development application process. It also oversees community economic development, environmental concerns, heritage matters, local neighbourhoods, and the Town's Official Plan.

#### **22. Tangible Capital Assets Under Construction**

Tangible capital assets under construction and other capital work in progress by the Town having a value of \$82,772 (2020 - \$61,923) have not been amortized. Amortization of these assets will commence when these noted assets are put into service. This value excludes any developer constructed assets which have yet to be assumed.

**The Corporation of the Town of Aurora**  
**Notes to the Consolidated Financial Statements**

**December 31, 2021**

(Dollar amounts presented in '000's)

**23. Tangible Capital Assets**

	2021									
	General					Infrastructure			Total	
	Land	Buildings	Vehicles	Computer and other	Facilities	Roads	Underground and Other Networks	Bridges and Other Structures	Assets Under Construction	
<b>Cost</b>										
Balance, beginning of year	\$ 111,958	\$ 116,325	\$ 11,820	\$ 9,096	\$ 31,007	\$ 108,381	\$ 251,067	\$ 23,207	\$ 61,923	\$ 724,784
Add: Additions during the year		1,363	2,131	774	59	46	85	-	32,656	37,114
Add: Donations and transfers	-	33	-	51	7,445	9,212	11,530	778	(11,458)	17,591
Add: Net TCA adjustment	-	-	-	-	8	1	(5)	25	-	29
Less: Disposals during the year	-	(219)	(934)	(368)	(39)	(263)	(121)	(36)	(349)	(2,329)
Balance, end of year	111,958	117,502	13,017	9,553	38,480	117,377	262,556	23,974	82,772	777,189
<b>Accumulated amortization</b>										
Balance, beginning of year	-	50,667	6,770	6,071	13,516	48,269	84,669	17,190	-	227,152
Add: Amortization during the year	-	5,207	953	908	1,204	3,683	4,722	646	-	17,323
Add: Net TCA adjustment	-	-	-	-	-	-	108	36	-	144
Less: Amortization on disposals	-	(90)	(906)	(368)	(39)	(153)	(107)	(33)	-	(1,696)
Balance, end of year	-	55,784	6,817	6,611	14,681	51,799	89,392	17,839	-	242,923
<b>Net book value of tangible capital assets</b>	\$ 111,958	61,718	6,200	2,942	23,799	65,578	173,164	6,135	82,772	534,266

**The Corporation of the Town of Aurora**  
**Notes to the Consolidated Financial Statements**

**December 31, 2021**

(Dollar amounts presented in '000's)

**23. Tangible Capital Assets (continued)**

	2020									
	General					Infrastructure			Total	
	Land	Buildings	Vehicles	Computer and other	Facilities	Roads	Underground and Other Networks	Bridges and Other Structures	Assets Under Construction	
<b>Cost</b>										
Balance, beginning of year	\$ 111,495	\$ 106,415	\$ 11,515	\$ 8,845	\$ 30,320	\$ 103,565	\$ 244,832	\$ 22,074	\$ 44,547	\$ 683,608
Add: Additions during the year	463	7,708	488	608	730	45	434	-	22,412	32,888
Add: Donations and transfers	-	2,190	-	-	15	4,697	5,640	1,024	(3,836)	9,730
Add: Net TCA adjustment	-	86	-	-	-	86	343	143	-	658
Less: Disposals during the year	-	(74)	(183)	(357)	(58)	(12)	(182)	(34)	(1,200)	(2,100)
Balance, end of year	111,958	116,325	11,820	9,096	31,007	108,381	251,067	23,207	61,923	724,784
<b>Accumulated amortization</b>										
Balance, beginning of year	-	46,318	6,041	5,543	12,494	44,781	80,268	16,466	-	211,911
Add: Amortization during the year	-	4,417	912	886	1,064	3,492	4,608	665	-	16,044
Add: Net TCA adjustment	-	-	-	-	-	-	(39)	61	-	22
Less: Amortization on disposals	-	(68)	(183)	(358)	(42)	(4)	(168)	(2)	-	(825)
Balance, end of year	-	50,667	6,770	6,071	13,516	48,269	84,669	17,190	-	227,152
<b>Net book value of tangible capital assets</b>	\$ 111,958	\$ 65,658	\$ 5,050	\$ 3,025	\$ 17,491	\$ 60,112	\$ 166,398	\$ 6,017	\$ 61,923	\$ 497,632

**The Corporation of the Town of Aurora**  
**Consolidated Schedule of Segmented Disclosure**  
**Schedule 1**

**December 31, 2021**

(Dollar amounts presented in '000's)

	2021										
	Taxation Revenue	Governance & Corporate Support	Fire & Emergency Services	Bylaw & Licensing Services	Roads & Related Services	Environmental Services	Community Programs & Events	Parks & Facilities	Public Library Services	Planning & Development	Consolidated
Revenue											
Taxation	\$ 51,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,875
User fees	-	720	560	497	1,288	29,638	3,012	10,870	2,757	2,259	51,601
Grants	-	268	2,425	50	6,232	616	3,931	91	45	-	13,658
Loss on tangible capital asset adjustment	-	-	-	-	(1)	(105)	-	(8)	-	-	(114)
Loss on disposal of tangible capital assets	-	-	-	-	(349)	(35)	-	-	-	-	(384)
Assumed infrastructure assets	-	-	-	-	7,532	10,010	-	50	-	-	17,592
Other	-	7,451	2,757	2,772	242	939	265	458	4	1,322	16,210
Total Revenue	51,875	8,439	5,742	3,319	14,944	41,063	7,208	11,461	2,806	3,581	150,438
Expenses											
Salaries, wages and benefits	-	8,099	-	3,585	3,583	984	3,154	6,664	2,693	1,702	30,464
Amortization	-	6,334	305	-	3,889	5,163	-	1,204	545	-	17,440
Materials and supplies	-	541	35	49	1,245	2,409	268	501	272	5	5,325
Contracted services	-	2,677	10,552	274	2,207	26,456	1,035	5,392	348	685	49,626
Interest on long-term liabilities	-	-	-	-	-	-	-	196	-	-	196
Others	-	494	-	3	26	280	89	32	-	216	1,140
Total Expenses	-	18,145	10,892	3,911	10,950	35,292	4,546	13,989	3,858	2,608	104,191
Annual Surplus (Deficit)	\$ 51,875	\$ (9,706)	\$ (5,150)	\$ (592)	\$ 3,994	\$ 5,771	\$ 2,662	\$ (2,528)	\$ (1,052)	\$ 973	\$ 46,247

**The Corporation of the Town of Aurora**  
**Consolidated Schedule of Segmented Disclosure**  
**Schedule 1**

**December 31, 2021**

(Dollar amounts presented in '000's)

2020											
	Taxation Revenue	Governance & Corporate Support	Fire & Emergency Services	Bylaw & Licensing Services	Roads & Related Services	Environmental Services	Community Programs & Events	Parks & Facilities	Public Library Services	Planning & Development	Consolidated
Revenue											
Taxation	\$ 52,715	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,715
User fees	-	355	459	462	770	28,006	246	4,004	355	1,775	36,432
Grants	-	171	945	19	1,692	202	131	-	45	-	3,205
Loss on disposal of tangible capital assets	-	(607)	-	-	-	-	-	-	-	-	(607)
Assumed infrastructure assets	-	-	-	-	3,162	6,568	-	-	-	-	9,730
Other	-	4,104	-	2,029	383	754	223	318	15	860	8,686
Total Revenue	52,715	4,023	1,404	2,510	6,007	35,530	600	4,322	415	2,635	110,161
Expenses											
Salaries, wages and benefits	-	7,056	-	3,292	3,168	874	2,943	6,211	2,461	1,440	27,445
Amortization	-	5,390	319	-	3,684	5,081	-	1,064	506	-	16,044
Materials and supplies	-	475	-	62	1,072	2,305	182	343	206	6	4,651
Contracted services	-	2,607	10,725	161	2,091	23,482	925	4,187	316	172	44,666
Interest on long-term liabilities	-	-	-	-	-	-	-	183	-	-	183
Other	-	149	-	5	-	155	92	2	-	131	534
Total Expenses	-	15,677	11,044	3,520	10,015	31,897	4,142	11,990	3,489	1,749	93,523
Annual Surplus (Deficit)	\$ 52,715	\$ (11,654)	\$ (9,640)	\$ (1,010)	\$ (4,008)	\$ 3,633	\$ (3,542)	\$ (7,668)	\$ (3,074)	\$ 886	\$ 16,638



100 John West Way  
Aurora, Ontario  
L4G 6J1  
(905) 727-3123  
aurora.ca

Town of Aurora

## Audit Committee Report

No. FIN22-022

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**Subject:** 2021 Year-end Operating and Capital Results – As of Dec 31, 2021

**Prepared by:** Tracy Evans, Financial Management Advisor

**Department:** Finance

**Date:** June 28, 2022

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### Recommendation

1. That Report No. FIN22-022 be received for information.

### Executive Summary

This report presents to Council the year end financial performance of the Town's 2021 operating and capital budgets. COVID-19 had a material impact on operations. In addition, information is provided on the disposition of the Town's operating budget surplus in accordance with the 2021 Surplus Control By-law 6379-21.

- Tax levy funded operations ended the year with a surplus of \$2,962,200
- Water, wastewater and storm water operations closed the fiscal year with an operating surplus of \$334,400
- COVID-19 had a significant financial impact on the Town's operations
- The pandemic's public health measures have mostly impacted the final financial results for facilities and community programs
- The surplus control bylaw authorizes the CAO and Treasurer to allocate portions of a yearend operating surplus to specific reserve accounts
- The Town's actual 2021 capital spend of \$34.7M was \$57.2M lower than its original planned spend of \$91.9M

Any operational budget surpluses remaining at year end will require an offsetting adjustment from/to the tax rate stabilization reserve as defined in the Town's 2021 surplus / deficit management bylaw.

## **Background**

To keep Council informed as to the financial status of the operating budget, Council was presented with interim forecast updates over the course of 2021. This report includes the yearend results now that the external audit is substantially complete.

The magnitude of the impact of COVID-19 on the Town of Aurora continued to be unclear over the course of 2021 resulting in some forecast volatility over this period.

On April 8<sup>th</sup>, the province instituted a province wide stay at home order that ended on June 2<sup>nd</sup> which saw the prohibition of most indoor activities and many outdoor activities.

On May 20, 2021 the office of the premier issued a new 3 step roadmap to safely reopen the province. The first step opened on June 11<sup>th</sup> when it is expected that 60 percent of Ontario adults have received one dose of the COVID-19 vaccine. The province moved to step two on June 30<sup>th</sup> and has subsequently moved to step three of the roadmap to reopen on July 16<sup>th</sup>, based on 70-80 percent being vaccinated.

On October 25, 2021, Ontario lifted capacity limits in settings where proof of vaccinations is required in places such as restaurants, indoor areas of sports and recreational facilities including gyms.

The Town's auditors will present its 2021 draft financial statements to the Audit Committee on June 28<sup>th</sup> for review and approval. It should be noted that these audited financial statements are presented in a format consistent with the Public Sector Accounting Standards (PSAS), whereas this report is presented in a format consistent with the "traditional balanced municipal budget" approach.

## **Analysis**

### **Tax levy funded operations ended the year with a surplus of \$2,962,200**

The Town's tax levy funded operations finished the year with a surplus of \$2,962,200, representing an increase of \$798,700 from the surplus that was reported as of October 31, 2021. Most of this surplus is the result of COVID-19 driven savings on staffing, contracts, and utilities in Community Services and higher than anticipated development



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driven engineering revenues in Planning and Development Services. The savings in Community Services are not expected to continue as the Town continues to recover from the pandemic. The revenues in Planning and Development Services are market driven fluctuate from year-to-year.

A detailed break-down of the Town's variance by division can be found in Attachment #1. This report has been simplified to show only the net budget amount, the ending position for each item, and the variance to budget. Overall, the tax-funded budget for 2021 includes \$73,577,200 in approved expenditures, funded by \$21,471,400 in revenues consisting of user fees, charges, and investment income, and a total tax levy of \$52,105,800.

Table 1 presents a departmental summary of the variances.

**Table 1**  
**2021 Tax-Funded Operating Yearend Results**

<b>\$000s</b>	<b>Budget</b>	<b>Final Actuals</b>	<b>Variance Surplus/(Deficit)</b>
Council	580.8	567.8	13.0
CAO	1,426.1	1,416.2	9.9
Corporate Services	9,467.2	9,107.3	359.9
Finance	2,247.4	2,123.9	123.5
Fire	11,961.6	11,955.6	6.0
Operational Services	11,028.9	10,966.4	62.5
Community Services	11,014.6	9,364.4	1,650.2
Planning & Development Services	826.7	(225.2)	1,051.9
Corporate Revenue & Expenses	3,552.4	3,688.6	(136.2)
Tax Levy	52,105.8	51,927.4	(178.4)
<b>Total Operating</b>			<b>2,962.2</b>

The budget includes \$150,000 for salary gapping savings which is distributed across the departments. This recognizes that during the year there will be some staff turnover and periodic vacancies. Also included in the 2021 budget was an additional \$127,000

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for the salary gapping on new positions to account for the July 1<sup>st</sup> start date. This amount was budgeted in Corporate Revenue & Expenditures. The Town recognized higher salary and benefit savings at year end, driven mostly by COVID-19 restrictions.

The following identifies the 2021 year-end variances by department:

#### CAO and Council

Council and the Office of the CAO budgets ended 2021 with a surplus of \$22,900 on a net operating budget of \$2,006,900. This surplus mostly relates to COVID-19 driven sponsorship grants, conference savings, as well as favourable savings in promotion and events materials.

#### Corporate Services

Corporate Services ended 2021 with a surplus of \$359,900 on a total net operating budget of \$9,467,200. This surplus is mostly attributable to savings from outside legal services for personnel administration and from salaries & benefits. Other contributors to this variance are recognized insurance and postage cost savings, as well as larger than anticipated administration fee revenues. These savings are partially offset by COVID-19 driven advancement of software license and maintenance costs.

#### Finance

Finance ended 2021 with a surplus of \$123,500 on a net operating budget of \$2,247,400. This surplus mostly results from salary savings arising from temporary vacancies as well as higher than budgeted revenue from fees and services.

#### Fire Services

As of December 31, 2021, overall Central York Fire Services (CYFS) concluded the year with an operating surplus of \$134,200 on a total approved operating budget of \$28,864,300. This surplus was mostly attributable to savings in salary and benefits resulting from delays in staff hiring. Aurora's share of CYFS' total approved budget is \$11,955,600. As per normal practice, the CYFS surplus will be offset by an equal contribution to the shared CYFS asset replacement fund (ARF) reserve, thus leaving the Town's portion of the Fire Services requirements as budgeted. Aurora's total noted Fire Services budget of \$11,961,600 includes an additional \$6,000 for parking lot winter management services at each Aurora Fire Hall location that is provided directly through the Town, which was not billed for 2021 resulting in the surplus.

### Operational Services

Operational Services, excluding water, wastewater & storm water services, ended 2021 with a surplus of \$62,500 on a net operating budget of \$11,028,900. Key contributors to this surplus are COVID-19 driven salary savings relating to Crossing Guard services, savings in waste collection as a result of the 3-bag limit and other overall contract savings. These favourable variances are partially offset by higher than anticipated salary costs in winter maintenance offset partially by salary savings in Roads Network Operations. These savings are further offset by reduced ball diamond/soccer field permit revenues as a result of COVID-19 restrictions and additional security costs. Fleet Management also experienced increased fuel costs and vehicle repairs.

As per the Town's winter control reserve policy, if the overall Town operating budget is unable to accommodate the full reported winter management deficit, any required funding shortfall can be drawn from this reserve. As the Town's overall positive position was sufficient to offset the experienced shortfall, a draw from the winter control reserve is not necessary for 2021.

Salaries and wages are split between the tax levy and user rate (water, wastewater & storm water services) funded programs. In any given year, the exact extent of operational service staff support of tax levy or rate funded programs is difficult to accurately predict as such some variability is not unusual. Overall, the department's salaries and benefits for tax supported programs finished the year under budget by \$40,600. This is mainly due to the reduced hiring of seasonal staff within Park Operations due to COVID-19, as well as crossing guard salary savings.

### Community Services

Community Services ended 2021 with a \$1,650,200 surplus on a net operating budget of \$11,014,600. The key contributors to this surplus relate to COVID driven salary and contract savings, as well as savings in facility operation utility/heating costs. An increase in lease revenue that was not budgeted for also contributes to this positive variance. These surpluses are offset by reduced community program, sponsorship/advertising, ice rental and special events revenues due to COVID-19.

Aurora Town Square savings were recognized relating to the implementation of the Town's financial strategy to phase in its projected incremental operating costs prior to it becoming fully operational in 2022. These surplus funds were contributed to the Town's tax rate stabilization reserve as per the 2021 surplus control bylaw. These funds will remain available to be drawn upon as required in future years in the management of Aurora Town Square one-time implementation and ongoing operating costs.

### Planning & Development Services

Planning & Development Services ended 2021 with a surplus of \$1,051,900. This surplus is mostly attributable to higher than anticipated development driven engineering revenues and vacant position savings being partially attributable to COVID-19.

Not included in this variance is a Building Services' surplus of \$1,035,400 resulting from larger than anticipated development driven revenues and salary savings. As Building Services is a self-funded function as per provincial legislation, if it is unable to recognize sufficient revenues to offset its expenses in a given fiscal year, it will draw from its dedicated reserve to balance its operating budget. If it recognizes excess revenues, these revenues are used to replenish its reserve. As per legislation, this surplus has been contributed to its dedicated reserve.

### Corporate Revenues & Expenses

Corporate Revenues and Expenses ended 2021 with a deficit of \$136,200 on a net operating budget of \$3,552,400. The primary driver of this deficit relates to Town wide salary and benefit adjustments including the \$127,000 salary gapping savings relating to new positions during the first six months of the year. The offsetting gapping savings are reflected in the departmental variances.

Furthermore, tax adjustments are a significant contributor to the final recognized deficit as MPAC strives to settle the Town's outstanding commercial property assessment appeals.

The Aurora Town Square debt carrying costs over the next two years are expected to be under budget. In 2021, the only debt related costs were interest costs arising from the use of the construction line of credit. As a result, most of the allocated amount for the Aurora Town Square debt carrying costs will not be needed in 2021; these unspent funds have been contributed to the Facilities Repair & Replacement reserve as planned.

### Aurora Public Library Contribution

The Aurora Public Library experienced a surplus of \$271,400 from a total approved net operating budget of \$3,896,100, mostly attributable to salary savings due to COVID-19. As per the Town's surplus / deficit management bylaw, this surplus was returned to the Town and contributed to the Facility Repair & Replacement reserve.

### Total Tax Levy

Overall, the Town of Aurora tax levy funded operations ended the year with a surplus of \$2,962,200 with no noticeable adverse impacts to service levels. Under the guidelines as presented in the Surplus/Deficit Management By-law, as the tax rate stabilization reserve balance has reached its maximum ceiling of 10 percent of the tax levy, the CAO and Treasurer have approved a contribution of this equivalent amount across the Town's tax funded reserves.

### **Water, wastewater and storm water operations closed the fiscal year with an operating surplus of \$334,400**

The Town's user rate funded operations ended 2021 with a surplus \$334,400, representing an increase of \$135,400 from the surplus that was reported as of October 31, 2021.

The final reported operating budget surplus is driven by a favorable variance in storm water services. The key contributors to this variance were larger than anticipated storm water revenues and contract savings. The higher revenues stem from a larger number of new customers being added than was anticipated. Delays in planned repair work contributed to the contract savings; this delayed work is to be completed in 2022.

The storm water services surplus is partially offset by an operating shortfall in water and wastewater due to COVID-19 driven increased wholesale water and sewer discharge fees arising from greater water demands because of residents working from home, partially offset by salary and contract savings.

The user rate funded operations budgets include fixed operational costs, funded by the net proceeds from the sale of water, wastewater and storm water services. These fixed operational costs include staff and service maintenance costs related to maintaining the infrastructure systems, water quality testing, and the billing and customer service functions. These costs are not directly impacted by the volume of water flowing through the system.

Table 2 presents a summary of the Town's final year financial results for its user fee funded operations. More detail can be found in attachment #2.

**Table 2**  
**2021 User Rate Yearend Results**

<b>\$000s</b>	<b>Forecast Surplus/(Deficit)</b>
Water Services	72.3
Wastewater Services	(148.0)
Storm Water Services	410.1
<b>Total User Rate Surplus (Deficit)</b>	<b>334.4</b>

As required by legislation, each of these individual service budget variances must be brought into a balanced position at yearend. The appropriate contribution to or from the user rate funded reserves will be undertaken by the CAO and Treasurer to balance each of these service line budgets as per the Town's 2021 surplus / deficit management bylaw.

#### **COVID-19 had a significant financial impact on the Town's operations**

The pandemic had a significant impact on the Town's final financial results. Table 3 offers a summary of the Town's experienced COVID-19 financial impacts.

**Table 3**  
**COVID-19 Revenue Losses & Mitigation Savings**

<b>\$000s</b>	
<b>Tax Levy Funded Operations:</b>	
Lost senior, aquatics, camp & fitness membership revenues	1,045.4
Lost ice rental revenues	151.9
Lost sponsorship & advertising revenues	214.3
Lost baseball diamond/soccer field rental revenues	14.8
Lost special event revenues	59.9
Safe Recovery Grant revenue	(1,004.1)
<b>Revenue Losses</b>	<b>482.2</b>

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<b>\$000s</b>	
Community program part-time and contract savings	\$1,014.7
Town facility closure net operating savings	1,262.1
Salary savings resulting from delayed recruitment of new staff	250.0
Business Support salary and other cost savings	314.9
Special event contract savings	37.4
Crossing guard services salary & contract savings	116.3
<b>Expenditure Savings</b>	<b>2,995.4</b>
<b>Net Tax Funded Savings</b>	<b>2,513.2</b>
<b>User Rate Funded Operations:</b>	
Increased water/wastewater revenues	1,042.2
Revenue Increase	1,042.2
Increased water volume costs offset by operational savings	1,117.9
Expenditure Losses	1,117.9
<b>Net User Rate Funded Losses</b>	<b>(75.7)</b>

The overall identified COVID-19 net savings for tax levy funded operations has increased by \$1,220.4 and user rate funded operations decreased by \$220.9 from what was reported as of October 31, 2021. The increased net savings for tax levy funded operations is mostly driven by stronger than anticipated recreation revenues resulting from a faster relaxation of provincial pandemic public health measures than previously assumed, as well as the application of Safe Restart grant funding to eligible COVID-19 short-falls. The final user rate funded operations net COVID variance change from a net savings of \$145.2 to a final net loss of \$75.7 mostly relates to larger sewer discharge fees and wholesale water costs arising from an increased water demand as residents continued to work from home.

#### **The pandemic's public health measures have mostly impacted the final financial results for facilities and community programs**

As can be seen from Table 3, COVID-19 had the most profound impact on the Town's facility and community program functions. The financial performance of these two functions hinged on the timing of the province's relaxation or tightening of its pandemic health measures. The Town was able to find more than sufficient mitigating savings to offset its significant COVID-19 driven deficits.

### **The surplus control bylaw authorizes the CAO and Treasurer to allocate portions of a yearend operating surplus to specific reserve accounts**

On October 26, 2021, the Surplus / Deficit Management By-law 6379-21 was passed. This bylaw authorizes the CAO and Treasurer to allocate portions of a yearend surplus to specific reserve accounts, or to offset a yearend operating deficit through a draw from specific reserve accounts as part of the yearend accounting processes. This is done to separate a previous year's budget variance from that of the upcoming year's budget.

The year end surpluses and wastewater services deficit were then adjusted by transfers from/to reserves in accordance with the 2021 surplus / deficit management by-law as follows:

**Table 4**  
**2021 Surplus Disposition**

<b>Reserve Transfer</b>	<b>Amount</b>
Transfer TO Growth & New reserve fund	573,213
Transfer TO IT R&R reserve fund	300,000
Transfer TO Studies & Other reserve fund	65,174
Transfer TO Fleet reserve fund	1,781,019
Transfer TO ATS Operating Contingency	242,881
Transfer TO Water reserve fund	72,325
Transfer FROM Wastewater reserve fund	(148,029)
Transfer TO Storm Water reserve fund	410,135
	<b>\$3,296,717</b>

**The Town's actual 2021 capital spend of \$34.7M was \$57.2M lower than its original planned spend of \$91.9M.**

The original planned spend of \$91.9M represents the planned 2021 capital project cash outlay that was presented to Council as part of the Town's 2021 approved capital budget. As many projects span multiple years, any planned amounts that are not spent in 2021 can be rolled forward to the following future years through the capital budget process, if needed.

The Town's 2021 actual capital spending for the year ending is \$57.2M (62%) lower than what was originally planned for all approved capital projects. There may be many different reasons for why a given capital project's original planned spend may not happen. A detailed breakdown of the Town's actual capital spend by individual capital



project can be found in Attachment 3. A summary of the planned vs. actual capital spend in 2021 can be found under Table 5.

**Table 5**  
**Planned vs. Actual 2021 Capital Spending**

<b>\$000s</b>	<b>Planned Spend for 2021</b>	<b>Actual Spend for 2021</b>	<b>Variance</b>
Growth & New	61,113.5	26,930.3	34,183.2
Rehab & Replacement	28,968.7	7,104.7	21,864.0
Studies & Other	1,838.2	682.0	1,156.2
<b>Total</b>	<b>91,920.4</b>	<b>34,717.0</b>	<b>57,203.4</b>

Attachment 3 presents the variance between each individual active capital project's actual spend for compared to its planned spend for 2021 and provides a brief explanation for each identified material variance. The 2021 actual capital spend does not include any projects that were proposed for closure prior to April 30<sup>th</sup>, 2021; the list of the projects identified for closure over the course of 2021 was included under chapter 20 of the 2022 budget binder that was provided to Council on October 26, 2021.

The following summary presents the Town's key recognized 2021 capital variances by department for its active capital projects.

#### CAO

The office of the CAO does not have any material variances of note.

#### Fire Services

Fire Services had lower than expected spending for Fire HQ, Hall and Training Construction of \$3.6M, which is a shared project between the Town of Aurora and Newmarket. This project is now expected to be completed in 2022 and the Town of Aurora is expected to issue roughly \$3.6M in payments to the Town of Newmarket by the end of 2022.

### Operational Services

Overall, Operational Services had actual capital spending of \$5.6M in 2021, which is \$9.6M lower than the planned annual spend. Significant contributors to this variance include the David Tomlinson Nature Reserve (Phase 1-5) for approximately 2.4M, Non-Programmed Park in 2C for approximately 1.5M, and Hallmark Lands baseball diamonds for approximately \$1.2M. In addition, planned capital spending of \$1.5M was deferred to 2022 and 2023 due to construction and delivery delays in various operational services capital projects. This includes \$708K for a cold storage building to be located at the Joint Operations Center, \$600K for Board Walk Resurfacing at McKenzie Marsh, and \$210K for Trails Signage Strategy Study & Implementation.

### Community Services

Community Services had actual capital spending of \$15.2M in 2021, which is \$22.8M lower than the planned annual spend. This variance is heavily driven by the actual 2021 spending for the Aurora Town Square project being \$18.5M less than forecasted. This outstanding planned amount will be spent in 2022 and 2023, with the project expected to be substantially completed in 2023. The other major projects whose 2021 planned spending has been deferred to 2022 and beyond include the new Aquatic Center, the replacement of roof sections and skylight sealant at Town Hall and the implementation of recommendations identified in the Security Risk Assessment audit.

### Planning & Development Services

Planning and Development Services had actual capital spending of \$5.7M in 2021, which is \$16.3M lower than the planned annual spend. The primary driver of this variance is that \$10.4M in planned capital spending relating to roads, traffic and storm sewer projects which will be carried forward into 2022 as a result of construction delays. A further \$4.1M in project costs were not incurred as these projects were completed under budget.

### Finance

Finance had actual capital spending of \$286K in 2021, which is \$2.3M lower than the planned annual spend. The key contributor to this variance is the Advanced Metering Infrastructure project, whose contract was still under negotiation at the end of 2021. The planned spend for this project is anticipated to now take place over 2022 and 2023.

### Corporate Services

Overall, Corporate Services had actual capital spending of \$687K in 2021, which is \$1.9M lower than the planned annual spend. The key contributors to this variance include an overestimation of 2021 requirements for computer & related infrastructure renewal and a delay in the implementation of the Technology Strategic Plan, Accessibility plan, Business process automation and Data integration projects into future years.

### **Advisory Committee Review**

Not applicable.

### **Legal Considerations**

None.

### **Financial Implications**

The Town's final tax levy or user rate funded operating budget surplus or deficit will be allocated by the CAO and Treasurer to / from various reserves as per the Surplus/Deficit Management bylaw.

In an effort to minimize the impact to the Town's reserves resulting from COVID-19, it has used its available Safe Restart grant funding accordingly to offset any of its experienced eligible COVID short-falls. A total of \$1,004,100 in Safe Recovery grant funding was allocated in support of the Town's 2021 operating budgets.

All final 2021 capital project expenditures have now been fully funded with their approved funding sources. Also, the next budget process will consider any unspent 2021 planned expenditures as part of its update to identified future year requirements for approved projects as part of the 10-year capital plan.

There are no other immediate financial implications arising from this report. Council fulfills its role, in part, by receiving and reviewing this financial status report on the operations of the municipality relative to the approved budget.

## **Communications Considerations**

The Town of Aurora will use 'Inform' as the level of engagement for this project. There are five different levels of community engagement to consider, with each level providing the community more involvement in the decision-making process. These levels are: Inform, Consult, Involve, Collaborate and Empower. Examples of each can be found in the Community Engagement Policy. These options are based on the International Association of Public Participation (IAP2) Spectrum and assist in establishing guidelines for clearly communicating with our public and managing community engagement. In order to inform, this report will be posted to the Town's website.

## **Climate Change Considerations**

The information contained within this report does not impact greenhouse gas emissions or impact climate change adaption.

## **Link to Strategic Plan**

Outlining and understanding the Town's present financial status at strategic intervals throughout the year contributes to achieving the Strategic Plan guiding principle of "Leadership in Corporate Management" and improves transparency and accountability to the community.

## **Alternative(s) to the Recommendation**

1. Not applicable.

## **Conclusions**

Tax levy funded operations has concluded the fiscal year with a surplus of \$2,962,200 arising primarily from larger than anticipated development driven revenues such as engineering fees for lot grading, subdivisions and site plans, as well as salary and contract savings. These surpluses have been partially offset by COVID-19 driven operating losses.

User rate funded budget operations finished the fiscal year with a favourable budget variance of \$334,400.

The Town has spent \$57.2M less than what was planned for all active capital projects in 2021. These capital cash outflows will be deferred and spent in 2022 and beyond.

**Attachments**

Attachment #1 – Tax Levy Funded Net Operating Forecast Update

Attachment #2 – Water Rate Funded Net Operating Forecast Update

Attachment #3 – Capital Project Forecast Update

**Previous Reports**

FIN21-021 – Use of Safe Restart Grant Funding

FIN21-033 – 2021 Interim Forecast Update – as of April 30, 2021

FIN21-042 – 2021 Interim Forecast Update – as of August 31, 2021

FIN21-051 – 2021 Interim Forecast Update – as of October 31, 2021

**Pre-submission Review**

Agenda Management Team review on June 2, 2022

**Approvals**

Approved by Rachel Wainwright-van Kessel, CPA, CMA, Director, Finance

Approved by Doug Nadorozny, Chief Administrative Officer

# Town of Aurora

## Final NET Tax Levy Funded Operations Results

### as at December 31, 2021

Shown in \$,000's	NET ADJUSTED BUDGET	FINAL ACTUAL	Variance Favourable / (Unfavourable)	
<b><u>COUNCIL</u></b>				
Council Administration	\$ 568.8	\$ 569.5	\$ (0.7)	(0.1 %)
Council Programs/Grants	4.0	-	4.0	100.0 %
Advisory Committees	8.0	(1.7)	9.7	121.2 %
<b>Council Office Total</b>	<b>\$ 580.8</b>	<b>\$ 567.8</b>	<b>\$ 13.0</b>	<b>2.2 %</b>
<b><u>CHIEF ADMINISTRATIVE OFFICE</u></b>				
CAO Administration	\$ 578.4	\$ 534.0	\$ 44.4	7.7 %
Communications	847.7	882.2	(34.5)	(4.1 %)
<b>Chief Administrative Office Total</b>	<b>\$ 1,426.1</b>	<b>\$ 1,416.2</b>	<b>\$ 9.9</b>	<b>0.7 %</b>
<b>Council and C.A.O. Combined</b>	<b>\$ 2,006.9</b>	<b>\$ 1,984.1</b>	<b>\$ 22.8</b>	<b>1.1 %</b>
<b><u>CORPORATE SERVICES</u></b>				
Corporate Services Administration	\$ 455.7	\$ 489.2	(33.5)	(7.3 %)
Legal Services	1,736.5	1,642.3	94.2	5.4 %
Legislative & Administrative Services	778.2	767.8	10.4	1.3 %
Human Resources	1,089.7	969.4	120.3	11.0 %
Elections	92.5	92.8	(0.3)	(0.3 %)
Information Technology	3,128.5	2,958.1	170.4	5.4 %
Telecommunications	164.6	133.3	31.3	19.0 %
By-law Services	726.4	745.8	(19.4)	(2.7 %)
Animal Control	306.1	339.3	(33.2)	(10.8 %)
Customer Service	946.3	918.9	27.4	2.9 %
Emergency Preparedness	42.7	50.3	(7.6)	(17.8 %)
<b>Corporate Services Total</b>	<b>\$ 9,467.2</b>	<b>\$ 9,107.3</b>	<b>\$ 359.9</b>	<b>3.8 %</b>
<b><u>FINANCE</u></b>				
Policy & Planning Administration	\$ 384.0	\$ 391.7	\$ (7.7)	(2.0 %)
Financial Reporting & Revenue	618.5	543.2	75.3	12.2 %
Financial Management	699.5	677.3	22.2	3.2 %
Procurement Services	545.4	511.7	33.7	6.2 %
<b>Finance Total</b>	<b>\$ 2,247.4</b>	<b>\$ 2,123.9</b>	<b>\$ 123.5</b>	<b>5.5 %</b>
<b><u>FIRE SERVICES</u></b>				

# Town of Aurora

## Final NET Tax Levy Funded Operations Results

### as at December 31, 2021

Shown in \$,000's	NET ADJUSTED BUDGET	FINAL ACTUAL	Variance Favourable / (Unfavourable)	
Central York Fire	11,961.6	11,955.6	6.0	0.1 %
<b>Total Fire Services</b>	<b>11,961.6</b>	<b>11,955.6</b>	<b>6.0</b>	<b>0.1 %</b>
<b><u>Operational Services</u></b>				
Operational Services Administration	\$ 302.0	\$ 319.1	\$ (17.1)	(5.7 %)
Fleet & Equipment	900.1	1,062.2	(162.1)	(18.0 %)
Winter Management	1,730.1	1,802.1	(72.0)	(4.2 %)
Road Network Operations	2,707.3	2,460.1	247.2	9.1 %
Parks/Open Spaces	2,819.7	2,846.4	(26.7)	(0.9 %)
Waste Collection & Recycling	2,569.7	2,476.6	93.1	3.6 %
<b>Operational Services Total</b>	<b>\$ 11,028.9</b>	<b>\$ 10,966.4</b>	<b>\$ 62.5</b>	<b>0.6 %</b>
<b><u>Community Services</u></b>				
Community Services Administration	\$ 1,309.9	\$ 1,242.3	\$ 67.6	5.2 %
Business Support	(146.7)	(89.9)	(56.8)	(38.7 %)
Recreational Programming/Community Dev.	2,687.6	2,310.3	377.3	14.0 %
Facilities	7,163.8	5,901.7	1,262.1	17.6 %
<b>Community Services Total</b>	<b>\$ 11,014.6</b>	<b>\$ 9,364.4</b>	<b>\$ 1,650.2</b>	<b>15.0 %</b>
<b><u>PLANNING &amp; DEVELOPMENT SERVICES</u></b>				
Development Planning	\$ (420.6)	\$ (1,540.7)	\$ 1,120.1	266.3 %
Long Range & Strategic Planning	733.4	677.4	56.0	7.6 %
Engineering Service Operations	513.9	638.1	(124.2)	(24.2 %)
Net Building Department Operations	629.4	\$ (406.0)	1,035.4	164.5 %
Contribution To Building Reserve	(629.4)	406.0	(1,035.4)	(164.5 %)
<b>Total Building Services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Planning &amp; Development Services Total</b>	<b>\$ 826.7</b>	<b>\$ (225.2)</b>	<b>\$ 1,051.9</b>	<b>127.2 %</b>
<b><u>CORPORATE REVENUE &amp; EXPENSE</u></b>				
Corporate Management	(3,732.5)	(4,031.2)	\$ 298.7	8 %
Fiscal Strategy	5,960.8	5,960.8	\$ -	-
Non-Levy Tax Items	(392.0)	42.9	\$ (434.9)	(111 %)
Cost Recovery from Rate	(2,180.0)	(2,180.0)	\$ -	-
Net Library Services Operations	3,896.1	3,624.7	\$ 271.4	7 %
Library net contribution to Town reserves	-	271.4	\$ (271.4)	n/a

# Town of Aurora

## Final NET Tax Levy Funded Operations Results

### as at December 31, 2021

Shown in \$,000's	NET ADJUSTED BUDGET	FINAL ACTUAL	Variance Favourable / (Unfavourable)	
	\$ 3,552.4	\$ 3,688.6	\$ (136.2)	(3.8 %)
<u>TOTAL TAX LEVY FUNDED OPERATIONS</u>	<u>\$ 52,105.8</u>	<u>\$ 48,965.1</u>	<u>\$ 3,140.7</u>	<u>6.0 %</u>
<u>TOTAL TAX LEVY</u>	<u>\$ (52,105.8)</u>	<u>\$ (51,927.4)</u>	<u>\$ (178.4)</u>	<u>(0.3 %)</u>
OPERATING (SURPLUS) DEFICIT	<u>-</u>	<u>\$ (2,962.3)</u>	<u>\$ 2,962.2</u>	<u>4.9 %</u>
		Surplus	Surplus	



# Town of Aurora

## Final Net User Rate Funded Operations Results

### as at December 31, 2021

Shown in \$,000's	ADJUSTED BUDGET	FINAL ACTUAL	Variance Favourable / (Unfavourable)	
<b><u>Water Services</u></b>				
Retail Revenues	(11,110.8)	(11,574.1)	\$ 463.3	4.2 %
Penalties	(175.0)	(168.5)	(6.5)	(3.7 %)
Other	(100.1)	(273.1)	173.0	172.8 %
<b>Total Revenues</b>	<b>(11,385.9)</b>	<b>(12,015.7)</b>	<b>\$ 629.8</b>	<b>5.5 %</b>
Wholesale water purchase	6,978.3	7,522.6	(544.2)	(7.8 %)
Operations and maintenance	878.1	1,346.3	(468.2)	(53.3 %)
Administration and billing	1,044.7	589.7	455.0	43.6 %
Corporate overhead allocation	784.9	784.9	-	-
Infrastructure sustainability reserve contributions	1,700.0	1,700.0	-	-
<b>Total Expenditures</b>	<b>11,385.9</b>	<b>11,943.3</b>	<b>\$ (557.4)</b>	<b>(4.9 %)</b>
<b>Net Operating Water Services</b>	<b>\$ -</b>	<b>(72.3)</b>	<b>\$ 72.3</b>	<b>n/a</b>
<b><u>Waste Water Services</u></b>				
Retail Revenues	(14,205.5)	(14,677.7)	\$ 472.2	3.3 %
Other	(114.3)	(54.5)	(59.8)	(52.3 %)
<b>Total Revenues</b>	<b>(14,319.8)</b>	<b>(14,732.2)</b>	<b>\$ 412.4</b>	<b>2.9 %</b>
Sewer discharge fees	10,638.3	11,467.9	\$ (829.7)	(7.8 %)
Operations and maintenance	1,257.1	987.8	\$ 269.2	21.4 %
Administration and billing	261.4	261.4	\$ -	-
Corporate overhead allocation	613.1	613.1	(0.0)	(0.0 %)
Infrastructure sustainability reserve contributions	1,550.0	1,550.0	-	-
<b>Total Expenditures</b>	<b>14,319.8</b>	<b>14,880.3</b>	<b>\$ (560.4)</b>	<b>(3.9 %)</b>
<b>Net Operating Waste Water Services</b>	<b>-</b>	<b>148.0</b>	<b>\$ (148.0)</b>	<b>n/a</b>
<b>Total Water and Waste Water Services</b>	<b>-</b>	<b>75.7</b>	<b>\$ (75.7)</b>	<b>n/a</b>
<b><u>Storm Water Services</u></b>				
Retail Revenues	(2,518.8)	(2,805.2)	\$ 286.4	11.4 %
Penalties	-	-	-	n/a
Other	-	-	-	n/a
<b>Total Revenues</b>	<b>(2,518.8)</b>	<b>(2,805.2)</b>	<b>\$ 286.4</b>	<b>11.4 %</b>

## Attachment 2

Operations and maintenance	1,015.0	891.2	123.8	12.2 %
Administration and billing	105.4	105.4	-	-
Corporate overhead allocation	38.2	38.2	(0.0)	(0.0 %)
Infrastructure sustainability reserve contributions	1,360.2	1,360.2	-	-
<b>Total Expenditures</b>	<b>2,518.8</b>	<b>2,395.0</b>	<b>\$ 123.8</b>	<b>4.9 %</b>
<b>Net Operating Storm Water Services</b>	<b>(0.0)</b>	<b>(410.1)</b>	<b>\$ 410.1</b>	<b>n/a</b>
<b>OPERATING (SURPLUS) DEFICIT</b>	<b>(0.0)</b>	<b>\$ (334.4)</b>	<b>\$ 334.4</b>	<b>1.2 %</b>
		Surplus	Surplus	

**Town of Aurora**  
**Budgeted Capital Spend vs. Actuals**  
**as at December 31, 2021**

	Planned/Budgeted Capital Spend for 2021	2021 Actuals	Variance (\$)	(%)	Variance Explanation
<b>Chief Administrative Office</b>					
12026 Organization Structural Review	\$ 36,569	\$ -	\$ 36,569	100.0 %	
12032 Resident Survey - 2019	30,000	-	30,000	100.0 %	
12037 Town of Aurora Website	44,144	-	44,144	100.0 %	
12042 Municipal Levels of Service Review	100,000	102,458	(2,458)	(2.5 %)	Project fully funded with Provincial grant.
<b>Chief Administrative Office Total</b>	<b>\$ 210,713</b>	<b>\$ 102,458</b>	<b>\$ 108,255</b>	<b>51.4 %</b>	
<b>Fire Services</b>					
<b>Property</b>					
21006 Fire HQ, Hall and Training Construction	\$ 10,764,954	\$ 7,127,093	\$ 3,637,861	33.8 %	Construction is now expected to be completed by mid-2022.
<b>Total Property</b>	<b>10,764,954</b>	<b>7,127,093</b>	<b>\$ 3,637,861</b>	<b>33.8 %</b>	
<b>Equipment</b>					
21106 Pumper for Fire Hall 4-5	410,000	-	410,000	100.0 %	Project completed in 2021. Awaiting billing from Town of Newmarket for \$407K.
21107 Fire Hall 4-5 Turn Out Gear	75,600	-	75,600	100.0 %	Project completed in 2021. Awaiting billing from Town of Newmarket for \$40K.
21109 Fire - Smaller Vehicles	26,900	-	26,900	100.0 %	
21114 Fire Master Plan - 2019	51,250	-	51,250	100.0 %	Project ongoing. Expected completion in 2022.
<b>Total Equipment</b>	<b>563,750</b>	<b>-</b>	<b>563,750</b>	<b>100.0 %</b>	
<b>Fire Services Total</b>	<b>\$ 11,328,704</b>	<b>\$ 7,127,093</b>	<b>\$ 4,201,611</b>	<b>37.1 %</b>	
<b>Operational Services</b>					
<b>Yard/Office</b>					
12041 89 Mosley St	12,582	3,129	9,453	75.1 %	
72285 JOC - Additional Work	\$ 745,019	\$ 37,092	707,927	95.0 %	Cold storage building is currently in design phase (95% complete) and construction will be completed in 2022.
<b>Total Yard/Office</b>	<b>757,601</b>	<b>40,221</b>	<b>\$ 717,380</b>	<b>94.7 %</b>	

	Planned/Budgeted Capital Spend for 2021	2021 Actuals	Variance (\$)	(%)	Variance Explanation
<b>Operations</b>					
31151 Streetlights	14,827	-	14,827	100.0 %	
34004 Safety Railing - Yonge St north of Orchard Heights	375,578	402,755	(27,177)	(7.2 %)	Additional funding provided from project #34005 for work within scope and contingency.
34005 Traffic Protection Guide Rail - Kennedy St W.	100,000	68,844	31,156	31.2 %	Funding transfered to Safety Railing - project #34004.
34007 Webster Drive Curb/Road Drainage Repair	65,000	8,729	56,271	86.6 %	Final invoice paid in April 2022 for #38K.
34008 Roads Operations Infrastructure Inspection, Repair and Maintenance Program	180,576	48,848	131,728	72.9 %	To continue in 2022. Two retaining walls will be repaired in 2022.
34616 Side Walk /Engineered Walkway Reconstruction	171,916	163,022	8,894	5.2 %	
34713 Street Light Pole Identification	25,124	1,568	23,556	93.8 %	
42073 Stormwater Pond Maintenance Program - 2019	105,450	136,425	(30,975)	(29.4 %)	Completed. 2021 cash flows were \$30,975 higher than planned capital spend for 2021, however, project spending remained within approved CBA.
43039 Backflow Prevention Program	4,458	-	4,458	100.0 %	
43057 Installation of Backflow Prevention Meters in Town Facilities	125,000	-	125,000	100.0 %	Project in progress, to be completed in Fall 2022.
<b>Total Operations</b>	<b>1,167,929</b>	<b>830,191</b>	<b>\$ 337,738</b>	<b>28.9 %</b>	
<b>Parks</b>					
72281 AFLC - Skate Park Reconstruction	554,465	12,924	541,541	97.7 %	Council report on options for repair in Q1 2023.
73085 Arboretum Development	134,931	50,056	84,875	62.9 %	COVID-19 delayed planned projects - to be completed in 2022.
73107 Former Kwik Kopy Trail Connection	341,072	508,877	(167,805)	(49.2 %)	2021 cash flows were \$167,805 higher than planned capital spend for 2021, however, project spending remained within approved CBA.
73119 Street /Park Tree Planting Contract	118,292	21,884	96,408	81.5 %	The remaining approved CBA of \$96,408 will be spent in 2022.
73134 Parks/ Trails Signage Strategy Study & Implementation	242,341	31,892	210,449	86.8 %	Trails portion of this project will be completed in 2022. Parks portion will be completed in 2023.
73147 Trail Construction as per Trail Master Plan	50,206	17,956	32,250	64.2 %	Project to be completed in 2022
73160 Emerald Ash Borer Management Program	435,290	348,625	86,665	19.9 %	The remaining approved CBA of \$86,665 will be spent in 2022.

	Planned/Budgeted Capital Spend for 2021	2021 Actuals	Variance (\$)	(%)	Variance Explanation
73169 David Tomlinson Nature Reserve (Phase 1-5)	2,460,549	51,886	2,408,663	97.9 %	The remaining approved CBA of \$2,408,663 will be spent in 2022 and 2023.
73175 Walkway Lights - Graham Parkette	60,000	-	60,000	100.0 %	The remaining approved CBA of \$60,000 will be spent in 2022.
73177 Regionally Approved Pedestrian Underpasses	242,394	38,939	203,455	83.9 %	The project was completed in 2021 and was under budget by \$203K.
73192 Board Walk Resurface McKenzie Marsh	600,000	-	600,000	100.0 %	\$335K of approved budget authority will be spent in 2022 and 2023, with estimated savings of \$275K.
73215 Playground Replacement, Walkway Repaving- L Willson Park	180,000	73,195	106,805	59.3 %	The remaining approved CBA of \$106,805 will be spent in 2022.
73232 Trail/Playground Re-design - Jack Wood Park	102,400	-	102,400	100.0 %	This is no longer required and \$102,400 in approved CBA will not be spent.
73240 Walkway/Basketball Repaving- Tamarac Park	30,000	-	30,000	100.0 %	
73242 Reconstruction of Fleury Park Washroom Facility	425,048	235,461	189,587	44.6 %	The remaining approved CBA of \$189,587 will be spent in 2022.
73247 Trail Construction (Pandolfo/Glen Ridge development area)	100,000	35,022	64,978	65.0 %	The remaining approved CBA of \$64,978 will be spent in 2022.
73260 Environmental Monitoring of 2C Lands	98,058	8,548	89,510	91.3 %	10 year project, in year 8 of monitoring.
73287 Hallmark Lands - Baseball Diamonds	3,647,755	2,479,581	1,168,174	32.0 %	The remaining approved CBA of \$1,168,174 will be spent in 2022.
73290 Tree Inventory	4,648	2,605	2,043	44.0 %	
73292 Picnic Tables/Benches/Garbage Receptacles	23,395	20,042	3,353	14.3 %	
73296 Trails - Joseph Hartman Trail Connection (DG Group)	299,877	135,122	164,755	54.9 %	The remaining approved CBA of \$164,755 will be spent in 2022.
73299 Non - Programmed Park in 2C	1,488,357	27,485	1,460,872	98.2 %	Project required additional funding approved in May 2022, project to be awarded and construction to start in 2022 with completion in 2023.
73315 Sheppards Bush Parking Lot Resurface	250,000	-	250,000	100.0 %	The remaining approved CBA of \$250,000 will be spent in 2022.
73323 Mattamy Phase 4/5 Trail	100,000	-	100,000	100.0 %	The remaining approved CBA of \$100,000 will be spent in 2022.
73327 DeGraaf Cres Trail	75,000	-	75,000	100.0 %	The remaining approved CBA of \$75,000 will be spent in 2022.
81016 Aurora Promenade Streetscape Design & Implementation Plan Capital Works	471,832	26,509	445,323	94.4 %	Streetscape report from consultant will be prepared and presented to Council in 2023.
<b>Total Parks</b>	<b>12,535,910</b>	<b>4,126,609</b>	<b>\$ 8,409,301</b>	<b>67.1 %</b>	

	Planned/Budgeted Capital Spend for 2021	2021 Actuals	Variance (\$)	(%)	Variance Explanation
<b>Fleet Management</b>					
24023 Cameras for Parking Enforcement	60,000	53,120	6,880	11.5 %	Project complete, lower than budget due to market value of tender bids.
34440 Roads - 6 Ton Diesel Dump with Sander (#33-20)	-	263,904	(263,904)	n/a	2021 cash flows were \$263,904 higher than planned capital spend for 2021, however, project spending remained within approved CBA.
34441 Roads - Street Sweeper (#40-21)	305,000	288,266	16,734	5.5 %	Project complete, lower than budget due to market value of tender bids.
34188 Trackless Sidewalk Snow Blower Attachment	150,000	-	150,000	100.0 %	This equipment is no longer required and \$150,000 in approved CBA will not be spent.
34432 Roads - 2 Ton (#24-21)	90,000	-	90,000	100.0 %	Delivery delayed to 2022.
71060 Facilities - 1/2 ton Truck (New)	45,000	-	45,000	100.0 %	Delivery delayed to 2022.
71136 Parks - 1 Ton Pick Up Crew Cab (#203-21)	62,800	-	62,800	100.0 %	Delivery delayed to 2022.
<b>Total Fleet Management</b>	<b>712,800</b>	<b>605,290</b>	<b>\$ 107,510</b>	<b>15.1 %</b>	
<b>Operational Services Total</b>	<b>\$ 15,174,240</b>	<b>\$ 5,602,311</b>	<b>\$ 9,571,929</b>	<b>63.1 %</b>	
<b>Community Services</b>					
<b>Economic Development</b>					
12044 Aurora Economic Development Corporation Marketing Campaign	20,000	-	20,000	100.0 %	This project is complete. Actual expenses of \$20K were posted to the Operating Budget.
<b>Total Economic Development</b>	<b>20,000</b>	<b>-</b>	<b>\$ 20,000</b>	<b>100.0 %</b>	
<b>Leisure Services</b>					
73324 Pet Cemetery Restoration	29,415	14,109	15,306	52.0 %	
73329 Building Condition Assessment & Energy Audits	175,000	9,864	165,136	94.4 %	Consulting services in 2021 only. This study will now be completed in 2022.
<b>Total Leisure Services</b>	<b>204,415</b>	<b>23,973</b>	<b>\$ 180,442</b>	<b>88.3 %</b>	
<b>Programs</b>					
74007 AFLC Fitness Equipment Replacement	18,689	-	18,689	100.0 %	
74015 Cultural Services Master Plan	44,134	660	43,474	98.5 %	
74017 Aurora Sports Hall of Fame	1,926	-	1,926	100.0 %	
74019 Active Net Scan System	20,000	5,511	14,489	72.4 %	
<b>Total Programs</b>	<b>84,749</b>	<b>6,171</b>	<b>\$ 78,578</b>	<b>92.7 %</b>	

	Planned/Budgeted Capital Spend for 2021	2021 Actuals	Variance (\$)	(%)	Variance Explanation
<b>Facilities</b>					
72113 New Recreation Facility-Aquatic center	1,310,794	-	1,310,794	100.0 %	\$2.3M in approved budget authority remaining.
72146 215 Industrial Parkway Exterior Works (Roof and Front Door System)	138,334	-	138,334	100.0 %	Project is out for tender and will be complete by 2022.
72172 ACC- Sport Flooring	73,900	-	73,900	100.0 %	Some scope of work will be complete in 2022. Full CBA will not be spent.
72201 Work Station Refresh Carpet Paint (2021 Budget Conditionally Approved)	514,744	85,834	428,910	83.3 %	The remaining approved CBA of \$423,888 will be spent in 2022 (\$250K) and 2023 (\$173,888)
72204 Security Audit & Implementation	460,313	-	460,313	100.0 %	The remaining approved CBA of \$460,313 will be spent in 2022 (50%) and 2023 (50%).
72206 Back Up Generation for Evacuation Centre	50,000	-	50,000	100.0 %	The remaining approved CBA of \$50,000 will be spent in 2022.
72213 ASC - LED Lighting	45,828	29,054	16,774	36.6 %	Project complete.
72223 Electric Vehicle (EV) Charging Stations at Aurora Town Square	13,800	10,583	3,217	23.3 %	
72226 AFLC HVAC Arena	120,016	-	120,016	100.0 %	Project complete. AFLC requires further investigation and mechanical consultant review in 2022. Approved CBA to be transferred to project #72263 in 2022 within Facilities capital program.
72263 SARC - Cooling Evaporator Tower	90,000	20,726	69,274	77.0 %	Project in progress, to be completed in 2022.
72283 SARC - Replacement of Pylon Sign Message Board	47,761	1,323	46,438	97.2 %	Project in progress, to be completed in 2022.
72297 ACC - Ice Resurfacer Room Heater	16,379	-	16,379	100.0 %	
72302 AFLC - Replacement of Arena Seating	51,200	-	51,200	100.0 %	The remaining approved CBA of \$51,200 will be spent in 2022.
72305 SARC - West Roof Area - Window Sealant	10,200	-	10,200	100.0 %	
72323 SARC - Repair of concrete walkways	20,000	-	20,000	100.0 %	
72324 AFLC - Replace hollow metal doors & exterior exit doors	55,000	-	55,000	100.0 %	Project in progress, to be completed in 2022.
72328 AFLC - Replace built up roofing above Arena dressing rooms	90,100	-	90,100	100.0 %	The remaining approved CBA of \$90,100 will be spent in 2023.
72340 ACC - Reseal exterior windows	13,500	-	13,500	100.0 %	
72342 ACC - Replace thermoplastic membrane roofing	-	-	-	n/a	
72346 ACC - Reseal concrete floors	28,700	-	28,700	100.0 %	
72372 215 Industrial - Refurbishment of Generator	50,000	6,937	43,063	86.1 %	

	Planned/Budgeted Capital Spend for 2021	2021 Actuals	Variance (\$)	(%)	Variance Explanation
72381 CYFS 4-3 - Replace windows	28,800	-	28,800	100.0 %	
72393 ASC - Replacement of roofing sections	-	-	-	n/a	
72404 Town Hall - Replacement of exterior entrance doors	16,500	10,408	6,092	36.9 %	Project complete.
72405 Town Hall - Replacement of roof sections and Skylight Sealant	243,716	-	243,716	100.0 %	The remaining approved CBA of \$243,716 will be spent in 2022 (\$100K) and 2023 (\$143,716)
72410 SARC - 7500sqft. Gymnasium MPR Admin.	-	35,274	(35,274)	n/a	Project in progress. 2021 cash flows were \$35,274 higher than planned capital spend for 2021, however, project spending remained within approved CBA.
72419 Town Hall - Repair of concrete/stone walkways	33,500	-	33,500	100.0 %	
72441 AFLC - Pool Boiler Replacement	150,000	-	150,000	100.0 %	Under review by Consultants.
72443 AFLC - Pylon Sign	57,456	5,342	52,114	90.7 %	Project in progress, to be completed in 2022.
72445 CYFS - Firehall 4-3 Pylon Sign	30,000	49,354	(19,354)	(64.5 %)	Complete. Project came in over budget and there were unforeseen electrical conditions on site during installation.
72448 Town Hall - Interior Conversion to LED	87,572	85,180	2,392	2.7 %	Complete
72449 SARC - Interior LED Retrofit	21,961	27,721	(5,760)	(26.2 %)	Complete. 2021 cash flows were \$5,760 higher than planned capital spend for 2021, however, project spending remained within approved CBA.
72450 SARC - Low-E Ceiling - Arenas	-	-	-	n/a	
72452 Energy and Demand Management Plan Implementation	100,000	-	100,000	100.0 %	In progress
72453 Unplanned - Emergency Repairs Contingency	146,557	47,877	98,680	67.3 %	Funding to be used if required.
72454 Victoria Hall - Accessible Ramp - Accessibility Plan Implementation	20,000	-	20,000	100.0 %	
72457 Lane Ropes for SARC & AFLC and new diving board at SARC	75,000	16,276	58,724	78.3 %	Complete
72459 Facilities Study	90,000	-	90,000	100.0 %	In progress
72460 Aurora Sports Dome Retrofit	-	-	-	n/a	
72469 COVID-19 Related Facility Improvements	72,550	-	72,550	100.0 %	Project in progress, to be completed in 2022.
74021 SARC - Comprehensive Sound/Audio/Public Address System Upgrade	45,200	2,544	42,656	94.4 %	Project in progress, to be completed in 2022.
81019 Aurora Town Square	33,267,317	14,755,460	18,511,857	55.6 %	In progress
<b>Total Facilities</b>	<b>\$ 37,686,698</b>	<b>15,189,893</b>	<b>22,496,805</b>	<b>59.7 %</b>	
<b>Community Services Total</b>	<b>\$ 37,995,862</b>	<b>\$ 15,220,037</b>	<b>\$ 22,775,825</b>	<b>59.9 %</b>	



	Planned/Budgeted Capital Spend for 2021	2021 Actuals	Variance (\$)	(%)	Variance Explanation
<b>Planning &amp; Development Services</b>					
<b>Environment/ Waste</b>					
42810 Climate Change Adaptation Plan	100,000	49,129	50,871	50.9 %	Plan preparation ongoing. To be completed in 2022/2023.
<b>Total Environment/ Waste</b>	<b>100,000</b>	<b>49,129</b>	<b>\$ 50,871</b>	<b>50.9 %</b>	
<b>Water</b>					
43040 Water Hydraulic Model for the Town	17,512	-	17,512	100.0 %	
43048 St John's Sdrd - Leslie to 2C	246,297	-	246,297	100.0 %	This contract is managed by York Region. Aurora was expecting to pay its contribution in 2021, however, the Region has not issued any invoices in 2021.
<b>Total Water</b>	<b>263,809</b>	<b>-</b>	<b>\$ 263,809</b>	<b>100.0 %</b>	
<b>Storm Sewer</b>					
42059 Storm Sewer Reserve Fund and Rates Study	102,308	-	102,308	100.0 %	The remaining approved CBA of \$102,308 will be spent in 2022 (50%) and 2023 (50%).
42064 Storm Sewer Outlet Cleanup	991,342	468,569	522,773	52.7 %	Additional works to be completed in 2022 regarding the butternut tree compensation planting and to address some deficiencies during the warranty period.
42066 Damaged Storm Pipe off Henderson Dr	3,896,064	39,052	3,857,012	99.0 %	Construction work will be completed in 2023. Waiting on York Region to complete their works first.
42067 Storm Outfall Erosion at Mill Street	59,661	1,347	58,314	97.7 %	Completed under budget.
42072 Vandorf Sideroad Culvert and Ditch Repair	49,229	-	49,229	100.0 %	Completed under budget.
42075 Performance Monitoring of LID Controls	83,950	77,067	6,883	8.2 %	
42079 Devlin Place Stream Rehabilitation	119,457	94,172	25,285	21.2 %	
42080 Jones Court Stream Rehabilitation	150,000	45,201	104,799	69.9 %	Design ongoing. Construction to be completed in 2023.
42083 Willow Farm Lane Stream Rehabilitation	140,630	77,018	63,612	45.2 %	Design ongoing. Construction to be completed in 2023.
<b>Total Storm Sewer</b>	<b>5,592,641</b>	<b>802,426</b>	<b>\$ 4,790,215</b>	<b>85.7 %</b>	

	Planned/Budgeted Capital Spend for 2021	2021 Actuals	Variance (\$)	(%)	Variance Explanation
<b>Roads</b>					
31054 Road Resurfacing - Ind Pkwy S (Engelhard to Yonge), Vandorf (Ind Pwy S - Bayview)	363,749	(27,451)	391,200	107.5 %	Project in warranty phase, some deficiencies still to be addressed. To be closed in 2022.
31056 Bloomington Sdrd - Bathurst to Yonge - Sidewalk/ Bikeway/ Illumination	274,693	-	274,693	100.0 %	This contract is managed by York Region. Aurora was expecting to pay its contribution in 2021, however, the Region has not issued any invoices in 2021.
31101 Reconstruction - Vandorf Sdrd (Sections)	52,692	4,792	47,900	90.9 %	Some deficiencies related to road settlement still need to be addressed.
31108 Reconstruction - Algonquin Crescent and Haida Drive (Sections)	554,776	-	554,776	100.0 %	Completed under budget.
31109 Reconstruction - Kennedy St W & Temperance St	162,126	(36,311)	198,437	122.4 %	Completed under budget.
31113 M & O and Underground Infrastructure Rehabilitation - Murray Dr, Kennedy St W, Pinehurst Crt. Wiles Crt.	2,286,652	1,246,375	1,040,277	45.5 %	To be completed by November 2022.
31114 Reconstruction - Ransom Court and Ransom Street	667,341	-	667,341	100.0 %	This is no longer required and \$667,341 in approved CBA will not be spent.
31116 Road Resurfacing - Dunning Ave, Edward St, Golf Links Dr, Ind Pkwy S, McClellan Way, Orchard Hts. Blvd, Tamarac Trail, Yonge St S	712,324	-	712,324	100.0 %	Under warranty. Completed under budget.
31118 Reconstruction- Browning Crt, Johnson Rd, Holman Cres, Baldwin Rd	494,453	435,486	58,967	11.9 %	Under warranty, plus \$25K for as-built preparations. To be completed in 2022.
31119 Reconstruction- Adair Dr, Bailey Cres, Davidson Rd., Harriman Rd.	276,800	96,033	180,767	65.3 %	Awaiting final invoice and additional works for street lighting in 2022.
31124 Henderson Dr. - Wildlife Passage	166,190	66,534	99,656	60.0 %	The remaining approved CBA of \$99,656 will be spent in 2022.
31126 M & O - Harmon Ave, Orchard Hts Blvd., Whispering Pine Trail	438,428	-	438,428	100.0 %	Under warranty. Completed under budget.

	Planned/Budgeted Capital Spend for 2021	2021 Actuals	Variance (\$)	(%)	Variance Explanation
31134 Road Resurfacing - Yonge St (Golf Links - Orchard Hts)	486,465	7,836	478,629	98.4 %	Under warranty. Completed under budget.
31140 Road Resurfacing - Archerhill Crt, Jarvis Ave, Gilbert Dr, Westview Dr, McClellan Way	249,569	-	249,569	100.0 %	Under warranty. Completed under budget.
31175 Parking Lot Rehabilitation Study	120,409	37,942	82,467	68.5 %	Completed under budget.
31177 Recon - Vandorf Sdrd - Monkman Crt - Carisbrooke Cir.	947,783	1,334,152	(386,369)	(40.8 %)	Completed in 2021. 2021 cash flows were \$386,369 higher than planned capital spend for 2021, however, project spending remained within approved CBA.
31178 Reconstruction of Poplar Crescent	3,853,779	38,992	3,814,787	99.0 %	Construction in 2023.
31199 Road Resurfacing - Gurnett St., Kennedy St. E., Victoria St.,	250,000	47,588	202,412	81.0 %	Construction in 2023/2024.
31217 Construction of Median at Yonge Street & Ridge Road	150,000	-	150,000	100.0 %	The remaining approved CBA of \$150,000 will be spent in 2022.
31243 Long Term Remediation for the Pavement Heave Over Vandorf Culvert West of Bayview	230,000	-	230,000	100.0 %	The remaining approved CBA of \$230,000 may be spent in 2022.
34006 Pave Snow Storage Facility - Lambert Willson Park	850,000	828,012	21,988	2.6 %	Project is underway, substantial completion by December 2022.
<b>Total Roads</b>	<b>13,588,229</b>	<b>4,079,980</b>	<b>\$ 9,508,249</b>	<b>70.0 %</b>	
<b>Traffic</b>					
34518 Pedestrian Crossings as per 2019 DC Study	67,209	19,495	47,714	71.0 %	Works to continue in 2022.
34519 Traffic Calming as per 2019 DC Study	97,808	36,145	61,663	63.0 %	Works to continue into 2022.
34527 Yonge/Wellington Intersection Improvements	448,533	55,093	393,440	87.7 %	Project will be substantially completed in 2022.
34533 Traffic Calming Measures in School Zones	17,049	-	17,049	100.0 %	
34562 Active Transportation Master Plan	150,000	4,743	145,257	96.8 %	To be completed by Fall 2022.
<b>Total Traffic</b>	<b>780,599</b>	<b>115,476</b>	<b>\$ 665,123</b>	<b>85.2 %</b>	

	Planned/Budgeted Capital Spend for 2021	2021 Actuals	Variance (\$)	(%)	Variance Explanation
<b>Sidewalks</b>					
34610 S/W, Multi-use Trail and Illumination - Leslie St - Wellington St. to Don Hillock Dr	182,836	91,978	90,858	49.7 %	Completed under budget.
34620 S/W, Multi-use Trail and Illumination - Leslie St. - Wellington St. E to State Farm	361,580	291,663	69,917	19.3 %	Completed under budget.
34626 Sidewalk Construction on Kitimat	45,971	-	45,971	100.0 %	Completed under budget.
34635 S/W, Multi-use Trail and Illumination - St. John Sdrd - Bayview to Leslie	73,599	31,301	42,298	57.5 %	Project will continue in 2022.
34637 S/W - Leslie St - 600 m north of Wellington to N Town Limit	321,467	(119,855)	441,322	137.3 %	To be completed in Summer 2023.
<b>Total Sidewalks</b>	<b>985,453</b>	<b>295,087</b>	<b>\$ 690,366</b>	<b>70.1 %</b>	
<b>Streetlights</b>					
34707 Lighting Upgrade - Wellington, Berczy to West of Mary	398,922	-	398,922	100.0 %	Completed under budget.
<b>Total Streetlights</b>	<b>398,922</b>	<b>-</b>	<b>\$ 398,922</b>	<b>100.0 %</b>	
<b>Studies</b>					
81001 Official Plan Review/Conformity to Places to Grow	97,585	168,694	(71,109)	(72.9 %)	To be completed in 2024. 2021 cash flows were \$71,109 higher than planned capital spend for 2021, however, project spending remained within approved CBA.
81032 Town Wide Green Development Guidelines	25,000	36,122	(11,122)	(44.5 %)	2021 cash flows were \$11,122 higher than planned capital spend for 2021, however, project spending remained within approved CBA.
<b>Total Studies</b>	<b>122,585</b>	<b>204,816</b>	<b>\$ (82,231)</b>	<b>(67.1 %)</b>	
<b>Community Planning</b>					
81027 Municipal Heritage Register Review and Update	54,612	64,815	(10,203)	(18.7 %)	2021 cash flows were \$10,203 higher than planned capital spend for 2021, however, project spending remained within approved CBA.
<b>Total Community Planning</b>	<b>54,612</b>	<b>64,815</b>	<b>\$ (10,203)</b>	<b>(18.7 %)</b>	
<b>240 Building</b>					
24014 Digital Plan Review and E-Permit Applications	91,897	80,219	11,678	12.7 %	
<b>Total 240 Building</b>	<b>91,897</b>	<b>80,219</b>	<b>11,678</b>	<b>12.7 %</b>	
<b>Planning &amp; Development Total</b>	<b>\$ 21,978,747</b>	<b>\$ 5,691,948</b>	<b>\$ 16,286,799</b>	<b>74.1 %</b>	

	Planned/Budgeted Capital Spend for 2021	2021 Actuals	Variance (\$)	(%)	Variance Explanation
<b>Finance</b>					
14012 Financial System	\$ 374,000	\$ 51,000	323,000	86.4 %	In 2021 the project went through the RFP process, contract negotiation occurred in the beginning of 2022 and resulted in a report to Council revising the total budget. Planned expenditures will commence in June 2022 and are anticipated to be incurred over a 12 month period.
14077 Community Benefit Charge Study and DC update	50,000	18,375	31,625	63.3 %	
14080 Procurement Modernization	65,000	59,932	5,068	7.8 %	
14087 Town of Aurora-Second Generation Asset Management Plan	70,000	71,232	(1,232)	(1.8 %)	Project complete.
43038 Water Meter Replacement Program	571,295	85,275	486,020	85.1 %	2021 expenditures were delayed due to the COVID-19 pandemic. Project will continue as planned for 2022 through 2024.
43055 Advanced Metering Infrastructure	1,500,000	-	1,500,000	100.0 %	Contract was still under negotiation in 2021 and has been signed in early 2022. The planned spend is anticipated to be incurred in 2022 and 2023.
<b>Finance Total</b>	<b>\$ 2,630,295</b>	<b>\$ 285,814</b>	<b>\$ 2,344,481</b>	<b>89.1 %</b>	
<b>Corporate Services</b>					
<b>Legal Services</b>					
13020 Appraisal of Town Buildings - 2019	\$ 8,974	\$ -	\$ 8,974	100.0 %	
13026 Risk Management (Conditionally Approved 2022)	30,000	11,702	18,298	61.0 %	
<b>Total Legal Services</b>	<b>38,974</b>	<b>11,702</b>	<b>\$ 27,272</b>	<b>70.0 %</b>	

	Planned/Budgeted Capital Spend for 2021	2021 Actuals	Variance (\$)	(%)	Variance Explanation
<b>Human Resources</b>					
13015 Employee Engagement Survey - 2020	32,033	1,587	30,446	95.0 %	
13018 Human Resources Information/Payroll System	225,483	105,357	120,126	53.3 %	We have implemented the foundational part of our HRIS system which allows us to keep all the records, process payroll, run reports but there are several other modules that have yet to be implemented and were part of the procurement award. These include Applicant Tracking System, onboarding module, performance evaluation and a learning management system that was discussed but not finalized. We are currently planning to implement two more modules this year which will likely require half of the remaining funds and the rest likely to be used in 2023.
13021 Diversity and Inclusion Strategy Consultant	30,000	33,072	(3,072)	(10.2 %)	Project complete.
13027 Job Hazard Assessments	30,000	-	30,000	100.0 %	
<b>Total Human Resources</b>	<b>317,516</b>	<b>140,016</b>	<b>\$ 177,500</b>	<b>55.9 %</b>	
<b>Strategic Initiatives</b>					
12016 Customer Experience Plan (CEP)	111,591	(224)	111,815	100.2 %	Delays due to COVID-19. Will be completed in 2022/2023.
13011 Business Continuity Management Program	46,809	-	46,809	100.0 %	Delays in project procurement have deferred expenditures to 2022
<b>Total Strategic Initiatives</b>	<b>158,400</b>	<b>(224)</b>	<b>\$ 158,624</b>	<b>100.1 %</b>	
<b>Bylaw</b>					
24015 Radios for By-Law Officers	35,264	-	35,264	100.0 %	
24016 Animal Control Start Up	23,070	20,847	2,223	9.6 %	
<b>Total Bylaw</b>	<b>58,334</b>	<b>20,847</b>	<b>\$ 37,487</b>	<b>64.3 %</b>	

	Planned/Budgeted Capital Spend for 2021	2021 Actuals	Variance (\$)	(%)	Variance Explanation
<b>IT Department</b>					
14047 Computer & Related Infrastructure Renewal	641,055	354,480	286,575	44.7 %	Delays in procuring goods due to supply chain issues and delays in completing Phase 2 of Ethernet Switch Refresh project which will now occur in 2022.
14058 Project Management Software	25,000	-	25,000	100.0 %	
14068 Wireless Upgrades and Enhancements	74,011	-	74,011	100.0 %	Delay in purchase of ARUBA controller. The remaining approved CBA of \$74,011 will be spent in 2022 and 2023.
14070 Boardroom Audio/Video Equipment	100,000	6,375	93,625	93.6 %	The remaining approved CBA of \$93,625 will be spent in 2022 and 2023.
14072 Cityview Portal Implementation	92,100	-	92,100	100.0 %	The remaining approved CBA of \$92,100 will be spent in Summer 2022 once contract is signed.
14073 Information Technology Strategic Plan Implementation - Studies and Other	208,310	3,778	204,532	98.2 %	The remaining approved CBA of \$204,532 will be spent in 2022, 2023 and 2024.
14075 Business Process Automation and Data Integration	250,500	20,963	229,537	91.6 %	The remaining approved CBA of \$229,537 will be spent in 2022, 2023 and 2024.
14076 Digital Education Program	25,000	-	25,000	100.0 %	
14082 Data Centre Upgrades - Cybersecurity	60,000	4,134	55,866	93.1 %	Waiting for results from consultant to determine what to purchase. The remaining approved CBA of \$55,866 will be spent in 2022.
14085 Migration to Cityview Workspace	100,000	72,390	27,610	27.6 %	
14089 Business Intelligence	50,000	-	50,000	100.0 %	The remaining approved CBA of \$50,000 will be spent in 2022 and 2023.
24013 CityView Portal	100,000	21,471	78,529	78.5 %	The project is currently in progress and is scheduled to complete in Q2 of 2022.
81025 GIS Scanner	10,000	-	10,000	100.0 %	
<b>Total IT Department</b>	<b>1,735,976</b>	<b>483,591</b>	<b>\$ 1,252,385</b>	<b>72.1 %</b>	
<b>Access Aurora</b>					
12002 Accessibility Plan Implementation	232,276	31,413	200,863	86.5 %	Revisions to provincial regulations impacted implementation timelines.
12025 Customer Relationship Management (CRM)	47,986	-	47,986	100.0 %	
13023 Access Aurora Telephony Project	12,328	-	12,328	100.0 %	
<b>Total Access Aurora</b>	<b>292,590</b>	<b>31,413</b>	<b>261,177</b>	<b>89.3 %</b>	
<b>Corporate Services Total</b>	<b>\$ 2,601,790</b>	<b>\$ 687,345</b>	<b>\$ 1,914,445</b>	<b>73.6 %</b>	
<b>Total Capital Projects</b>	<b>\$ 91,920,351</b>	<b>\$ 34,717,006</b>	<b>\$ 57,203,345</b>	<b>62.2 %</b>	