Town of Aurora
Finance Advisory Committee
Meeting Agenda

Date: Tuesday, September 15, 2020
Time: 5:45 p.m.
Location: Video Conference

Pages

1. **Procedural Notes**

   This meeting will be held electronically as per Section 19. i) of the Town's Procedure By-law No. 6228-19, as amended, due to the COVID-19 situation.

2. **Approval of the Agenda**

3. **Declarations of Pecuniary Interest and General Nature Thereof**

4. **Receipt of the Minutes**

   4.1 **Finance Advisory Committee Meeting Minutes of March 10, 2020** 1

   That the Finance Advisory Committee meeting minutes of March 10, 2020, be received for information.

5. **Delegations**

6. **Consideration of Items**

   6.1 **Review of Detailed Financial Budget Information; Re: Planning and Development Services** 5

   1. That the comments and suggestions of the Review of Detailed Financial Budget Information for Planning and Development Services be received and referred to staff for consideration and action as appropriate.

   6.2 **Memorandum from Project Management Office; Re: Town's Major Capital Projects Update** 14

   1. That the memorandum regarding Town's Major Capital Projects Update be received for information.

6.3 **Council Report No. FIN20-015 – 2019 Year-End Budget Report – as at December 31, 2019** 20

1. That Council Report No. FIN20-015 – 2019 Year-End Budget Report – as at December 31, 2019, be referred back to Council for receipt.

6.4 **Audit Committee Report No. FIN20-016 – 2019 Audited Financial Statements with Audit Report** 37

1. That Audit Committee Report No. FIN20-016 – 2019 Audited Financial Statements with Audit Report be received for information.

6.5 **Distribution and Introduction of Detailed Financial Budget Information; Re: Aurora Cultural Centre (ACC)** 130

1. That the detailed financial budget information for the Aurora Cultural Centre be received and deferred for discussion and detailed review at the October 13, 2020 meeting of the Finance Advisory Committee.

6.6 **Updated 2020 Work Plan for Finance Advisory Committee** 148

1. That the updated 2020 Work Plan for the Finance Advisory Committee be received for information.

7. **New Business**

8. **Adjournment**

Town of Aurora
Finance Advisory Committee
Meeting Minutes

Date:	Tuesday, March 10, 2020
Time and Location:	5:45 p.m., Holland Room, Aurora Town Hall
Committee Members:	Councillor John Gallo (Chair), Councillor Michael Thompson, Mayor Tom Mrakas
Member(s) Absent:	None
Other Attendees:	Councillor Rachel Gilliland, Councillor Wendy Gaertner, Councillor Sandra Humfryes, Rachel Wainwright-van Kessel, Director of Finance, Jason Gaertner, Manager, Financial Management Services, Tracy Evans, Financial Management Advisor, Ishita Soneji, Council/Committee Coordinator

The Chair called the meeting to order at 5:45 p.m.

1. Approval of the Agenda

Moved by Mayor Mrakas
Seconded by Councillor Thompson

That the agenda as circulated by Legislative Services be approved.

Carried

2. Declarations of Pecuniary Interest and General Nature Thereof

There were no declarations of pecuniary interest under the *Municipal Conflict of Interest Act, R.S.O. 1990, c. M.50*.

3. Receipt of the Minutes

Finance Advisory Committee Meeting Minutes of January 28, 2020

Moved by Councillor Thompson
Seconded by Mayor Mrakas

That the Finance Advisory Committee meeting minutes of January 28, 2020, be received for information.

Carried

4. Delegations

None

5. Consideration of Items

1. FAC20-002 – 2021 to 2022 Budget Process

Staff provided a brief overview of the report and outlined the changes proposed to the budget process for the 2021 to 2022 budget including details on the operating budget reaffirmation process, capital budget process, and the upcoming 2020 Budget Committee meeting schedule.

The Committee requested that two additional budget meetings – a public consultation meeting in June 2020 and a Budget Committee review meeting in November 2020, be added to the schedule.

Moved by Mayor Mrakas
Seconded by Councillor Thompson

1. That Report No. FAC20-002 be received; and

2. That Report No. FAC20-002 be endorsed and referred to General Committee for consideration.

Carried

2. Memorandum from Project Management Office
Re: Town's Major Capital Projects Update

Staff provided a status update of the Town's current major capital projects, noting that the projects are on schedule. The Committee sought clarification on the project status reporting with respect to any changing timelines, and suggested that an additional field be included on the project budget summary outlining the project status as per any revised dates.

Moved by Councillor Thompson
Seconded by Mayor Mrakas

1. That the memorandum regarding Town's Major Capital Projects Update be received for information.

Carried

3. Distribution and Introduction of Detailed Financial Budget Information
Re: Planning and Development Services

Staff noted that David Waters, Director of Planning and Development Services would be present at the next meeting to review the detailed budget information for the Planning and Development Services department.

Moved by Mayor Mrakas
Seconded by Councillor Thompson

1. That the detailed financial budget information for Planning and Development Services be received and deferred for discussion and detailed review at the April 14, 2020 meeting of the Finance Advisory Committee.

Carried

4. Updated 2020 Work Plan for Finance Advisory Committee

Staff provided an overview of the updated schedule. The Committee inquired about the status of the recreation fee structure review, and staff noted that a fee study by the Community Services department is ongoing. The Committee requested that it be brought to a future Committee meeting upon completion.

Moved by Councillor Thompson
Seconded by Mayor Mrakas

1. That the updated 2020 Work Plan for the Finance Advisory Committee be received for information.

Carried

6. New Business

None

7. Adjournment

Moved by Mayor Mrakas
Seconded by Councillor Thompson

That the meeting be adjourned at 6:05 p.m.

Carried

Run Date: 7-Feb-2020

TOWN OF AURORA

LINE-BY-LINE ANALYSIS - YTD Comparison

Final Approved Budget

2019

10 Planning & Development Services

	2016 Full Year Actuals	2017 Full Year Actuals	2018 Full Year Actuals	**2019 Approved Budget**	**2019 Forecast to Year-end**	2019 Fcst vs 2018 Actual Increase / (Decrease)	2019 Fcst vs 2018 Actual Increase / (Decrease)	Variance Explanation
REVENUE:								
3-1005 RESIDENTIAL BUILDING PERMITS	-4,130,081	-2,807,704	-1,378,587	**-1,501,200**	**-1,208,996**	**-169,591**	**(14.0%)**	2019 activity was lower than 2018
3-1007 PLUMBING PERMITS	-120,795	-104,780	-	-	**2,095**	-2,095	**(100.0%)**	
3-1013 OFFICIAL PLAN APPLICATIONS	-96,984	-85,439	-60,280	**-47,700**	**-100,329**	**40,049**	**39.9%**	Increased development activity
3-1014 SUBDIVISION APPLICATIONS	-317,826	-230,536	-104,489	**-124,300**	**-132,609**	**28,120**	**21.2%**	Increased development activity
3-1015 SITE PLAN APPLICATIONS	-187,411	-193,069	-184,962	**-314,000**	**-264,547**	**79,585**	**30.1%**	Increased development activity
3-1016 ZONING APPLICATIONS	-177,589	-146,592	-63,958	**-92,800**	**-116,283**	**52,325**	**45.0%**	Increased development activity
3-1017 PART LOT APPLICATIONS	-27,864	-7,125	-9,700	**-15,000**	**-3,750**	-5,950	**(158.7%)**	
3-1018 CONDOMINIUM APPLICATIONS	-96,654	-80,640	-57,189	**-120,000**	**-40,806**	-16,383	**(40.1%)**	
3-1019 PDS-RADIO COMMUNICATIONS APPLICATIONS	-	-	-	**-16,000**	**-5,000**	5,000	**100.0%**	
3-1020 COMMERCIAL BUILDING PERMITS	-	-262,729	-665,006	**-505,900**	**-518,099**	**-146,907**	**(28.4%)**	Commercial building permits are less predictable than residential permits. The variance is due to one more permit in 2018 compared to 2019.
3-1021 SEWAGE SYS MTCE INSPECTION FEE	-	-	-	**-6,200**	**-2,850**	2,850	**100.0%**	
3-1022 SP REVIEW FEE/STABLE NEIGHBRHD COMPL	-	-	-5,271	-	**-31,446**	**26,175**	**83.2%**	Fee was initiated in-year 2018.
3-1100 PDS-FILE MAINTENANCE APPLICATION FEES	-3,150	-	-7,420	**-5,000**	**-6,272**	-1,148	**(18.3%)**	
3-1101 PDS-OMB REFERRAL FEE	-1,704	-9,860	-1,764	**-2,000**	**-6,611**	4,847	**73.3%**	
3-1102 ADMINISTRATIVE FEES	-10,527	-2,902	-2,710	**-1,000**	**-805**	-1,905	**(236.6%)**	
3-1104 PDS-PLANNING ENGINEERING FEE-SITE PLAN	-160,817	-334,369	-151,760	**-91,000**	**-250,069**	**98,309**	**39.3%**	Increased development activity
3-1105 ENGINEERING FEES	-807,137	-640,413	-874,016	**-457,700**	**-711,539**	**-162,477**	**(22.8%)**	This revenue is development driven and fluctuates each year.
3-1107 COMMITTEE OF ADJUSTMENT FEES	-112,466	-157,526	-111,153	**-110,000**	**-106,109**	-5,044	(4.8%)	
3-1110 SURVEY CERTIFICATES	-21,655	-9,970	-7,014	**-12,000**	**-6,878**	-136	(2.0%)	
3-1111 COMPLIANCE LETTERS	-3,598	-14,755	-10,383	**-10,000**	**-10,000**	-383	(3.8%)	
3-1114 FREEDOM OF INFORMATION FEES	-3,302	-10,740	-2,737	**-2,900**	**-3,886**	1,149	**29.6%**	
3-1115 REGISTRATION OF SECONDARY SUITES	-1,800	-3,150	-2,550	**-3,000**	**-1,954**	-596	**(30.5%)**	
3-1118 PDS-MUNICIPAL ADDRESS CHANGE FEE	-21,322	-25,600	-14,602	**-10,000**	**-4,288**	-10,314	**(240.5%)**	
3-1119 PDS-PLANNING ENGINEERING FEE-SUBDIVISION	-289,972	-647,422	-729,374	**-365,500**	**-687,171**	**-42,203**	(6.1%)	
3-1120 PDS-STREET NAME CHANGE APPLICATION	-	-	-1,608	-	-	-1,608	-	
3-1121 PDS-PLANNING ENGINEERING FEE-LOT GRDG	-	-186,341	-1,971	**-7,500**	**-9,196**	7,225	**78.6%**	
3-1122 PDS-ZONING APP PROPOSAL FEE	-	-6,000	-5,837	-	-	-5,837	-	
3-1201 OTHER	-1,525	-7,105	-5,035	**-39,500**	**-72,560**	**67,525**	**93.1%**	This revenue stream was captured under 03100 in 2018 and was moved as part of the reoganization of Engineering Services under Planning & Development. This revenue is from Bell Canada and Rogers for Municipal Consent (Plan review fee for the use of municipal right of ways for their infrastructure).
3-1206 DONATIONS	-25,000	-	-65,000	-	**-65,000**	-	-	
3-1333 CONTRIBUTIONS FROM DEVELOPERS	-412,800	-57,400	-600,000	**-1,000**	-	**-600,000**	-	
3-1900 CONTRIBUTION FROM CAPITAL	-	-91,895	-	-	-	-	-	
3-1901 CONTRIBUTION FROM DISCRETIONARY RESERVES	-	-13,662	-454,505	**-390,785**	**-135,228**	**-319,277**	**(236.1%)**	The activity to (4-8003) and from (3-1901) the reserve in 2018 resulted in a net contribution of $140,518 to the Building reserve. Activity for 2019 forecasts a required draw of $135,228 to balance the department.

Run Date: 7-Feb-2020

TOWN OF AURORA

LINE-BY-LINE ANALYSIS - YTD Comparison

Final Approved Budget

2019

10 Planning & Development Services

	2016 Full Year Actuals	2017 Full Year Actuals	2018 Full Year Actuals	**2019 Approved Budget**	**2019 Forecast to Year-end**	2019 Fcst vs 2018 Actual Increase / (Decrease)	2019 Fcst vs 2018 Actual Increase / (Decrease)	Variance Explanation
3-1907 SANI SEWER R&R RES CONT'N	-10,053	-13,972	-18,322	**-40,184**	**-40,184**	**21,862**	**54.4%**	Funding for capital related engineering salaries - it varies each year depending on the projects undertaken.
3-1917 ENGINEERING CONTRIBUTION	-320,157	-315,800	-	-	-	-	-	
3-1925 BLDG, FURN & FIX R&R RESERVE CONT'N	-67,022	-	-	-	-	-	-	
3-1927 RDS/SDWLKS/ST LGTS R&R RESERVE CONT'N	-170,907	-204,662	-214,666	**-253,266**	**-230,638**	15,972	6.9%	
3-1961 GENERAL GOV'T DC CONT'N	-260,000	-130,000	-130,000	-	-	**-130,000**	-	
3-1968 WATER SYSTEM DC CONT'N	-63,671	-	-	-	-	-	-	
3-1975 CIL PARKLAND CONTRIBUTION	-	-	-	**-10,000**	**-7,500**	7,500	**100.0%**	
3-1978 Storm Sewers Contribution	-	-171,798	-182,695	**-223,266**	**-215,891**	**33,196**	**15.4%**	Funding for capital related engineering salaries - it varies each year depending on the projects undertaken.
3-1979 WATER & SEWER CONTRIBUTION	-23,458	-36,737	-41,107	**-42,000**	**-42,000**	893	2.1%	
Total Revenue	**-7,947,247**	**-7,010,693**	**-6,165,671**	**-4,820,701**	**-5,036,399**	**-1,129,272**	**(22.4%)**	
EXPENSE:								
4-2000 SALARIES - F/T	3,491,163	3,221,765	3,173,022	**3,958,894**	**3,483,948**	**310,926**	8.9%	
4-2001 SALARIES - O/T	2,291	616	214	**12,000**	-	(214)	-	
4-2002 SALARIES - P/T	141,242	131,105	119,975	**66,664**	**49,833**	**(70,142)**	**(140.8%)**	Conversion of position from Contract Construction Project Administrator to FTE increased Fulltime Salaries and decreased Part-time Salaries.
4-2003 VACATION PAY	2,440	-	-	-	-	-	-	
4-2004 SICK PAY	556	-	-	-	-	-	-	
4-2005 LIEU TIME	23	-	-	-	-	-	-	
4-2090 YEAR END ACCRUALS	-3,219	-15,358	117,345	-	**-13,202**	(130,547)	(988.8%)	
4-2100 BENEFITS - OMERS	356,856	357,477	338,629	**433,915**	**351,915**	13,286	3.8%	
4-2101 BENEFITS - EHT	65,695	65,444	64,026	**77,491**	**66,448**	2,422	3.6%	
4-2102 BENEFITS - WSIB	22,702	22,763	22,370	**29,805**	**25,028**	2,658	**10.6%**	
4-2103 BENEFITS - CPP	97,716	100,323	100,690	**115,624**	**104,209**	3,519	3.4%	
4-2104 BENEFITS - EI	51,848	46,318	47,208	**54,014**	**46,349**	(859)	(1.9%)	
4-2105 BENEFITS - DENTAL	55,126	57,207	47,096	**75,430**	**48,967**	1,871	3.8%	
4-2106 BENEFITS - HEALTH	103,927	102,972	87,189	**132,085**	**93,975**	6,786	7.2%	
4-2107 BENEFITS - LTD/ADD	56,191	56,188	59,429	**88,483**	**67,045**	7,616	**11.4%**	
4-2108 BENEFITS - OTHER	14,902	14,947	14,440	**20,213**	**14,591**	151	1.0%	
4-2201 SALARY SAVINGS	-	-	-	**-11,459**	**-11,459**	(11,459)	**(100.0%)**	
TOTAL SALARIES & BENEFITS	**4,459,459**	**4,161,767**	**4,191,633**	**5,053,159**	**4,327,647**	**136,014**	**3.1%**	
4-4000 OFFICE SUPPLIES	11,835	10,956	7,339	**13,100**	**11,671**	4,332	**37.1%**	
4-4004 SUBSCRIPTIONS/PUBLICATIONS	1,736	2,021	2,399	**2,450**	**2,307**	(92)	(4.0%)	
4-4006 OFFICE EQUIPMENT	2,020	1,796	1,634	**2,000**	**2,396**	762	**31.8%**	
4-4007 COMPUTER SUPPLIES	-	-	-	**500**	**500**	500	**100.0%**	
4-4010 CLOTHING ALLOWANCE	823	778	1,158	**3,300**	**3,300**	2,142	**64.9%**	
4-4015 OPERATING MATERIALS	607	125	1,539	**1,500**	**1,500**	(39)	(2.6%)	
4-4025 PROGRAM MATERIALS	2,797	1,457	3,001	-	-	(3,001)	-	

Run Date: 7-Feb-2020

TOWN OF AURORA

LINE-BY-LINE ANALYSIS - YTD Comparison
Final Approved Budget
2019

10 Planning & Development Services

	2016 Full Year Actuals	2017 Full Year Actuals	2018 Full Year Actuals	**2019 Approved Budget**	**2019 Forecast to Year-end**	2019 Fcst vs 2018 Actual Increase / (Decrease)	2019 Fcst vs 2018 Actual Increase / (Decrease)	Variance Explanation
4-4028 COST REALLOCATIONS	476,600	453,800	455,100	**515,400**	**515,400**	**60,300**	**11.7%**	This is the allocation of Town overhead costs to the Building Department as required under legislation. It is based on formulas and all support departments (Finance, Corporate Services, Council & Administration) approved budgets. As all department costs increase annually, so does this charge.
4-4045 MUNICIPAL BUSINESS	3,463	1,979	3,703	**4,600**	**2,769**	(934)	**(33.7%)**	
4-4060 CENTRAL SUPPLIES	2,192	8,725	1,336	**1,000**	**1,064**	(272)	**(25.6%)**	
4-5021 MOBILE PLAN CHARGES	3,668	3,830	12,080	**13,555**	**10,825**	(1,255)	**(11.6%)**	
4-5026 COURSES & SEMINARS	15,516	9,577	10,968	**17,869**	**18,514**	7,546	**40.8%**	
4-5027 MANDATORY COURSES & SEMINARS	1,989	1,464	-	**2,600**	**-**	-	-	
4-5028 MEMBERSHIPS	13,624	13,378	17,946	**21,375**	**17,784**	(162)	(0.9%)	
4-5029 MILEAGE	19,681	16,908	27,496	**27,700**	**27,183**	(313)	(1.2%)	
4-5031 GENERAL OFFICE EQUIPMENT	3,011	1,540	707	**4,800**	**4,213**	3,506	**83.2%**	
4-5043 CONSULTING	18,798	27,842	26,607	**24,500**	**39,914**	13,307	**33.3%**	
4-5045 PHOTOCOPIER CHARGES	9,891	12,830	12,988	**13,420**	**17,441**	4,453	**25.5%**	
4-5046 PRINTING	8,946	7,819	11,923	**16,500**	**13,693**	1,770	**12.9%**	
4-5050 APPRAISALS	-	-	-	**22,900**	**35,840**	**35,840**	**100.0%**	Reorganization of appraisal costs from Legal Services started in 2019.
4-5059 CONTRACTS	43,360	69,683	120,620	**69,000**	**66,669**	**(53,951)**	**(80.9%)**	2018 expense includes one-time costs associated with subdivision abutting Newmarket
4-5075 CORPORATE PROMOTIONAL MATERIAL	20,040	15,869	21,478	**28,300**	**23,523**	2,045	8.7%	
4-5500 CONTRACTS	-	-	-	**-**	**40,400**	**40,400**	**100.0%**	BIA expense. Inflow of revenue is captured under Taxation totals.
4-6001 BANK CHARGES	11,306	10,991	9,468	**8,000**	**8,930**	(538)	(6.0%)	
4-8003 CONTRIBUTIONS TO DISCRETIONARY RESERVES	2,352,211	1,215,958	1,071,303	**1,000**	**65,000**	**(1,006,303)**	**(1,548.2%)**	Contribution to reserves of payments received from developers for future development and maintenance costs related to the developments.
TOTAL OTHER EXPENSES	**3,024,114**	**1,889,326**	**1,820,793**	**815,369**	**930,836**	**(889,957)**	**(95.6%)**	
TOTAL EXPENSES	**7,483,573**	**6,051,093**	**6,012,426**	**5,868,528**	**5,258,483**	**(753,943)**	**(14.3%)**	
NET BUDGET	**-463,674**	**-959,600**	**-153,245**	**1,047,827**	**222,084**	**375,329**	**169.0%**	

Run Date: 7-Feb-2020

TOWN OF AURORA

LINE-BY-LINE ANALYSIS - YTD Comparison

Final Approved Budget

2019

09 Building Division

	2016 Full Year Actuals	2017 Full Year Actuals	2018 Full Year Actuals	**2019 Approved Budget**	**2019 Forecast to Year-end**	2019 Fcst vs 2018 Actual Increase / (Decrease)	2019 Fcst vs 2018 Actual Increase / (Decrease)	Variance Explanation
REVENUE:								
3-1005 RESIDENTIAL BUILDING PERMITS	-4,130,081	-2,807,704	-1,378,587	**-1,501,200**	**-1,208,996**	**-169,591**	**(14.0%)**	2019 activity was lower than 2018
3-1007 PLUMBING PERMITS	-120,795	-104,780	-	**-**	**2,095**	-2,095	**(100.0%)**	
3-1020 COMMERCIAL BUILDING PERMITS	-	-262,729	-665,006	**-505,900**	**-518,099**	**-146,907**	**(28.4%)**	Commercial building permits are less predictable than residential permits. The variance is due to one more permit in 2018 compared to 2019.
3-1021 SEWAGE SYS MTCE INSPECTION FEE	-	-	-	**-6,200**	**-2,850**	2,850	**100.0%**	
3-1110 SURVEY CERTIFICATES	-21,655	-9,970	-7,014	**-12,000**	**-6,878**	-136	(2.0%)	
3-1111 COMPLIANCE LETTERS	-3,598	-14,755	-10,383	**-10,000**	**-10,000**	-383	(3.8%)	
3-1114 FREEDOM OF INFORMATION FEES	-3,302	-10,740	-2,737	**-2,900**	**-3,886**	1,149	**29.6%**	
3-1115 REGISTRATION OF SECONDARY SUITES	-1,800	-3,150	-2,550	**-3,000**	**-1,954**	-596	**(30.5%)**	
3-1201 OTHER	-279	-4,861	-4,856	**-4,000**	**-5,197**	341	6.6%	
3-1901 CONTRIBUTION FROM DISCRETIONARY RESERVES	-	-	-454,505	**-390,785**	**-135,228**	**-319,277**	**(236.1%)**	The activity to (4-8003) and from (3-1901) the reserve in 2018 resulted in a net contribution of $140,518 to the Building reserve. Activity for 2019 forecasts a required draw of $135,228 to balance the department.
Total Revenue	**-4,281,510**	**-3,218,689**	**-2,525,638**	**-2,435,985**	**-1,890,993**	**-634,645**	**(33.6%)**	
EXPENSE:								
4-2000 SALARIES - F/T	1,390,390	1,181,966	1,177,760	**1,420,145**	**1,025,234**	**(152,526)**	**(14.9%)**	Two positions were eliminated, Manager of Zoning & Administration and a Building Inspector
4-2001 SALARIES - O/T	1,497	-	-	**12,000**	**-**	-	-	
4-2002 SALARIES - P/T	35,006	65,057	32,749	**27,469**	**13,339**	(19,410)	**(145.5%)**	
4-2003 VACATION PAY	659	-	-	**-**	**-**	-	-	
4-2004 SICK PAY	86	-	-	**-**	**-**	-	-	
4-2090 YEAR END ACCRUALS	10,504	-19,170	-124	**-**	**1**	125	**12,500.0%**	
4-2100 BENEFITS - OMERS	150,524	129,707	115,674	**155,693**	**99,240**	(16,434)	**(16.6%)**	
4-2101 BENEFITS - EHT	27,690	24,382	22,863	**28,432**	**21,535**	(1,328)	(6.2%)	
4-2102 BENEFITS - WSIB	9,579	8,611	8,151	**10,935**	**8,238**	87	1.1%	
4-2103 BENEFITS - CPP	41,504	40,009	35,775	**44,721**	**33,796**	(1,979)	(5.9%)	
4-2104 BENEFITS - EI	22,008	18,502	16,673	**20,858**	**14,857**	(1,816)	**(12.2%)**	
4-2105 BENEFITS - DENTAL	23,207	21,639	18,123	**29,860**	**19,531**	1,408	7.2%	
4-2106 BENEFITS - HEALTH	44,927	38,817	32,508	**52,287**	**34,014**	1,506	4.4%	
4-2107 BENEFITS - LTD/ADD	24,008	21,015	21,079	**32,228**	**22,465**	1,386	6.2%	
4-2108 BENEFITS - OTHER	6,332	5,493	4,941	**7,362**	**4,699**	(242)	(5.2%)	
TOTAL SALARIES & BENEFITS	**1,787,921**	**1,536,028**	**1,486,172**	**1,841,990**	**1,296,949**	**(189,223)**	**(14.6%)**	
4-4000 OFFICE SUPPLIES	7,017	7,204	3,519	**6,500**	**6,500**	2,981	**45.9%**	
4-4004 SUBSCRIPTIONS/PUBLICATIONS	1,172	1,117	1,139	**1,200**	**1,228**	89	7.2%	
4-4006 OFFICE EQUIPMENT	2,020	1,796	1,634	**2,000**	**2,396**	762	**31.8%**	
4-4010 CLOTHING ALLOWANCE	823	778	736	**2,200**	**2,200**	1,464	**66.5%**	

Run Date: 7-Feb-2020

TOWN OF AURORA

LINE-BY-LINE ANALYSIS - YTD Comparison
Final Approved Budget
2019

09 Building Division

	2016 Full Year Actuals	2017 Full Year Actuals	2018 Full Year Actuals	**2019 Approved Budget**	**2019 Forecast to Year-end**	2019 Fcst vs 2018 Actual Increase / (Decrease)	2019 Fcst vs 2018 Actual Increase / (Decrease)	Variance Explanation
4-4028 COST REALLOCATIONS	476,600	453,800	455,100	**515,400**	**515,400**	**60,300**	**11.7%**	This is the allocation of Town overhead costs to the Building Department as required under legislation. It is based on formulas and all support departments (Finance, Corporate Services, Council & Administration) approved budgets. As all department costs increase annually, so does this charge.
4-4045 MUNICIPAL BUSINESS	2,079	581	550	**900**	**900**	350	**38.9%**	
4-4060 CENTRAL SUPPLIES	2,192	8,725	1,336	**1,000**	**1,064**	(272)	**(25.6%)**	
4-5021 MOBILE PLAN CHARGES	3,668	3,830	4,202	**4,796**	**4,796**	594	**12.4%**	
4-5026 COURSES & SEMINARS	10,755	2,661	7,009	**7,600**	**8,229**	1,220	**14.8%**	
4-5027 MANDATORY COURSES & SEMINARS	1,989	1,464	-	**2,600**	**-**	-	-	
4-5028 MEMBERSHIPS	5,756	5,822	4,658	**6,000**	**6,000**	1,342	**22.4%**	
4-5029 MILEAGE	17,199	15,665	13,560	**15,500**	**15,500**	1,940	**12.5%**	
4-5043 CONSULTING	6,874	2,005	687	**9,000**	**9,814**	9,127	**93.0%**	
4-5045 PHOTOCOPIER CHARGES	4,729	7,666	2,946	**6,300**	**6,312**	3,366	**53.3%**	
4-5059 CONTRACTS	-	-	2,335	**5,000**	**4,777**	2,442	**51.1%**	
4-6001 BANK CHARGES	11,306	10,991	9,468	**8,000**	**8,930**	(538)	(6.0%)	
4-8003 CONTRIBUTIONS TO DISCRETIONARY RESERVES	1,939,411	1,158,558	531,303	-	-	**(531,303)**	-	
TOTAL OTHER EXPENSES	**2,493,590**	**1,682,663**	**1,040,182**	**593,996**	**594,046**	**(446,136)**	**(75.1%)**	
TOTAL EXPENSES	**4,281,511**	**3,218,691**	**2,526,354**	**2,435,986**	**1,890,995**	**(635,359)**	**(33.6%)**	
NET BUDGET	**1**	**2**	**716**	**1**	**2**	**(714)**	**(35,700.0%)**	

Run Date: 7-Feb-2020

TOWN OF AURORA

LINE-BY-LINE ANALYSIS - YTD Comparison

Final Approved Budget

2019

11 Engineering & Capital Delivery

	2016 Full Year Actuals	2017 Full Year Actuals	2018 Full Year Actuals	**2019 Approved Budget**	**2019 Forecast to Year-end**	2019 Fcst vs 2018 Actual Increase / (Decrease)	2019 Fcst vs 2018 Actual Increase / (Decrease)	Variance Explanation
REVENUE:								
3-1102 ADMINISTRATIVE FEES	-10,527	-2,902	-2,710	**-1,000**	**-805**	-1,905	**(236.6%)**	
3-1105 ENGINEERING FEES	-450,493	-640,413	-874,016	**-457,700**	**-711,539**	**-162,477**	**(22.8%)**	This revenue is development driven and fluctuates each year.
3-1201 OTHER	-	-1,462	-	**-35,000**	**-66,830**	**66,830**	**100.0%**	This revenue stream was captured under 03100 in 2018 and was moved as part of the reoganization of Engineering Services under Planning & Development. This revenue is from Bell Canada and Rogers for Municipal Consent (Plan review fee for the use of municipal right of ways for their infrastructure).
3-1907 SANI SEWER R&R RES CONT'N	-10,053	-13,972	-18,322	**-40,184**	**-40,184**	**21,862**	**54.4%**	Funding for capital related engineering salaries - it varies each year depending on the projects undertaken.
3-1917 ENGINEERING CONTRIBUTION	-320,157	-315,800	-	**-**	**-**	-	-	
3-1925 BLDG, FURN & FIX R&R RESERVE CONT'N	-67,022	-	-	**-**	**-**	-	-	
3-1927 RDS/SDWLKS/ST LGTS R&R RESERVE CONT'N	-170,907	-204,662	-214,666	**-253,266**	**-230,638**	15,972	6.9%	
3-1968 WATER SYSTEM DC CONT'N	-63,671	-	-	**-**	**-**	-	-	
3-1978 Storm Sewers Contribution	-	-171,798	-182,695	**-223,266**	**-215,891**	**33,196**	**15.4%**	Funding for capital related engineering salaries - it varies each year depending on the projects undertaken.
3-1979 WATER & SEWER CONTRIBUTION	-23,458	-36,737	-41,107	**-42,000**	**-42,000**	893	2.1%	
Total Revenue	**-1,116,288**	**-1,387,746**	**-1,333,516**	**-1,052,416**	**-1,307,887**	**-25,629**	**(2.0%)**	
EXPENSE:								
4-2000 SALARIES - F/T	744,320	720,046	762,697	**1,150,887**	**1,122,188**	**359,491**	**32.0%**	Reorganization of Engineering Services from Operational Services to Planning & Development Services rquired the redistribution of salaries that had been previously charged to other areas, such as 03100, to be consolidated under 03200. Conversion of position from Contract Construction Project Administrator to FTE increased Fulltime Salaries and decreased Part-time Salaries.
4-2001 SALARIES - O/T	69	616	214	**-**	**-**	(214)	-	
4-2002 SALARIES - P/T	73,556	56,350	66,959	**28,639**	**16,738**	**(50,221)**	**(300.0%)**	Conversion of position from Contract Construction Project Administrator to FTE increased Fulltime Salaries and decreased Part-time Salaries.
4-2003 VACATION PAY	306	-	-	**-**	**-**	-	-	
4-2004 SICK PAY	91	-	-	**-**	**-**	-	-	
4-2090 YEAR END ACCRUALS	-5,206	-5,828	127,855	**-**	**-**	**(127,855)**	-	
4-2100 BENEFITS - OMERS	46,996	78,706	86,038	**123,451**	**103,566**	17,528	**16.9%**	
4-2101 BENEFITS - EHT	9,883	15,005	16,608	**21,802**	**18,278**	1,670	9.1%	
4-2102 BENEFITS - WSIB	3,631	5,243	5,721	**8,386**	**6,785**	1,064	**15.7%**	
4-2103 BENEFITS - CPP	15,346	21,890	23,682	**30,784**	**27,262**	3,580	**13.1%**	
4-2104 BENEFITS - EI	8,158	10,101	11,021	**14,503**	**12,267**	1,246	**10.2%**	
4-2105 BENEFITS - DENTAL	9,217	13,053	10,802	**19,530**	**12,150**	1,348	**11.1%**	
4-2106 BENEFITS - HEALTH	16,795	24,680	21,871	**34,199**	**23,545**	1,674	7.1%	
4-2107 BENEFITS - LTD/ADD	7,723	12,603	15,346	**24,760**	**18,165**	2,819	**15.5%**	

Run Date: 7-Feb-2020

TOWN OF AURORA

LINE-BY-LINE ANALYSIS - YTD Comparison

Final Approved Budget

2019

11 Engineering & Capital Delivery

	2016 Full Year Actuals	2017 Full Year Actuals	2018 Full Year Actuals	**2019 Approved Budget**	**2019 Forecast to Year-end**	2019 Fcst vs 2018 Actual Increase / (Decrease)	2019 Fcst vs 2018 Actual Increase / (Decrease)	Variance Explanation
4-2108 BENEFITS - OTHER	1,962	3,298	3,672	**5,656**	**4,153**	481	**11.6%**	
TOTAL SALARIES & BENEFITS	**932,847**	**955,763**	**1,152,486**	**1,462,597**	**1,365,097**	**212,611**	**15.6%**	
4-4000 OFFICE SUPPLIES	-	-	1,688	**1,100**	**1,100**	(588)	**(53.5%)**	
4-4004 SUBSCRIPTIONS/PUBLICATIONS	-	-	49	**300**	**300**	251	**83.7%**	
4-4007 COMPUTER SUPPLIES	-	-	-	**500**	**500**	500	**100.0%**	
4-4010 CLOTHING ALLOWANCE	-	-	422	**1,100**	**1,100**	678	**61.6%**	
4-4015 OPERATING MATERIALS	607	125	1,539	**1,500**	**1,500**	(39)	(2.6%)	
4-4025 PROGRAM MATERIALS	770	1,457	-	**-**	**-**	-	-	
4-4045 MUNICIPAL BUSINESS	-	-	240	**450**	**450**	210	**46.7%**	
4-5021 MOBILE PLAN CHARGES	-	-	4,844	**5,386**	**5,386**	542	**10.1%**	
4-5026 COURSES & SEMINARS	-	-	2,527	**4,200**	**4,200**	1,673	**39.8%**	
4-5028 MEMBERSHIPS	-	-	1,778	**4,300**	**4,300**	2,522	**58.7%**	
4-5029 MILEAGE	-	-	12,070	**10,000**	**10,000**	(2,070)	**(20.7%)**	
4-5031 GENERAL OFFICE EQUIPMENT	-	-	-	**1,500**	**1,500**	1,500	**100.0%**	
4-5043 CONSULTING	-	-	4,712	**5,000**	**5,000**	288	5.8%	
4-5045 PHOTOCOPIER CHARGES	-	-	4,514	**3,000**	**3,216**	(1,298)	**(40.4%)**	
4-5046 PRINTING	2,117	902	1,539	**1,500**	**1,500**	(39)	(2.6%)	
4-5059 CONTRACTS	26,429	47,593	41,366	**40,000**	**40,000**	(1,366)	(3.4%)	
TOTAL OTHER EXPENSES	**29,923**	**50,077**	**77,288**	**79,836**	**80,052**	**2,764**	**3.5%**	
TOTAL EXPENSES	**962,770**	**1,005,840**	**1,229,774**	**1,542,433**	**1,445,149**	**215,375**	**14.9%**	
NET BUDGET	**-153,518**	**-381,906**	**-103,742**	**490,017**	**137,262**	**241,004**	**175.6%**	

Run Date: 7-Feb-2020

TOWN OF AURORA

LINE-BY-LINE ANALYSIS - YTD Comparison

Final Approved Budget

2019

Planning

	2016 Full Year Actuals	2017 Full Year Actuals	2018 Full Year Actuals	**2019 Approved Budget**	**2019 Forecast to Year-end**	2019 Fcst vs 2018 Actual Increase / (Decrease)	2019 Fcst vs 2018 Actual Increase / (Decrease)	Variance Explanation
REVENUE:								
3-1013 OFFICIAL PLAN APPLICATIONS	-96,984	-85,439	-60,280	**-47,700**	**-100,329**	**40,049**	**39.9%**	Increased development activity
3-1014 SUBDIVISION APPLICATIONS	-317,826	-230,536	-104,489	**-124,300**	**-132,609**	**28,120**	**21.2%**	Increased development activity
3-1015 SITE PLAN APPLICATIONS	-187,411	-193,069	-184,962	**-314,000**	**-264,547**	**79,585**	**30.1%**	Increased development activity
3-1016 ZONING APPLICATIONS	-177,589	-146,592	-63,958	**-92,800**	**-116,283**	**52,325**	**45.0%**	Increased development activity
3-1017 PART LOT APPLICATIONS	-27,864	-7,125	-9,700	**-15,000**	**-3,750**	-5,950	**(158.7%)**	
3-1018 CONDOMINIUM APPLICATIONS	-96,654	-80,640	-57,189	**-120,000**	**-40,806**	-16,383	**(40.1%)**	
3-1019 PDS-RADIO COMMUNICATIONS APPLICATIONS	-	-	-	**-16,000**	**-5,000**	5,000	**100.0%**	
3-1022 SP REVIEW FEE/STABLE NEIGHBRHD COMPL	-	-	-5,271	**-**	**-31,446**	**26,175**	**83.2%**	Fee was initiated in-year 2018.
3-1100 PDS-FILE MAINTENANCE APPLICATION FEES	-3,150	-	-7,420	**-5,000**	**-6,272**	-1,148	**(18.3%)**	
3-1101 PDS-OMB REFERRAL FEE	-1,704	-9,860	-1,764	**-2,000**	**-6,611**	4,847	**73.3%**	
3-1104 PDS-PLANNING ENGINEERING FEE-SITE PLAN	-160,817	-334,369	-151,760	**-91,000**	**-250,069**	**98,309**	**39.3%**	Increased development activity
3-1105 ENGINEERING FEES	-356,645	-	-	**-**	**-**	-	-	
3-1107 COMMITTEE OF ADJUSTMENT FEES	-112,466	-157,526	-111,153	**-110,000**	**-106,109**	-5,044	(4.8%)	
3-1118 PDS-MUNICIPAL ADDRESS CHANGE FEE	-21,322	-25,600	-14,602	**-10,000**	**-4,288**	-10,314	**(240.5%)**	
3-1119 PDS-PLANNING ENGINEERING FEE-SUBDIVISION	-289,972	-647,422	-729,374	**-365,500**	**-687,171**	**-42,203**	(6.1%)	
3-1120 PDS-STREET NAME CHANGE APPLICATION	-	-	-1,608	**-**	**-**	-1,608	-	
3-1121 PDS-PLANNING ENGINEERING FEE-LOT GRDG	-	-186,341	-1,971	**-7,500**	**-9,196**	7,225	**78.6%**	
3-1122 PDS-ZONING APP PROPOSAL FEE	-	-6,000	-5,837	**-**	**-**	-5,837	-	
3-1201 OTHER	-1,247	-782	-179	**-500**	**-533**	354	**66.4%**	
3-1206 DONATIONS	-25,000	-	-65,000	**-**	**-65,000**	-	-	
3-1333 CONTRIBUTIONS FROM DEVELOPERS	-412,800	-57,400	-600,000	**-1,000**	**-**	**-600,000**	-	
3-1900 CONTRIBUTION FROM CAPITAL	-	-91,895	-	**-**	**-**	-	-	
3-1901 CONTRIBUTION FROM DISCRETIONARY RESERVES	-	-13,662	-	**-**	**-**	-	-	
3-1961 GENERAL GOV'T DC CONT'N	-260,000	-130,000	-130,000	**-**	**-**	**-130,000**	-	
3-1975 CIL PARKLAND CONTRIBUTION	-	-	-	**-10,000**	**-7,500**	7,500	**100.0%**	
Total Revenue	**-2,549,451**	**-2,404,258**	**-2,306,517**	**-1,332,300**	**-1,837,519**	**-468,998**	**(25.5%)**	
EXPENSE:								
4-2000 SALARIES - F/T	1,356,454	1,319,753	1,232,565	**1,387,862**	**1,336,527**	**103,962**	7.8%	
4-2001 SALARIES - O/T	725	-	-	**-**	**-**	-	-	
4-2002 SALARIES - P/T	32,680	9,699	20,268	**10,555**	**19,756**	(512)	(2.6%)	
4-2003 VACATION PAY	1,475	-	-	**-**	**-**	-	-	
4-2004 SICK PAY	380	-	-	**-**	**-**	-	-	
4-2005 LIEU TIME	23	-	-	**-**	**-**	-	-	
4-2090 YEAR END ACCRUALS	-8,516	9,640	-10,386	**-**	**-13,202**	(2,816)	**(21.3%)**	
4-2100 BENEFITS - OMERS	159,336	149,064	136,917	**154,772**	**149,110**	12,193	8.2%	
4-2101 BENEFITS - EHT	28,122	26,057	24,556	**27,257**	**26,635**	2,079	7.8%	
4-2102 BENEFITS - WSIB	9,491	8,910	8,498	**10,484**	**10,006**	1,508	**15.1%**	
4-2103 BENEFITS - CPP	40,867	38,424	41,233	**40,119**	**43,151**	1,918	4.4%	
4-2104 BENEFITS - EI	21,682	17,715	19,514	**18,652**	**19,225**	(289)	(1.5%)	
4-2105 BENEFITS - DENTAL	22,702	22,514	18,171	**26,040**	**17,286**	(885)	(5.1%)	

Run Date: 7-Feb-2020

TOWN OF AURORA

LINE-BY-LINE ANALYSIS - YTD Comparison
Final Approved Budget
2019

Planning

	2016 Full Year Actuals	2017 Full Year Actuals	2018 Full Year Actuals	**2019 Approved Budget**	**2019 Forecast to Year-end**	2019 Fcst vs 2018 Actual Increase / (Decrease)	2019 Fcst vs 2018 Actual Increase / (Decrease)	Variance Explanation
4-2106 BENEFITS - HEALTH	42,204	39,475	32,809	**45,599**	**36,416**	3,607	9.9%	
4-2107 BENEFITS - LTD/ADD	24,460	22,570	23,004	**31,495**	**26,415**	3,411	**12.9%**	
4-2108 BENEFITS - OTHER	6,608	6,157	5,827	**7,195**	**5,739**	(88)	(1.5%)	
4-2201 SALARY SAVINGS	-	-	-	**-11,459**	**-11,459**	(11,459)	**(100.0%)**	
TOTAL SALARIES & BENEFITS	**1,738,693**	**1,669,978**	**1,552,976**	**1,748,571**	**1,665,605**	**112,629**	**6.8%**	
4-4000 OFFICE SUPPLIES	4,818	3,752	2,132	**5,500**	**4,071**	1,939	**47.6%**	
4-4004 SUBSCRIPTIONS/PUBLICATIONS	563	904	1,211	**950**	**779**	(432)	**(55.5%)**	
4-4025 PROGRAM MATERIALS	2,027	-	3,001	**-**	**-**	(3,001)	-	
4-4045 MUNICIPAL BUSINESS	1,384	1,398	2,913	**3,250**	**1,419**	(1,494)	**(105.3%)**	
4-5021 MOBILE PLAN CHARGES	-	-	3,034	**3,373**	**642**	(2,392)	**(372.6%)**	
4-5026 COURSES & SEMINARS	4,761	6,916	1,432	**6,069**	**6,085**	4,653	**76.5%**	
4-5028 MEMBERSHIPS	7,868	7,556	11,510	**11,075**	**7,484**	(4,026)	**(53.8%)**	
4-5029 MILEAGE	2,482	1,244	1,866	**2,200**	**1,684**	(182)	**(10.8%)**	
4-5031 GENERAL OFFICE EQUIPMENT	3,011	1,540	707	**3,300**	**2,713**	2,006	**73.9%**	
4-5043 CONSULTING	11,924	25,837	21,208	**10,500**	**25,100**	3,892	**15.5%**	
4-5045 PHOTOCOPIER CHARGES	5,162	5,164	5,528	**4,120**	**7,913**	2,385	**30.1%**	
4-5046 PRINTING	6,829	6,917	10,384	**15,000**	**12,192**	1,808	**14.8%**	
4-5050 APPRAISALS	-	-	-	**22,900**	**35,840**	**35,840**	**100.0%**	Reorganization of appraisal costs from Legal Services started in 2019.
4-5059 CONTRACTS	16,931	22,090	76,919	**24,000**	**21,893**	**(55,026)**	**(251.3%)**	2018 expense includes one-time costs associated with subdivision abutting Newmarket
4-5075 CORPORATE PROMOTIONAL MATERIAL	20,040	15,869	21,478	**28,300**	**23,523**	2,045	8.7%	
4-5500 CONTRACTS	-	-	-	**-**	**40,400**	**40,400**	**100.0%**	BIA expense. Inflow of revenue is captured under Taxation totals.
4-8003 CONTRIBUTIONS TO DISCRETIONARY RESERVES	412,800	57,400	540,000	**1,000**	**65,000**	**(475,000)**	**(730.8%)**	Contribution to reserves of payments received from developers for future development and maintenance costs related to the developments.
TOTAL OTHER EXPENSES	**500,600**	**156,587**	**703,323**	**141,537**	**256,738**	**(446,585)**	**(173.9%)**	
TOTAL EXPENSES	**2,239,293**	**1,826,565**	**2,256,299**	**1,890,108**	**1,922,343**	**(333,956)**	**(17.4%)**	
NET BUDGET	**-310,158**	**-577,693**	**-50,218**	**557,808**	**84,824**	**135,042**	**159.2%**	

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Town of Aurora
Memorandum
Corporate Services

Re: **Town's Major Capital Projects Update**

To: Finance Advisory Committee

From: Lianne Jalali, Project Management Office

Date: September 15, 2020

Recommendation

1. **That the memorandum regarding Town's Major Capital Projects Update be received for information.**

Background

The Town currently has multiple major capital projects underway in varying stages of completion. These major projects include the following:

- Library Square
- Fire Hall 4-5
- Joint Operations Centre Additional Work

Analysis

Library Square

Overall, the project is on track for success. The tender for the services of a General Contractor officially closed on July 20th. Chandos Construction's bid came in at $41,009,865 which made them the lowest qualified bidder.

The Town was notified by the Province on August 7, 2020 that the Library Square infrastructure grant application requesting a total of $31.6 million from the Investing in Canada Infrastructure Program (ICIP) was unsuccessful. Following the grant application outcome, the Library Square project's funding strategy adjusted to the Council's previously approved "no grant" funding strategy.

The recommended funding strategy has been approved by the Town's Council on August 25, 2020, and staff directed to proceed with awarding the contract to Chandos Construction Ltd. for the construction of the Library Square project.

Schedule Status:

The project management team (PMT) is currently focusing on finalizing the contract agreement with Chandos Construction Ltd., organizing a kick-off meeting and updating the project documents in anticipation of Construction Mobilization.

The impact of COVID-19 on the project schedule has been minimal up to this point, however it is expected Chandos will provide critical feedback on the proposed Construction schedule and advise of any forecast delays resulting from labour and material shortages.

Milestone	Expected Completion	Status
Design Development	August 2019	Complete
Construction Documents	March 2020	Complete
Tender Period	March - June 2020	Complete
Bids Evaluation	May - June 2020	Complete
Award Contract	September 2020	In progress
Construction Mobilization	September 2020	Not Started
Completion	September 2022	Not Started

Budget Status:

The total cost of the project is $51,939,489, which is approximately $327,790 above the approved project budget of $51,611,700 but within the 5% agreeable increase in project budget.

Current Project Status	Cost	Notes
Project Budget Baseline	$51,939,489	
Committed	$5,119,084	9.86% of Project Budget
Approved Change Orders	$0	

The overall status update for this project can be found under Attachment #1.

Fire Hall 4-5

The contract for the construction of Station 4-5 was awarded to Remo General Contracting Ltd. for $10,836,817.

Project Schedule:

The site work commenced on May 20, 2020. The project completion currently scheduled for the winter 2021; however subject to change. The project is progressing as scheduled up to this point.

Budget Status:

Non-Construction Costs	Approved Budget	Payments to Date
Architect	$600,000	$384,552
Furniture, Fixture, Signage etc.	$506,500	$0
Prefab shed for training	$250,000	$0
Allowance for props	$100,000	$0
Total	**$1,456,500**	**$384,552**
Construction Costs		
Tender Revised Bid	$10,836,817	$1,334,140
Non-Recoverable HST (1.76%)	$190,728	$0
Contingency (10%)	$1,083,682	$69,268
Total	**$13,567,727**	**$1,787,960**

The total amount of the approved change orders to date is $2,604.75.

In addition to this budget, the Town of Aurora has also included $87,300 for project management fees and public art from its own reserves.

The overall status update for this project can be found under Attachment #1.

Joint Operations Centre Additional Work

The objective of this project is to complete the outstanding capital works of the JOC. The project is divided into the following sub-projects of which eight (8) sub-projects have been completed and five (5) sub-projects will be completed in 2020.

Sub-Project	Status
Back Lot Paving and Full Build Out	Complete
Upper Parking Lot and Rear Yard	Complete
JOC Landscaping	In progress – Completion in Spring 2021
Garbage Tipping Station	Complete
Storage Buildings	In progress – Completion in Summer 2021
Automated Gate Control	In progress – Completion in Fall 2020
South Side Exterior Finishing	In progress – Completion by end of 2020
Furniture	Complete
Entry Pylon Exterior Sign	Complete
Intercom System	Completion by end of 2020
Third Floor Build Out	Complete
Building Exterior Sign	Complete
Soil Quality at Back of Property	Complete

Budget Status:

Current Project Status	Cost	Notes
Approved Budget	$2,185,200	
Committed	$1,354,123	62% of Project Budget

The overall status update for this project can be found under Attachment #1.

Attachments

Attachment #1 – Major Capital Project Update:

- Library Square
- Fire Hall 4-5
- Joint Operations Centre Additional Work

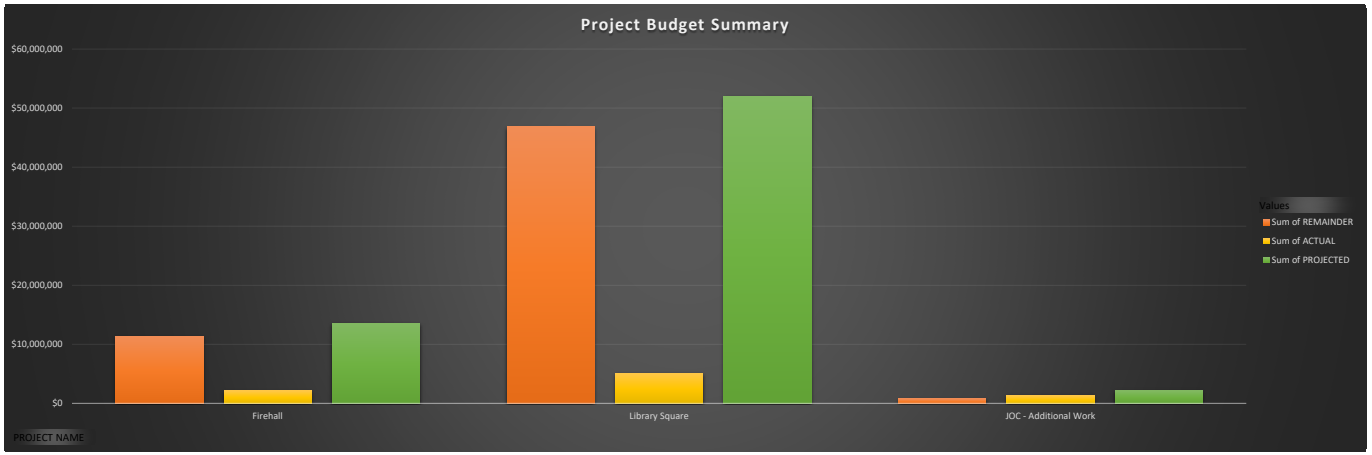
Major Capital Projects Update Summary - September 2020

Attachment #1

	Timeline				BUDGET			
PROJECT NAME	BEGIN	FINISH	# of DAYS	STATUS	PROJECTED	ACTUAL	REMAINDER	STATUS
Firehall	May 20, 2020	March 1, 2021	285	On schedule	$13,567,727	$2,172,512	$11,395,215	On budget
JOC - Additional	October 1, 2018	September 30, 2021	1095	On schedule	$2,185,200	$1,354,123	$831,077	On budget
Library Square	July 2, 2018	September 30, 2022	1551	On schedule	$51,939,489	$5,119,084	$46,820,405	On budget
Total					**$67,692,416**	**$8,645,719**	**$59,046,697**	

Project Status Legend

On schedule	**Everything is progressing as planned. No intervention from the sponsor is required**
Concerned	**Some risks and issues have been identified but the project team is handling and monitoring them**
Delayed/Over budget	**Major problems affected the project timeline and budget. The sponsor's intervention is required in this case**



Town of Aurora
Council Report

No. FIN20-015

Subject:	**2019 Year End Budget Report – as at December 31, 2019**
Prepared by:	Tracy Evans, Financial Management Advisor
Department:	Finance
Date:	June 23, 2020

Recommendation

1. That Report No. FIN20-015 be received for information.

Executive Summary

This report presents the yearend financial performance of the Town's tax levy and user rate funded operations. In addition, information is provided on the disposition of the Town's tax funded operating surplus, as well as the management of its user rate funded operating deficit in accordance with the 2019 Surplus Control By-law 6235-20.

- The Town's tax levy funded operations budget ended the year with a surplus of $949,300
- Water, wastewater and storm water operations closed the fiscal year with an operating deficit of $1,881,800
- The Town's Department's had many accomplishments over the course of 2019

Background

In an effort to keep Council informed as to the financial status of the Town's operating budgets, it was presented with interim forecast updates on a quarterly basis over the course of 2019. Now that the Town's external audit is substantially complete, this allows Finance staff to finalize its report of the 2019 fiscal results for the Town of Aurora.

Staff presented the Town's audited 2019 draft financial statements to the Audit Committee this evening for its 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

On January 28, 2020, the Surplus Control By-law 6235-20 was passed. This by-law 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 in an effort to separate a previous year's budget variance from that of the upcoming year's budget. Any surplus allocations are to be made according to a specific formula set out in the by-law and are to be reported back to Council.

The Town's tax levy funded operations budget ended the year with a surplus of $949,300

Actual total expenditures for 2019 were $70,567,600 which was 4.4 percent or $2,974,100 above the established budget of $67,593,500. Total 2019 revenues (including the $47,280,964 tax levy) were $71,516,900 which was 5.8 percent or $3,923,400 higher than the $67,593,500 budgeted for total revenue. These two variances result in the net $949,300 surplus.

The 2019 approved operating budget provided for $70,567,600 of expenses, offset by various revenue sources. Table 1 summarizes the Town's significant variances that contributed to the yearend results prior to the allocation of the $949,300 surplus being contributed to reserves as per the Surplus Control By-law.

One of the most significant contributors to the overall favourable variance recognized by the Town's municipal operations arises from development as well as other higher than expected revenues. The most significant favourable expenditure variance contributing to the Town's operating surplus was utility savings.

The Town did not achieve its budgeted salary and benefits savings of $150,000 relating to vacant position gapping, rather it concluded the fiscal year in a deficit positon. The Town did recognize some savings but they were more than offset by higher salary costs arising mostly from winter management operations.

Rising contract and operating material unit costs and demand for those contracted services and materials contributed to the 2019 operating budget short-falls experienced by winter, waste and fleet management services.

Table 1
Summary of 2019 Key Budget Variances

	Favourable / (Unfavourable)
Revenues:	
Penalties on unpaid property taxes	544,100
Engineering fees revenues	379,600
Community program revenues	120,500
Other development revenues	92,200
Parking enforcement revenues	88,000
Unplanned grant receipt	72,000
Ice and other rentals	(259,800)
Subtotal revenues	1,036,600
Expenditures:	
Utility savings (Facility, Parks, Streetlights)	247,200
Library Square operations	237,600
Tax write-off savings	113,300
Other various savings	79,400
Winter management operating materials/contract	(394,000)
Salaries & benefits	(193,400)
Fleet & equipment repairs	(97,300)
Recycling/solid waste contracts	(80,100)
Subtotal expenditures	(87,300)
Total	**949,300**

Many of the variance items noted in Table 1 are generally not directly controllable by the Town and are difficult to budget for. As a consequence, these items have an ability to become significant contributors to the budget variances experienced at yearend.

The following identifies the 2019 yearend variances by department:

CAO and Council

The Council and CAO budgets ended 2019 with a $40,500 (2.1 percent) favourable variance on a net operating budget of $1,908,200. This variance was the result of some savings experienced from conferences, contracts and consulting.

Corporate Services

Corporate Services ended the fiscal year with a $73,100 (1.0 percent) favorable variance on a net operating budget of $7,472,900. This variance is mostly attributable to larger than anticipated parking violation revenues and part time salary savings.

Finance

Finance ended the year with a $125,400 (6.8 percent) favourable variance on a net operating budget of $1,837,500 mostly as a result of salary savings related to staff vacancies.

Fire Services

Central York Fire Services (CYFS) experienced a surplus of $1,100,226 from a total approved operating budget of $27,207,116, mostly attributable to gapping for retirements, leave of absences, new hires, and other vacancies. Aurora's share of this budget and resultant surplus was $10,729,932 and $452,193, respectively. This noted CYFS surplus was offset by a contribution to the shared CYFS Reserve, leaving the Town's portion as budgeted.

Operational Services

Operational Services, excluding water, wastewater & storm water services, ended 2019 with a $557,400 (5.6 percent) unfavourable variance on a net operating budget of $9,996,100. This deficit had multiple service line contributors which included winter, fleet, as well as waste management. These service line deficits were partially offset by surpluses arising in road network and parks operations resulting from contract, operating materials and salary savings.

Winter management services was the most significant contributor to the overall deficit experienced by the department. As per the Town's winter control reserve policy, had the overall Town operating budget been unable to accommodate the full reported $607,500 winter management deficit, any required funding short-fall could have been drawn from this reserve. As the Town's overall operating budget had sufficient funds available to offset this short-fall, a draw from the winter control reserve was not necessary in 2019. In consideration of these offsetting funds, Operational Services' overall reported variance would become a surplus of $50,100.

Operational Services' salaries and wages are split between the tax levy and rate (water, wastewater & storm water services) funded programs. In any given year, the extent of

operational service staff support of tax levy or rate funded programs is difficult to predict; consequently, some variability is not unusual. Overall the department's salaries and benefits for tax supported programs finished the year over their established budgets by $189,300. Within this variance, a salary shortfall of $23,400 was recognized relating to a lower than budgeted amount of staff's time being spent on rate funded programs, partially offset by park operations salary savings.

Fleet and winter management services' reported deficits were most attributable to greater than anticipated operating material / supply costs. The waste management services deficit was attributable to higher than anticipated demand. In particular, the higher snow management costs are the result of a greater than planned number of snow events. Increased 3rd party fleet repair costs were the key contributor to the funding short-falls experienced in fleet management services.

Community Services

Community Services closed the year with a favourable variance of $357,100 (3.8 percent) on a net operating budget of $9,429,700. Some of the key contributors to this variance were stronger membership fee revenues from fitness, aquatics and seniors; as well as community program delivery contract and salary savings. This variable variance is partially offset by less than anticipated ice rental revenues.

Other key contributors to the Community Services' favourable variance was facility electricity cost and Library Square operations savings. The Town's electricity cost savings reflect the Town beginning to recognize energy savings resulting from its continued conversion of all its facilities to LED lighting. The Library Square operations savings are expected as the Town strategically continues to phase the full estimated operating costs for the Square upon becoming fully operational onto the tax levy. These temporary unspent balances will be contributed to the Town's rate stabilization reserve for future support of the Library Square's operations upon it becoming fully operational, if required.

Planning & Development Services

The Planning & Development Services department ended the year with a surplus of $452,300. The key contributing factor to this favourable variance was heathier than expected development driven revenues such as engineering fees for lot grading, subdivisions and site plans. These surplus revenues were partially offset by lower than anticipated revenues relating to condominium development. It should be noted that the majority of these revenues arise at the 'front end' of a development; consequently, as

the Town has almost reached its build out capacity, these revenues can be expected to begin to decline in future years.

Not included in this variance is a Building Services' surplus of $243,100, as it is a self-funded function as per provincial legislation. Consequently, if it is unable to recognize sufficient revenues to offset its expenses in a given fiscal year, it will draw from its dedicated reserve in order to balance its operating budget. If it recognizes excess revenues, these revenues are utilized to replenish its reserve. This year's surplus results from position vacancies arising over the course of 2019.

Corporate Revenues & Expenses

Corporate Revenues and Expenses concluded the year with a $435,700 (10.0 percent) favourable variance on a net operating budget of $4,378,100. The primary driver of this variance was larger than anticipated penalties on unpaid property taxes attributed to the continued application of the Town's new collection policy that requires all outstanding water amounts owing of a certain age to be transferred to tax accounts.

Other key contributors to this favourable variance was the unbudgeted BIA special area tax levy that was approved after the budget had already been established, larger than anticipated payments in lieu of taxes and the receipt of an unplanned grant. The noted favourable variance from BIA special area tax levy revenues is fully offset by an equally unfavourable variance under the Planning & Development Services department relating to the payment of these collected revenues to the Downtown Business Improvement Association.

Aurora Public Library Contribution

The Aurora Public Library experienced a surplus of $91,500 from a total approved net operating budget of $3,843,100, mostly attributable to salary savings. This net operating budget is equivalent to the Town's 2019 contribution to the Aurora Library Board. This surplus was contributed to the Library Board's general capital reserve, leaving the Town's planned contribution as budgeted.

Total Tax Levy

The Town collected a total of $47,281,000 in tax levy revenue, excluding supplementary tax revenues, which was $22,600 higher than what was budgeted. In an effort to achieve an approved operating budget for the upcoming year prior to the year commencing, the Town must estimate its tax assessment base growth for the upcoming

year prior to the final figure being known, consequently some minor variation between the budgeted and final levy can be expected.

Operating Summary

Overall, the Town of Aurora tax levy funded operations ended the year with a surplus of $949,300 with no noticeable adverse impacts to service levels. Under the guidelines as presented in the Surplus/Deficit Control By-law, as the rate stabilization reserve balance has reached its maximum ceiling of ten percent of the tax levy, the CAO and Treasurer have approved a contribution of this equivalent amount across the Town's repair & replacement reserves.

The final net tax levy funded operations results can be found in Attachment 1.

Water, wastewater and storm water operations closed the fiscal year with an operating deficit of $1,881,800

Staff strive to better match revenues with expenses and to eliminate historic reliance upon contributions from reserves in order to balance these programs and to ensure the sufficient replenishment of the underground infrastructure rehabilitation and replacement reserves. In addition, the Town has adopted a strategy whereby the annual contribution to underground infrastructure reserves continues to be responsibly increased each fiscal year in an effort to ensure that these reserves are able to sustain these assets into the medium to longer term. Staff have made progress but more effort is required.

Water and wastewater services concluded the fiscal year with an unfavorable operating budget variance of $1,455,400 largely attributable to lower than anticipated retail water volumes producing lower retail revenues than planned partially offset by wholesale water purchase and sewage discharge fees savings. Another key contributor to this variance was the Town's write-off of some of its uncollectable water receivables owing, partially offset by maintenance and emergency contract savings.

Storm water services ended the year with a deficit of $426,400 driven predominately by lower than anticipated revenue, as well as larger than expected catch basin cleaning expenses. Staff will strive to eliminate future revenue short-falls through the right-sizing of future storm water revenue targets.

Storm water costs are expected to continue to be under considerable pressure for the next three to five years as the Town strives to further align its reserve balance with its associated infrastructure's renewal requirements which are significant.

Overall user rate funded operations experienced a deficit of $1,881,800 which was brought to a balanced budget at year end through a draw from each respective user rate reserve as per the Town's 2019 surplus control bylaw.

The Final Net User Rate Funded Operations Results can be found in Attachment 2.

The Town's Department's had many accomplishments over the course of 2019

2019 was another very busy year for the Town of Aurora. In addition to the continued delivery of high quality services to the Town's citizens in as cost effective manner as possible, the Town's department's achieved many other accomplishments over the course of 2019. Attachment #3 summarizes some of the key accomplishments for each department in 2019.

Advisory Committee Review

Not applicable.

Legal Considerations

None

Financial Implications

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.

The audited PSAB basis financial statements for 2019, as currently drafted, reflect an operating surplus of $9,378,000. This amount reconciles to the internal report cumulative total general operating and water & wastewater program budget deficit of $932,500 as shown in Table 2.

Table 2
Public Sector Accounting Board 2019 Surplus Reconciliation

Description	Amount
Tax levy supported budget surplus	949,300
Rate supported budget deficit	(1,881,800)
Traditional Balanced Consolidated Budget Surplus	**($932,500)**
Add Back: Debt principal repaid included	1,040,500
Add: Transfers to/from reserves	10,753,000
Add: Capital assets assumed through development	1,920,700
Add: Gain on disposal of capital assets and land	5,273,000
Add: Net capitalization of assets adjustment	4,957,000
Add: Investment income allocated directly to reserves	2,890,400
Add: Net Deferred Revenue Adjust – DC, CIL, FGT	2,260,300
Deduct: Additional operating revenue	(3,367,500)
Deduct: Amortization of capital assets	(15,089,000)
Net all other PSAB adjustments	(327,900)
PSAB 2019 "Annual Surplus": Audited (Draft)	**$9,378,000**

Communications Considerations

The Town of Aurora will use 'Inform' as the level of engagement for this report. 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 made available on the Town's website in the Budget and Financial Information pages.

Link to Strategic Plan

The 2019 Final Budget Report provides an update on the surplus/deficit of the corporation and outlines the strategy for managing the identified surplus/deficit. Outlining and understanding the Town's financial results 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

Not applicable; this report is for information only.

Conclusions

The general operating results show a year end surplus of $949,300 arising primarily from larger than anticipated development driven revenues such as engineering fees for lot grading, subdivisions and site plans and penalties on unpaid property taxes. These surpluses have been partially offset by larger than planned operating material and contract costs and a salary short-fall. The net water, wastewater and storm water program results reflect an overall deficit of $1,881,800 caused by lower than anticipated water demand and the write-off of uncollectable water receivable balances.

The above noted year end surpluses were then adjusted by transfers from/to reserves in accordance with the 2019 surplus control by-law as follows:

Table 3
2019 Surplus Disposition

Reserve Transfer	Amount
Transfer TO Roads R&R reserve fund	$385,400
Transfer TO Facilities R&R reserve fund	306,900
Transfer TO Parks R&R reserve fund	72,700
Transfer TO Equipment R&R reserve fund	65,200
Transfer TO IT R&R reserve fund	66,700
Transfer TO Discretionary R&R reserve fund	52,400
Transfer FROM Water reserve fund	(672,100)
Transfer FROM Wastewater reserve fund	(783,300)
Transfer FROM Storm Water reserve fund	(426,400)
	($932,500)

Attachments

Attachment #1 – Final Net Tax Levy Funded Operations Results

Attachment #2 – Final Net User Rate Funded Operations Results

Attachment #3 – 2019 Departmental Accomplishments

Previous Reports

None

Pre-submission Review

Agenda Management Team review on May 28, 2019

Departmental Approval

Digitally signed by Rachel Wainwright-van Kessel, CPA, CMA
Date: 2020.06.16 08:40:11 -04'00'

Rachel Wainwright-van Kessel, CPA, CMA
Director of Finance/Treasurer

Approved for Agenda

Doug Nadorozny

Doug Nadorozny
Chief Administrative Officer

Attachment 1

Town of Aurora

Final NET Tax Levy Funded Operations Results

as at December 31, 2019

Shown in $,000's	NET ADJUSTED BUDGET	FINAL ACTUAL	Variance Favourable / (Unfavourable)	
COUNCIL				
Council Administration	$ 564.1	$ 552.0	$ 12.1	2.1 %
Council Programs/Grants	4.0	-	4.0	100.0 %
Advisory Committees	8.0	2.7	5.3	66.3 %
Council Office Total	**$ 576.1**	**$ 554.7**	**$ 21.4**	**3.7 %**
CHIEF ADMINISTRATIVE OFFICE				
CAO Administration	$ 545.6	$ 523.5	$ 22.1	4.1 %
Communications	786.5	789.5	(3.0)	(0.4 %)
Chief Administrative Office Total	**$ 1,332.1**	**$ 1,313.0**	**$ 19.1**	**1.4 %**
Council and C.A.O. Combined	**$ 1,908.2**	**$ 1,867.7**	**$ 40.5**	**2.1 %**
CORPORATE SERVICES				
Corporate Services Administration	$ 407.7	$ 564.8	(157.1)	(38.5 %)
Legal Services	1,487.0	1,527.4	(40.4)	(2.7 %)
Legislative & Administrative Services	709.8	658.1	51.7	7.3 %
Human Resources	836.4	802.4	34.0	4.1 %
Elections	92.5	107.7	(15.2)	(16.4 %)
Information Technology	2,043.7	2,025.2	18.5	0.9 %
Telecommunications	165.1	144.3	20.8	12.6 %
By-law Services	561.2	434.5	126.7	22.6 %
Animal Control	259.2	242.7	16.5	6.4 %
Customer Service	874.6	876.6	(2.0)	(0.2 %)
Emergency Preparedness	35.7	16.1	19.6	54.9 %
Corporate Services Total	**$ 7,472.9**	**$ 7,399.8**	**$ 73.1**	**1.0 %**
FINANCIAL SERVICES				
Policy & Planning Administration	$ 342.2	$ 216.3	$ 125.9	36.8 %
Accounting & Revenue	469.7	447.4	22.3	4.7 %
Financial Management	517.4	552.8	(35.4)	(6.8 %)
Procurement Services	508.2	495.6	12.6	2.5 %
Financial Services Total	**$ 1,837.5**	**$ 1,712.1**	**$ 125.4**	**6.8 %**
FIRE SERVICES				
Central York Fire	11,188.1	11,188.1	-	-
Total Fire Services	**11,188.1**	**11,188.1**	**-**	**-**
Operational Services				
Operational Services Administration	$ 258.4	$ 329.0	$ (70.6)	(27.3 %)
Fleet & Equipment	758.8	845.5	(86.7)	(11.4 %)
Winter Management	1,584.1	2,191.6	(607.5)	(38.3 %)
Road Network Operations	2,721.6	2,472.8	248.8	9.1 %

Attachment 1

Town of Aurora

Final NET Tax Levy Funded Operations Results

as at December 31, 2019

Shown in $,000's	NET ADJUSTED BUDGET	FINAL ACTUAL	Variance Favourable / (Unfavourable)	
Parks/Open Spaces	2,603.8	2,554.1	49.7	1.9 %
Waste Collection & Recycling	2,069.4	2,160.5	(91.1)	(4.4 %)
Operational Services Total	**$ 9,996.1**	**$ 10,553.5**	**$ (557.4)**	**(5.6 %)**
Community Services				
Community Services Administration	$ 1,135.1	$ 1,176.0	$ (40.9)	(3.6 %)
Business Support	(529.4)	(285.8)	(243.6)	(46.0 %)
Recreational Programming/Community Dev.	2,042.7	1,596.5	446.2	21.8 %
Facilities	6,781.3	6,585.9	195.4	2.9 %
Community Services Total	**$ 9,429.7**	**$ 9,072.6**	**$ 357.1**	**3.8 %**
PLANNING & DEVELOPMENT SERVICES				
Development Planning	$ (321.5)	$ (277.4)	$ (44.1)	(13.7 %)
Long Range & Strategic Planning	879.3	851.0	28.3	3.2 %
Engineering Service Operations	490.0	21.9	468.1	95.5 %
Net Building Department Operations	390.8	$ 147.7	243.1	62.2 %
Contribution from Building Reserve	(390.8)	(147.7)	(243.1)	(62.2 %)
Total Building Services	**-**	**-**	**-**	**-**
Planning & Development Services Total	**$ 1,047.8**	**$ 595.5**	**$ 452.3**	**43.2 %**
CORPORATE REVENUE & EXPENSE				
Supplementary Taxes & Payments-in-Lieu	$ (1,050.3)	$ (1,773.5)	$ 723.2	68.9 %
Contribution of Excess SUPPs to reserves	400.0	1,082.3	(682.3)	(170.6 %)
Penalties on Unpaid Property Taxes	(900.0)	(1,444.1)	544.1	60.5 %
Overhead Cost Re-allocation to Building Services	(1,815.3)	(1,815.3)	-	-
All Other Revenue	(5,879.6)	(8,442.3)	2,562.7	43.6 %
Cash to Capital	5,263.9	5,263.9	-	-
All Other Expense	8,359.4	11,071.4	(2,712.0)	(32.4 %)
	$ 4,378.1	**$ 3,942.4**	**$ 435.7**	**10.0 %**
TOTAL TAX LEVY FUNDED OPERATIONS	**$ 47,258.4**	**$ 46,331.7**	**$ 926.7**	**2.0 %**
TOTAL TAX LEVY	**$ (47,258.4)**	**$ (47,281.0)**	**$ 22.6**	**0.0 %**
OPERATING (SURPLUS) DEFICIT	**-**	**$ (949.3)**	**$ 949.3**	**1.6 %**
		Surplus	Surplus	

Attachment 2

Town of Aurora
Final Net User Rate Funded Operations Results
as at December 31, 2019

Shown in $,000's	ADJUSTED BUDGET	FINAL ACTUAL	Variance Favourable / (Unfavourable)	
Water Services				
Retail Revenues	(11,105.4)	(9,846.4)	$ (1,259.0)	(11.3 %)
Penalties	(175.0)	(175.9)	0.9	0.5 %
Other	(210.1)	(290.7)	80.6	38.4 %
Total Revenues	**(11,490.5)**	**(10,313.0)**	**$ (1,177.5)**	**(10.2 %)**
Wholesale water purchase	7,151.0	6,857.1	293.9	4.1 %
Operations and maintenance	1,029.6	1,109.9	(80.3)	(7.8 %)
Administration and billing	899.5	607.7	291.8	32.4 %
Corporate overhead allocation	710.4	710.4	-	-
Infrastructure sustainability reserve contributions	1,700.0	1,700.0	-	-
Total Expenditures	**11,490.50**	**10,985.1**	**$ 505.4**	**4.4 %**
Net Operating Water Services	**-**	**672.1**	**$ (672.1)**	**n/a**
Waste Water Services				
Retail Revenues	(13,839.1)	(12,331.2)	$ (1,507.9)	(10.9 %)
Penalties	-	-	-	n/a
Other	(90.0)	(28.2)	(61.8)	(68.6 %)
Total Revenues	**(13,929.1)**	**(12,359.4)**	**$ (1,569.7)**	**(11.3 %)**
Sewer discharge fees	10,944.0	10,493.9	$ 450.1	4.1 %
Operations and maintenance	868.8	532.5	$ 336.3	38.7 %
Administration and billing	261.4	261.4	$ -	-
Corporate overhead allocation	554.9	554.9	-	-
Infrastructure sustainability reserve contributions	1,300.0	1,300.0	-	-
Total Expenditures	**13,929.1**	**13,142.7**	**$ 786.4**	**5.6 %**
Net Operating Waste Water Services	**-**	**783.3**	**$ (783.3)**	**n/a**
Total Water and Waste Water Services	**-**	**1,455.4**	**$ (1,455.4)**	**n/a**
Storm Water Services				
Retail Revenues	(2,069.1)	(1,700.5)	$ (368.6)	(17.8 %)
Penalties	-	-	-	n/a
Other	-	(354.9)	354.9	n/a
Total Revenues	**(2,069.1)**	**(2,055.4)**	**$ (13.7)**	**(0.7 %)**
Operations and maintenance	529.2	586.9	(57.7)	(10.9 %)
Administration and billing	105.4	105.5	(0.1)	(0.1 %)
Corporate overhead allocation	34.5	34.5	-	-
Infrastructure sustainability reserve contributions	1,400.0	1,754.9	(354.9)	(25.4 %)
Total Expenditures	**2,069.1**	**2,481.8**	**$ (412.7)**	**(19.9 %)**

Attachment 2

Net Operating Storm Water Services	**-**	**426.4**	**$ (426.4)**	**n/a**
OPERATING (SURPLUS) DEFICIT	**-**	**$ 1,881.8**	**$ (1,881.8)**	**(7.8 %)**
		Defict	Defict	

Attachment #3

2019 Departmental Accomplishments

2019 was another very successful year. The Town's department's had many accomplishments of note over the course of 2019. Each department's top five accomplishments are listed below.

CAO/Communications

- Redesign and launch of Town's new website
- Increased community engagement at the 2019 Aurora Home Show and 2019 Aurora Chamber Street Sale
- Increased use of animation and live video to support various projects and programs
- Communications support for Stanley Cup event July 2019 (media relations, photos, social media, event promotion etc.)
- Communications support for the Armoury grand opening November 2019 (photos, media relations, social media, speeches, event coordination, event promotion etc.)

Corporate Services

- Completion and approval of the Corporate Technology Strategic Plan
- Successful start up of Animal Services partnership with Newmarket and Georgina with improved service delivery to all three communities
- Received Excellence Canada Silver Certification for Excellence, Innovation and Wellness standard
- Development of Project Management Office focussed on standardizing project management framework for all projects
- Enactment of various new by-laws and amendments to existing by-laws to meet community and organizational needs.

Finance

- Implementation of a new Development Charge Bylaw
- Development of the Town's first multi-year budget for years 2020 to 2022
- Overdue Account Collection Activities:
    a. Reduced Property Tax Arrears by approx. 64%
    b. Reduced Water Bill Arrears by approx. 43%
    c. Reduced overdue general accounts receivable by approx. 10%
- 228 procurements processed including 147 awarded with a total value of $18,133,928
- Managing and continuing to adapt to legislative changes relating to the Development Charges Act and the Construction Lien Act

Attachment #3

Community Services

- Hiring of two positions, Sport and Community Development Specialist which has allowed for significant progress on the Sport Plan and hiring of Program Manager – Facility Capital Projects, has provided ability to enhance project management
- The Town was recognized as a Platinum Youth Friendly community and by Festivals and Events Ontario as top municipality in the 50-100K category for best festivals and events
- Swift & Bold: The Queen's York Rangers exhibition and documentary film
- Completed implementation of strategies arising from the recreation customer service review, supporting our ongoing commitment to providing excellent customer service
- Completed the Sports Field Development Strategy which will help guide our sports field development for the next 10 years
- Finalized Library Square design and received approval to proceed to develop tender ready construction documentation

Operational Services

- Completion of the Armoury renovation
- Completion of the final phase of Stewart Burnett Park
- Commenced construction of the Wildlife Park
- Completed a Fleet Management Strategy
- Partnered with the LSRCA on a Storm water Management Pond maintenance strategy
- Commenced Infrastructure condition inventory program
- Correct over 2000 sidewalk trip hazards
- Received two Healthy Water Awards from the LSRCA for reduced winter salt on our roads and for stream rehabilitation at Saw Mill Dam

Planning & Development

- Council Approval of a new zoning by-law for Stable Neighborhoods
- Completion of the Town's Economic Development Strategic Plan
- Completion of the Stream Management Master Plan and the Tannery Creek Flood Relief Study
- Completion of the Corporate Energy Management Plan
- Established a dormant building permit process to eliminate open building permits.

Town of Aurora
Audit Committee Report

No. FIN20-016

Subject:	**2019 Audited Financial Statements with Audit Report**
Prepared by:	Jason Gaertner, Manager, Financial Management
Department:	Finance
Date:	June 23, 2020

Recommendation

1. **That Report No. FIN20-016 be received; and**

2. **That the 2019 Audit Reports and Financial Statements for the year-ended December 31, 2019 be approved and published on the Town's website, and**

3. **That the 2020 yearend audit plan as proposed by BDO Canada LLP be endorsed.**

Executive Summary

The Town of Aurora's audited financial statements for the year ended December 31, 2019, and the auditor's report therein are presented for approval. Also, in accordance with the Audit Committee Terms of Reference, the Audit Committee is responsible to "review the 2020 audit plan and audit fee schedule for the ensuing year end".

Background

The entire audit package as presented by our auditors BDO Canada LLP is attached, this package includes the 2019 Year End Audit Report, Letter to the Audit Committee and the audited financial statements which can all be found under Attachment 1.The actual financial statements have been prepared by staff and audited by BDO Canada LLP. The results shown in these consolidated statements differ from the traditionally prepared year-end financial performance report due to the inclusion of the Town's tangible capital assets and other Public Sector Accounting Standards (PSAS) reporting differences. 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. Once the auditors sign their final report in the coming days, the 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). BDO also provides a letter to management on internal controls and other matters that they feel should be brought to their attention.

Also attached (Attachment 2) is the Audit Plan for the 2020 Year End audit as prepared by the firm of BDO Canada LLP (BDO).

Representatives from BDO Canada LLP will be in attendance to present their report and findings.

Analysis

The Audited Financial Statements present a consolidation of the Town's finances and include the combined results of the General Operations of The Town, the Library Board, and the Water/Wastewater Sewer Operations.

Also attached is a report prepared by BDO that addresses the audit plan for 2020 fiscal year end, including the scope and approach to their audit. Staff are not in a position to comment or challenge the approach that the auditors have chosen 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 the provision, in a prompt fashion, of any documentation requested by the auditor 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.

The auditors are required to review all Council minutes, including closed session minutes. They are also required to review the prior year's internal control letters and consider any concerns raised therein during their current audit, looking for continuing circumstances, weaknesses or concerns as raised in the prior year, and how such may affect the outcome of their current audit, and the opinion to be expressed therefrom.

Advisory Committee Review

Not applicable.

Legal Considerations

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

Financial Implications

There are no financial implications in regards to the 2019 year-end audit report, the purpose of which is for its receipt by the Audit Committee, as well as to obtain approval of the Consolidated 2019 Financial Statements of the Town so that the Statements may be published as required by legislation.

In regards to the 2020 audit plan, the cost for this audit has been provided for within the 2020 budget. An amount of $40,900 has been budgeted for the 2020 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 Town's 2018 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 2019 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.

Link to Strategic Plan

The annual audit is a statutory requirement, and 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, 2019. Staff recommend the approval of the statements. Once approved and final versions are prepared, the Mayor and CAO will sign the statements.

In addition, it is recommended that Council endorse the proposed 2020 audit plan as presented by BDO

Attachments

Attachment #1 – 2019 Year-End Auditor's reporting package for Council
Attachment #2 – 2020 Audit Plan

Previous Reports

Audit Committee, June 25, 2019, FS19-022 – 2018 Audited Financial Statements with Audit Report

Pre-submission Review

Agenda Management Team review on May 28, 2020

Departmental Approval

Digitally signed by Rachel Wainwright-van Kessel, CPA, CMA
Date: 2020.06.16 09:23:53 -04'00'

Rachel Wainwright-van Kessel, CPA, CMA
Director, Finance/Treasurer

Approved for Agenda

Doug Nadorozny

Doug Nadorozny
Chief Administrative Officer



THE CORPORATION OF THE TOWN OF AURORA

AUDIT FINAL REPORT TO THE AUDIT COMMITTEE MEMBERS

June 23, 2020

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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SUMMARY

Our audit and therefore this report will not necessarily identify all matters that may be of interest to the Audit Committee Members in fulfilling its responsibilities. This report has been prepared solely for the use of the Audit Committee Members and should not be distributed without our prior consent. Consequently, we accept no responsibility to a third party that uses this communication.

Status of the Audit

As of the date of this report, we have substantially completed our audit of the 2019 consolidated financial statements, pending completion of the following items:

- Receipt of signed management representation letter
- Receipt of outstanding legal confirmations
- Subsequent events review through to financial statement approval date
- Approval of consolidated financial statements by the Board of Directors

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 draft 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 Members dated March 18, 2020.

Materiality

As communicated to you in our Planning Report to the Audit Committee Members, preliminary materiality was $9,224,000 for financial statement areas surrounding tangible capital assets and specific materiality was $2,042,000 for the remaining financial statement areas. Final materiality was $9,224,000 and $1,853,000 respectively.



Audit Findings

Our audit focused on the risks specific to your business and key accounts. Our discussion points below focus on areas of significant risks of material misstatement, or the following items:

- Management override of controls
- Revenue recognition – assumed lands and developer charges
- Tangible capital asset adjustment



Internal Control Matters

We are required to report to you in writing, any significant deficiencies in internal control that we have identified. The specifics of this communication are included in our report below.

Independence

Our annual letter confirming our independence was previously provided to you. We know of no circumstances that would cause us to amend the previously provided letter.

Unadjusted Differences

We have disclosed all significant unadjusted differences and disclosure omissions identified through the course of our audit engagement. Each of these items has been discussed with management.

Management has determined that the unadjusted differences are immaterial both individually and in aggregate to the consolidated financial statements taken as a whole. Should the Audit Committee Members agree with this assessment, we do not propose further adjustments.

For purposes of our discussion, a summary of unadjusted differences has been presented in Appendix C.



Management Representations

During the course of our audit, management made certain representations to us. These representations were verbal or written and therefore explicit, or they were implied through the consolidated financial statements. Management provided representations in response to specific queries from us, as well as unsolicited representations. Such representations were part of the evidence gathered by us to be able to draw reasonable conclusions on which to base our audit opinion. These representations were documented by including in the audit working papers memoranda of discussions with management and written representations received from management.

A summary of the representation we have requested from management is set out in the representation letter included in Appendix D to the report.



Fraud Discussion

Through our planning process, and current and prior years' audits, we have developed an understanding of your oversight processes. We are not currently aware of any fraud affecting the company.

If you are aware of changes to processes or are aware of any instances of actual, suspected or alleged fraud affecting the Town since our discussions held at planning, we request that you provide us with this information.

Please refer to the Auditor's Responsibilities for Detecting Fraud in the Planning Report to the Audit Committee Members.

COVID-19

As global reactions and responses to coronavirus (COVID-19) continue to evolve and change, BDO Canada has issued a number of publications on the financial reporting and tax implications resulting from the outbreak to assist companies in navigating these challenging times. This includes publications on the accounting implications arising from changing economic conditions, understanding available government assistance, crisis management and responding to liquidity changes.

For additional information on COVID-19 can have on all aspects of a company's operations, refer to the following link: https://www.bdo.ca/en-ca/covid-19/home/

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 financial statement disclosures. In order to have a frank and open discussion, these matters will be discussed verbally with you. A summary of the key discussion points are as follows:

SIGNIFICANT RISKS OF MATERIAL MISSTATEMENT	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 and fraud risk that may occur in the deferred revenue cycle.	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 organization, if any.
Developer land contributions, developer charges, and gas tax revenue	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. Additionally, recorded developer charges and gas tax revenues represent a significant amount on the financial statements and are subject to greater scrutiny due to the elevated risk of fraud regarding the contributions.	In accordance with auditing standards, BDO has performed specific procedures that include reviewing fair value estimates for bias, sampling developer charges and obtaining and evaluating the business rationale of transactions that are outside the normal course of operations for the organization, if any. BDO also reviewed deferred revenue recognition policies for the organization and noted that their treatment is consistent with Public Service Accounting Standards and management was applying the policy properly. BDO's testing of developer charges revenue and deferred revenue identified a misstatement in these balances in the current and prior year. Due to the value of the misstatement, the error was corrected through a prior period adjustment. Additional testing related to these balances and around financial statement presentation and disclosure, was required and performed as a result of the error identified.

Tangible capital asset adjustment	There was an increased risk of error noted as the result of the Citywide reconciliation performed by management uncovering a significant number of assets unrecognized in the previous year's financial statements.	Additional un-budgeted work was performed to verify the reconciliation was performed correctly by the organization's third party consultant. Procedures performed included; sampling of tangible capital asset additions and disposals that had previously been unrecorded and ensuring adjustments were accurately reflected in the capital asset continuity schedule and financial statements.

INTERNAL CONTROL MATTERS

During the course of our audit, we performed the following procedures with respect to 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.

The results of these procedures were considered in determining the extent and nature of substantive audit testing required.

We are required to report to you in writing, 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, in the auditor's professional judgment, is of sufficient importance to merit the attention of those charged with governance.

As the purpose of the audit is for us to express an opinion on the Town's consolidated financial statements, our audit cannot be expected to disclose all matters that may be of interest to you. As part of our work, we considered internal control relevant to the preparation of the consolidated financial statements such that we were able to design appropriate audit procedures. This work was not for the purpose of expressing an opinion on the effectiveness of internal control.

OTHER REQUIRED COMMUNICATIONS

Potential effect on the financial statements of any material risks and exposures, such as pending litigation, that are required to be disclosed in the financial statements.

- BDO Response: N/A

Material uncertainties related to events and conditions that may cast significant doubt on the entity's ability to continue as a going concern.

- BDO Response: N/A

Disagreements with management about matters that, individually or in the aggregate, could be significant to the entity's financial statements or our audit report.

- BDO Response: N/A

Matters involving non-compliance with laws and regulations.

- BDO Response: N/A

Significant related party transactions that are not in the normal course of operations and which involve significant judgments made by management concerning measurement or disclosure.

- BDO Response: N/A

Management consultation with other accountants about significant auditing and accounting matters.

- BDO Response: N/A

Other Matters

- BDO Response: N/A

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.

APPENDICES

Appendix A: Independent auditor's report

Appendix B: Independence update

Appendix C: Unadjusted differences

Appendix D: Representation letter

Appendix E: BDO resources

APPENDIX A: INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report

To the Members of the Audit Committee, The Corporation of the Town of Aurora

Opinion

We have audited the consolidated financial statements of The Corporation of the Town of Aurora, which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statements of operations and accumulated surplus, consolidated statement of changes 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 Corporation of the Town of Aurora as at December 31, 2019, 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 Entity 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.

Emphasis of Matter

We draw you attention to Note 2 of the financial statements, which explains that certain comparative information presented for the year ended December 31, 2019 has been restated. Our opinion is not modified in respect of this matter.

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

Management is responsible for the preparation and fair presentation of these 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 controls.**
- **Obtain an understanding of internal controls 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 Entity's internal controls.**
- **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 Entity'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 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 Entity 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 Group 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 controls that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
June 23, 2020

APPENDIX B: INDEPENDENCE UPDATE

June 23, 2020

Members of the Audit Committee Members
The Corporation of the Town of Aurora

Dear Audit Committee Members:

We have been engaged to audit the consolidated financial statements of The Corporation of the Town of Aurora (the "Town") for the year ended December 31, 2019.

Canadian generally accepted auditing standards (GAAS) require that we communicate at least annually with you regarding all relationships between the Town and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by the appropriate provincial institute/order and applicable legislation, covering such matters as:

- Holding a financial interest, either directly or indirectly in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since March 18, 2020, the date of our last letter.

We are aware of the following relationships between the Town and us that, in our professional judgment, may reasonably be thought to have influenced our independence. The following relationships represent matters that have occurred from March 18, 2020 to June 23, 2020.

- We have provided assistance in the preparation of the consolidated financial statements, including adjusting journal entries. These services created a self-review threat to our independence since we subsequently expressed an opinion on whether the consolidated financial statements presented fairly, in all material respects, the financial position, results of operations and cash flows of the organization in accordance with (relevant GAAP).
- We, therefore, required that the following safeguards be put in place related to the above:
    - Management provided us with a trial balance and draft consolidated financial statements, including notes, prior to completion of our audit.
    - Management created the source data for all the accounting entries.
    - Management developed any underlying assumptions required with respect to the accounting treatment and measurement of the entries.
    - Management reviewed advice and comments provided and undertook their own analysis considering the Town's circumstances and generally accepted accounting principles.
    - Management reviewed and approved all journal entries prepared by us, as well as changes to financial statement presentation and disclosure.

- Someone other than the preparer reviewed the proposed journal entries and consolidated financial statements.

We hereby confirm that we are independent with respect to the Town within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario as of June 23, 2020.

This letter is intended solely for the use of the Audit Committee, the Board of Directors, management and others within the Town and should not be used for any other purposes.

Yours truly,

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

APPENDIX C: UNADJUSTED DIFFERENCES

SUMMARY OF UNADJUSTED DIFFERENCES

The following is a summary of uncorrected misstatements noted during the course of our audit engagement:

	Increase (Decrease)			
	Assets	Liabilities	Equity	Net Income
Allocated but unrequired gas tax monies reversed in Q1 2019	$ -	$ -	$ 106,122	$ (106,122)
Adjustment to opening NBV of TCAs	-	-	(6,950,065)	6,950,065
Leisure services accounts receivable credit balances	148,206	(148,206)		
Water revenue accounts receivable credit balances	269,466	(269,466)		
Cut-off error related to supplier invoice for capital expenditures not accrued at year end	495,965	(495,965)		
Effect of Prior Year's Reversing Errors	-	-	-	-
Total Unadjusted Differences	**$ 913,637**	**$ (913,637)**	**$ (6,843,943)**	**$ 6,843,943**

APPENDIX D: REPRESENTATION LETTER

June 16, 2020

BDO Canada LLP
Chartered Professional Accountants
300 Lakeshore Dr. Suite 300
Barrie, ON
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, 2019, 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 March 27, 2018, 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.

- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- 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.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- 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.
- We have provided you with significant assumptions that in our opinion are reasonable and appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity when relevant to the use of fair value measurements or disclosures in the financial statements.
- We confirm that there are no derivatives or off-balance sheet financial instruments held at year end that have not been properly recorded or disclosed in the financial statements.
- Except as disclosed in the financial statements, there have been no changes to title, control over assets, liens or assets pledged as security for liabilities or collateral.
- 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 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.
- We have provided you all the relevant information in order to appropriately record and disclose the restatement made to correct a material misstatement in the prior period financial statements that affect the comparative information. This restatement was for:
- Correction of deferred revenue and revenue related to development charges. Revenue was understated and deferred revenue was overstated.
- We will provide to you, when available and prior to issuance by the entity, the final version of the document(s) comprising the annual report.
- Disclosures included in the 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,

_____ _____

Signature Position

_____ _____

Signature Position

APPENDIX E: BDO RESOURCES

BDO is a leading provider of professional services to clients of all sizes in virtually all business sectors. Our team delivers a comprehensive range of assurance, accounting, tax, and advisory services, complemented by a deep industry knowledge gained from nearly 100 years of working within local communities. As part of the global BDO network, we are able to provide seamless and consistent cross-border services to clients with global needs. Commitment to knowledge and best practice sharing ensures that expertise is easily shared across our global network and common methodologies and information technology ensures efficient and effective service delivery to our clients.

PSAS PUBLICATIONS

Public Sector Accounting Standards (PSAS)
Update 2019

https://www.bdo.ca/BDO/media/AAPublications/PSAS_Update_09Sep19.pdf

Outlined below is a summary of certain BDO resources, which may be of interest to the Audit Committee Members.

TAX BULLETINS, ALERTS AND NEWSLETTERS

BDO Canada's national tax department issues a number of bulletins, alerts and newsletters relating to corporate federal, personal, commodity, transfer pricing and international tax matters.

For additional information on tax matters and links to archived tax publications, please refer to the following link:
https://www.bdo.ca/en/library/services/tax/pages/default.aspx

The Corporation of the Town of Aurora
Consolidated Financial Statements
For the year ended December 31, 2019

The Corporation of the Town of Aurora
Consolidated Financial Statements
For the year ended December 31, 2019

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Draft - Subject to Change

Independent Auditor's Report

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, 2019, and the consolidated statement of operations and accumulated surplus, consolidated statement 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, 2019, 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.

Emphasis of Matter

We draw you attention to Note 2 of the financial statements, which explains that certain comparative information presented for the year ended December 31, 2019 has been restated. Our opinion is not modified in respect of this matter.

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 Group 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 23, 2020

Draft - Subject to Change

The Corporation of the Town of Aurora
Consolidated Statement of Financial Position

December 31	2019	2018
(Dollar amounts presented in '000's)		Restated (note 2)
Financial assets		
Cash (note 4)	**$ 9,348**	$ 10,527
Taxes receivable	**9,651**	10,653
User fees receivable (note 6)	**5,524**	6,654
Accounts receivable	**7,380**	6,736
Portfolio investments (note 7)	**134,223**	128,104
	166,126	162,674
Liabilities		
Accounts payable and accrued liabilities	**18,223**	19,625
Deposits (note 9)	**4,033**	5,107
Deferred revenue (note 10)	**44,544**	35,393
Employee benefits liabilities (note 11)	**1,563**	1,324
Net long-term liabilities (note 12)	**8,654**	9,694
	77,017	71,143
Net financial assets	**89,109**	91,531
Non-financial assets		
Tangible capital assets (note 23)	**471,697**	459,416
Prepaid expenses	**314**	795
	472,011	460,211
Accumulated surplus (note 13)	**$ 561,120**	$ 551,742

Contingencies and contractual obligations (notes 19 and 20)
Subsequent events (note 3)

Approved by Council

_____ Mayor

_____ Chief Administrative Officer

The accompanying notes are an integral part of these consolidated financial statements

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

For the year ended December 31	Budget 2019	**2019**	2018
(Dollar amounts presented in '000's)	(note 5)		Restated (note 2)
Revenue			
Taxation (note 14)	$ 48,059	**$ 48,939**	$ 46,407
User fees	35,754	**35,245**	36,404
Grants (note 15)	1,478	**2,114**	3,927
Gain on disposal of land available for sale	-	**-**	6,036
Loss on disposal of tangible capital assets	-	**(1,677)**	35
Gain on tangible capital asset adjusment	-	**6,949**	-
Assumed infrastructure assets	-	**1,921**	4,306
Other (note 16)	6,899	**14,937**	9,303
	92,190	**108,428**	106,418
Expenses			
General government	14,735	**17,790**	14,862
Protection to person and property	14,695	**13,434**	13,414
Transportation services	10,903	**10,513**	10,083
Environmental services	34,040	**32,001**	28,495
Leisure and cultural services	23,286	**23,191**	21,023
Planning and development	2,192	**2,121**	1,868
	99,851	**99,050**	89,745
Annual surplus (deficit)	(7,661)	**9,378**	16,673
Accumulated surplus, beginning of year, as previously stated	551,742	551,742	535,598
Prior period adjustment (note 2)	-	**-**	(529)
Accumulated surplus, beginning of year, as restated	-	**-**	535,069
Accumulated surplus, end of year	$ 544,081	**$ 561,120**	$ 551,742

The accompanying notes are an integral part of these consolidated financial statements

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

For the year ended December 31	Budget 2019	2019	2018
(Dollar amounts presented in '000's)	(note 5)		Restated (note 2)
Annual surplus (deficit)	$ (7,661)	**$ 9,378**	$ 16,673
Amortization of tangible capital assets	15,090	**15,090**	14,948
Net proceeds on disposal of tangible capital assets	-	**87**	437
Loss (gain) on disposal of tangible capital assets	-	**1,677**	(35)
Acquisition of tangible capital assets	(20,265)	**(20,265)**	(17,058)
Assumed infrastructure assets	-	**(1,921)**	(4,306)
Tangible capital asset adjustment gain	-	**(6,949)**	-
Change in prepaid expenses	-	**481**	(343)
Change in net financial assets	(12,836)	**(2,422)**	10,316
Net financial assets, beginning of year, as previously stated	91,531	**91,531**	81,744
Prior period adjustment (note 2)	-	**-**	(529)
Net financial assets, beginning of year, as restated	-	**-**	81,215
Net financial assets, end of year	$ 78,695	**$ 89,109**	$ 91,531

The accompanying notes are an integral part of these consolidated financial statements

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

For the year ended December 31	2019	2018
(dollar amounts presented in '000's)		Restated (note 2)
Operating transactions		
Annual surplus	**$ 9,378**	$ 16,673
Non-cash charges to operations:		
Amortization of tangible capital assets	**15,090**	14,948
Gain on disposal of land listed for sale	**-**	(6,036)
Loss (gain) on disposal of tangible capital assets	**1,677**	(35)
Assumed infrastructure assets	**(1,921)**	(4,306)
Changes in non-cash operating working capital:		
Taxes receivable	**1,002**	(2,896)
User fees receivable	**1,130**	60
Accounts receivable	**(644)**	362
Land listed for sale	**-**	-
Accounts payable and accrued liabilities	**(1,402)**	1,424
Deposits	**(1,074)**	(586)
Deferred revenue	**9,151**	1,164
Employee benefits liabilities	**239**	240
Prepaid expenses	**481**	(343)
Total Operating Transactions	**33,107**	20,669
Capital transactions		
Acquisition of tangible capital assets	**(20,265)**	(17,058)
Capital asset adjustments	**(6,949)**	-
Net proceeds on disposal of land listed for sale	**-**	8,873
Net proceeds on disposal of tangible capital assets	**87**	437
Total Capital Transactions	**(27,127)**	(7,748)
Investing transactions		
Increase in portfolio investments	**(6,119)**	(10,776)
Financing transactions		
Advances / (principal repayments) on long-term liabilities	**(1,040)**	4,726
Advances / (principal repayments) of notes payable and bank indebtedness	**-**	(5,874)
Total Financing Transactions	**(1,040)**	(1,148)
Increase in cash	**(1,179)**	997
Cash, beginning of year	**10,527**	9,530
Cash, end of year	**$ 9,348**	$ 10,527

The accompanying notes are an integral part of these consolidated financial statements

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

December 31, 2019

(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.

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 - 80 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 ("EARSL") (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.

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.

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. 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 fianl 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 credit 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. Restatement of Prior Period

Development charge (DC) revenue can only be utilized for specifically defined eligible expenditures as set out in the Development Charge Act. Eligible DC expenditures relate to the one-time costs that are put in place for the necessary infrastructure that is required in order to maintain a consistent level of town services to a growing community. Development charges are recorded as deferred revenue as they are collected, and then recognized as part of the Town's annual revenue when the associated infrastructure costs are incurred.

In 2018 the Town did not recognize a sufficient amount of DC revenues, consequently DC revenues in 2018 is herein being restated by a prior period adjustment in order to report more recognized DC revenue for 2018 than what was previously reported as follows:

The net effect of all of the above noted prior period adjustment is a follows

	2018
Statement of Financial Position:	
Decrease in liabilities	$ (13,833)
Increase in accumulated surplus	$ (13,833)
Statement of Operations:	
Decrease in accumulated surplus, beginning of year	529
Increase in user fee revenue and annual surplus	(14,362)
Increase in accumulated surplus, end of year	$ (13,833)

3. Subsequent Events

In March, 2020 the Town of Aurora along with the rest of the world found itself subject to the COVID-19 pandemic. The magnitude of the impact of COVID-19 on the Town is not yet clear, but the existing social distancing measures and economic shut-down impacts have already had material impacts on the Town's short-term financial positon. In particular, the Town's community program, tax and water revenues have become constrained due to program cancellations and annouced financial relief measures. These lost or delayed revenues have been partially offset by program delivery cost savings and upper tier municipality financial relief measures. The Town's tax and water receiveables are expected to continue to be subject to upward pressure over the short-term. However, the Town's long term financial health is expected remain strong.

4. 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, 2019, the rate is 2.20% (2018 - 2.20%).

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, 2019, the rate is 3.70% (2018 - 3.70%) and the outstanding balance is $Nil (2018 - $Nil).

The Town has letters of credit outstanding with the bank as at December 31, 2019 of $486,208 (2018 - $486,208), which were required by its utilities provider for security on a development project.

5. Budget Reconciliation

The Budget for 2019 adopted by Council on March 26, 2019 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 2019 budget adopted by Council with adjustments as follows:

5. Budget Reconciliation (continued)

	Revenue	Expense	Net
Council approved budget:			
Operating - Town & Library	$ 67,455	$ 67,455	$ -
Operating - water/sewer	27,014	27,014	-
Capital (for multiple years)	60,564	60,564	-
Total Council approved budget	155,033	155,033	**-**
Less: Multiple years capital	(60,564)	(60,564)	-
debt principal payments[1]	-	(1,040)	1,040
Plus: 2019 Non-TCA capital	-	4,957	(4,957)
transfers to/from other funds[2]	(2,872)	(13,625)	10,753
transfers from deferred revenue	593	-	593
amortization expense[3]	-	15,090	(15,090)
Adjusted budget per the consolidated statement of operations	$ 92,190	$ 99,851	$ (7,661)

[1] "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.

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

[3] 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.

6. User Fees Receivable

During the year the amount of the Town's water receivables that are in dispute were revised upwards from **$1,546 to $1,880**. Management anticipates that this amount in dispoute will be settled by the end of 2020. In management's opinion, no further write off of water receivables are necessary in the consolidated financial statements.

7. 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 $134,223 (2018 - $128,104) have a market value of $139,697 (2018 - $130,318).

8. Land Listed for Sale

As of December 31, 2019 the Town has no land listed for sale.

9. Deposits

	Beginning Balance 2019	2019 Inflows	2019 Outflows	Ending Balance 2019
Refundable Damage Deposits	$ 5,107	916	(1,990)	**$ 4,033**

10. Deferred Revenue

	Beginning Balance 2019	2019 Inflows	2019 Outflows	Ending Balance 2019
	Restated (note 2)			
Development charges	$ 19,206	13,833	(12,973)	**$ 20,066**
Parkland purposes	8,521	4,822	(155)	**13,188**
Federal Gas Tax	2,803	3,414	65	**6,282**
Revenue Deferral - General	4,104	4,650	(4,353)	**4,401**
	34,634	26,719	(17,416)	**43,937**
Deferred Revenue transferred to capital but unexpensed at the end of the year	759	-	(152)	**607**
	$ 35,393	26,719	(17,568)	**$ 44,544**

11. Employee Benefits Liabilities

	2019	2018
Post-employment benefits	**$ 1,042**	$ 924
Accrued sick leave	**469**	358
	1,511	1,282
WSIB benefits	**52**	42
	$ 1,563	$ 1,324

11. Employee Benefits Liabilities (Continued)

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, 2019 are as follows:

	2019	2018
Accrued benefit obligation, beginning of year	**$ 1,997**	$ 1,852
Add: Benefit expense	**222**	215
Interest cost	**72**	67
Actuarial losses / (gain)	**(141)**	-
Less: Benefits paid for the period	**(151)**	(137)
Accrued benefit obligation, end of year	**1,999**	1,997
Unamortized actuarial losses	**(488)**	(715)
Accrued benefit liability	**$ 1,511**	$ 1,282

The accrued benefit obligations for the Town's post-employment benefits liability and accrued sick leave as at December 31, 2019 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:

	2019	2018
Expected future inflation rates	**1.75%**	2.00%
Discount on accrued benefit obligations	**3.50%**	3.40%
Drug costs escalation	**6.75%**	8.00%
Other health care costs escalation	**6.75%**	4.00%
Dental costs escalation	**3.75%**	4.00%

The amount of benefits paid by the Town during the year was $98 (2018 - $61).

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, 2019 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.

December 31, 2019
(Dollar amounts presented in '000's)

12. Net Long-term Liabilities

	2019	2018
Debenture, bearing interest at 2.29%, maturing in March 2026. Principal and interest is repayable in semi-annual installments of $184.	**$ 2,208**	$ 2,519
Debenture, bearing interest at 4.37%, maturing in September 2025. Principal and interest is repayable in semi-annual installments of $160.	**1,676**	1,915
Debenture, bearing interest at 2.85%, maturing in May 2023. Principal and interest is repayable in semi-annual installments of $318.	**4,770**	5,260
	$ 8,654	$ 9,694

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

2020	$ 1,072
2021	1,105
2022	1,139
2023	1,174
2024	1,210
Thereafter	2,954
	$ 8,654

The interest expense related to the above long-term debt was $276 (2018 - $274).

One debenture was issued by The Regional Municipality of York in the name of the Town to fund the construction of a recreation complex. A second debenture was issued by Infrastructure Ontario in the name of the Town of Aurora to fund the Town's conversion of all streetlights to LED. The third debenture also issued by Infrastructure Ontario in the name of the Town of Aurora was utilized by the Town to fund its Joint Operations Centre. 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.

13. Accumulated Surplus

Accumulated surplus is comprised of the following:

	2019	2018 Restated (Note 2)
Non Financial Surpluses		
General revenue	**$ 13,894**	$ 31,467
Invested in tangible capital assets	**471,697**	459,416
Less: financed by long-term liabilities	**(8,654)**	(9,694)
Total non-financial surpluses	**476,937**	481,189
Reserves set aside by Council for Infrastructure		
Infrastructure Sustainability - Water Rate Funded	**11,877**	10,424
Infrastructure Sustainability - Tax Rate Funded	**5,513**	2,311
	17,390	12,735
Reserve funds, set aside for specific purposes by Council	**34,322**	26,788
Proceeds of sale of Aurora Hydro	**32,471**	31,030
Total reserves and reserve funds	**84,183**	70,553
Accumulated surplus	**$ 561,120**	$ 551,742

14. Net Taxation

	2019	2018
Total taxes levied by the Town	**$ 144,779**	$ 137,025
Less:		
Taxes levied on behalf of the Boards of Education	**39,102**	37,011
Taxes levied on behalf of the Region of York	**56,738**	53,607
	$ 48,939	$ 46,407

15. Grants Revenue

	2019	2018
Federal	**$ 387**	$ 1,232
Provincial	**1,304**	2,288
Other	**423**	407
	$ 2,114	$ 3,927

16. Other Revenue

	2019	2018
Penalties and interest on taxes	**$ 1,444**	$ 1,188
Fines	**321**	191
Licenses, permits and fees	**2,727**	3,057
Interest income	**4,468**	3,432
Other	**5,977**	1,435
	$ 14,937	$ 9,303

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, 2019. The results of this valuation disclosed total actuarial liabilities of $107,687 million in respect of benefits accrued for service with actuarial assets at that date of $104,290 million indicating an actuarial deficit of $3,397 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 2019 ranged from 9.0% to 14.6% depending on the level of earnings. As a result, $2,173 (2018 - $2,044) 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 $35 (2018 - $69).

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, 2019 was $7,101 (2018 - $4,695).

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 $18,261 during 2019, 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 $11,182 (2018 - $10,490).

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.

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 $44,547 (2018 - $30,431) 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.

December 31, 2019

(Dollar amounts presented in '000's)

23. Tangible Capital Assets

	2019									
	General				Infrastructure					Total
	Land	Buildings	Vehicles	Computer and other	Facilities	Roads	Underground and Other Networks	Bridges and Other Structures	Assets Under Construction	
Cost										
Balance, beginning of year	$ 111,495	$ 104,316	$ 10,862	$ 8,281	$ 25,663	$ 102,985	$ 239,013	$ 21,444	$ 30,431	$ 654,490
Add: Additions during the year		392	1,305	949	115	25	346	-	17,133	20,265
Add: Donations and transfers	-	-	-	-	3,839	-	745	41	(2,704)	1,921
Add: Net TCA adjustment	-	1,725	-	-	787	1,025	6,590	793	-	10,920
Less: Disposals during the year	-	(18)	(652)	(385)	(84)	(470)	(1,862)	(204)	(313)	(3,988)
Balance, end of year	111,495	106,415	11,515	8,845	30,320	103,565	244,832	22,074	44,547	683,608
Accumulated amortization										
Balance, beginning of year	-	42,289	5,772	5,040	11,247	41,190	74,051	15,485	-	195,074
Add: Amortization during the year	-	3,601	882	887	978	3,469	4,594	679	-	15,090
Add: Net TCA adjustment	-	439	-	-	355	426	2,244	507	-	3,971
Less: Amortization on disposals	-	(11)	(613)	(384)	(86)	(304)	(621)	(205)	-	(2,224)
Balance, end of year	-	46,318	6,041	5,543	12,494	44,781	80,268	16,466	-	211,911
Net book value of tangible capital assets	$ 111,495	60,097	5,474	3,302	17,826	58,784	164,564	5,608	44,547	471,697

December 31, 2019

(Dollar amounts presented in '000's)

23. Tangible Capital Assets (continued)

	2018									
	General				Infrastructure					Total
	Land	Buildings	Vehicles	Computer and other	Facilities	Roads	Underground and Other Networks	Bridges and Other Structures	Assets Under Construction	
Cost										
Balance, beginning of year	$ 111,257	$ 102,770	$ 9,994	$ 8,377	$ 24,223	$ 97,058	$ 234,506	$ 21,305	$ 26,049	$ 635,539
Add: Additions during the year		621	1,254	479	309	19	229	105	14,042	17,058
Add: Donations and transfers	303	1,127	-	-	1,131	6,753	4,458	61	(9,527)	4,306
Less: Disposals during the year	(65)	(202)	(386)	(575)	-	(845)	(180)	(27)	(133)	(2,413)
Balance, end of year	111,495	104,316	10,862	8,281	25,663	102,985	239,013	21,444	30,431	654,490
Accumulated amortization										
Balance, beginning of year	-	38,836	5,346	4,716	10,407	38,525	69,624	14,683	-	182,137
Add: Amortization during the year	-	3,655	810	898	840	3,398	4,531	816	-	14,948
Less: Amortization on disposals	-	(202)	(384)	(574)	-	(733)	(104)	(14)	-	(2,011)
Balance, end of year	-	42,289	5,772	5,040	11,247	41,190	74,051	15,485	-	195,074
Net book value of tangible capital assets	$ 111,495	$ 62,027	$ 5,090	$ 3,241	$ 14,416	$ 61,795	$ 164,962	$ 5,959	$ 30,431	$ 459,416

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

December 31, 2019

(Dollar amounts presented in '000's)

	2019										
	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	$ 48,939	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 48,939
User fees	-	86	844	444	855	25,289	4,690	489	943	1,605	35,245
Grants	-	20	47	112	1,097	258	485	50	45	-	2,114
Gain on tangible capital asset adjustment	-	6,949	-	-	-	-	-	-	-	-	6,949
Loss on disposal of tangible capital assets	-	(1,677)	-	-	-	-	-	-	-	-	(1,677)
Assumed infrastructure assets	-	-	-	-	-	-	-	1,921	-	-	1,921
Other	-	6,065	-	2,233	964	3,171	1,169	796	38	501	14,937
Total Revenue	48,939	11,443	891	2,789	2,916	28,718	6,344	3,256	1,026	2,106	108,428
Expenses											
Salaries, wages and benefits	-	6,874	-	2,966	2,993	866	3,817	6,777	2,866	1,719	28,878
Amortization	-	4,628	291	-	3,336	5,406	-	978	450	-	15,089
Materials and supplies	-	468	1	81	1,265	2,358	276	486	467	7	5,409
Contracted services	-	5,739	9,969	122	2,816	23,291	1,350	5,082	316	281	48,966
Interest on long-term liabilities	-	-	-	-	-	-	-	223	-	-	223
Others	-	80	-	4	103	80	90	13	-	115	485
Total Expenses	-	17,789	10,261	3,173	10,513	32,001	5,533	13,559	4,099	2,122	99,050
Annual Surplus (Deficit)	$ 48,939	$ (6,346)	$ (9,370)	$ (384)	$ (7,597)	$ (3,283)	$ 811	$ (10,303)	$ (3,073)	$ (16)	$ 9,378

Attachment #1

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

December 31, 2019

(Dollar amounts presented in '000's)

	2018 Restated (note 2)										
	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	$ 46,407	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 46,407
User fees	-	166	3,355	33	1,985	13,694	4,102	11,094	529	1,446	36,404
Grants	-	71	166	-	2,981	231	433	-	45	-	3,927
Gain on disposal of land listed for sale	-	6,036	-	-	-	-	-	-	-	-	6,036
Loss on disposal of tangible capital assets	-	35	-	-	-	-	-	-	-	-	35
Assumed infrastructure assets	-	4,306	-	-	-	-	-	-	-	-	4,306
Other	-	4,958	-	2,273	112	586	498	276	53	547	9,303
Total Revenue	46,407	15,572	3,521	2,306	5,078	14,511	5,033	11,370	627	1,993	106,418
Expenses											
Salaries, wages and benefits	-	6,514	-	2,775	3,117	910	3,718	6,267	2,751	1,553	27,605
Amortization	-	4,631	272	-	3,587	5,158	-	840	460	-	14,948
Materials and supplies	-	522	-	54	1,226	2,026	282	365	214	9	4,698
Contracted services	-	3,055	10,113	197	2,153	20,401	1,095	4,352	259	167	41,792
Interest on long-term liabilities	-	-	-	-	-	-	-	329	-	-	329
Other	-	140	-	3	-	-	84	7	-	139	373
Total Expenses	-	14,862	10,385	3,029	10,083	28,495	5,179	12,160	3,684	1,868	89,745
Annual Surplus (Deficit)	$ 46,407	$ 710	$ (6,864)	$ (723)	$ (5,005)	$ (13,984)	$ (146)	$ (790)	$ (3,057)	$ 125	$ 16,673

Attachment #1

Year End Report for The Corporation of the Town of Aurora

Presented by

Giselle Bodkin, CPA, CA
Emma Roy, CPA, CA

BDO

Attachment #1

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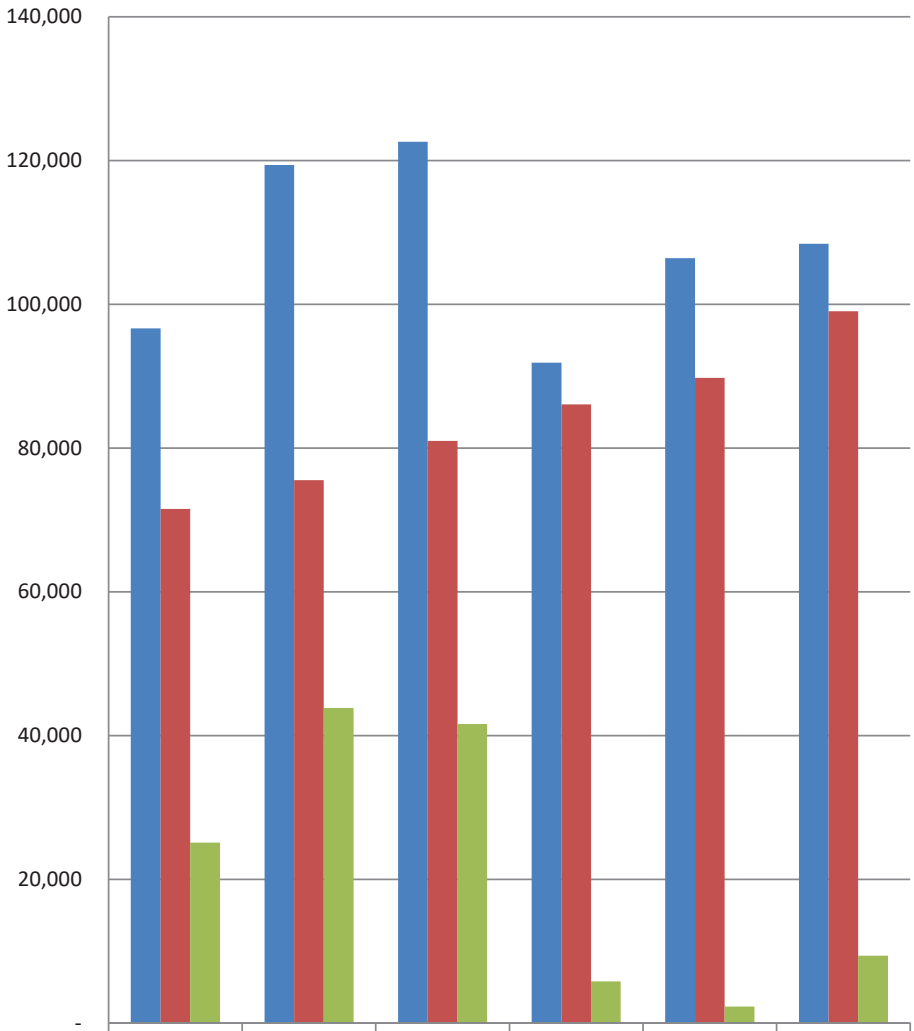
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Attachment #1

TOTAL REVENUE, EXPENSES AND ANNUAL SURPLUS

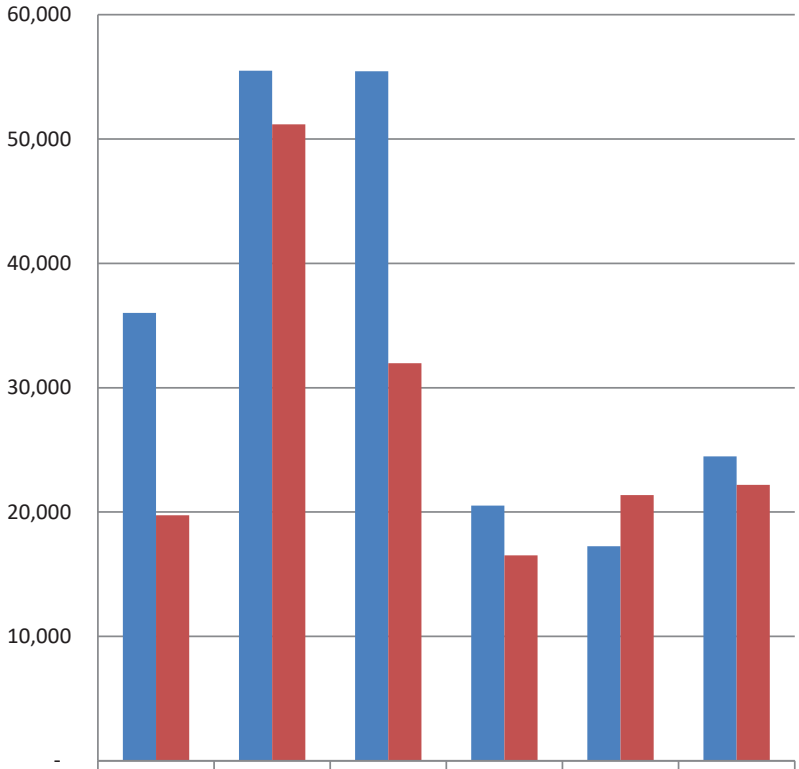
(IN THOUSANDS '000)



	2014	2015	2016	2017	2018	2019
Revenue	96,654	119,372	122,593	91,859	106,418	108,428
Expenses	71,543	75,537	80,987	86,058	89,745	99,050
Annual Surplus	25,111	43,835	41,606	5,801	2,311	9,378

Attachment #1

ANNUAL SURPLUS PLUS AMORTIZATION AND TCA ADDITIONS

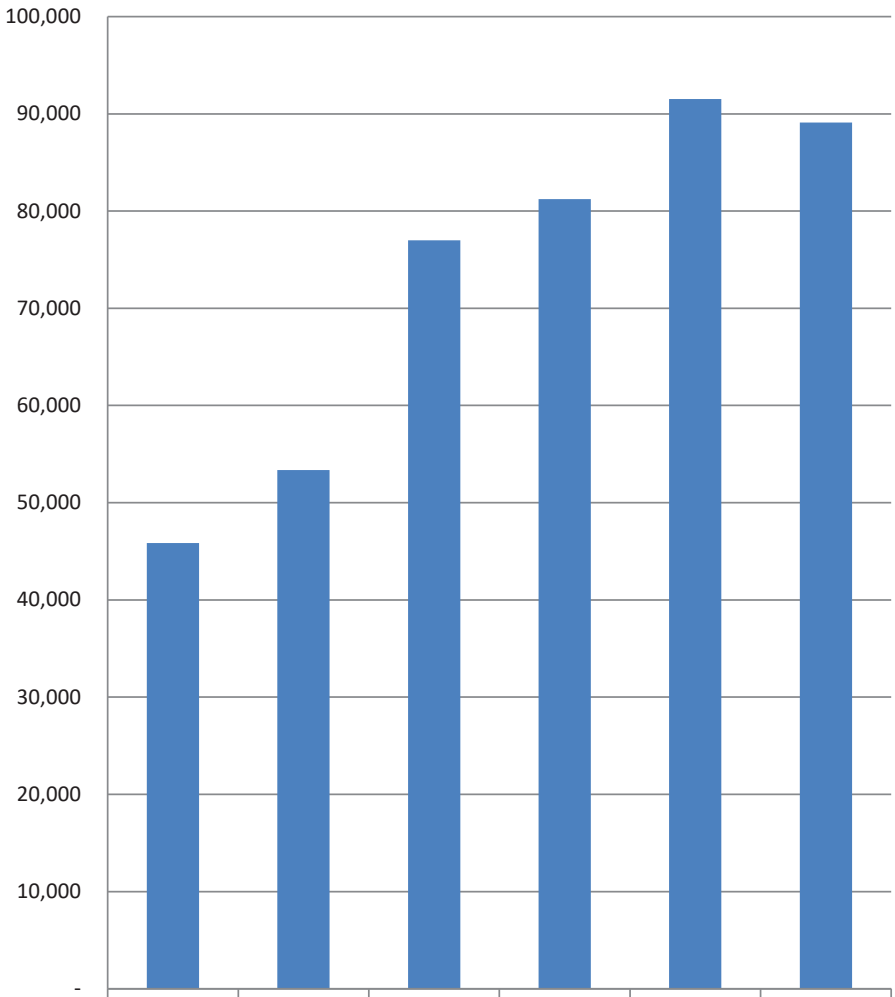


	2014	2015	2016	2017	2018	2019
Annual Surplus + Amortization	36,018	55,494	55,440	20,529	17,259	24,468
TCA Additions	19,752	51,182	31,972	16,522	21,364	22,186

Attachment #1

TOTAL NET FINANCIAL ASSETS

(IN THOUSANDS '000)

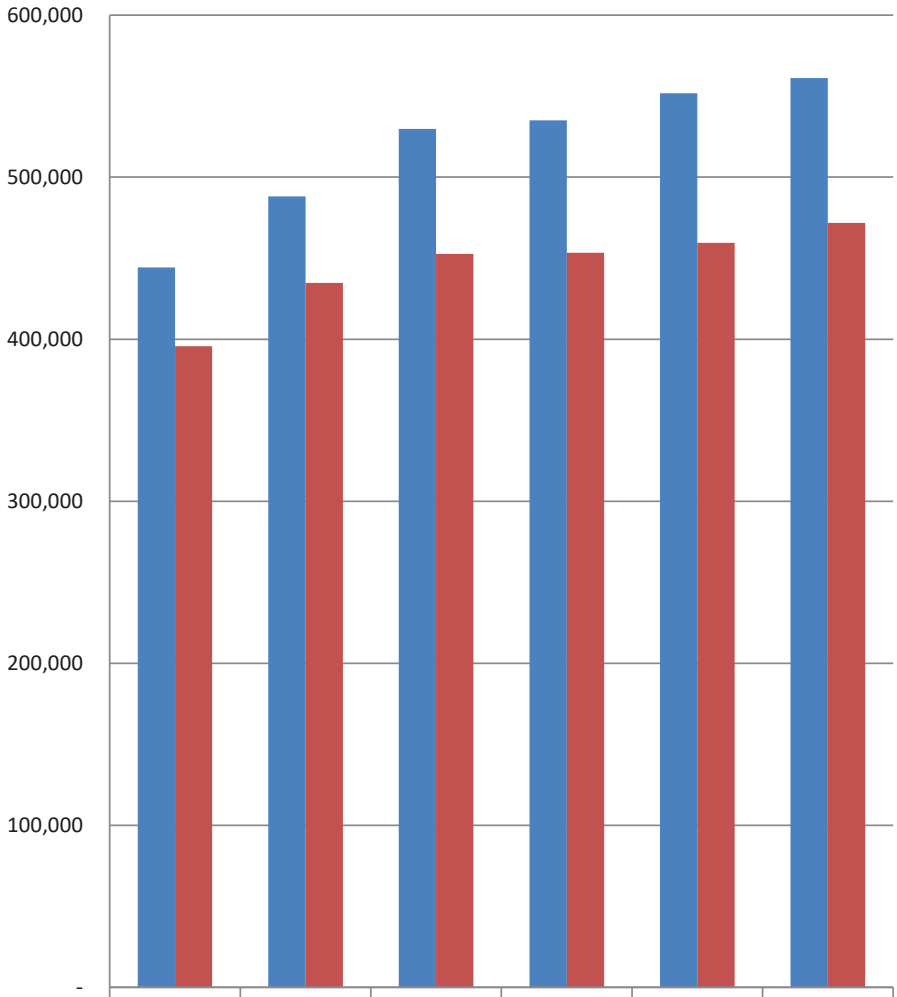


	2014	2015	2016	2017	2018	2019
Net Financial Assets	45,843	53,348	76,988	81,215	91,531	89,109

Attachment #1

TOTAL ACCUMULATED SURPLUS AND TANGIBLE CAPITAL ASSETS

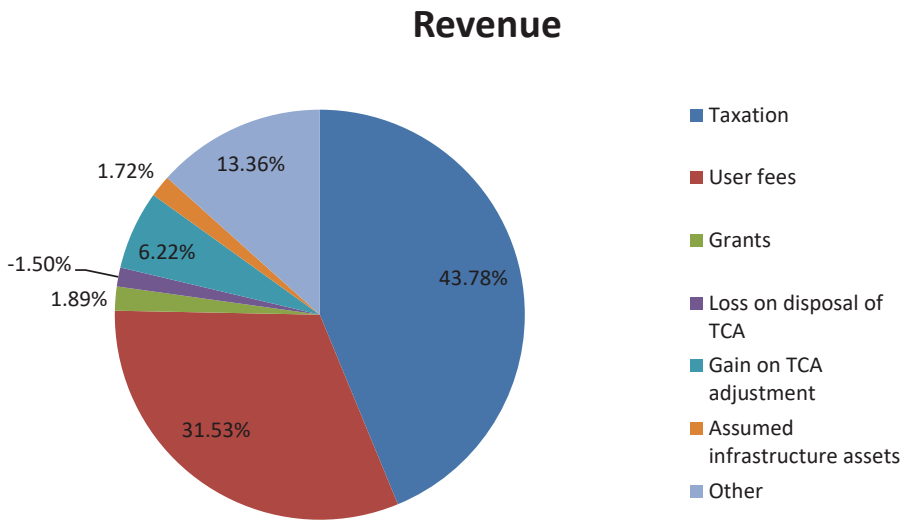
(IN THOUSANDS '000)



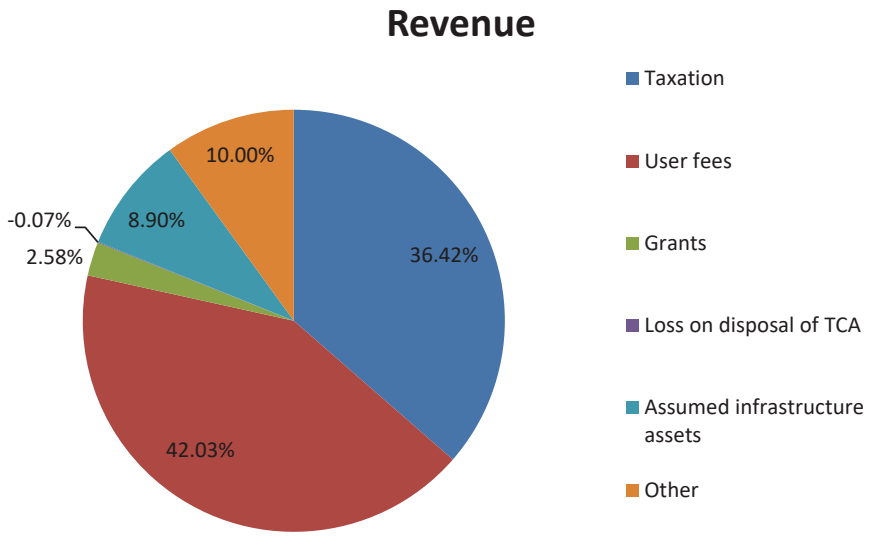
	2014	2015	2016	2017	2018	2019
Accumulated Surplus	444,356	488,191	529,797	535,069	551,742	561,120
Accumulated TCA	395,727	434,742	452,604	453,402	459,416	471,697

Attachment #1

2019 REVENUE



2014 REVENUE



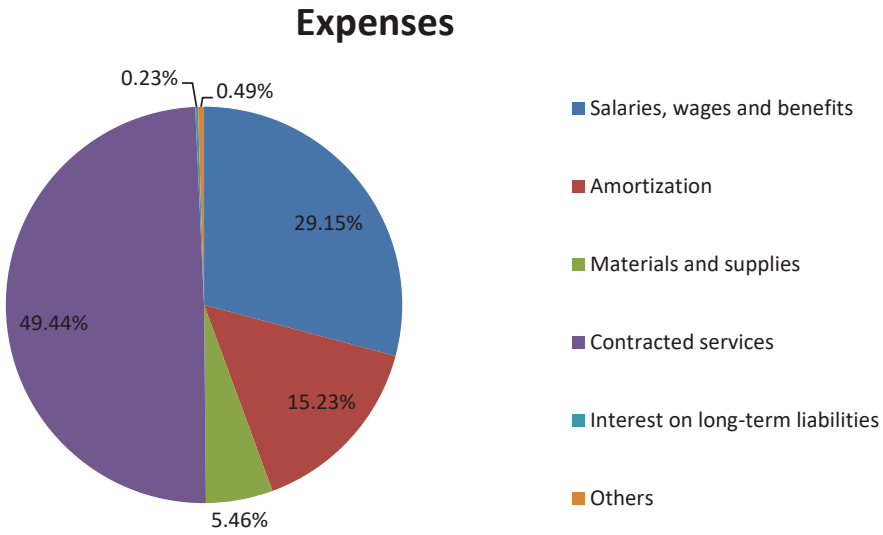
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FIVE YEAR EXPENSE COMPARISON
(IN THOUSANDS '000)

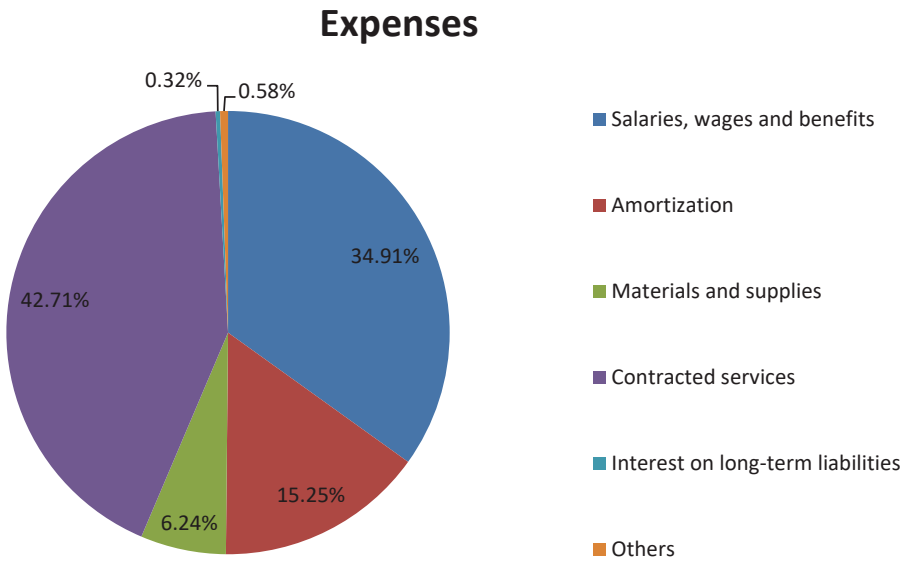
	2019	2018	2017	2016	2015
General government	17,790	14,862	15,232	13,329	12,006
Protection to person and property	13,434	13,414	12,855	12,749	12,654
Transportation services	10,513	10,083	9,526	9,107	8,399
Environmental services	32,001	28,495	26,050	24,638	21,478
Leisure and cultural services	23,191	21,023	20,327	19,058	19,056
Planning and development	2,121	1,868	2,068	2,106	1,944
	99,050	**89,745**	**86,058**	**80,987**	**75,537**

Attachment #1

2019 EXPENSES



2014 EXPENSES



Attachment #1

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?

Attachment #1

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.

Attachment #1

- **Balance Sheet Approach**
  - **Assets**
    - **Cash** – test of controls are performed on bank reconciliations, and a bank confirmation is sent to the bank and agreed to the general ledger.
    - **Taxes receivable** – we perform a detailed five year comparison by aging following-up on significant differences. 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 the supporting documentation or calculations. We also perform reasonability tests on various specific balances. We perform cut-off tests to ensure that amounts have been recorded in the proper period. We also check for deferred revenue or amounts that have been outstanding for significant periods of time and ensure they should not be written off.
    - **Portfolio investments** – Confirmations are sent to the investment advisors and review of investment certificates and continuity schedules is 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 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.
    - **Prepaid expenses –** we obtain supporting documentation for any material items included in prepaid.

  - **Liabilities**
    - **Accounts payable and accrued liabilities** – we perform cut-off testing to ensure they 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

AUDIT PLANNING REPORT TO THE AUDIT COMMITTEE

June 23, 2020

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

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EXECUTIVE SUMMARY

Your BDO Audit Team

Giselle Bodkin, CPA, CA will be the lead on the engagement team, supported by experts as deemed necessary. Please refer to page 4 for contact information should you have any questions or concerns regarding the financial statement audit.

Timeline

The audit is scheduled to start in April with final completion scheduled for the June. See the Audit Timeline section of the report for the detailed milestones.

Significant Audit Risks

Our audit is focused on risks specific to your business and key accounts. Specifically, we have identified the following areas on which to focus:

- Management override of controls
- Revenue recognition – assumed lands and developer charges

Materiality

We have determined that materiality for the current year audit will be $9,400,000 based on 2% of tangible capital assets for financial statement areas surrounding tangible capital assets. We have determined a specific materiality for the remaining financial statement areas will be $2,080,000 based on 2% of revenues.

Fees

We estimate our fees for 2020 will be $31,500 for the audit of the consolidated financial statements, based on the assumptions outlined in the Fees section of this report.

Engagement Objectives

Our overall responsibility is to form and express an opinion on the financial statements. The performance of this audit does not relieve management or those charged with governance of their responsibilities. Please see the attached engagement letter in Appendix B for specific details regarding the scope of our work.

Fraud Discussion

Through our planning process, and prior years' audits, we have developed an understanding of your oversight processes. We are not currently aware of any fraud affecting the Town. Please see Appendix D for clarification of the auditor's responsibilities for detecting fraud.

If you are aware of changes to processes or are aware of any instances of actual, suspected or alleged fraud affecting the Town, we request that you provide us with this information.

YOUR DEDICATED BDO AUDIT TEAM

In order to ensure effective communication between the Audit Committee and BDO Canada LLP, the contact details of the engagement team are outlined below. We attempt to provide continuity of service to our clients to the greatest extent possible in accordance with mandated partner rotation rules. When rotation is required for key members of the engagement team, we will discuss this matter with the Audit Committee and determine the appropriate new individual(s) to be assigned to the engagement based on particular experience, expertise and engagement needs.

NAME	ROLE	PHONE NUMBER	EMAIL
Giselle Bodkin, CPA, CA	Engagement Partner	705-797-3960	gbodkin@bdo.ca
Andrea Nauss, CPA, CA	Assurance Senior Manager	705-797-3972	anauss@bdo.ca

AUDIT TIMELINE

The following schedule outlines the anticipated timing of the audit of the consolidated financial statements of the Town.

As part of the year end Audit Committee meeting, we will provide the Audit Committee with a copy of our draft audit opinion, discuss our findings, including significant estimates utilized by management, accounting policies, financial statement disclosures, and significant transactions completed during the year. We will also report any significant internal control deficiencies identified during our audit and reconfirm our independence.



SIGNIFICANT AUDIT RISKS AND PLANNED RESPONSES

Based on our knowledge of the Town's business, our past experience, and knowledge gained from management and the Audit Committee, we have identified the following significant risks; those risks of material misstatement that, in our judgment, require special audit consideration.

Significant risks arise mainly because of the complexity of the accounting rules, the extent of estimation and judgment involved in the valuation of these financial statement areas, and the existence of new accounting pronouncements that affect them. We request your input on the following significant risks and whether there are any other areas of concern that the Audit Committee has identified.

AREAS OF FOCUS	RISKS NOTED	AUDIT APPROACH
Management override of controls	A common significant risk in all audit engagements is the risk of Management override of controls and fraud risk that may occur in the deferred revenue cycle.	In accordance with auditing standards, BDO will perform 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 organization, if any.
Revenue recognition – assumed lands and developer charges	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. Additionally, recorded developer charges and gas tax revenues represent a significant amount on the financial statements and are subject to greater scrutiny due to the elevated risk of fraud regarding the contributions.	In accordance with auditing standards, BDO will performed specific procedures that include reviewing fair value estimates for bias, sampling developer charges and obtaining and evaluating the business rationale of transactions that are outside the normal course of operations for the organization, if any. BDO will also review deferred revenue recognition policies for the organization and assess whether they are consistent with Public Service Accounting Standards and management is applying the policy appropriately

MATERIALITY



Misstatements, including omitted financial statement disclosures, are considered to be material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Judgments about materiality are made in light of surrounding circumstances and include an assessment of both quantitative and qualitative factors and can be affected by the size or nature of a misstatement, or a combination of both.

Preliminary materiality was determined to be $9,400,000 based on 2% of tangible capital assets for financial statement areas surrounding tangible capital assets. A specific materiality for the remaining financial statement areas was determined to be $2,080,000 based on 2% of revenues.

Our materiality calculation is based on the Town's preliminary results. In the event that actual results vary significantly from those used to calculate preliminary materiality, we will communicate these changes to the Audit Committee as part of our year end communication.

We will communicate all corrected and uncorrected misstatements identified during our audit to the Audit Committee, other than those which we determine to be "clearly trivial". Misstatements are considered to be clearly trivial for purposes of the audit when they are inconsequential both individually and in aggregate.

We encourage management to correct any misstatements identified throughout the audit process.

FEES

We estimate our fees for 2020 will be $31,500 for the audit of the consolidated financial statements, representing a fee of $35,000 less a 10% discount.

Our estimated fees are based on the time expected to complete the audit and excludes taxes, out of pocket expenses, internal administration fees, and are based upon the following assumptions:

- We will be provided with the requested audit schedules, working papers and descriptions of accounting systems and processes as detailed in our annual requirements letter upon the commencement of fieldwork;
- The consolidation and draft financial statements, including notes, are prepared to a standard suitable for audit with all balances reconciled to the underlying accounting records;
- There will be minimal adjusting entries; and
- The nature of the Town's operations remain consistent with the prior year and there have been no changes in accounting personnel.

In the event that we incur additional charges or we experience delays in completing the audit, we will advise management.

AUDIT SERVICES THAT DIFFERENTIATE BDO FROM OUR COMPETITORS

Although BDO and our larger competitors share many similarities, including our national and international structures, services and use of techniques and tools to manage engagements, it is *how we deliver our services* that truly differentiate us from our competition.

We offer clients the full service expertise of a national firm, while maintaining a local community focus. This local presence combined with our partner to staff ratio creates the following key differentials that make us an excellent fit for our clients:

- Our philosophy of "Big Enough to Know, Small Enough to Care" is paramount to our service model.
- BDO is deliberately structured to allow one partner to every 6 staff (1:6). This means easy access to senior staff and the "Partner in Charge" of the audit as well as a quick turnaround on any questions.
- Our partner-driven approach allows us to have our partners involved throughout each stage of the audit. This ensures that we identify and resolve issues on a timely basis and provides you with a senior-level contact to address your concerns.
- One of our strengths that goes beyond the typical audit process is our use of in-field reviews. The benefit of these in-field reviews is that final decision makers are on site ensuring issue resolution prior to leaving the field. This guarantees that queries are cleared quickly so files are closed in a timely manner.
- BDO's accounting and management professionals are sensitive to meeting deadlines. We commit to meeting the deadlines as mutually agreed upon by BDO and our clients.

USING THE WORK OF OTHERS

Experts

In order for us to perform adequate audit procedures on certain financial statement areas, we will be relying on the work of, and the report prepared by, Nexus Actuarial Consultants Ltd. Canadian generally accepted auditing standards require us to communicate with the expert. We propose to discuss the following with Nexus Actuarial Consultants Ltd.:

- The objective and nature of our audit engagement and how we intend to use the expert's findings and report.
- Our assessment of the significant and risk aspects of the engagement that will affect the expert's work.
- The requirement to advise us if they have any relationship with the organization which could impair their judgment or objectivity in the conduct of their engagement.
- The nature, timing and extent of the expert's work and our planned review of it, possibly including review of their working papers.
- Confirmation that the assumptions used in their calculations are consistent with those used in the prior periods and with industry standards.
- Their obligation to advise BDO Canada LLP of any matters up to the estimated audit report date that may affect their calculations and their report.

We ask that the appropriate level of management review the data provided to Nexus Actuarial Consultants Ltd. and that they also review the assumptions used and results reported by the expert for reasonableness.

APPENDICES

Appendix A: BDO audit strategy

Appendix B: Engagement letter

Appendix C: Independence letter

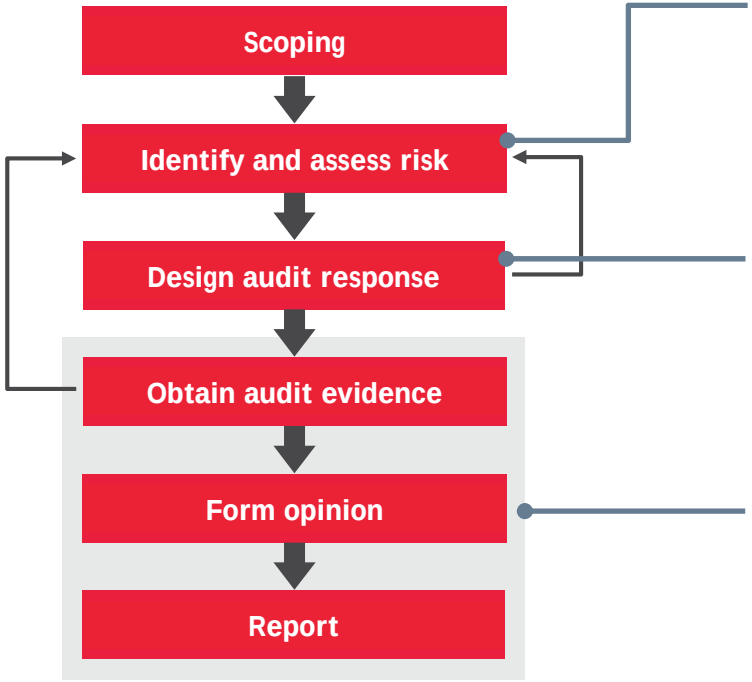
Appendix D: Responsibilities

Appendix E: BDO resources

APPENDIX A: BDO AUDIT STRATEGY

Our overall audit strategy involves extensive partner and manager involvement in all aspects of the planning and execution of the audit and is based on our overall understanding of the Town.

We will perform a risk-based audit which allows us to focus our audit effort on higher risk areas and other areas of concern for management and the Audit Committee.



Identify and Assess Risk:
To assess risk accurately, we need to gain a detailed understanding of the Town's business and the environment it operates in. As well, we obtain an understanding of the system of internal control in place in order to consider the adequacy of these controls as a basis for the preparation of the consolidated financial statements, to determine whether adequate accounting records have been maintained and to assess the adequacy of these controls and records as a basis upon which to design and undertake our audit testing.

Design Audit Response:

Based on our risk assessment, we design an appropriate audit strategy to obtain sufficient assurance to enable us to report on the consolidated financial statements.

We choose audit procedures that we believe are the most effective and efficient to reduce audit risk to an acceptable low level. The procedures are a combination of testing the operating effectiveness of internal controls, substantive analytical procedures and other tests of detailed transactions.

Obtain Audit Evidence / Form Opinion / Report:

Having planned our audit, we will perform audit procedures, maintaining an appropriate degree of professional skepticism, in order to collect evidence to conclude whether or not the consolidated financial statements are presented fairly, in all material respects, in accordance with Canadian public sector accounting standards.

APPENDIX B: ENGAGEMENT LETTER

Tel: 705-797-3960
Fax: 705-722-6588
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BDO Canada LLP
300 Lakeshore Drive
Suite 300
Barrie, Ontario
L4N 0B4

June 23, 2020

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

Dear Sirs/Mesdames:

We understand that you wish for us to continue as the auditors of The Corporation of the Town of Aurora for its fiscal year ended December 31, 2020 and subsequent years.

We are pleased to continue as your auditors subject to the terms and conditions of this Agreement, to which the attached Standard Terms and Conditions form an integral part. The definitions set out in the Standard Terms and Conditions are applicable throughout this Agreement. This Agreement will remain in place and fully effective for future years until varied or replaced by another relevant written agreement.

Giselle Bodkin, CPA, CA will be the Engagement Partner for the audit work we perform for you. The Engagement Partner will call upon other individuals with specialized knowledge to assist in the performance of services.

Our Role as Auditors

We will conduct our audit(s) in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements ("financial statements") prepared in accordance with Canadian public sector accounting standards are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. Our audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by you, as well as evaluating the overall financial statement presentation.

Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements, whether by fraud or error, may not be detected, even though the audit is properly planned and performed in accordance with Canadian generally accepted auditing standards.

In making our risk assessments, we consider internal control relevant to your preparation and fair presentation of the financial statements 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 your internal controls. However, we will communicate to you concerning any significant deficiencies in internal controls relevant to the audit of the financial statements that we have identified during the audit.

We will also communicate matters required by professional standards, to the extent that such matters come to our attention, to you, those charged with governance and/or the board of directors.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Reporting

Our audit will be conducted on the basis that the financial statements have been prepared in accordance with Canadian public sector accounting standards.

Our independent auditor's report will be substantially in the form set out in Canadian Auditing Standard (CAS) 700. The form and content of our report may need to be amended in the light of our audit findings. If we are unable to issue or decline to issue an audit report, we will discuss the reasons with you and seek to resolve any differences of view that may exist.

Role of Management and Those Charged with Governance

You acknowledge and understand that you have responsibility for:

(a) the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The audit of the financial statements does not relieve you of your responsibilities;

(b) such internal controls as you determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and

(c) providing us with:

- access, in a timely manner, to all information of which you are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- additional information that we may request for the purpose of the audit;
- unrestricted access to persons within the entity from whom we determine it is necessary to obtain audit evidence;
- financial and non-financial information (other information) that will be included in document(s) containing financial statements and our audit report thereon prior to the date of our auditor's report. If it is not possible to provide all the other information prior to the date of our auditor's report, you are responsible for provision of such other information as soon as practicable; and
- written confirmation concerning representations made to us in connection with the audit. If appropriate and adequate written representations are not provided to us, professional standards require that we disclaim an audit opinion.

Financial Statement Services

We will obtain your approval, if during the course of our engagement we:

(a) prepare or change a journal entry; or

(b) prepare or change an account code or a classification for a transaction.

As agreed, we will provide assistance in the preparation of the financial statements.

These services create a threat to our independence. We, therefore, require that the following safeguards be put into place:

(a) that you create the source data for all accounting entries;

(b) that you develop any underlying assumptions for the accounting treatment and measurement of entries; and

(c) that you review and approve the draft financial statements, including the notes to the financial statements.

Tax Services

Our audit is conducted primarily to enable us to express an opinion on the financial statements. The audit process is not designed to provide us with a full understanding of your tax situation and in particular, to allow us to determine whether the entity has specific tax compliance issues. We understand that you are not looking to BDO to provide you with any guidance or advice in regard to tax planning or compliance.

Additional Services

We are available to provide a wide range of services beyond those outlined in this Agreement. To the extent that any additional services that we provide to you that are not provided under a separate written engagement agreement, the provisions of this Agreement will apply to the services.

Fee Estimation

The estimated fee for this engagement is as follows:

Audit services: $31,500

For each future year we will issue a Summary of Services providing details of our Services and fees.

We will notify you on a timely basis if there are any circumstances we encounter which could significantly affect our initial estimate of professional fees. Our fees will be invoiced and payable as follows:

- **$10,500** interim payment;
- **$10,500** prior to issuance of assurance report; and
- **$10,500** within 10 days after issuance of our final invoice along with any additional required final payments.

We reserve the right to suspend our Services if any of our invoices become delinquent. Fees that are not paid within 30 days of an invoice or by a specified payment deadline will be considered delinquent.

Additional information relating to our fees is provided in the Standard Terms and Conditions.

Standard Terms and Conditions

A copy of our Standard Terms and Conditions is attached as Appendix 1. You should ensure that you read and understand them. **The Standard Terms and Conditions include clauses that limit our professional liability.**

Please sign and return the attached copy of this Agreement to indicate your agreement with it. If you have any questions concerning this Agreement, please contact us before signing it.

It is a pleasure for us to be of service and we look forward to many future years of association with you.

Yours truly,

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Agreement of all the terms and conditions in this Agreement is hereby acknowledged by:

_____

Signature Date

_____

Name (please print) Position

Please carefully review this Agreement, which includes the attached Standard Terms and Conditions, prior to signing it. A complete copy of the signed engagement letter should be returned to us.



Appendix 1 - Standard Terms and Conditions

1. Overview and Interpretation

1.1 This Agreement sets forth the entire agreement between the parties in relation to Services and it supersedes all prior agreements, negotiations or understandings, whether oral or written, with respect to Services. To the extent that any of the provisions of the accompanying letter conflict with these Standard Terms and Conditions, these Standard Terms and Conditions shall prevail. This Agreement may not be changed, modified or waived in whole or part except by an instrument in writing signed by both parties.

1.2 In this Agreement, the following words and expressions have the meanings set out below:

This Agreement – these Standard Terms and Conditions, the letter to which they are attached, and any supporting schedules or other appendices to the letter, and any Summary of Services letters issued in future years.

Services – the services provided or to be provided under this Agreement

We, us, our, BDO – refer to BDO Canada LLP, a Canadian limited liability partnership organized under the laws of the Province of Ontario

You, your – the party or parties contracting with BDO under this Agreement, including the party's or parties' management and those charged with corporate governance. You and your does not include BDO, its affiliates or BDO Member Firms

BDO Member Firm or Firms – any firm or firms that form part of the international network of independent firms that are members of BDO International Limited

Confidential Information - information that contains identifying features that can be attributed to you or individual personnel

2. BDO Network and Sole Recourse

2.1 BDO is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international network of independent member firms (i.e. BDO Member Firms), each of which is a separate legal entity.

2.2 We may use other BDO Member Firms or subcontractors to provide Services; however, we remain solely responsible for Services. You agree not to bring any claim or action against another BDO Member Firm (or their partners, members, directors, employees or subcontractors) or our subcontractors in respect of any liability relating to the provision of Services.

2.3 You agree that any of our affiliates, subcontractors, and other BDO Member Firms and any subcontractors thereof whom we directly or indirectly involve in providing Services have the right to rely on and enforce Section 2.2 above as if they were a party to this Agreement.

3. Respective Responsibilities

3.1 We will use reasonable efforts to complete, within any agreed-upon time frame, the performance of Services.

3.2 You shall be responsible for your personnel's compliance with your obligations under this Agreement. We will not be responsible for any delays or other consequences arising from you not fulfilling your obligations.

4. Working Papers and Deliverables

4.1 **Ownership** – Any documents prepared by us, or for us, in connection with Services belong solely to us.

4.2 **Oral advice and draft deliverables** – You should not rely upon any draft deliverables or oral advice provided by us. Should you wish to rely upon something we have said to you, please let us know and, if possible, we will provide the information that you require in writing.

4.3 **Translated documents** - If you engage us to translate any documents, advice, opinions, reports or other work product of BDO from one language to another, you are responsible for the accuracy of the translation work.

4.4 **Reliance by Third Parties** – Our Services will not be planned or conducted in contemplation of or for the purpose of reliance by any party other than you. Items of possible interest to a third party will not be addressed and matters may exist that would be assessed differently by a third party, possibly in connection with a specific transaction.

4.5 **Consent to use the Report** - Nothing in this Agreement shall be construed as consent to the use of our report in connection with a continuous disclosure document, a public or private offering document, an annual report or any other document and we expressly do not provide such consent. If you request consent for the use of our report, we will consider, at the relevant time, providing consent and any conditions that we may attach to such consent. Our consent must be in writing.

4.6 **Consent requests -** In order to provide consent, professional standards require that we read the other information in the related document and consider whether such information is materially inconsistent with the related financial statements. Any consent request must be made on a sufficiently timely basis to allow us to consider your identification and resolution of events occurring in the period since the date of our report, and to obtain updated written representation letters. Such procedures will be performed at your cost and will be documented in a separate engagement letter.

5. Confidentiality

5.1 We agree to use Confidential Information provided by you only in relation to the Services in connection with which the information is provided and we will not disclose the information, except where required by law, regulation or professional obligation. We may however, give Confidential Information to other BDO Member Firms or other subcontractors assisting us in providing Services. Any party to whom we subcontract work will be required to keep Confidential Information confidential either by professional obligation or contract with us. Any BDO Member Firms or other subcontractors we use will be bound by the same confidentiality obligations.

5.2 BDO shall be entitled to include a description of the work we render to or for you in marketing and research materials and disclose such information to third parties, provided that all such information will be made anonymous and not associated with you. Additionally, we may analyze information on an industry or sector basis for internal purposes or to provide industry/sector wide information to our clients or potential clients.



You consent to our using information obtained from you in this way provided that the outputs therefrom will not contain any identifying features that can be attributed to you.

6. Independence

6.1 Professional and certain regulatory standards require us to be independent, in both fact and appearance, with respect to our clients in the performance of our Services. We will communicate to you any relationships between BDO (including its related entities) and you that, in our professional judgment, may reasonably be thought to bear on our independence.

7. Offers of Employment

7.1 Any discussions that you, or any party acting on your behalf, have with professional personnel of our Firm regarding employment could pose a threat to our independence. Your recruitment of an engagement team member from the current or prior year's engagement may compromise our independence and our ability to render agreed Services to you. Engagement team members may include current and former partners and staff of BDO, other BDO Member Firms and other firms who work under our direction. Therefore, you agree to inform us prior to any such discussions so that you and we can implement appropriate safeguards to maintain our independence.

8. Professional and Regulatory Oversight

8.1 As required by legal, regulatory, or professional authorities (both in Canada and abroad) and by BDO policy, our client files must periodically be reviewed by practice inspectors to ensure that we are adhering to professional and BDO standards. It is understood that by entering into this Agreement, you provide your consent to us providing our files relating to your engagement to the practice inspectors for the sole purpose of their inspection.

8.2 Certain regulatory bodies may also have the right to conduct investigations of you, including the Services provided by us. To the extent practicable and permitted by law, we will advise you of any such investigation request or order prior to providing our working papers.

8.3 You agree to reimburse us for our time and expenses, including reasonable legal fees, incurred in responding to any investigation that is requested or authorized by you or investigations of you undertaken under government regulation or authority, court order or other legal process.

9. Privacy and Consents

9.1 You agree we will have access to all personal information in your custody that we require to complete our engagement. We may collect, use, transfer, store, or process such information disclosed by you of a personal nature (personal information). Our Services are provided on the understanding that:

(a) you have obtained any consents for collection, use and disclosure to us of personal information required under all applicable privacy legislation; and

(b) we will hold all personal information in compliance with our Privacy Statement.

10. Electronic Communications

10.1 Both parties recognize and accept the security risks associated with email communications, including but not limited to the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless you request in writing that we do not communicate by internet email, you assume all responsibility and liability in respect of risk associated with its use.

10.2 By signing this Agreement, you provide BDO with express consent to communicate with you and your employees, as applicable, electronically, including sending BDO newsletters, publications, announcements, invitations and other news and alerts that may be of interest to you. You and your employees may withdraw such consent at any time by contacting BDO at www.bdo.ca/unsubscribe.

11. Limitation of Liability

11.1 In any dispute, action, claim, demand for losses or damages arising out of the Services performed by BDO pursuant to this Agreement, BDO shall only be liable for its proportionate share of the total liability based on degree of fault as determined by a court of competent jurisdiction or by an independent arbitrator as a result of the dispute resolution procedures, notwithstanding the provisions of any statute or rule of common law which create, or purport to create, joint and several liability.

11.2 Our liability shall be restricted to damages of a direct and compensatory nature and shall not include indirect, consequential, aggravated or punitive damages, or damages for loss of profits or expected tax savings, whether or not the likelihood of such loss or damage was contemplated.

11.3 You agree that BDO shall in no event be liable to you for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the Services performed hereunder for an aggregate amount of more than the higher of:

(a) three times the fees paid to BDO by you, in a twelve consecutive month period, for the Services provided pursuant to this Agreement giving rise to the claim; and

(b) $25,000.

11.4 No exclusion or limitation on the liability of other responsible persons imposed or agreed at any time shall affect any assessment of our proportionate liability hereunder, nor shall settlement of or difficulty enforcing any claim, or the death, dissolution or insolvency of any such other responsible persons or their ceasing to be liable for the loss or damage or any portion thereof, affect any such assessment.

11.5 You agree claims or actions relating to the delivery of Services shall be brought against us alone, and not against any individual. Where our individuals are described as partners, they are acting as one of our members.

12. Indemnity

12.1 To the fullest extent permitted by applicable law and professional regulations, you agree to indemnify and hold harmless BDO from and against all losses, costs (including solicitors' fees), damages, expenses, claims, demands or liabilities arising out of or in consequence of:

(a) a misrepresentation by a member of your management or board of directors, regardless of whether such person was acting in your interest;

(b) the Services performed by BDO pursuant to this Agreement, unless, and to the extent that, such losses, costs, damages and expenses are found by a court of competent jurisdiction to have been due to the gross negligence of BDO. In the event that the matter is settled out of court, we will mutually agree on the extent of the indemnification to be provided by you, failing which, the matter may be referred to dispute resolution in accordance with the terms of this Agreement.

13. Alternative Dispute Resolution

13.1 Both parties agree that they will first attempt to settle any dispute arising out of or relating to this Agreement or the Services provided hereunder through good faith negotiations.

13.2 In the event that the parties are unable to settle or resolve their dispute through negotiation, such dispute shall be subject to mediation pursuant to the National Mediation rules of the ADR Institute of Canada Inc. All disputes remaining unsettled for more than 60 days following the parties first meeting with a mediator or such longer period as the parties mutually agree upon shall be subject to arbitration pursuant to the National Arbitration Rules of the ADR Institute of Canada Inc. Such arbitration shall be final, conclusive and binding upon the parties, and the parties shall have no right of appeal or judicial review of the decision. The parties hereby waive any such right of appeal which may otherwise be provided for in any provincial arbitration statute made applicable under the National Arbitration Rules.

14. Limitation Period

14.1 You shall make any claim relating to Services or otherwise under this Agreement no later than one year after you became aware or ought reasonably to have become aware of the facts giving rise to any such claim.

14.2 You shall in no event make any claim relating to the Services or otherwise under this Agreement later than two years after the completion of the Services under this Agreement.

14.3 To the extent permitted by law, the parties to this Agreement agree that the limitation periods established in this Agreement replace any limitation periods under any limitations act and/or any other applicable legislation and any limitation periods under any limitations act and/or any other applicable legislation shall not alter the limitation periods specified in this Agreement.

15. Québec Personnel

15.1 We may sometimes have individual partners and employees performing Services within the Province of Québec who are members of the Ordre des comptables professionnels agréés du Québec. Any such members performing professional services hereunder assumes full personal civil liability arising from the practice of their profession, regardless of their status within our partnership. They may not invoke the liability of our partnership as grounds for excluding or limiting their own liability. The provisions in Sections 11 (Limitation of Liability) and 14 (Limitation Period) shall therefore not apply to limit the personal civil liability of partners and employees who are members of the Ordre des comptables professionnels agréés du Québec.

16. Termination

16.1 This Agreement applies to Services whenever performed (including before the date of this Agreement).

16.2 You or we may terminate this Agreement at any time upon written notice of such termination to the other party. We will not be liable for any loss, cost or expense arising from such termination. You agree to pay us for all Services performed up to the date of termination, including Services performed, work-in-progress and expenses incurred by us up to and including the effective date of the termination of this Agreement.

17. Fees and Billings

17.1 Our estimated fee is based on an assumed level of quality of your accounting records, the agreed upon level of preparation and assistance from your personnel and adherence to the agreed-upon timetable. Our estimated fee also assumes that your financial statements are in accordance with the applicable financial reporting framework and that there are no significant new or changed accounting policies or issues or internal control or other reporting issues. We will inform you on a timely basis if these factors are not in place.

17.2 Should our assumptions with respect to the quality of your accounting records be incorrect or should the conditions of the records, degree of cooperation, results of audit procedures, or other matters beyond our reasonable control require additional commitments by us beyond those upon which our estimated fees are based, we may adjust our fees and planned completion dates.

Delays in providing the complete list of agreed upon working papers/schedules to BDO will result in additional fees as follows:

- 1 week delay – additional 10% of estimated fees
- 1 month delay – additional 20% of estimated fees

Should a delay occur, we cannot guarantee completion of our work by your deadline.

17.3 Our professional fees will be based on our billing rates which depend on the means by which and by whom our Services are provided. We also will bill you for our out-of-pocket expenses, our administrative charge (described below), and applicable Goods and Services Sales Tax, Harmonized Sales Tax, Quebec Sales Tax and Provincial Sales Tax.

17.4 Our administrative charge is calculated as a percentage of our professional fee and represents an allocation of estimated costs associated with our technology infrastructure, telephone charges, photocopying and some support staff time costs.

17.5 Our accounts are due when rendered and invoiced amounts are deemed to be earned when paid. BDO may suspend the performance of Services in the event that you fail to pay an invoice when it is due. Interest may be charged at the rate of 12% per annum on all accounts outstanding for more than 30 days.

18. Governing Laws

18.1 The terms of our engagement shall remain operative until amended, terminated, or superseded in writing. They shall be interpreted according to the laws of the province or territory in which BDO's principal Canadian office performing the engagement is located, without regard to such province/territory's rules on conflicts of law.

19. Survival

19.1 The provisions of this Agreement that give either of us rights or obligations beyond its termination shall continue indefinitely following the termination of this Agreement. Any clause that is meant to continue to apply after termination of this Agreement will do so.

20. Force Majeure

20.1 We will not be liable for any delays or failures in performance or breach of contract due to events or circumstances beyond our reasonable control, including acts of God, war, acts by governments and regulators, acts of terrorism, accident, fire, flood or storm or civil disturbance.

21. Assignment

21.1 No party may assign, transfer or delegate any of the rights or obligations hereunder without the written consent of the other party or parties. BDO may engage independent contractors and BDO Member Firms to assist us in performing the Services in this Agreement without your consent.

22. Severability

22.1 If a court or regulator with proper jurisdiction determines that a provision of this Agreement is invalid, then the provision will be interpreted in a way that is valid under applicable law or regulation. If any provision is invalid, the rest of this Agreement will remain effective.

Version: 202002

APPENDIX C: INDEPENDENCE LETTER

June 23, 2020

Members of the Audit Committee
The Corporation of the Town of Aurora

Dear Audit Committee Members:

We have been engaged to audit the consolidated financial statements of The Corporation of the Town of Aurora (the "Town") for the year ended December 31, 2020.

Canadian generally accepted auditing standards (GAAS) require that we communicate at least annually with you regarding all relationships between the Town and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence.

In determining which relationships to report, we have considered the applicable legislation and relevant rules and related interpretations prescribed by the appropriate provincial institute/order, covering such matters as:

- Holding a financial interest, either directly or indirectly in a client;
- Holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- Personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- Economic dependence on a client; and
- Provision of services in addition to the audit engagement.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since March 18, 2020, the date of our last letter.

We are aware of the following relationships between the Company and us that, in our professional judgment, may reasonably be thought to have influenced our independence. The following relationships represent matters that have occurred from March 18, 2020 to June 23, 2020.

- We have provided assistance in the preparation of the consolidated financial statements, including adjusting journal entries. These services created a self-review threat to our independence since we subsequently expressed an opinion on whether the consolidated financial statements presented fairly, in all material respects, the financial position, results of operations and cash flows of the organization in accordance with (relevant GAAP).
- We, therefore, required that the following safeguards be put in place related to the above:
    - Management provided us with a trial balance and draft consolidated financial statements, including notes, prior to completion of our audit.
    - Management created the source data for all the accounting entries.
    - Management developed any underlying assumptions required with respect to the accounting treatment and measurement of the entries.
    - Management reviewed advice and comments provided and undertook their own analysis considering the Company's circumstances and generally accepted accounting principles.
    - Management reviewed and approved all journal entries prepared by us, as well as changes to financial statement presentation and disclosure.
    - Someone other than the preparer reviewed the proposed journal entries and consolidated financial statements.

We hereby confirm that we are independent with respect to the Town within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of Ontario as of June 23, 2020.

This letter is intended solely for the use of the Audit Committee, the Board of Directors, management and others within the Town and should not be used for any other purposes.

Yours truly,

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

APPENDIX D: RESPONSIBILITIES

It is important for the Audit Committee to understand the responsibilities that rest with the Town and its management, those that rest with the external auditor, and the responsibilities of those charged with governance. BDO's responsibilities are outlined below and within the annual engagement letter attached as Appendix B to this letter. The oversight and financial reporting responsibilities of management and the Audit Committee are also summarized below.

AUDITOR'S ENGAGEMENT OBJECTIVES

Our overall objective is to express an opinion as to whether the consolidated financial statements present fairly, in all material respects, the financial position, financial performance and cash flows of the Town in accordance with Canadian public sector accounting standards.

Year-End Audit Work

- Work with management towards the timely issuance of consolidated financial statements, tax returns and consents for offering documents.
- Provide timely and constructive management letters. This will include deficiencies in internal control identified during our audit.
- Present significant findings to the Audit Committee including key audit and accounting issues, any significant deficiencies in internal control and any other significant matters arising from our work.

Other Information

- Read the other information included in the Town's Annual Report to identify material inconsistencies, if any, with the audited consolidated financial statements.

Year-Round Work

- Consult regarding accounting, income tax and reporting matters as requested throughout the year.

AUDITOR'S RESPONSIBILITIES FOR DETECTING FRAUD

We are responsible for planning and performing the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatements, whether caused by error or fraud, by:

- Identifying and assessing the risks of material misstatement due to fraud;
- Obtaining sufficient and appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
- Responding appropriately to fraud or suspected fraud identified during the audit.

The likelihood of not detecting a material misstatement resulting from fraud is higher than the likelihood of not detecting a material misstatement resulting from error because fraud may involve collusion as well as sophisticated and carefully organized schemes designed to conceal it.

Fraud Risk Assessment Procedures

- Management's assessment of the risk that the consolidated financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments;
- Management's process for identifying and responding to the risks of fraud in the Town, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist;
- Management's communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the Town; and
- Management's communication, if any, to employees regarding its view on business practices and ethical behaviour.

Response to Assessed Fraud Risks

- Inquire of management, the Audit Committee, and others related to any knowledge of fraud, suspected fraud or alleged fraud;
- Perform disaggregated analytical procedures and consider unusual or unexpected relationships identified in the planning of our audit;
- Incorporate an element of unpredictability in the selection of the nature, timing and extent of our audit procedures; and
- Perform additional required procedures to address the risk of management's override of controls including:
  - Testing internal controls designed to prevent and detect fraud;
  - Testing the appropriateness of a sample of adjusting journal entries and other adjustments for evidence of the possibility of material misstatement due to fraud;
  - Reviewing accounting estimates for biases that could result in material misstatements due to fraud, including a retrospective review of significant prior years' estimates; and
  - Evaluating the business rationale for significant unusual transactions.

AUDIT COMMITTEE RESPONSIBILITIES

- Oversee the work of the external auditor engaged for the purpose of issuing an independent auditor's report.
- Facilitate the resolution of disagreements between management and the external auditor regarding financial reporting matters.
- Pre-approve all non-audit services to be provided to the Town or its subsidiaries by the external auditor.
- Review the consolidated financial statements, MD&A and annual and interim earnings press releases before the Town publicly discloses this information.

MANAGEMENT RESPONSIBILITIES

- Maintain adequate accounting records and maintain an appropriate system of internal control for the Town.
- Select and consistently apply appropriate accounting policies.
- Prepare the annual consolidated financial statements in accordance with Canadian public sector accounting standards.
- Safeguard the Town's assets and take reasonable steps for the prevention and detection of fraud and other irregularities.
- Make available to us, as and when required, all of the Town's accounting records and related financial information.



APPENDIX E: BDO RESOURCES

BDO is a leading provider of professional services to clients of all sizes in virtually all business sectors. Our team delivers a comprehensive range of assurance, accounting, tax, and advisory services, complemented by a deep industry knowledge gained from nearly 100 years of working within local communities. As part of the global BDO network, we are able to provide seamless and consistent cross-border services to clients with global needs. Commitment to knowledge and best practice sharing ensures that expertise is easily shared across our global network and common methodologies and information technology ensures efficient and effective service delivery to our clients.

PSAS Publications

Public Sector Accounting Standards (PSAS) Update 2019

https://www.bdo.ca/BDO/media/AAPublications/PSAS_Update_09Sep19.pdf

Outlined below is a summary of certain BDO resources which may be of interest to the Audit Committee.

TAX BULLETINS, ALERTS AND NEWSLETTERS

BDO Canada's national tax department issues a number of bulletins, alerts and newsletters relating to corporate federal, personal, commodity, transfer pricing and international tax matters.

For additional information on tax matters and links to archived tax publications, please refer to the following link: Tax Library | BDO Canada

Aurora Cultural Centre												
2017-2019 Actuals												
	2017			2018			2019		
	Approved Budget	Audited Actual	Variance to Budget	Approved Budget	Audited Actual	Variance to Budget	Approved Budget	Audited Actual	Variance to Budget
Income									
GRANTS - TOWN OF AURORA									
Town of Aurora - Base Operating	405,600	405,600	-	415,700	415,700	-	415,700	415,700	-
Town of Aurora - Project							50,000	50,000	-
Town of Aurora - Library Square									-
Total GRANTS - TOWN OF AURORA	**405,600**	**405,600**	**-**	**415,700**	**415,700**	**-**	**465,700**	**465,700**	-
GRANTS - OTHER									
Federal Grants	7,000	47,721	40,721	40,000	27,414	(12,586)	50,000	46,231	(3,769)
OAC	3,500	5,000	1,500	5,000	-	(5,000)	10,000	10,000	-
Ont Trillium Fnd	21,900	21,900	-	-	-	-		-	-
Total GRANTS - OTHER	**32,400**	**74,621**	42,221	**45,000**	**27,414**	**(17,586)**	**60,000**	**56,231**	(3,769)
PROGRAMS									
Facility Rentals	50,000	52,250	2,250	53,500	58,260	4,760	50,000	34,485	(15,515)
Ticket Sales-perform/exhi, etc.	33,800	37,904	4,104	45,180	32,729	(12,451)	48,500	42,273	(6,227)
Ticket Sales-Classical Program	10,600	9,762	(838)	12,000	9,800	(2,200)	10,745	11,627	882
Registration Fees-programs, etc	88,845	104,536	15,691	98,855	109,357	10,502	106,000	104,183	(1,817)
Merchandise-hospitality, coffee	4,250	5,035	785	5,000	3,340	(1,660)	5,000	2,731	(2,269)
Gallery Revenue	-	-	-	-	165	165	3,000	4,169	1,169
Merchandise - gift shop+	23,125	7,715	(15,410)	-	-	-	-	-	-
Interest	2,100	1,936	(164)	2,100	2,999	899	2,100	6,360	4,260
Merchandise- fine art sale	11,000	5,768	(5,232)	12,000	9,086	(2,914)	9,000	9,076	76
Total PROGRAMS	**223,720**	**224,906**	1,186	**228,635**	**225,736**	(2,899)	**234,345**	**214,904**	(19,441)
FUNDRAISING									
Private Contributions									
Individual Donations	1,000	9,039	8,039	15,000	25,762	10,762	97,000	63,950	(33,050)
Friends*	8,000	3,812	(4,188)	-	-	-	-	-	-
Classical Fund Donation	5,000	3,750	(1,250)	5,000	10,115	5,115	10,000	9,685	(315)
Amortization of deferred contributions****	2,372	2,372	-	2,372	3,858	1,486	2,372	7,423	5,051
Sponsorships (corporate and individual)	36,500	13,500	(23,000)	20,000	19,500	(500)	24,500	26,000	1,500
Corporate Donations	2,500	3,575	1,075	2,000	27,360	25,360	35,000	26,500	(8,500)
Foundations		-	-	2,000	-	(2,000)	-	-	-
Total Private Contributions	55,372	36,048	(19,324)	46,372	86,595	40,223	168,872	133,558	(35,314)
Total FUNDRAISING	**55,372**	**36,048**	(19,324)	**46,372**	**86,595**	**40,223**	**168,872**	**133,558**	(35,314)
Total Income	**717,092**	**741,175**	24,083	**735,707**	**755,445**	**19,738**	**928,917**	**870,393**	(58,524)
Expense									
SALARIES AND BENEFITS									
Total Administration Salaries & Fees	198,464	156,131	(42,333)	186,844	181,161	(5,683)	208,103	81,210	(126,893)
Total Program Salaries & Fees	260,338	312,954	52,616	319,443	317,697	(1,746)	421,143	479,675	58,532
Total SALARIES AND BENEFITS	**458,802**	**469,085**	10,283	**506,287**	**498,858**	(7,429)	**629,246**	**560,885**	(68,361)
PROGRAMS									
Artistic Salaries & Fees									
Instructors	20,500	29,631	9,131	28,386	31,045	2,659	33,265	31,285	(1,980)
Gallery Artists	150	-	(150)	3,000	3,000	-	17,567	13,650	(3,917)
Performers	30,000	27,039	(2,961)	27,070	27,317	247	46,420	44,207	(2,213)
Lecturers**	-	1,150	1,150	-	-	-	-	-	-
Classical	11,000	12,896	1,896	11,800	11,070	(730)	18,645	17,193	(1,452)
SOCAN fees	1,200	1,534	334	1,325	830	(495)	1,500	850	(650)
Production fees	8,500	8,581	81	4,855	6,408	1,553	7,896	6,828	(1,068)
Total Artistic Salaries & Fees	71,350	80,831	9,481	76,436	79,670	3,234	125,293	114,013	(11,280)
Artistic Expenses									
Commissions (Art Sales)	6,820	2,888	(3,932)	7,200	4,442	(2,758)	5,400	5,394	(6)

Aurora Cultural Centre											
2017-2019 Actuals											
	2017			2018			2019		
	Approved Budget	Audited Actual	Variance to Budget	Approved Budget	Audited Actual	Variance to Budget	Approved Budget	Audited Actual	Variance to Budget
Commissions (Gift Shop)+	14,000	4,688	(9,312)	-	-	-	-	-	-
Gift Shop Expenses+	3,000	48	(2,952)	-	-	-	-	-	-
Installation-Wall Signage	500	1,100	600	330	621	291	2,365	3,639	1,274
Accommodation	-	-	-	500	880	380	7,922	3,319	(4,603)
Artist Hospitality***	-	-	-	3,755	1,445	(2,310)	9,356	2,082	(7,274)
Venue Rental	-	-	-	-	-	-	-	-	-
Total Artistic Expenses	24,320	8,724	(15,596)	11,785	7,388	(4,397)	25,043	14,434	(10,609)
Marketing Expenses									
Advertisement	12,000	20,420	8,420	18,182	12,009	(6,173)	15,102	15,374	272
Promo Materials: Design/Print	13,000	16,800	3,800	12,144	20,725	8,581	30,000	21,080	(8,920)
Mailing & Distribution	10,000	5,830	(4,170)	6,000	6,884	884	6,085	6,023	(62)
Outreach	-	136	136	-	-	-	-	-	-
Website	2,000	287	(1,713)	1,500	4,330	2,830	5,000	10,358	5,358
Signage	3,000	3,901	901	3,000	1,687	(1,313)	2,000	624	(1,376)
Other Marketing	-	-	-	5,000	1,331	(3,669)	5,000	2,515	(2,485)
Total Marketing Expenses	40,000	47,374	7,374	45,826	46,966	1,140	63,187	55,974	(7,213)
Program Expenses									
Program Supplies	7,000	11,694	4,694	11,340	11,314	(26)	13,592	12,401	(1,191)
Publications	200	-	(200)	200	21	(179)	200	-	(200)
Memberships**	600	350	(250)	2,000	1,143	(857)	2,500	837	(1,663)
Piano-tuning, moving, etc.	4,720	2,744	(1,976)	3,050	2,567	(483)	3,420	1,419	(2,001)
Hospitality & Bar Supplies***	7,750	8,198	448	3,760	4,065	305	3,800	4,023	223
Special Program Expenses (Canada 150)	5,000	3,562	(1,438)	-	-	-	-	-	-
Insurance & Permits	1,000	1,098	98	2,700	1,200	(1,500)	2,700	1,200	(1,500)
Volunteer Program	-		-			-	-	-	-
Total Program Expenses	26,270	27,646	1,376	23,050	20,310	(2,740)	26,212	19,880	(6,332)
Total PROGRAMS	**161,940**	**164,575**	2,635	**157,097**	**154,334**	(2,763)	**239,735**	**204,301**	(35,434)
FUNDRAISING									
Software	-	1,780	1,780	2,211	1,566	(645)	2,300	795	(1,505)
Promotions	1,500	-	(1,500)	1,500	238	(1,262)	500	200	(300)
Event & Other		-	-	1,500	1,089	(411)	1,200	1,310	110
Total Fundraising Expenses	**1,500**	**1,780**	280	**5,211**	**2,893**	(2,318)	**4,000**	**2,305**	(1,695)
Total FUNDRAISING	**1,500**	**1,780**	280	**5,211**	**2,893**	(2,318)	**4,000**	**2,305**	(1,695)
Total TRILLIUM	**21,900**	**22,422**	522						
INSURANCE									
Insurance	7,550	8,669	1,119	8,800	8,331	(469)	9,450	8,068	(1,382)
WSIB Insurance	3,650	3,187	(463)	4,000	3,403	(597)	4,000	2,861	(1,139)
Total INSURANCE	**11,200**	**11,856**	656	**12,800**	**11,734**	(1,066)	**13,450**	**10,929**	(2,521)
OFFICE & FACILITIES									
Administration Expenses									
Bank Charges	2,250	1,899	(351)	1,800	1,553	(247)	1,800	2,221	421
Credit Card Charges	4,750	6,048	1,298	6,000	5,844	(156)	6,000	9,411	3,411
Equipment Lease	2,600	2,640	40	2,700	2,306	(394)	2,700	2,377	(323)
Equipment Maintenance	500	311	(189)	500	296	(204)	500	-	(500)
Internet	1,750	2,808	1,058	1,750	2,235	485	762	2,853	2,091
Memberships, Dues, etc.**	1,200	2,027	827	900	1,622	722	1,700	2,726	1,026
Office Supplies	6,250	2,189	(4,061)	4,000	2,983	(1,017)	3,000	2,475	(525)
Photocopying/Printing	4,500	3,420	(1,080)	4,000	3,949	(51)	4,000	4,249	249
Postage	600	361	(239)	600	297	(303)	600	187	(413)
Recruitment of Staff, Board, Vulnerable Sector Checks	-	15,056	15,056	300	449	149	500	2,083	1,583
Professional development	-	81	81	3,500	1,294	(2,206)	3,500	1,526	(1,974)
Subscription & Reference	350	-	(350)	350	105	(245)	350	-	(350)

Aurora Cultural Centre											
2017-2019 Actuals											
	2017			2018			2019		
	Approved Budget	Audited Actual	Variance to Budget	Approved Budget	Audited Actual	Variance to Budget	Approved Budget	Audited Actual	Variance to Budget
Telephone	3,950	5,647	1,697	6,200	7,449	1,249	7,300	7,326	26
Cell/Blackberry	1,200	795	(405)	900	900	-	900	900	-
Travel	500	930	430	500	373	(127)	500	854	354
Meals, Entertainment, Flowers	600	1,202	602	1,500	1,463	(37)	1,500	1,461	(39)
IT & Software expenses	500	634	134	500	964	464	9,100	1,860	(7,240)
Total Administration Expenses	31,500	46,048	14,548	36,000	34,082	(1,918)	44,712	42,509	(2,203)
Facility Expenses									
Facility Equipment	250	-	(250)	300	758	458	800	-	(800)
Cleaning Supplies	-	135	135	140	165	25	200	125	(75)
Total Facility Expenses	250	135	(115)	440	923	483	1,000	125	(875)
Total OFFICE & FACILITIES	**31,750**	**46,183**	14,433	**36,440**	**35,005**	(1,435)	**45,712**	**42,634**	(3,078)
PROFESSIONAL FEES									
Accounting	10,000	11,047	1,047	5,000	7,726	2,726	7,500	17,839	10,339
Audit	12,000	10,044	(1,956)	8,500	12,044	3,544	10,000	7,662	(2,338)
Consultant (strategic plan etc)	-	592	592	-	-	-	-	7,773	7,773
Legal Costs	8,000	627	(7,373)	2,000	-	(2,000)	2,000	-	(2,000)
Total PROFESSIONAL FEES	**30,000**	**22,310**	(7,690)	**15,500**	**19,770**	4,270	**19,500**	**33,274**	13,774
	717,092	**738,211**	21,119	**733,335**	**722,594**	(10,741)	**951,643**	**854,328**	(97,315)
Operating Surplus (Deficit)	**-**	**2,964**	2,964	**2,372**	**32,851**	30,479	**- 22,726**	**16,065**	38,791
DEPRECIATION EXPENSE									
Less: Depreciation	- 5,571	- 10,459	(4,888)	- 5,286	- 6,772	(1,486)	- 8,258	- 10,338	(2,080)
Net Surplus (Deficit)	**- 5,571**	**- 7,495**	(1,924)	**- 2,914**	**26,079**	28,993	**- 30,984**	**5,727**	36,711

+Gift shop closed in 2017

*Friends program transferred to Individual giving in 2017

**reclassified in 2018 after financial review

***Artist hospitality broken out of bar supplies

****Amount received in previous fiscal years (deffered) and recognized against expenses in the current year

Aurora Cultural Centre					
2020 Original and Revised Budget					
		2020	2020	2020	
		Original Budget (business as usual)	Revised (with Library Square impact)	Revised (with Library Square & COVID impact to July 31, 2020)	2020 Budget Revision Notes
Income					
	GRANTS - TOWN OF AURORA				
	Town of Aurora - Base Operating	482,661	482,661	482,661	
	Town of Aurora - Project	50,000	50,000	50,000	
	Town of Aurora - Library Square		80,810	55,243	Additional need from Town of Aurora based on Library Square impact, COVID impact of cancelled classes and events
	Total GRANTS - TOWN OF AURORA	**532,661**	**613,471**	**587,904**	
	GRANTS - OTHER				
	Federal Program Grants	41,000	50,829	47,615	part of Horizons project deferred to 2021 due to COVID
	Federal Wage Subsidy	-	-	139,337	Federal Wage Subsidy
	OAC	-	10,000	10,000	
	Ont Trillium Fnd	30,000	30,000	30,000	
	Total GRANTS - OTHER	**71,000**	**90,829**	**226,952**	
	PROGRAMS				
	Facility Rentals	35,000	6,800	3,350	rentals final Jan-Feb (LS and COVID impact)
	Ticket Sales-perform/exhi, etc.	52,000	47,000	19,500	cancellations due to COVID
	Ticket Sales-Classical Program	10,000	10,000	5,832	cancellations due to COVID
	Registration Fees-programs, etc	108,272	102,270	35,834	cancellations due to COVID, if can run Fall Programs
	Merchandise-hospitality, coffee	5,000	3,000	822	cancellations due to COVID
	Gallery Revenue	4,000	4,000	512	LS impact - lost two shows, now online only due to COVID
	Interest	3,000	6,000	6,000	based on 2019 final
	Merchandise- fine art sale	9,000	5,000	-	LS impact - lost two shows
	Total PROGRAMS	**226,272**	**184,070**	**71,850**	
	FUNDRAISING				
	Private Contributions				
	Individual Donations	95,460	77,430	40,000	cancellations due to COVID, directed gifts may be deferred to 2021 if programming cannot happen
	Classical Fund Donation	12,000	12,000	5,000	cancellations due to COVID
	Sponsorships (corporate and individual)	36,000	26,000	7,500	summer music series pushed to 2021, cancelled performances due to COVID
	Corporate Donations	26,000	26,000	22,000	confirmed
	Foundations	15,500	-	-	after must research, cannot achieve this
	Total Private Contributions	184,960	141,430	74,500	
	Total FUNDRAISING	**184,960**	**141,430**	**74,500**	
Total Income		**1,014,893**	**1,029,800**	**961,206**	
Expense					
	SALARIES AND BENEFITS				
	Total Administration Salaries & Fees	220,488	219,684	219,154	
	Total Program Salaries & Fees	426,075	410,301	390,520	savings from PT furlough, plus additional cost of technical production team for live streaming
	Total SALARIES AND BENEFITS	**646,563**	**629,985**	**609,674**	
	PROGRAMS				
	Artistic Salaries & Fees				
	Instructors	33,322	30,000	20,300	cancellations due to COVID

Aurora Cultural Centre					
2020 Original and Revised Budget					
	2020 Original Budget (business as usual)	2020 Revised (with Library Square impact)	2020 Revised (with Library Square & COVID impact to July 31, 2020)	2020 Budget Revision Notes
Gallery Artists	13,500	12,250	12,250	loss of a show
Performers	89,565	75,195	60,579	no summer music series, cancellations due to COVID
Classical	18,967	17,702	8,900	cancellations due to COVID
SOCAN fees	1,500	1,500	1,000	cancellations due to COVID
Production Fees	9,588	15,525	23,574	Includes production costs offside and livestreaming costs
Total Artistic Salaries & Fees	166,442	152,172	126,603	
Artistic Expenses				
Commissions (Art Sales)	5,400	3,000	-	LS impact
Installation-Wall Signage	2,500	2,500	2,500	
Accommodation	18,984	6,700	8,825	Annual needs missed on budget, will reduce if programming cancelled
Artist Hospitality	6,346	3,000	1,526	
Venue Rental		25,981	19,180	LS impact and cancellations due to COVID
Total Artistic Expenses	33,230	41,181	32,031	
Marketing Expenses				
Advertisement	16,000	16,000	15,000	cancellations due to COVID, keeping marketing dollars for move communication and if there is fall programming, will need additional resources to be successful
Promo Materials: Design/Print	25,000	25,752	20,000	cancellations due to COVID, keeping marketing dollars for move communication and if there is fall programming, will need additional resources to be successful
Mailing & Distribution	10,000	6,200	6,200	
Outreach		-		
Website	2,500	6,500	15,000	rebranding of website, COVID related online costs
Signage	2,000	1,000	1,000	
Other Marketing	-	11,724	9,124	Cost of additional marketing for Library Square
Total Marketing Expenses	55,500	67,176	66,324	
Program Expenses				
Program Supplies	13,809	13,809	9,000	cancellations due to COVID
Publications	200	-	-	
Memberships	2,600	1,000	1,000	
Piano-tuning, moving, etc.	2,060	3,500	2,500	
Hospitality & Bar Supplies	3,800	4,000	1,500	cancellations due to COVID
Insurance & Permits	2,700	1,500	1,500	
Volunteer Program	-	5,122	3,695	Part of Horizons project deferred to 2021 due to COVID
Total Program Expenses	25,169	28,931	19,195	
Total PROGRAMS	**280,341**	**289,460**	**244,153**	
FUNDRAISING				
Software	2,300	2,385	2,266	
Promotions	500	1,500	1,500	
Event & Other	1,200	1,500	1,500	
Total Fundraising Expenses	**4,000**	**5,385**	**5,266**	
Total FUNDRAISING	**4,000**	**5,385**	**5,266**	
Total TRILLIUM				
INSURANCE				
Insurance	9,639	8,230	8,229	

Aurora Cultural Centre					
2020 Original and Revised Budget					
	2020 Original Budget (business as usual)	2020 Revised (with Library Square impact)	2020 Revised (with Library Square & COVID impact to July 31, 2020)	2020 Budget Revision Notes
WSIB Insurance	4,000	3,200	3,200	
Total INSURANCE	**13,639**	**11,430**	**11,429**	
OFFICE & FACILITIES				
Administration Expenses				
Bank Charges	1,800	2,300	2,300	based on 2019 final
Credit Card Charges	6,000	12,000	10,000	includes e-commerce processing costs
Equipment Lease	2,700	1,125	1,880	cancelled Sept due to move for LS project
Equipment Maintenance	500	-	-	
Internet	Town	1,524	1,686	cancelled July due to move for LS project
Memberships, Dues, etc.	1,700	2,800	2,800	based on 2019 final
Office Supplies	3,000	3,000	3,000	
Photocopying/Printing	4,000	4,500	4,500	based on 2019 final
Postage	600	600	600	
Recruitment of Staff, Board, Vulnerable Sector Checks	500	2,000	2,000	increased cost of vulnerable sector checks
Professional development	3,500	3,500	3,500	
Subscription & Reference	350	-	-	based on 2019 final
Telephone	7,300	9,791	9,791	includes phone moving costs for LS project
Cell/Blackberry	900	900	900	
Travel	500	2,000	2,000	
Meals, Entertainment, Flowers	1,500	1,500	1,500	
IT & Software expenses	2,500	2,000	2,000	
Total Administration Expenses	37,350	49,540	48,457	
Facility Expenses				
Facility Equipment	800	800	800	
Cleaning Supplies	200	200	200	
Total Facility Expenses	1,000	1,000	1,000	
Total OFFICE & FACILITIES	**38,350**	**50,540**	**49,457**	
PROFESSIONAL FEES				
Accounting	10,000	18,000	18,000	
Audit	10,000	10,000	10,000	
Consultant (strategic plan etc)	10,000	10,000	10,000	
Legal Costs	2,000	5,000	5,000	legal advice on agreement/insurance, etc
Total PROFESSIONAL FEES	**32,000**	**43,000**	**43,000**	
	1,014,893	**1,029,800**	**962,979**	
Operating Surplus (Deficit)	**-**	**-**	**- 1,773**	

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE

FINANCIAL STATEMENTS
DECEMBER 31, 2019

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MF TY CHARTERED PROFESSIONAL ACCOUNTANTS

MILLARD ▪ FOSTER ▪ THIBEAULT ▪ YOUELL
Professional Corporation
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Directors of Church Street School Cultural Centre o/a Aurora Cultural Centre

Report on the Audit of the Financial Statements

Opinion:

We have audited the accompanying financial statements of Church Street School Cultural Centre, o/a Aurora Cultural Centre, which comprises the statement of financial position as at December 31, 2019 and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit organizations.

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 Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the 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 Financial Statements:

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-For-Profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations (or has no realistic alternative but to do so).

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

.../2

INDEPENDENT AUDITOR'S REPORT (continued)

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the 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 it 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 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 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 Organization'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 Organization'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 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 Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements (including the disclosures), and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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
AUTHORIZED TO PRACTISE PUBLIC ACCOUNTING BY THE
CHARTERED PROFESSIONAL ACCOUNTANTS OF ONTARIO

Aurora, Ontario
June 2, 2020

MF TY CHARTERED PROFESSIONAL ACCOUNTANTS

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
DECEMBER 31, 2019

	2019	2018
	$	$
REVENUES		
Grant - Town of Aurora operating	**415,700**	415,700
Grant - Town of Aurora special funding	**50,000**	-
Grants - other	**56,231**	27,414
Programs	**214,903**	225,736
Fundraising, donations and sponsorships	**133,558**	86,595
	870,392	755,445
EXPENDITURES		
Administrative salaries and benefits	**81,210**	68,204
Programs	**197,474**	147,926
Programming salaries and wages	**486,503**	437,062
Office expenses	**42,634**	35,005
Professional fees	**33,274**	19,770
Fundraising	**2,306**	2,893
Insurance	**10,929**	11,734
Amortization	**10,338**	6,772
	864,668	729,366
EXCESS OF REVENUES OVER EXPENDITURES	**5,724**	26,079
NET ASSETS - Beginning of year	**293,727**	267,648
NET ASSETS - End of year	**299,451**	293,727

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2019

	Note Reference	2019	2018
		$	$
ASSETS			
CURRENT ASSETS			
Cash		**200,312**	137,556
Restricted cash	**3**	**241,541**	238,991
Amounts receivable		**8,966**	22,416
Prepaid expenses		**7,351**	5,693
		458,170	404,656
Capital assets	**4**	**17,500**	15,358
		475,670	420,014
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable and accruals		**36,192**	28,577
Revenues received in advance		**37,064**	41,824
Deferred grants	**5**	**59,500**	5,000
Deferred contributions	**6**	**28,607**	41,087
		161,363	116,488
Deferred contributions	**6**	**14,856**	9,799
		176,219	126,287
NET ASSETS			
Unrestricted		**55,266**	49,177
Internally restricted	**7**	**241,541**	238,991
Invested in capital assets		**2,644**	5,559
		299,451	293,727
		475,670	420,014

The accompanying notes are an integral part of these financial statements.

Approved on behalf of the Board:

Director

Director

MF TY CHARTERED PROFESSIONAL ACCOUNTANTS

CHURCH STREET SCHOOL CULTURAL CENTRE
O/A AURORA CULTURAL CENTRE
STATEMENT OF CASH FLOWS
DECEMBER 31, 2019

	2019	2018
	$	$
OPERATING ACTIVITIES		
Excess of revenues over expenditures	**5,724**	26,079
Expenditures/revenues not requiring/(providing) cash:		
Amortization	**10,338**	6,772
Amortization of deferred contributions	**(7,423)**	(3,858)
Deferred grants recognized as revenue	**(58,500)**	(5,000)
	(49,861)	23,993
Non-cash working capital items:		
Amounts receivable	**13,450**	(19,866)
Prepaid expenses	**(1,658)**	(821)
Accounts payable and accruals	**7,615**	506
Revenues received in advance	**(4,760)**	12,905
Deferred grants	**113,000**	10,000
	77,786	26,717
FINANCING ACTIVITIES		
Restricted cash	**(2,550)**	(25,450)
Deferred contributions	**-**	50,000
	(2,550)	24,550
INVESTING ACTIVITIES		
Acquisition of capital assets	**(12,480)**	(8,913)
INCREASE IN CASH	**62,756**	42,354
CASH - Beginning of year	**137,556**	95,202
CASH - End of year	**200,312**	137,556

1. NATURE OF ORGANIZATION

The Organization has been established in the Town of Aurora to deliver a diverse range of inspiring artistic, music and heritage programs, and to promote Aurora as a dynamic community that values the creative contributions of its citizens. The Organization also works to showcase local, emerging and established talent for the community to enjoy.

The Organization was incorporated, without share capital, in the province of Ontario on April 22, 2009, and qualifies as a charitable organization under the Income Tax Act and is exempt from income tax.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of presentation:

These financial statements have been prepared using Canadian Accounting Standards for Not-for-Profit Organizations.

b) Revenue recognition:

The Organization follows the deferral method of accounting for revenues. Unrestricted revenues are recognized when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenditures are incurred.

Ticket, program and facility revenues are recognized as revenues when the event has occurred and collection is reasonably assured.

c) Contributed services:

A substantial number of volunteers have made significant contributions of their time to the Organization's operations. While these services benefit the Organization considerably, these contributed services are not recognized in the financial statements.

d) Allocation of program expenditures:

The Organization classifies expenses on the Statement of Operations and Changes in Net Assets by function. Administration salaried and benefits are allocated to programs based on estimated time spent on the programs.

e) Cash:

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

f) Amortization:

Capital assets are recorded at cost and are being amortized on the straight-line basis as follows:

Computers and equipment	3 years
Music instruments	10 years
Special project equipment	3 years
Leasehold improvements	term of the lease

In the year of acquisition or disposal, amortization is recorded at 50% of the annual rate, with the exception of leasehold improvements.

g) Management's estimates:

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Significant items subject to such estimates and assumptions include the estimated useful life of capital assets and the time allocation of administrative salaries and benefits related to program activities. Actual results could differ from those estimates.

h) Financial instruments:

The fair values of cash, restricted cash, amounts receivable, accounts payable and accruals, revenues received in advance, deferred grants, and deferred contributions are approximately equal to their carrying values. It is management's opinion that the Organization is not exposed to significant interest risks arising from the financial instruments.

3. RESTRICTED CASH

Restricted cash consists of the following:

	2019	2018
	$	$
Internally restricted:		
Classical Music Series Fund	**69,267**	71,991
Contingency Fund	**152,274**	147,000
Special Project Fund	**20,000**	20,000
	241,541	238,991

See Note 7 for description of the internally restricted funds.

4. CAPITAL ASSETS

	2019		2018	
	Original Cost	Accumulated Amortization	Original Cost	Accumulated Amortization
	$	$	$	$
Computers and equipment	**28,923**	**28,458**	28,923	27,528
Music instruments	**43,570**	**41,391**	43,570	37,034
Special project equipment	**21,393**	**6,537**	8,913	1,486
	93,886	**76,386**	81,406	66,048
Net Book Value		**17,500**		15,358

5. DEFERRED GRANTS

Deferred grants consists of the following:

	2019	2018
	$	$
Balance - beginning of year	**5,000**	-
Funds received - Ontario Trillium Foundation	**27,000**	-
Funds received - Canada Arts Presentation	**11,000**	10,000
Funds received - Kaleidoscope in Schools	**75,000**	-
Recognized as revenue	**(58,500)**	(5,000)
	59,500	5,000

The Ontario Trillium Foundation funds are restricted in that the expenditures incurred must be used to meet certain expected results and performance indicators as outlined by the agreement. Funds received from the Ontario Trillium Foundation are recognized as revenues when the related expenditures are incurred. The funding period is September 17, 2019 - September 16, 2020.

The Canada Arts Presentation funds are restricted in that the expenditures incurred must be used to cover costs for artists to host educator workshops as outlined by the agreement. Funds received from the Canada Arts Presentation are recognized as revenues when the related expenditures are incurred. The funding period for this revenue is April 1, 2019 to March 31, 2020.

The Kaleidoscope in Schools funds are restricted in that the expenditures incurred must be used to fund the Kaleidoscope in Schools program. Funds received are recognized as revenues when the related expenditures are incurred.

6. DEFERRED CONTRIBUTIONS

The Organization's deferred contributions consists of the following:

	2019	2018
	$	$
Balance - beginning of year	**50,886**	4,744
Funds received - special project	**-**	50,000
Amortization of deferred contributions	**(7,423)**	(3,858)
	43,463	50,886
Less: current portion	**28,607**	41,087
	14,856	9,799

The deferred contributions consist of restricted donations relating to the purchase of certain capital assets and future program expenditures. The donations relating to the purchase of capital assets are recognized as revenue at the rate of amortization of the capital assets acquired and the program expenditures donation is recognized as revenue in the designated operating period.

7. INTERNALLY RESTRICTED

The Organization's internally restricted net assets consists of the following:

	2019	2018
	$	$
Classical Music Series Fund	**69,267**	71,991
Contingency Fund	**152,274**	147,000
Special Project Fund	**20,000**	20,000
	241,541	238,991

The Board of Directors approved to internally restrict $5,274 (2018 - $22,000) from the unrestricted net assets to the Contingency Fund. In addition the Board of Directors approved a transfer of $2,725 from the Classical Music Series Fund to the unrestricted fund (2018 - $3,450 from the unrestricted fund to the Classical Music Series Fund).

The purpose of the Classical Music Series Fund is to support future classical music programming as specified by the donor, unless otherwise approved by the Board of Directors.

The purpose of the Contingency Fund is to provide the Organization with sufficient working capital should the Organization experience a significant decline in future funding, or to facilitate an orderly wind up of the Organization's operations in the event that the Organization could not continue with its day to day operations. Disbursements made out of this fund must be approved by the Board of Directors.

The purpose of the Special Project Reserve Fund is to provide the Organization with sufficient funds for various projects as determined from time to time by the Board of Directors.

8. CREDIT FACILITY

The Organization has a credit card that bears interest at 19.50% per annum. The authorized limit is $10,000 and available credit at year end is $5,906 (2018 - $7,084).

9. PROGRAM EXPENDITURES

The Organization's Provision of Cultural Service Agreement ("the Agreement") with the Town of Aurora (see Note 11) contains certain clauses regarding Key Performance Indicators ("KPI"). In order to provide information in respect of program expenditures, management has identified all expenditures related to programming which amount to $694,315 (2018 - $591,761). Included in this amount are administrative salaries and benefits of $153,298 (2018 - $137,752) which have been allocated to program expenditures based on the estimated amount of time spent as determined by management.

10. GRANT REVENUE

Included in total revenue are the following grants:

	2019	2018
	$	$
Municipal grants	**465,700**	415,700
Federal grants	**46,231**	-
Provincial grants	**10,000**	27,414
	521,931	443,114

11. ECONOMIC DEPENDENCE

The Organization's revenues, substantially derived from a grant of $465,700 (2018 - $415,700), is received from the Town of Aurora. A Provision of Cultural Services Agreement with the Town of Aurora dated January 1, 2013 stipulates that the Organization should make an annual request for grant funding to Council in accordance with the Town's current budget guidelines and requirements and shall be subject to Council approval. This agreement is effective until December 31, 2027.

In addition, the annual facility rent payable under the lease with the Town of Aurora is $1 per annum. This agreement is in effect until December 31, 2027.

The Town of Aurora may at any time terminate these agreements while providing the Organization with six months notice.

The Organization is dependent on this grant and lease for its continued existence and ability to carry out its normal activities.

12. FINANCIAL RISKS AND CONCENTRATION OF RISK

The financial risks and concentration of risks are as follows. There has been no change to the nature of any of the risk exposures from 2018.

Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss.

The Organization maintains its cash and deposits with a single federally regulated Canadian financial institution.

13. SUBSEQUENT EVENT

In March 2020, the World Health Organization declared the outbreak of COVID-19 as a pandemic, resulting in the federal, provincial, local governments and private entities mandating various restrictions, including but not limited to travel restrictions, restrictions on public gatherings, closure of non-essential businesses, and stay at home advisories. These advisories and closures have extended to cultural programs and events that this Organization provides to its members and the public at large. In recognition of this international health emergency, the Organization closed its venue and cancelled programs as of March 13, 2020. Where possible staff have moved to remote offices and the delivery of cultural services virtually. Future programs and events requiring physical proximity have been postponed indefinitely.

As the pandemic is complex and rapidly evolving, the Organization will continue to monitor developments and recommendations at the national, provincial and local level in order to evaluate the possible extension to the postponement. The full extent and duration of the impact of COVID-19 on the Organization's statement of operations, financial position and cash flows is currently unknown and depends on future developments that are uncertain and unpredictable, including the duration and severity of the pandemic.

14. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified in order to conform with the basis of presentation adopted in the current year.

As of September 15, 2020

Finance Advisory Committee: Updated Work Plan Outline

(All meetings currently scheduled for Wednesdays 5:45 p.m.)

January 21, 2020

- ONE Joint Investment Board Participation – Investment Policy Statement
- Detailed Budget Review: Community Services (45 minutes)
- Receipt of Planning & Development Services budget materials (review at next meeting)
    - Identification of specific areas of focus for Planning & Development, if any

February 11, 2020 (Cancelled)

March 10, 2020

- Discussion of NEW 2021-2022 Budget Process
- Major Project Update
- Receipt of Planning & Development Services budget materials (review at next meeting)
    - Identification of specific areas of focus for PDS, if any

April 14, 2020 (Cancelled)

May 12, 2020 (Cancelled)

June 9, 2020 (Cancelled)

September 15, 2020

- Detailed Budget Review: Planning & Development Services (45 minutes)
- Major Project Update
- 2019 Year End Financial Performance Report
- 2019 Financial Statements
- Receipt of Aurora Cultural Centre (ACC) budget materials (review at next meeting)
    - Identification of specific areas of focus for the ACC, if any
- Receipt of updated 2020 FAC Work plan

October 13, 2020:

- Detailed Budget Review: Aurora Cultural Centre (45 minutes)
- 2021/22 Draft Budget Introduction
- Summary of FAC accomplishments in 2019
- Receipt of Operational Services budget materials (review at next meeting)
    - Identification of specific areas of focus for Operational Services, if any

November 10, 2020

- Detailed Budget Review: Operational Services (45 minutes)
- Internal audit plan – Update
- Major Project Update
- Receipt of Department of Finance budget materials (review at next meeting)
    - Identification of specific areas of focus for Finance, if any

December 8, 2020

- Detailed Budget Review: Department of Finance (45 minutes)
- Major Project Update