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Town of Aurora
Council Report
No. FIN25-053

Subject: 2025 Interim Forecast Update – as of August 31, 2025

Prepared by: Tracy Evans, Financial Management Advisor

Department: Finance

Date: October 28, 2025

Recommendation

1. That Report No. FIN25-053 be received for information.

Executive Summary

This report presents to Council the information to effectively monitor the financial performance of the Town's operating and capital budget as of August 31, 2025.

- Overall, the tax levy funded operating budget is forecasted to conclude the year with a surplus of \$180,500 by year end
- The Town's water, wastewater and stormwater operations is forecasting a surplus of \$285,200 by fiscal year end
- The forecasted capital spend of \$33.2M as of August 31, 2025 is \$17.5M lower than the Town's forecasted capital spend of \$50.7M as of April 30, 2024
- The Town has spent \$73K on unplanned capital emergency repairs to facility assets to date

These forecasted variances will continue to be subject to change for the remainder of the fiscal year. Future Council decisions may also impact the final financial results. Any operational budget short-falls or surpluses remaining at year end will require an offsetting adjustment from/to the tax rate stabilization reserve as defined in the Town's 2025 Surplus / Deficit Management By-law which was approved by Council on March 25, 2025.

Background

To assist Council in fulfilling their role and responsibilities with respect to Town finances and accountability, Finance has worked with all departments to review the corporation's operations financial performance to date. Each Director has reviewed their department's operating and capital budget versus the results to date and remaining outstanding plans and forecasted an expected year end position. Finance staff have reviewed each submission and performed the necessary consolidation.

Analysis

Overall, the tax levy funded operating budget is forecasted to conclude the year with a surplus of \$180,500 by year end

As of August 31, 2025 the Town's tax levy funded operations are forecasted to finish the fiscal year in a surplus position of \$180,500.

The budget includes \$200,000 for salary gapping savings which is distributed across the departments. This recognizes that during the year there will be some staff turnover and periodic vacancies.

A detailed break-down of the Town's current forecasted variance by division can be found in Attachment 1. This report has been simplified to show only the net budget amount, the forecasted ending position for each item, and the variance to budget. Overall, the Town's approved tax levy funded budget for 2025 includes \$88,462,400 in approved expenditures, funded by \$25,528,400 in revenues consisting of user fees, charges and investment income and a total tax levy of \$62,934,000.

Table 1 presents a departmental summary of the forecasted tax levy funded operating budget variances.

Table 1
2025 Operating Forecast to Year end

\$000s	Budget	Forecast	Variance Surplus/(Deficit)
Council	703.1	702.1	1.0
CAO	1,758.2	1,746.7	11.5
Corporate Services	6,499.0	6,147.4	351.6
Finance	7,655.3	7,378.1	277.2
Fire	13,384.5	13,384.5	-

\$000s	Budget	Forecast	Variance Surplus/(Deficit)
Operational Services	13,060.5	13,098.9	(38.4)
Community Services	13,352.8	13,262.7	90.1
Planning & Development Services	(362.7)	790.5	(1,153.2)
Corporate Revenue & Expenses	6,883.3	6,242.6	640.7
Tax Levy	(62,934.0)	(62,934.0)	-
Total Operating			180.5

A summary of the Town's key forecasted variances by department follows.

CAO and Council

Council and the Office of the CAO are forecasting to conclude the fiscal year with a surplus of \$12,500 on a net operating budget of \$2,461,300. This surplus relates mostly to forecasted savings in consulting and conferences.

Corporate Services

Corporate Services is forecasting a surplus of \$351,600 on a total net operating budget of \$6,499,000. This surplus is mostly attributable to savings in salaries due to temporary position vacancies and lower than anticipated insurance costs.

Finance

Finance is forecasting a surplus of \$277,200 on a net operating budget of \$7,655,300. This surplus is mostly attributable to savings in salaries due to a temporary position vacancy and lower than anticipated software license costs. This is offset by higher than anticipated telecommunication costs.

Fire Services

The total approved 2025 operating budget for Central York Fire Services (CYFS) is \$32,104,740. Aurora's share of this total budget is \$13,384,500. As per normal practice, should a CYFS surplus or deficit arise by fiscal year end, it will be offset by an equal contribution to/from the shared CYFS Reserve, thus leaving the Town's forecasted Fire Services requirements as budgeted.

Operational Services

Operational Services, excluding water, wastewater and stormwater services is forecasting an overall deficit of \$38,400 on a net operating budget of \$13,060,500. Key contributors to this deficit are higher than anticipated costs in Fleet & Equipment due to the increased price of parts and unplanned repairs, as well as emergency repairs in Park lighting. This deficit is offset by waste collection savings and higher than anticipated revenue. Overall, Winter Management is tracking on budget; it's forecasted surplus of \$251,200 reflects a greater proportion of staff time allocated to Road Network Operations. As per the Town's winter control reserve policy, should an overall surplus result by year end the surplus will be contributed to the Winter Management reserve. If a winter management deficit were to be experienced and the overall Town operating budget is unable to accommodate the full reported deficit, any funding shortfall can be drawn from this reserve.

Further, Operational Services' salaries and wages are split between tax levy and rate (water, wastewater and stormwater services) funded programs. In any given year, the operational service staff support of tax levy or rate funded programs can vary, as such costs may shift between these programs based on the operational needs.

Community Services

Community Services is forecasting a \$90,100 surplus on a net operating budget of \$13,352,800. The key contributor to this surplus relates to higher than budgeted community program fitness membership and camp revenues, as well as heating fuel savings. This surplus is offset by higher than anticipated facility repair and maintenance expenses and postage costs.

Planning and Development Services

Planning and Development Services is forecasting a deficit of \$1,153,200 on a net operating budget of \$362,700. This deficit is mostly attributable to lower than anticipated development revenue because of a slow down in developmental activity.

Not included in this variance is a projected Building Services' surplus of \$121,700 as it is a self-funded per provincial legislation. Any variance in Building Services is offset through an equal contribution to/from its dedicated reserve as appropriate. This forecasted surplus is mostly attributable to savings in salaries due to temporary position vacancies which are partially offset by lower-than-expected building permit revenue.

Corporate Revenues and Expenses

Corporate Revenues and Expenses is forecasting a surplus of \$640,700 on a net operating budget of \$6,883,300. This surplus primarily relates to larger than anticipated tax penalty revenues.

Aurora Public Library Contribution

The Aurora Public Library anticipates that it will end the 2025 fiscal year on budget.

Total Tax Levy

The Town is forecasting to collect \$62,934,000 of the budgeted total tax levy. The Tax Levy Funded Net Operating Forecast Update can be found in Attachment #1.

The Town's water, wastewater and stormwater operations is forecasting a surplus of \$285,200 by fiscal year end

The Town's user rate funded operations are currently projected to close the year with a surplus of \$285,200. This surplus mostly relates to anticipated contract savings, that are partially offset by lower than anticipated net retail revenues. Table 2 presents a summary of the Town's rate funded operations forecast to year end. More detail can be found in Attachment 2.

Table 2
2025 Rate Forecast to Year-end

\$000s	Forecast Surplus/(Deficit)
Water Services	(107.2)
Wastewater Services	522.7
Storm Water Services	(130.3)
Total User Rate Surplus (Deficit)	285.2

The summer months tend to have the most significant impact on water and wastewater operations budget performance. The revenues collected for these two services are directly impacted by weather patterns as residents use more or less water outside their homes. The storm water services deficit is the result of lower than anticipated retail revenues, mostly relating to slower than expected new development.

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

The fixed costs relating to water and wastewater services are funded from the net revenues earned by these services which are variable in nature as they are based upon metered water consumption volumes. Stormwater revenues are not subject to the same volatility as it is billed as a flat fee. A reliance upon a volatile revenue source to fund fixed costs subjects the town to an increased risk of being unable to pay for these costs that do not change with water consumption.

The Town's forecasted capital spend of \$33.2M as of August 31, 2025 is \$17.5M lower than the Town's forecasted capital spend of \$50.7M as of April 30, 2025

The presented capital project forecast focuses on planned spending for 2025. As many projects have budgets that span multiple years, any amount of their budget that is forecasted to not be spent this year may be rolled forward, if needed, to future years through the capital budget process.

The Town's projected capital spending for the year as of August 31, 2025, is \$17.5 million (34.5 per cent) lower than the previously forecasted 2025 capital spend of \$50.7

million. A detailed breakdown of the Town's current forecasted capital spend by individual capital project can be found in Attachment 3. A summary of the updated 2025 capital spend forecast is presented under Table 3.

Table 3
Planned 2025 Capital Spending

\$000s	Apr. 30 Forecast	Aug. 31 Forecast	Variance
Growth & New	20,407.5	16,142.6	4,264.9
Asset Management	28,182.1	16,071.7	12,110.4
Studies & Other	2,163.4	1,038.4	1,125.0
Total	50,753.0	33,252.7	17,500.3

This report presents the variance between the forecasted active capital project spend as of August 31 compared to the forecasted spend as of April 30 and provides a brief explanation for each identified material variance. The 2025 forecasted capital spend does not include any projects that were proposed for closure prior to April 30, 2025.

The following is a summary of the Town's key forecasted variances by department for active capital projects.

CAO

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

Fire Services

Fire Services does not have any materials variances of note.

Operational Services

Operational Services is projecting planned capital spending of \$18M as of August 31, 2025, which is \$5.7M lower than what was forecasted on April 30, 2025. Of this variance, \$4M is being deferred to 2026 due to construction delays in numerous parks projects including Mattamy Phase 4/5 Trail, David Tomlinson Nature Reserve and playground, picnic shelter & courts replacement at Fleury Park. In addition, report delays from the CCTV contractor associated with the structural lining of sani sewer mains &

laterals project has resulted in \$1.3M in planned capital work being pushed forward into 2026.

Community Services

Community Services is projecting planned capital spending of \$2.4M as of August 31, 2025, which is \$4M lower than the \$6.4M that was forecasted on April 30, 2025. The SARC Gymnasium project will likely be completed under budget, which has resulted in \$1.1M lower planned spending in 2025. A portion of this spend will now occur at the project's completion in early 2026. An additional \$1.7M in planned facility capital spending was deferred to 2026 due to construction delays for multiple roofing projects and the refurbishment of Victoria Hall.

Planning and Development Services

Planning and Development Services is projecting planned capital spending of \$10.7M, which is \$5.6M lower than what was forecasted on April 30, 2025. This variance is heavily driven by construction delays in various water, stormwater, sani sewer and roads projects which will result in an estimated \$3.8M in planned payments being deferred to 2026.

Finance

Finance is projecting planned capital spending of \$1.9M, which is \$2.1M lower than what was forecasted on April 30, 2025. The key contributor of this variance is \$1M in planned spending being deferred to 2026 for the Advanced Metering Infrastructure and Financial System projects. Delays to multiple IT projects will also result in \$1M in funds being spent in 2026.

Corporate Services

Corporate Services is projecting planned capital spending of \$190K, which is \$149K lower than what was forecasted on April 30, 2025. The main driver of this variance includes \$90K in planned spending for the Parks Accessibility Assessment now expected to occur in 2026 as the Town awaits billing from the vendor.

The Town has spent \$73K on unplanned capital emergency repairs to facility assets to date

There is one active unplanned capital emergency repair project within the Town's 2025 capital plan. The purpose of this project is to fund unexpected minor facility

rehabilitation and replacement requirements within its capital program. This project’s scope is restricted to only unplanned expenditures stemming from existing or new minor capital expenses that may arise during the year. Each emergency repair project must be closed at each fiscal year-end and a new project established in the following year, if needed. A summary of the Town’s unplanned emergency repairs contingency spending in 2025 can be found under Table 5.

**Table 5
Unplanned Emergency Repairs Contingency Spending**

Project Name	Planned / Budgeted Spend 2025	Actual Spend for 2025	Variance: Budget vs Actuals
AM0380: Unplanned – Facilities Emergency Repairs Contingency (2025)	100,000	73,462	26,538
Total	100,000	73,462	26,538

Advisory Committee Review

Not applicable

Legal Considerations

None

Financial Implications

The final annual surplus or deficit in the tax and user rate operating budgets will be allocated by Council to / from various reserves at fiscal year end as per the Surplus/Deficit Management By-law 6607-24.

Capital projects will be funded throughout the year to match the progress spending in the project. As some planned capital spending is delayed into future years, this will enable the Town to invest these associated earmarked funds on a short-term basis resulting in additional investment income for the Town. The next budget process will consider the current year’s forecast along with an update to future cash flow requirements for approved projects as part of the 10-year capital plan.

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

Communications Considerations

The Town of Aurora will inform the public about the information contained in this report by posting it to the Town's website.

Climate Change Considerations

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

Link to Strategic Plan

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

Alternative(s) to the Recommendation

Not applicable

Conclusions

Having completed eight months of operations, the Town is presently forecasting to end the year with a positive variance of \$180,500 from its tax levy funded operations. This forecast will continue to change over the remainder of the fiscal year and be subject to other more normal influencing variables such as the actual level of town services consumed by fiscal year end.

The user rate funded budget is presently forecasting to conclude the year with a surplus of \$285,200.

Any remaining surplus or deficit at fiscal year end will be offset through a contribution or draw from the tax rate stabilization reserve as per the Town's 2025 Surplus/Deficit Management By-law 6686-25 which was approved by Council on March 25, 2025.

As of the end of August 31st the Town is forecasting to spend \$17.5 million less than what was previously forecasted at the end of April for all active capital projects. Most of these capital cash outflows will be deferred and spent in 2026 and beyond.

Attachments

Attachment 1 – 2025 Interim Tax Levy Funded Net Operating Forecast Update – as of August 31, 2025

Attachment 2 – 2025 Interim Water Rate Funded Net Operating Forecast Update – as of August 31, 2025

Attachment 3 – 2025 Budgeted Capital Spend Forecast Update – as of August 31, 2025

Pre-submission Review

Agenda Management Team review October 14, 2025

Approvals

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

Approved by Doug Nadorozny, Chief Administrative Officer