

**Present:** Mayor Mitchell (participating electronically)  
Councillor Leahy (participating electronically)  
Councillor Lee (participating electronically)  
Councillor Newman (participating electronically)

**Also Present:** M. Gaskell, Chief Administrative Officer  
F. Wong, Commissioner of Financial Services/Treasurer  
A. McCullough, Director of Finance/Deputy Treasurer  
B. Bolt, Senior Manager, Treasury Services  
C. Harris, Town Clerk  
K. Narraway, Manager of Legislative Services/Deputy Clerk  
(Recording Secretary)

**Regrets:** None noted

---

Call to Order: The Mayor

1. Declarations of Pecuniary Interest

1.1 There were no declarations of pecuniary interest.

2. Items for Consideration

2.1 Financial Services Department Report, FS 51-21  
Re: 2020 Year End Communication and Financial Statements

F. Wong, Commissioner of Financial Services/Treasurer provided a brief overview of the process to prepare the financial statements and thanked Staff for their efforts.

S. Stewart, Partner, Deloitte LLP, provided an overview of the 2020 Year End Communication and Financial Statements. Mr. Stewart noted that the financial statements present fairly the financial position of the Corporation as of December 31, 2020 in accordance with Canadian Public Sector Accounting Standards (PSAS). He indicated that the audit focused on risk, with more attention paid to higher risk areas. He advised that significant risks include revenue recognition due to its complexity and management override controls which is required to be treated as high risk under Canadian auditing standards. He noted that

revenue recognition is complex due to the collection of development charges and government grants, including government grants received during the COVID-19 pandemic. He advised that the materiality level used for the 2020 audit was \$4.4 million, and that no misstatements or errors were identified. Mr. Stewart advised that the audit is now largely complete and that there are no subsequent events that should modify the results and that he would be in a position to issue a final opinion after today's meeting.

A question and answer period ensued between Members of Council, Mr. Stewart, and Staff regarding:

- clarification about the change in taxation revenue year over year;
- the amount of households in tax arrears totaling approximately 4,000 in 2020 versus 3,700 in 2019;
- the rate of interest on the Elexicon promissory note and whether it was a fixed or variable rate;
- projected changes to the dividends paid to the Town by Elexicon and how that will be accounted for in future budgets;
- how the Town recognizes revenues such as development charges, grants, and developer contributions at the time they are spent on capital projects versus the time they are received;
- if additional revenue recognition is forecast in 2022 as the economy recovers and the pace of development increases;
- the shift in cash balance between 2019 and 2020 due to the movement of funds into long-term investments;
- clarification about an increase to employee future benefits liability due to a recently completed evaluation which replaced the evaluation used to compile the 2019 financial statements;
- how the hiring of a new crew of firefighters in 2017 impacted the employee future benefits liability;
- the actual benefit premiums paid by the Corporation;
- the variable interest rate paid annually on long-term debt issued through the Region of Durham; and,
- how the COVID-19 pandemic may impact the Town in the future and if there will be an opportunity to understand the total financial impact of the pandemic in the future.

Recommendation:

Moved By Councillor Leahy

1. That Report FS 51-21 of the Commissioner of Financial Services be received for information.

2. That the Corporation of the Town of Whitby's Audited Consolidated Financial Statements for the year ended December 31, 2020 be approved.
3. That Deloitte LLP be engaged to perform the audit of the Town of Whitby's financial statements for the years ending December 31, 2021.

**Carried**

3. Adjournment

**3.1** Motion to Adjourn

Recommendation:

Moved By Councillor Leahy

That the meeting adjourn.

**Carried**

The meeting adjourned at 2:37 p.m.

---

Don Mitchell, Mayor, Committee Chair

---

Christopher Harris, Town Clerk