

Present: Mayor Mitchell (Participating Virtually)
Councillor Drumm (Participating Virtually)
Councillor Leahy (Participating Virtually)
Councillor Lee (Participating Virtually)
Councillor Newman (Participating Virtually)

Also Present: M. Gaskell, Chief Administrative Officer
F. Wong, Commissioner of Financial Services/Treasurer
A. McCullough, Director of Finance/Deputy Treasurer
R. Zheng, Senior Manager, Treasury Services
C. Harris, Town Clerk
K. Douglas, Legislative Specialist (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 06-21
Re: 2019 Year End Communication and Financial Statements

S. Stewart, Partner, Deloitte LLP, provided an overview of the 2019 Year End Communication and Financial Statements. Mr. Stewart noted outstanding matters, including receipt of the signed management representation letter, legal responses, and other audit procedures. He advised that the materiality level used for the 2019 audit was \$4.3 million, and that no misstatements were identified. Mr. Stewart noted the satisfactory audit response to potential fraud risks such as revenue recognition and management override of controls. He explained that when Veridian Corporation and Whitby Hydro Energy Corporation amalgamated to form Elexicon Corporation in fiscal 2019, the Town's ownership interest in Elexicon increased in value by \$26 million. Mr.

Stewart further explained that the 2019 audit was delayed by factors such as the COVID-19 pandemic and turnover of Town staff.

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

- clarification on the audit risks and results;
- whether the Town's tangible capital assets are recorded at fair market value, replacement cost, or historical cost;
- clarification on how the increase to the Town's ownership interest in Elexicon was determined, and whether Veridian recognized a similar increase to their ownership interest; and,
- whether the Town will consider analyzing relevant policies and procedures during the 2020 audit.

Recommendation:

Moved By Councillor Leahy

1. That Report FS 06-21 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, 2019 be approved; and,
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 Lee

That the meeting adjourn.

Carried

The meeting adjourned at 12:24 p.m.

Don Mitchell, Mayor, Committee Chair

Christopher Harris, Town Clerk