

Glossary

Term	Definition
Accrual	The accrual basis of accounting recognizes revenue and expenses in the period in which the transactions or events occurred based on when the goods or services are acquired, regardless of whether payment has been made or invoices received.
Annual repayment limit	The limit set by provincial regulation on a municipality's debt charges, calculated annually by the province as the municipality's debt and financial obligation limit. The limit is 25% of a municipality's own-source revenues, as defined in the regulation and excluding development charge collections.
Assessment growth	The increase in assessment value during the year as the result of new properties and improvements to existing properties. In preparing a budget, the current year's associated revenue is included in the forecasted revenues for the following budget year, when the tax on the new or improved property will be levied.
Assessment value	Value of property as determined by the Municipal Property Assessment Corporation. This value is not the same as market value for a property.
Asset management	In the context of the budget, capital projects which are proposed to maintain/extend the life cycle of a capital asset.
Balanced budget	As required for Ontario municipalities under the Municipal Act, municipal budgets must be balanced. This means the estimated revenues must be equal to estimated spending.
Budget	A policy and a financial plan that puts resources in place to implement goals and priorities of the organization, ensuring reliable public service delivery.
Capital budget	The budget for the planning, design, construction/acquisition and renewal of the Town's capital assets.
Capital budget authority (CBA)	The total value of capital project budget approval, including prior inception-to-date spending, the current year forecast and budget for future years that requires contractual commitments.
Capital expenditures	Planned or actual spending on capital projects including consulting, construction and purchased asset costs.

Term	Definition
Capital planning	A Fiscal Strategy pillar which reflects a long-term capital plan that ensures the Town's current and future capital asset goals and objectives are met.
Contractual commitments	An agreement to purchase goods and/or services from a vendor.
Contributions to reserve	Funds contributed to reserves in the Operating Budget which are used to fund reserves including projects in the Capital Budget.
Conversion	A temporary staff position that is converted to permanent.
Debt	Money owed by the Town. For Ontario lower-tier municipalities, all debt issuances must be issued by the upper-tier York Region.
Debt Management	A Fiscal Strategy pillar which ensures debt financing is used to manage the long-term financial flexibility of the Town.
Development Charges	Rates levied on new development, whether residential or non-residential, and set by Council through a Development Charge by-law.
Financing	The issuance of debt or borrowing between reserves to support funding for a capital project.
Fiscal Strategy	The Town's long-term financial strategy focused on financial sustainability by balancing four pillars: capital planning, reserve management, debt management and revenue management.
Fiscal year	The 12-month fiscal year for the Town is the calendar year.
Fund balance	See reserve
Funding	The allocation of funds from a reserve to a capital project equal to the amount of capital expenditures.
Multi-year budget	An operating budget seeking the approval of two or more years.

Term	Definition
Net tax levy	The portion of the Operating Budget that is paid by the tax levy after all other funding sources, including grants user rates and user fees, are considered.
Northern six or N6	This refers to the northern six municipalities in York Region that work in partnership on many initiatives. These municipalities include Aurora, East Gwillimbury, Georgina, King, Newmarket and Stouffville.
Operating budget	Outlines the spending and revenues to support the costs to deliver services and the funding of capital reserves.
Reserve, fund balance, reserve fund	<p>Money designated for a particular purpose that is held separately from other financial assets in reserves. Interest earned on reserves is held within the reserve fund.</p> <p>There are two types of reserve funds. Obligatory reserve funds are required under provincial statute, while discretionary reserve funds are created by Council.</p> <p>The reserve fund balance is the amount of money in a reserve fund at a given date.</p>
Reserve management	A Fiscal Strategy pillar which maintains reserves to meet the needs of the long-term capital plan and manage the risk for unexpected economic impacts.
Revenue management	A Fiscal Strategy pillar which optimizes revenues from all available sources to ensure reserves are adequately funded.
Stabilization reserve	A tax funded reserve used to manage impacts to the tax levy and be available to manage unforeseen circumstances.
Supplementary taxes	Property taxes collected on increased assessment value during the year, before becoming assessment growth revenue in the following year. The amount assumed is net of tax write-offs.
Tax levy	The portion of funds that are collected through property taxes on taxable and payment-in-lieu assessment of the residential, farm, commercial, industrial and other categories of property.
Tender	The method of soliciting bids for goods and services in a procurement process which results in the award of a contractual commitment.

Term	Definition
York Region	The Regional Municipality of York is the upper-tier municipality to which the Town of Aurora is located in.
