

**2004 CONSOLIDATED FINANCIAL STATEMENTS, TRUST FUND
STATEMENTS AND ANNUAL OPERATING REPORT FOR THE
CORPORATION OF THE CITY OF VAUGHAN AND AUDITOR'S REPORT**

Recommendation

The Commissioner of Finance & Corporate Services in consultation with the Director of Finance recommends:

1. That the following report be received; and
2. That the 2004 Consolidated Financial Statements and Trust Fund Statements (Attachment 1) be received and;
3. That the confidential report to Audit Committee for the year ended December 31, 2004 from KPMG (Attachment 2) be received for information; and
4. That the Operating Variance Report for the Fourth Quarter of 2004 (Attachment 3) be received.

Economic Impact

There is no economic impact as this is an information item.

Purpose

To present Council with the 2004 Consolidated Financial Statements and Trust Funds, the City's Auditors (KPMG) Confidential Report for the year ended December 31, 2004 and the Operating Variance Report for the Fourth Quarter of 2004.

Background - Analysis and Options

For the year ending December 31, 2004, attached is the City of Vaughan Consolidated Financial Statements and related notes. These consolidated Financial Statements include the net operations, assets and liabilities of the various Vaughan Hydro corporations, the Current Fund Operations, including the Water and Wastewater Operations, Capital Fund Expenditures, the Schedule of Reserves and Reserve Funds, the Trust Fund Financial Statements. The Trust Fund statements are not consolidated with the City Financial Statements.

Also attached is the Auditors Report and the year-end operating variance analysis (Attachment 3) comparing actual operating results to the 2004 annual operating budget. This report provides the current status of both departmental and corporate expenses and revenues for the year ended December 31, 2004.

Financial Reporting for 2004

Municipalities have been required since 2000 to adopt the applicable local government sections of the accounting and reporting recommendations set out in the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants (CICA). The City's annual audited financial statements and the provincial financial information return (FIR) reflect these reporting requirements.

2004 Financial Overview

The City of Vaughan's 2004 Financial Statements demonstrate a continued strong position in many key financial areas. The City's Reserves have increased. Part of the increase is a result of the significant dividend received from Hydro. The reserve balances in the financial statements are not net of commitments. Reserve balances are expected to decline as these commitments are fulfilled. Permit fees and user fees provide a continuing revenue base for the City, and the City's cash and investment levels continue to be significant as seen in Exhibit 1. This strong position is a result of Council's commitment to sound fiscal policies, including the adoption of fiscally responsible operating and capital budgets, the development charges net deficit reduction plan, the long range financial planning targets, establishment of new reserves and financial policies as required. Only through Council's ongoing support for these financial policies has the City been able to achieve this increased financial flexibility. This approach provides Council more control over increases in the municipal portion of the property tax rate, the timing and funding of capital projects now and into the future.

The following will provide a financial overview with respect to:

- The Corporation's Consolidated Balance Sheet as at December 31, 2004. The Consolidated Balance Sheet includes the results of the operations of the City, water and wastewater operations, capital fund, reserves and reserve funds, the Kleinburg Business Improvement Area, Hydro Vaughan Corporations, and PowerStream Inc.
- Also included is the review of the City's 2004 Departmental Operating Variance Report, Attachment 4.

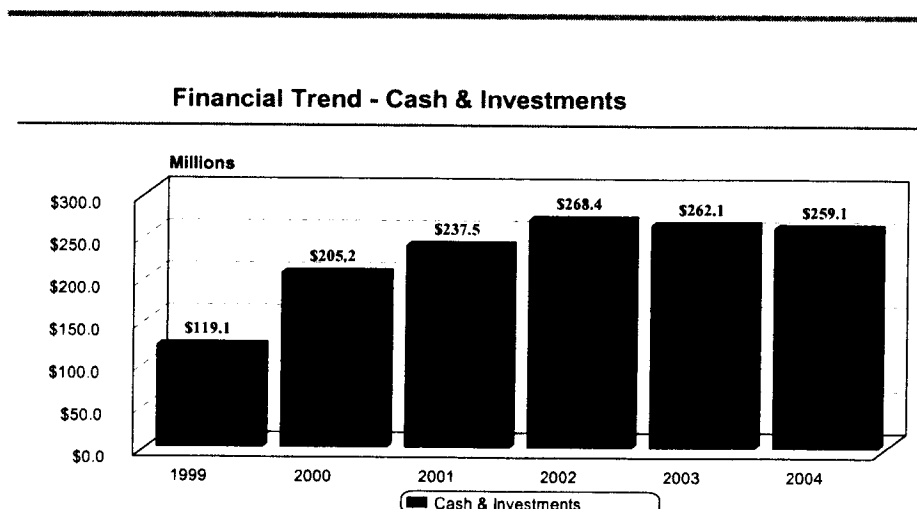
2004 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

Cash and Investments

The cash balance, including outstanding investments is \$259.1 million (2003 \$262.1m) at the end of 2004. The following graph (Exhibit 1) illustrates the significant improvement and strength in the City's cash and investments positions over the past number of years.

EXHIBIT 1



Taxes Receivable

In 2004, taxes receivable totalled \$30.4 million (\$28.8m 2003) an increase of \$1.6 million from 2003. This increase is attributable to a number of factors: supplemental billings were significantly higher, and the amount of annual property tax billing increased due to growth and volume of billings.

Water and Wastewater Receivable

In 2004, the water and wastewater receivables total \$11.9m (2002 \$9.5m) an increase of \$2.4 million over 2004. The increase is due to the continuing growth in the Residential, Commercial sectors thereby increasing the demand for water and wastewater services.

Accounts Receivable / Other Current Assets

The City's accounts receivable totalling \$17.7m comprise a wide range of monies owing from various levels of government, outside agencies, ratepayers, etc. More specifically, included in this figure are monies owing to the City for GST refunds, miscellaneous receivables, Metro Toronto, Region, and other governments or agencies.

Investment in Hydro Vaughan Corporations and PowerStream Inc.

The Hydro Vaughan corporations are: Hydro Vaughan Distribution Inc., up to May 2004, Hydro Vaughan Holdings Inc., Vaughan Holdings Inc., and Hydro Vaughan Energy Corporation, the numbered company, and PowerStream Inc. The consolidation is based on the modified equity basis as required by PSAB. That is the Hydro company's and PowerStream's net assets and net income are totalled and shown as an investment on the statement of financial position and net income is presented as a separate item on the statement of financial activity.

The total investment in all corporations increased to a net of \$226.3 million (\$221.9m 2003). The net change in investment is comprised of a decrease in share capital of \$36.2m due to a reallocation to notes receivable and an adjustment for the contribution of share capital to PowerStream totalling \$2.9m. The notes receivable increased by \$27.6m due to the above referenced reallocation and a partial payment of \$5.7m to the City. Dividends of \$26.9m were declared but were not paid in 2004. The investment increased as a result of the proportionate share of PowerStream contributed surplus, a net of \$8.6m. Interest was earned and partially paid with a net investment impact of \$1.5m.

At December 31, 2004, Hydro Vaughan Corporations are 100% owned by the City of Vaughan. The City's interest in the Hydro Corporations and the City's share of PowerStream at 59% is comprised of share capital of \$87.4m, notes receivable of \$95.4m, dividend and interest receivable of \$30.1m, and accumulated earnings as at December 31, 2004 of \$13.3m totalling \$226.2m.

LIABILITIES

Accounts Payable and Accrued Liabilities

In 2004, the total current liability balance of \$89.1m (\$77.7m, 2003) increased by \$11.4 million over 2003. These liabilities represent accrued and general liabilities owing by the City to suppliers and contractors, outside agencies, other governments, school boards, operating, capital expenditures and other financial obligations and the increase is the result of increase in both growth and capital infrastructure expenditures.

Employee Future Benefit Liability

These liabilities consist of post employment retirement benefits of \$25.2m (\$23.2m 2003) million which is based on an actuarial study and represents the retirement benefits that have accrued over the service life of the employees to-date but not yet paid. Council created a reserve as part of a financial strategy in 2002 and this reserve totals \$2.8 million (2.8m 2003). Other liabilities included under this caption are: Vacation pay \$1.4 million and Sick Leave Benefit Plan \$31,208, and Worker Compensation Board Liabilities \$33,277. Generally these liabilities are employee benefits earned during the course of employment and will be paid out in the future.

Deposits and Deferred Revenue

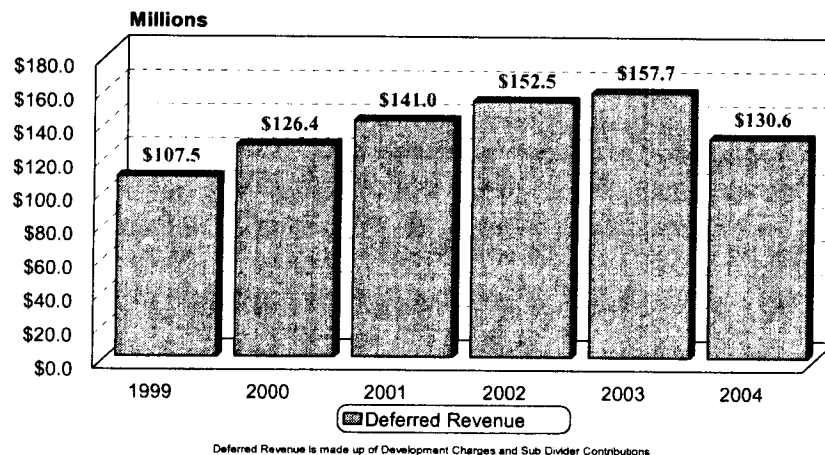
Deposits and deferred revenue of \$8.4m increased over 2002 (7.9m), by \$0.5 million. This amount represents pre-paid funds held by the City for various services to be rendered in the future.

Deferred Revenue

Development Charge and Park funds are now classified according to PSAB as deferred revenue and are shown on the balance sheet as a liability \$130.6m previously they were shown as reserve funds. The trend as shown in the graph below (Exhibit 2) has been positive indicating a strong deferred revenue balance. The Deferred Revenues in 2004 show a significant decrease of a net \$27.1 million over 2003. This change can be attributed to a decrease development in the City thereby reducing development charges revenue and the drawdown of these funds for capital projects in 2004. The year-end funds on hand have not been adjusted for outstanding capital budgetary commitments at the end of the year.

EXHIBIT 2

Financial Trend - Deferred Revenue



Long Term Liabilities (Municipal Debt)

Long-term liabilities represent the outstanding debenture debt of \$7.3m (2003 0.9m) at the end of 2004, and will be recovered in future years from operating revenues. The municipal debt balance increased by \$5.1m as a result of a long term agreement with Ivanhoe Cambridge.

MUNICIPAL POSITION

The Municipal Position represents the net financial position of the City and is comprised of future financial obligations, Fund balances for Operating, Capital, Reserves and includes the equity in the Hydro Corporations. The municipal position in terms of the Balance Sheet is the difference between assets and liabilities. This net figure represents a municipality's ability to meet future financial needs of the community.

Amounts to be Recovered

These obligations are to be recovered in the future and total \$24.3 million (2003 \$23.3m).

Municipal Long Term Debt and Debentures	\$ 0.6 million
Post Employment Benefits	\$23.7 million

These amounts will be recovered from future operating revenues and the City's established reserves.

Current Fund

The fund balance includes a carry forward of \$3.4m and a reduction to the fund as a result of a Hydro declared dividend and interest totalling \$26.7m. The dividend was not paid therefore the current fund balance is (\$26.6m). Under the PSAB standard, government business enterprises are on a cash basis.

Capital Fund

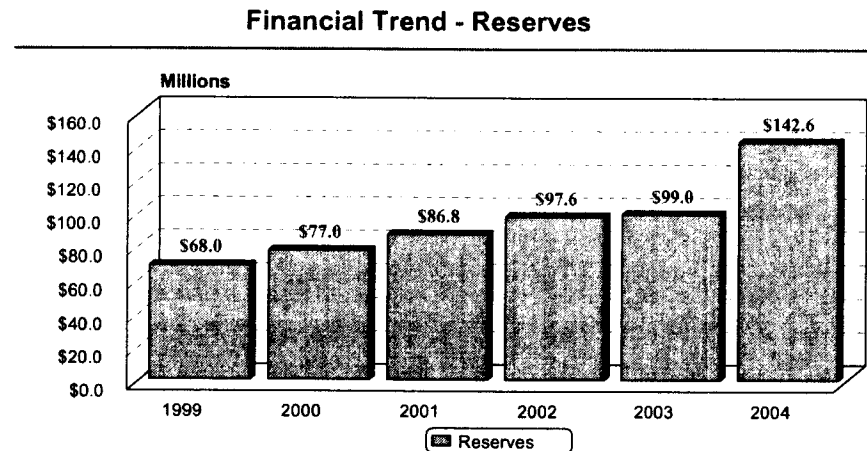
The Capital Fund balance represents a net position of those capital projects that are in progress or completed for which funding is pending, partially received or not in place at this point. This balance also includes those projects that have been pre-funded. At the end of 2004 the unfinanced balance totalled \$36.5m (\$28.9m 2002). The majority of the funding for the unfinanced balance will be from debentures totalling \$35.4m to be issued over the next few years.

City Reserves

Reserves total \$142.6 million (2003 \$99.0m). This increase is largely attributable to a declared dividend from the former Hydro Vaughan Distribution Inc. and the annual operating fund contributions. Reserve balances do not reflect commitments. Reserves are discretionary funds set up by Council and their use is not restricted. Without an adequate level of reserves, the municipality has limited alternatives but to raise the tax rate to fund unforeseen or extraordinary expenses, and when revenues decline. Reserves assist in moderating changes in the tax rate and are also established to provide adequate funding for the financial obligations that are known today but will be incurred in the future. In addition, with low levels of reserves, any temporary financing that a municipality requires would be through a financial institution thereby incurring additional interest costs. Therefore the preferable method of financing is self-financing through reserves.

Reserves continue to show steady growth as shown in Exhibit 3 below.

EXHIBIT 3



For 2004 Reserves totalled \$142.6 million (2002 \$99.0m) an increase over 2003, of \$43.6 million. As stated previously the year-end funds on hand have not been adjusted for outstanding budgetary commitments.

Target - Discretionary Reserve Funds

The overall increase in reserves was possible as a result of Council's adoption of financial policies, including those that were approved in the Long Range Financial Planning Working Sessions. These policies and others will continue to contribute to the financial well being of the City as shown in 2004 results. However the policies must be reviewed continually to ensure they address all relevant issues each year.

Investment in Hydro Vaughan Corporations and PowerStream Inc.

The City has incorporated corporations under the provisions of the Ontario Business Corporation Act. A new Hydro company, Vaughan Holdings Inc., was incorporated and established in 2004. The corporations that were established and 100% owned and controlled by the City collectively referred to as Hydro Vaughan Corporations are as follows:

- Hydro Vaughan Energy Corporation;
- Hydro Vaughan Holdings Inc;
- 1446631 Ontario Inc; and
- Vaughan Holdings Inc.

The new hydro company, Vaughan Holdings Inc. was established to hold the shares of the new amalgamated utility PowerStream Inc. noted below.

In June 2004, having received the necessary regulatory approval from the Ontario Energy Board, the City of Vaughan entered into a Shareholder's Agreement with the Town of Markham for the purpose of merging their Hydro utility companies under the Electricity Act. Once the merger agreement was executed a new Hydro utility was established, jointly owned by the City of Vaughan with 59% equity share and the Town of Markham at 41% equity share.

Following is the investment in the established corporations:

	2004 (Million)	2003 (Million)
ASSETS		
Current Assets	\$ 195.1	\$ 121.2
Capital Assets	350.6	201.0
Regulatory and Other Assets	5.3	4.5
Goodwill	33.0	16.3
Total Assets	584.0	343.0
LIABILITIES		
Current Liabilities	157.0	50.8
Consumer Deposits	11.5	13.4
Debenture Payable	100.0	52.5
Other Liabilities	21.0	4.3
Total Liabilities	289.5	121.0
Town of Markham's Proportionate Share - PowerStream	(68.2)	----
Net Assets	\$ 226.3M	\$ 222.0M

2004 Consolidated Statement of Financial Activities

The Consolidated Statement of Financial Activities includes the City's Operations, Hydro Vaughan Corporations, PowerStream Inc., Water and Wastewater Operations and the Kleinburg Business Improvement Area.

Consolidated Financial Activities

The following is a brief review of the consolidated statement of Financial Activity, a more detailed analysis is provided under the Departmental Annual Operating Variance report. The overall consolidated revenues total of \$246.9m (2003 \$209.7m), this amount includes revenues of the Hydro Corporations totalling \$12.6m and Water/Wastewater revenue of \$39.1m, the Capital fund totalling \$46.6m and property taxation \$85.2m and user charges \$35.0m.

Total expenditures for the Current fund is \$159.8m (2003 \$150.3m) including water and wastewater, Employee Post Retirement expense and other PSAB financial entries as required. The Capital fund actual expenditures came in at \$76.0m (2003 \$60.3m).

Conclusion

As a direct result of Council policies and Management's efforts, the financial resources of the municipality continue to improve.

Financial stability and strong reserve balances assists in creating the following:

- Financial flexibility for the municipality;
- Increased control over the municipal portion of the tax rate;
- Effective timing of capital projects;
- Generally healthy municipal environment; and
- Positive awareness amongst the private sector, government and the municipal community.

Notwithstanding the financial improvements that have been made, continued investment in the areas of buildings & facilities, roads, parks and other infrastructure must continue, to secure the City of Vaughan's financial future and meet our long term goals. Staff are currently undertaking a long-range financial planning exercise to review the City's financial objectives, targets and policies to achieve Councils' goals.

Attachments

No. 1 - 2004 Consolidated Financial Statements and Trust Fund Statements

No. 2 – KPMG Confidential Report to Audit Committee for the year ended December 31, 2004

No. 3 - 2004 Annual Operating Variance Report

Respectfully submitted,

Clayton D. Harris, CA
Commissioner of Finance and Corporate Services



2004 ANNUAL OPERATING REPORT

2004 Annual Operating Variance Report

The December fourth quarter variance analysis attached compares actual operating results to the annual operating budget. This report provides the status of both departmental and corporate expenses and revenues for the year relative to the 2004 annual operating budget. This report includes all necessary year-end entries and accruals which recognize revenues, contracts, materials, salaries, wages and services that were received or earned but not yet paid by the end of the year.

Following are the highlights of both departmental and corporate revenues and expenditures.

Revenue

Overall revenues came in at \$143.0m, 2.0m over the budget. Property taxation, supplemental taxes and payment-in-lieu came in at \$82.6 million or 60% of the total: Fees/Service charges at \$28.7 million or 21% of the total and the balance corporate, reserves, surplus carry forward coming in at \$25.4 million or 19%.

	<u>Actual</u>	<u>Variance</u>
	(Million)	(Million)
Property Taxation	\$75.8	\$0.0
Supplemental Tax	3.8	1.0
Grant/PIL	<u>3.0</u>	<u>(0.1)</u>
Total Taxation	\$82.6	\$0.9
Reserves	9.8	0.1
Corporate	14.4	1.0
2003 Carry Forward	<u>1.6</u>	<u>(0.9)</u>
	\$25.4	\$0.2
Fees & Service Charges	<u>28.7</u>	<u>0.9</u>
Total Revenue	<u>\$136.7M</u>	<u>\$2.0M</u>

Taxation and Supplemental Taxes

Taxation revenue of \$75.8m represents the residential, commercial, industrial and other properties final and interim property tax billings based on assessment totalling \$31.4 billion.

Supplemental taxes represent those taxes billed annually for newly constructed properties that were not placed on the roll at the beginning of the year and omitted properties. The four billings (City portion) totalled \$3.8m and exceeds the annual budget by \$1.0m.

Grant/Payment-in-Lieu

The Payment-in-Lieu taxes are property tax billings on Provincial, Federal, Railway lands and Regional properties and Hydro right of ways. Payment-in-lieu billings total \$3.0m, \$117,000 under budget.

Reserves & Corporate Revenue

Reserve contributions totalling \$9.8m are slightly over budget \$0.1m as a result of a net of increase in contributions from the capital fund as a result of the volume of Capital projects. Corporate revenue budgeted at \$13.4m came in at \$14.4m and is over the annual budget by \$970,000. The more significant differences are:

- Investment income totaling \$1.6m is under budget significantly as a result of lower than expected interest rates in 2004.
- Additional investment income was received which included dividends from Hydro Vaughan Distribution Inc., \$900,000 paid in 2004 but approved to 2003 and \$1.3m investment income from Hydro companies and PowerStream.
- Provincial Offences Act revenue totaling \$1.0m is \$308,000 over budget due to increased fines issued in 2004.
- Property Tax Fines and Penalty are up slightly coming in at \$3.6m or \$82,000 over budget.

Fees and Service Charges

Fees and service charges total \$28.7m at the end of the year, \$882,000 or 3% over the annual budget of \$27.8m. Some of the more significant differences are:

- By-law Enforcement revenue was lower coming in at \$1.2m as a result of fewer number of convictions, fewer fines, violations that were dismissed in court resulting in \$905,000 shortfall. This may be partially offset by the POA revenue above.
- Building Standards permit revenue came in at \$8.7m, \$330,000 under the annual budget of \$9.0m. This is the result of the slightly slower growth in residential, commercial, and industrial development in the City.
- Fire revenue is up significantly coming in at \$1.0m as a result of the clean up charge at 310 Waste.
- Engineering services revenue came in at \$187,000 the unfavourable variance is partially attributable to the transfer of \$356k for Water and Sanitary Connection Services to the Water/Wastewater Operations. This same transfer was completed for expenditures which resulted in a net favourable variance in Engineering expenditures. Additionally unfavourable variances for Road Occupancy Fees, Municipal Consent Fees, Watermain Retesting amounted to \$226k. Engineering external recoverable were unfavourable \$201k as developers are now undertaking the clean up of the sub-divisions.
- Public Works came in at \$378,000 and the favourable revenue variance is primarily attributable to Curbside Recycling at \$192k and \$36k for Windrow Snow Clearing services provided to outside organizations.
- Recreation department revenues came in at \$11.8m or \$744,000 over budget mostly in the permit rental, program and fitness areas.
- Parks revenue at \$713,000 was over by \$633,000 compared to a budget of \$80,000 due to recoverable revenue for Bus stop snow removal, Regional Boulevard's notice and Asian Long-Horned Beetle.
- Community planning revenues budgeted at \$1.1m exceeds budget coming at \$1.6m or \$551,000, due to an increase in applications as a result of a significant increase in plans of sub-division, Sub-Plan Agreements, and Zoning By-Law Applications.

Carry Forward – Prior Year

At the end of 2003 the budgeted carry forward was under by \$900,000 due to budgetted dividend revenue from Hydro Vaughan Distribution Inc. being declared but not paid. Under PSAB for Government Business Enterprise, only cash accounting is recognized.

Expenditures

The total City expenditures came in at \$138.5m, \$2.5m or 1.7% under budget. The departmental component came in at \$119.6m for the year, under budget by \$4.7m or 3.7%, when compared to the annual budget of \$124.4m. The reason for the favourable departmental variances is generally departments at the end of the year were favourable in the salary and benefit area as a result of the timing of hiring staff throughout the year. The balance of the non-salary expenditures consists of a multitude of operational contracts for road and building maintenance, winter control, other contracts, leases, supplies and corporate services.

Departmental and Corporate expenditure variance highlights are as follows:

Fire & Rescue Services

Fire & Rescue Services came in at \$21.6m, \$36,000 or 0.1% slightly over budget mainly in salary and benefits related expenditures.

By-law Enforcement

By-law enforcement came in at \$2.4m and was under budget by \$206,000 or 7%. The favourable variance is mostly due to salaries and benefits due to staff vacancies throughout the year.

Human Resources

Human Resources came in at \$2.2m and was under budget by \$286,000 or 11.1%. The favourable variance is due to advertising \$100,000, crossing guards \$99,000 and professional fees \$52,000.

Recreation

Recreation expenditures totalling \$12.4m were under budget by \$360,000 or 2.8%. This favourable variance is due to general programs \$170,000, programs administration of \$270,000 and this was offset by unfavourable variance in the Fitness Centres \$34,000 and City Playhouse of \$47,000.

Buildings and Facilities

Expenditures came in at \$12.0m, \$533,000 or 4.2% under budget. The operational area of buildings and facilities under by \$108,000 as less than expected building maintenance was required and generally favourable salary and benefits expenditures totalling \$264,000 due to staffing vacancies and utility services were under budget by \$82,000.

Parks Operations

Parks department came in at \$7.7m and is over slightly \$128,000 or 1.6% due to bus stop snow clearing/walkway lighting totalling \$130,000 and this was offset partially by favourable variance in salaries due to vacancies. As stated previously bus shelter snow removal revenue was recorded to offset the increase in expenditures.

Information Technology Services

The actuals came in at \$4.1m, a variance of \$162,000 or 3.7% under budget due to less than expected expenditures in hardware/software \$193,000 and professional fees \$178,000, communications \$105,000 and was offset by unfavourable Joint Services revenues \$441,000.

Public Works - Operations

Public Works came in at \$20.2m, a variance of \$415,000 or 2.0% under budget due to favourable variances in Roads Maintenance of \$239,000 and Waste Management savings of \$396,000.

Engineering and Construction Services

Actuals came in at \$2.0m, \$707,000 under budget due to favourable variances in salary related expenditures \$277,000, contractor and contract materials \$255,000 and recoverable expenses \$142,000. Also favourable variances in contractor and contractor materials is attributable to the transfer of Water Connection Services and Sanitary Service installations actual expenditures from the Operating Budget to the Water and Wastewater Budget.

Vaughan Public Libraries

Actuals came in at \$8.1m or \$517,000 under budget due to favourable variances for salary related expenditures of \$814,000, primarily due to the delay in hiring staff for the Pierre Berton Resource Library. There are unfavourable variances in Computer Hardware/Software of \$45,000, Data Processing Services of \$72,000 and a provision for extra Smart Tag Information system of \$144,000 related for Pierre Berton Resource Library.

Corporate, Reserve and Contingency Expenses

The more significant variances are the Ontario Municipal Board (OMB) Hearings, coming in at \$434,000 over by \$134,000 due to more than anticipated number of hearings, property tax adjustments \$290,000 due to various provisions that were set up for anticipated Assessment Review Board rulings and the by-election totalling \$180,000. The balance of the unfavourable variance is attributable to unallocated budgetary adjustments for salary and benefit expenditures to account for staff vacancies during the year. Reserve contributions were on target coming in at \$3.3m.

Capital from Revenue

Actual 2004 funding transferred from the operating budget for capital projects totalled \$7.4m compared to a budget of \$7.2m slightly over by \$200,000. This increase was for additional Council approved projects in 2004.

Surplus and 2004 Carry Forward

The revenue over expenditure for the year was \$1.0m and was transferred per the City's policy to the City's general working capital and tax rate stabilization reserves. The funds carry forward for the 2004 operating fund was \$3.4m. This figure is comprised of the 2004 Budgeted carry forward amount of \$2.5m and dividends \$900,000 declared in 2003 but paid in 2004.



CITY OF VAUGHAN

2004 OPERATING BUDGET

YEAR END REPORT

VARIANCE ANALYSIS

AS AT

DECEMBER 31, 2004

CITY OF VAUGHAN 2004 OPERATING BUDGET YEAR END REPORT

1

REVENUE / EXPENDITURE SUMMARY

	2004 ANNUAL BUDGET	2004 ANNUAL ACTUAL AS AT DEC. 31/04	2004 ACT / 2004 BUD VARIANCE FAV / (UNFAV.) \$
REVENUES:			
TAXATION	75,889,885	75,889,929	44
SUPPLEMENTAL TAXATION	2,875,000	3,880,423	1,005,423
GRANT / PAYMENT IN LIEU / OTHER	3,143,235	3,025,569	(117,666)
RESERVES	9,691,280	9,816,580	125,300
CORPORATE	13,471,280	14,441,381	970,101
FEES AND SERVICE CHARGES	27,823,310	28,705,540	882,230
HVH EXCESS WORKING CAPITAL TRANSFER / LOAN	5,700,000	5,700,000	0
PRIOR YEAR'S SURPLUS CARRYFORWARD	2,500,000	1,600,000	(900,000)
TOTAL REVENUES	141,093,990	143,059,422	1,965,432
EXPENDITURES:			
DEPARTMENTAL	124,420,945	119,690,239	4,730,706
CORPORATE AND ELECTION	4,858,170	6,770,681	(1,912,511)
LONG TERM DEBT	2,390,000	2,390,000	0
CONTINGENCY (1)	2,140,125	2,251,988	(111,863)
CAPITAL FROM TAXATION	7,284,750	7,490,000	(205,250)
TOTAL EXPENDITURES BEFORE TRANSFERS	141,093,990	138,592,908	2,501,082
SURPLUS / (DEFICIT) BEFORE TRANSFERS	0	4,466,514	4,466,514
TRANSFER TO:			
TAX RATE STABILIZATION RESERVE	0	533,257	533,257
WORKING CAPITAL	0	533,257	533,257
2004 SURPLUS CARRYFORWARD TO REDUCE 2005 TAX LEVY	0	3,400,000	3,400,000

CITY OF VAUGHAN 2004 OPERATING BUDGET YEAR END REPORT

2

REVENUE BY MAJOR SOURCE CORPORATE REVENUE DETAIL

CORPORATE REVENUE DETAIL :

FINES AND PENALTIES

TAX CERTIFICATES AND DOCUMENTS

INVESTMENT INCOME

HYDRO INVESTMENT INCOME

PROVINCIAL OFFENSES ACT

MISCELLANEOUS REVENUE

PURCHASING

CAPITAL ADMIN. REVENUE

TOTAL CORPORATE REVENUE

	2004 ANNUAL BUDGET	2004 ANNUAL ACTUAL AS AT DEC. 31/04	2004 ACT / 2004 BUD VARIANCE FAV./ (UNFAV.) \$
FINES AND PENALTIES	3,600,000	3,682,080	82,080
TAX CERTIFICATES AND DOCUMENTS	239,800	244,399	4,599
INVESTMENT INCOME	3,132,000	1,590,304	(1,541,696)
HYDRO INVESTMENT INCOME	5,500,000	7,773,760	2,273,760
PROVINCIAL OFFENSES ACT	699,000	1,007,790	308,790
MISCELLANEOUS REVENUE	210,660	85,083	(125,577)
PURCHASING	63,920	25,389	(38,531)
CAPITAL ADMIN. REVENUE	25,900	32,576	6,676
TOTAL CORPORATE REVENUE	13,471,280	14,441,381	970,101

CITY OF VAUGHAN 2004 OPERATING BUDGET YEAR END REPORT

3

REVENUE BY MAJOR SOURCE

	2004 ANNUAL BUDGET	2004 ANNUAL ACTUAL AS AT DEC. 31/04	2004 ACT / 2004 BUD VARIANCE FAV/J (UNFAV.) \$
TAXATION			
SUPPLEMENTALS	2,875,000	3,880,423	1,005,423
VAUGHAN HYDRO HOLDINGS			
EXCESS WORKING CAPITAL TRANSFER / LOAN	5,700,000	5,700,000	0
GRANT			
LIBRARY GRANT	143,235	143,234	(1)
PAYMENT IN LIEU / OTHER			
PAYMENT IN LIEU / OTHER	3,000,000	2,882,335	(117,665)
RESERVES			
HERITAGE	233,800	126,690	(107,110)
ENGINEERING	2,349,290	2,349,290	0
LIBRARY	68,000	68,000	0
PARKS DEVELOP/URBAN DESIGN / REAL ESTATE	300,000	368,400	68,400
FINANCE - FROM CAPITAL	1,005,000	2,191,445	1,186,445
FLEET MANAGEMENT	661,290	563,855	(97,435)
BUILDING PERMITS	925,000	0	(925,000)
TAX RATE STABILIZATION	2,718,900	2,718,900	0
DEBENTURE CONTRIBUTION	200,000	200,000	0
ELECTION	0	0	0
WATER & WASTE WATER RECOVERY	1,230,000	1,230,000	0
TOTAL RESERVES	9,691,280	9,816,580	125,300
FEES / SERVICE CHARGES			
NON-PROFIT HOUSING	9,400	13,915	4,515
CLERKS	40,500	28,966	(11,534)
LICENSING - CLERKS	746,800	807,199	60,399
COMMITTEE OF ADJUSTMENT	303,050	308,339	5,289
LEGAL SERVICES	20,000	44,148	24,148
BY LAW ENFORCEMENT	2,114,720	1,208,999	(905,721)
FIRE AND RESCUE SERVICES	545,000	1,018,322	473,322
BUILDING STANDARDS - LICENSES/PERMITS	9,025,000	8,694,185	(330,815)
- PLUMBING PERMITS	725,000	711,787	(13,213)
- SERVICE CHARGES	157,000	147,186	(9,814)
ECONOMIC & BUSINESS DEVELOPMENT	176,000	232,118	56,118
CORPORATE COMMUNICATIONS	55,000	111,204	56,204
ENGINEERING SERVICES	949,300	187,195	(762,105)
PUBLIC WORKS - OPERATIONS	157,525	378,226	220,701
BUILDINGS AND FACILITIES	139,825	203,203	63,378
COMMUNITIES IN BLOOM SPONSORSHIP	30,000	33,375	3,375
RECREATION	11,117,520	11,861,731	744,211
PARKS OPERATIONS	80,250	713,676	633,426
CEMETERIES	41,650	59,397	17,747
COMMUNITY PLANNING AND POLICY	1,143,000	1,694,762	551,762
VAUGHAN PUBLIC LIBRARIES	246,770	247,827	857
TOTAL FEES / SERVICE CHARGES	27,823,310	28,705,540	882,230
CORPORATE REVENUE	13,471,280	14,441,381	970,101
TOTAL REVENUE	62,704,105	65,569,493	2,865,388

CITY OF VAUGHAN 2004 OPERATING BUDGET YEAR END REPORT

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EXPENSES BY MAJOR CATEGORY (1)

	2004 ANNUAL BUDGET	2004 ANNUAL ACTUAL AS AT DEC. 31/04	2004 ACT / 2004 BUD VARIANCE FAV / (UNFAV.) \$
COUNCIL	1,088,890	930,271	158,619
CITY MANAGER	493,480	418,967	74,513
OPERATIONAL AUDIT	115,645	10,000	105,645
STRATEGIC PLANNING AND CORPORATE POLICY	289,880	267,202	22,678
FIRE AND RESCUE SERVICES	21,647,380	21,684,365	(36,985)
EMERGENCY MANAGEMENT	96,550	53,905	42,645
COMMISSIONER OF FINANCE AND CORPORATE SERVICES	312,725	277,847	34,878
CITY FINANCIAL SERVICES	2,056,825	1,989,196	67,627
BUDGETING AND FINANCIAL PLANNING	901,900	874,165	27,735
RESERVES AND INVESTMENTS	564,260	553,209	11,051
PURCHASING SERVICES	638,680	615,074	23,606
COMMISSIONER OF LEGAL AND ADMINISTRATIVE SERVICES	304,045	307,996	(3,953)
CITY CLERK	3,587,880	3,520,472	67,388
LEGAL SERVICES	1,080,635	1,006,014	74,621
BY LAW ENFORCEMENT	2,679,845	2,473,485	206,360
HUMAN RESOURCES	2,558,420	2,271,606	286,814
COMMISSIONER OF COMMUNITY SERVICES	542,015	382,564	159,451
COMMUNITY GRANTS AND ADVISORY COMMITTEES	57,400	35,889	21,511
RECREATION	12,771,935	12,411,449	360,486
CULTURAL SERVICES	561,300	422,335	138,965
BUILDINGS AND FACILITIES	12,591,055	12,057,835	533,120
FLEET MANAGEMENT	865,135	564,884	100,251
PARKS OPERATIONS	7,612,985	7,741,085	(128,100)
PARKS DEVELOPMENT	638,830	823,128	15,702
COMMISSIONER OF PLANNING	265,225	245,209	20,016
COMMUNITY PLANNING / POLICY / URBAN DESIGN	3,293,525	3,251,727	41,798
BUILDING STANDARDS	5,032,375	4,814,432	217,943
COMMISSIONER OF ECONOMIC AND TECHNOLOGY DEVELOPMENT AND CORPORATE COMMUNICATIONS	285,545	286,037	(492)
ECONOMIC AND BUSINESS DEVELOPMENT	1,221,975	1,167,102	54,873
ACCESS VAUGHAN	96,860	62,413	34,447
INFORMATION TECHNOLOGY SERVICES	4,317,685	4,154,806	162,879
CORPORATE COMMUNICATIONS	1,044,325	940,667	103,658
COMMISSIONER OF ENGINEERING AND PUBLIC WORKS	278,980	268,479	10,501
DEVELOPMENT AND TRANSPORTATION ENGINEERING	2,348,885	2,269,560	79,325
ENGINEERING AND CONSTRUCTION SERVICES	2,793,820	2,088,008	707,812
PUBLIC WORKS - OPERATIONS	20,700,200	20,284,957	415,243
VAUGHAN PUBLIC LIBRARIES	8,683,870	8,165,895	517,975
TOTAL DEPARTMENTAL EXPENDITURES	124,420,945	119,690,239	4,730,706
CORPORATE AND ELECTION	4,858,170	6,770,681	(1,912,511)
LONG TERM DEBT	2,390,000	2,390,000	0
CONTINGENCY (2)	2,140,125	2,251,988	(111,863)
CAPITAL FROM TAXATION	7,284,750	7,490,000	(205,250)
TOTAL EXPENDITURES	141,083,990	138,592,908	2,501,082

(1) - EXPENSES ARE NET OF HYDRO JOINT SERVICES REVENUE AND LIBRARY JOINT SERVICE CHARGES. THE NEW HYDRO JOINT SERVICES AGREEMENT IS NOT YET FINALIZED AND THE ABOVE NUMBERS REFLECT THE EXISTING AGREEMENT.

(2) - 2004 BUDGETED CONTINGENCY AMOUNT HAS BEEN ADJUSTED FOR COMPARATIVE PURPOSES.

CITY OF VAUGHAN 2004 OPERATING BUDGET YEAR END REPORT

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CORPORATE AND ELECTION EXPENSES - DETAILS

CORPORATE & ELECTIONS DETAIL :

RESERVE CONTRIBUTIONS:

1998 & PRIOR BLDG & FACIL. INFRAST. RES. CONTRIB.
POST 1998 BLDG & FACIL. INFRAST. RES. CONTRIB.
ROADS INFRASTRUCTURE RESERVE CONTRIBUTION
PARKS INFRASTRUCTURE RESERVE CONTRIBUTION
VEHICLE RESERVE CONTRIBUTION
ELECTION RESERVE CONTRIBUTION

TOTAL RESERVE CONTRIBUTIONS

CORPORATE EXPENSES:

BANK CHARGES
PROFESSIONAL FEES
MAJOR OMB HEARINGS - PROFESSIONAL FEES
JOINT SERVICES
SUNDRY, DUES & MUNICIPAL GRANTS
CITY HALL FUNDING
TAX ADJUSTMENTS
CORPORATE INSURANCE
AMO MEMBERSHIP
CONFERENCES
SALARY SAVINGS FROM TURNOVER (GAPPING)
UNALLOCATED BENEFITS SAVINGS
GST REBATE / AJUSTMENT
ELECTION COSTS

TOTAL CORPORATE EXPENSES

TOTAL RESERVE CONTRIBUTIONS AND CORPORATE EXPENSES

2004 ANNUAL BUDGET	2004 ANNUAL ACTUAL AS AT DEC. 31/04	2004 ACT / 2004 BUD VARIANCE FAV./ (UNFAV.) \$
735,000	735,000	0
675,000	675,000	0
475,000	475,000	0
275,000	275,000	0
975,000	975,000	0
225,000	225,000	0
3,360,000	3,360,000	0
20,000	13,269	6,731
140,000	132,216	7,784
300,000	434,433	(134,433)
150,000	235,000	(85,000)
35,505	35,383	122
1,000,000	1,000,000	0
1,426,200	1,717,120	(290,920)
458,465	458,465	0
12,000	10,447	1,553
30,000	28,953	1,047
(850,000)	0	(850,000)
(264,000)	0	(264,000)
(960,000)	(835,090)	(124,910)
0	180,485	(180,485)
1,498,170	3,410,681	(1,912,511)
4,858,170	6,770,681	(1,912,511)

PUBLIC WORKS DETAIL:

ADMINISTRATION
ROADS MAINTENANCE
WINTER CONTROL
WASTE MANAGEMENT

TOTAL PUBLIC WORKS

BUILDINGS AND FACILITIES DETAIL:

ADMINISTRATION
TRADES SHOPS
CIVIC CENTRE
BUILDING OPERATIONS

TOTAL BUILDINGS AND FACILITIES

PARKS OPERATIONS:

ADMINISTRATION
OPERATIONS
FORESTRY
CAPITAL PROJECTS / CEMETERIES

TOTAL PARKS OPERATIONS

1,710,365	1,930,624	(220,259)
4,483,130	4,244,029	239,101
6,610,920	6,610,951	(31)
7,895,785	7,499,353	396,432
20,700,200	20,284,957	415,243
1,582,455	1,597,874	(15,419)
422,910	361,025	61,885
1,100,595	1,167,792	(67,197)
9,485,095	8,931,244	553,851
12,591,055	12,057,935	533,120
124,455	0	124,455
5,179,440	5,693,251	(513,811)
767,850	698,304	69,546
1,541,240	1,349,530	191,710
7,612,985	7,741,085	(128,100)