

**OPERATING BUDGET QUARTERLY REPORT
ENDING JUNE 30, 2007**

Recommendation

The Deputy City Manager/Commissioner of Finance & Corporate Services, and the Director of Budgeting and Financial Planning, recommend:

That the 2007 Second Quarter Variance Report be received for information purposes.

Economic Impact

Not applicable.

Communications Plan

Not applicable.

Purpose

To report on the year-to-date actual 2007 Operating Budget results versus the calendarized 2007 Operating Budget, as of June 30, 2007.

Background - Analysis and Options

The attached second quarter variance report compares the current status of both departmental and corporate expenses and revenues for the six-month period ending June 30, 2007, relative to the 2007 year-to-date operating budget. The year-to-date operating budget is calendarized based primarily on the spending patterns and trends of previous years, as per departmental submissions. This variance report is prepared on a partial accrual basis, where only major revenue streams or expenditures not booked, but incurred to date, have been estimated and accrued.

The combined excess of revenues over expenses, (balances transferred to reserves as per policy), is not directly indicative of the final year-end surplus; it simply measures the excess at a point in time and may be eroded due to unforeseen events that may occur in the second half of the year, such as winter storms, an economic downturn, or a delay in the timing of expenses. The last point is highly possible, as the 2007 second quarter variance is impacted by the June 14, 2007 budget approval, which in many cases, delayed departmental spending, contributing to some favourable variances presented.

Second Quarter Ahead of Budget

At the end of the second quarter, the excess of revenues over expenses was \$1,792,662. This favourable variance is comprised of revenues being \$2,295,809 over budget and expenses that are below budget by (\$503,147). The \$1,792,662 is a positive variance. The main areas that contributed to the positive variance are summarized below.

	<u>\$M's</u>
<u>Revenues</u>	
Reserves	(0.6)
Fees & Service Charges	1.9
Corporate Revenues	0.9
Taxation/Grants/ Payment in Lieu / Other	<u>0.1</u>
Total	2.3

Expenses

Departmental Expenses:

Recreation	0.3	
Building & Facilities	0.5	
Parks Operations	0.5	
Development Planning	0.2	
Building Standards	0.4	
Development & Transportation Engineering	0.2	
Engineering and Construction Services	0.4	
Library	0.7	
Other – (various departments)	<u>1.0</u>	4.2
Corporate Expenses		<u>(4.7)</u>
Total		<u>(0.5)</u>

Year-To-Date Revenues Net of Expenses **\$1.8M**

The City's 2007 annual Operating Budget is \$176,613,840. As previously stated the \$1,792,662 represents a variance of 1.02%.

Listed below are explanations for significant revenue and expenditure variances. As per prior practice, department explanations are required for all unfavourable variances and any favourable variances in excess of \$100,000.

Deputy City Manager / Commissioner of Finance and Corporate Services

City Financial Services Expenditures Favourable \$138,743

The favourable variance is due to salary cost savings as a result of complement vacancies in the first half of the year and additional favourable variances in miscellaneous accounts.

Commissioner of Legal and Administrative Services

Clerks – Fees / Service Charges Unfavourable (\$9,835)

The unfavourable variance in various fees and service charges are related primarily to lower than forecasted fees and charges related to the sale of documents and commissioning fees relative to budget calendarization. It is anticipated that revenues will increase over the next two quarters.

Clerks – Committee of Adjustment Revenue Favourable \$105,204

Committee of Adjustment's projected revenue for the first six months was \$105,204 greater than forecasted, due to a higher than anticipated increase in the number of Committee of Adjustment applications processed to date.

Clerks – Insurance Expenditures Unfavourable (\$113,042)

The primary reason for an unfavourable insurance expenditure relates to the fact that the City has experienced an increase in vandalism, vehicle accident damages, and theft claims which are below the City's deductible. As such, the required funds have been paid out of this account. If the trend continues, the impact on year-end results will need to be determined.

Enforcement Services Revenue Unfavourable (\$70,143)

Fine revenues continue to be generated at close to 2006 levels. Unfortunately, as a result of circumstances beyond the City's control, the rate of payment has declined. The major contributing factor to the decline in payments is a backlog in our Courts. There is a backlog of over 2,500 cases (with the majority of fines ranging from \$100 - \$300 each). As a result of this backlog and the continuing resource shortage of available Justices of the Peace, it is not anticipated, at this time, that this revenue shortfall will be remedied before the end of the year.

Enforcement Services Expenditures Favourable \$119,583

The favourable expenditure variance is due primarily to savings in salary lines as a result of staffing vacancies. Additional savings related to staff vacancies were found in cellular telephone costs, computer expenses, and other miscellaneous accounts. Contributing to the favourable variance is also minor savings related to contract costs in the animal control services contract and enforcement hand-held scan devices.

Human Resources Expenditures Favourable \$137,605

The mid year variance is due primarily to professional fees are favourable to date, as we have settled a number of grievances scheduled for arbitration, minimizing legal and arbitration fees. It is anticipated that as labour negotiations proceed throughout the second half of the year, professional fees will be significant and the favourable variance to date will be corrected.

Commissioner of Community Services

Recreation Revenues Unfavourable (\$249,225)

The unfavourable revenue variance is primarily a result of a shortfall in registration revenue targets for recreation programmes. Unfavourable revenues were found in the City's general programs, aquatics, before and after school programs, and camps. The shortfall in revenues is offset by savings in expenditures, resulting in an overall favourable variance for the Recreation Department budget.

Recreation Expenditures Favourable \$301,321

The favourable expenditures variance is primarily due to savings in staffing and material costs related to programs that did not sell (as noted above in the revenue shortfall explanation). Overall, the department had a net favourable variance.

Building and Facilities Expenditures Favourable \$508,989

The overall favourable variance is comprised of several factors, including salaries and benefits savings related to vacancies, building maintenance expenses, and utilities. The current vacancies within the department are not expected to continue as the recruitment process has commenced. The building maintenance work is scheduled for the second half of the year as a result of a June 14, 2007 budget approval. Utility expenses are favourable as a result of lower than forecasted expenses to date. It is expected that utility actual costs and budget calendarization should be on-target during the second half of the year.

Parks /Forestry Operations Revenues Unfavourable (\$5,385)

The unfavourable revenues are primarily related to a delay in recoveries from shared facilities. It is expected that the variances will correct themselves during the second half of 2007 and that any variances at year end will not be material.

Cemeteries Revenues Unfavourable (\$1,546)

The minor unfavourable revenue variance is primarily related to lower than forecasted sales of plots.

Parks/Forestry Operations Expenditures Favourable \$499,932

The majority of the favourable expenditures variance is related to savings in salaries and benefits, as a result of a vacant manager and supervisor position, and a delay in back filling full-time and part-time staff positions. In addition, actual recording of crew cards for outside staff requires a slight adjustment to the calendarized budget. It is expected that the timing will be corrected in the second half of the year and that the budget calendarization will be adjusted for 2008. Additional factors contributing to the favourable variance includes timing delays for interdepartmental charges for services. It is expected that these interdepartmental charges and invoice processing delays will be corrected before the end of the year.

Commissioner of Planning

Development Planning Revenues Unfavourable (\$1,286,803)

The unfavourable development planning revenue variance is a result of a drop in planning applications in the first half of 2007, as compared to previous years and it is anticipated that the shortfall in revenues will remain unfavourable for the balance of 2007 and continue to decline from previous highs into 2008. Notwithstanding the drop in new applications, the department has a backlog of over 600 applications that are currently under review and require significant staff time to complete the planning and development approvals process.

In response to the revenue / budget concerns, staff have and will continue to take measures to ensure that the department's staff resources are used in the most efficient and practical manner. Some of the measures already taken include:

- Placing on hold the recruitment of 2 new F/T staff complement positions approved in 2007;
- Devoting more staff to the processing of the backlog of applications;
- Devoting more staff time to research and data collection (in previous years time spent on this function was minimal as a result of the pressures to deal with application processing); and
- Focus on special projects, such as site plan review processes and reviews of public notification requirements for planning applications, all geared towards achieving process improvements and service delivery standards.

Development Planning Expenditures Favourable \$183,915

The majority of the favourable variance relates to vacancies in full-time positions. The department had two staff complement positions vacant in the first half of 2007. It is anticipated that these two vacancies will be filled before the end of 2007, however, additional favourable variances are anticipated in the salaries and benefits accounts until these positions are filled.

Building Standards Revenues Favourable \$3,241,252

The favourable building standards revenue variance is a result of higher than anticipated building permit volumes. While new home sales appear to be softening, the department experienced significantly higher revenues than forecasted. If revenues continue at present levels into 2008,

there is a possibility that the Building Standards Service Continuity Reserve Fund may exceed its projected target triggering a need to review fees. However, discussions with the building community suggest that the housing market may continue its softening, which is further supported by the recent decline in Planning Department revenues. The above is an indication that future building department revenues will not hold the current pace.

Building Standards Expenditures Favourable \$370,228

The majority of the favourable variance relates to vacancies in full-time positions that were approved by Council as part of the Bill 124 costing process. The vacancies have resulted in savings in the salary, benefits, and associated accounts, including office equipment, computer hardware and software, and training and development. The department is continuing to actively recruit for all vacant positions in a currently very difficult and competitive labour market.

Economic and Technology Development and Corporate Communications

Economic and Business Development Revenues Unfavourable (\$11,130)

The unfavourable revenue variance is primarily attributable to the timing of forecasted revenues related to VBEC. The Ministry of Small Business Enterprises supports the VBEC operations through regular quarterly payments and it is anticipated that the unfavourable variance will be corrected by year end.

Information and Technology Management Expenditures Unfavourable (\$134,771)

The majority of the unfavourable variance can be attributable to contracts being paid in the first half of the year, in advance of what was originally forecasted and calendarized in the 2007 budget. The unfavourable variance will be eliminated in the latter quarters of 2007.

Commissioner of Engineering and Public Works

Engineering Services Revenues Unfavourable (\$77,807)

The unfavourable revenue variance regarding Municipal Consent Fees and Road Occupancy Permits totalling \$40,842 is due to a seasonal lag in construction activity. 2007 year end will see year-one results of executed Municipal Access Agreements and reduced revenue levels resulting from the terms and conditions of the Agreement.

In addition, external recoverables are tracking behind budget by \$10,724, in part, as a result of Developers being more responsive to chargeable conditions in the Subdivision Agreements. Typically, the fall season (our third quarter), is when this account is most productive.

Also contributing to the unfavourable revenue variance is lower than forecasted engineering fees from Subdivision and Development Agreements totalling \$26,237. The department currently has between 10 – 15 development / subdivision agreements in progress that are expected to be registered by Q4 2007.

Development & Transportation Engineering Services Expenditures Favourable: \$202,321

The primary explanation for the favourable expenditure variance relates to savings in salary and benefit costs as the department continues to deal with five vacancies. It is expected that recruitment activities will be successful and that the department will return to full complement towards the end of 2007 or early 2008.

Engineering & Construction Services Expenditures Favourable \$367,212

The favourable expenditure variance is mainly as a result of two factors. Firstly, delays in hiring staff have resulted in vacancies in the first half of the year and as a result, the department experienced gapping savings in salaries and benefits expenditures. The second factor contributing to the favourable expenditure variance relates to traffic signal maintenance and pavement marking. Both contracts will be awarded in late summer and early fall, and expenses are expected to pick up after that time and begin to track to budget.

Vaughan Public Libraries

Library Expenditures Favourable \$653,367

The majority of the second quarter favourable variance approximately \$529,000 is a result of gapping, as continued vacancies and high turnover rates have resulted in salary and benefits savings. The balance of the favourable variance is primarily a result of timing, as some expenses in the resource books, building maintenance, and other accounts will be booked later than originally forecast. It is expected that the various non-labour expenditure variances will correct themselves throughout the balance of the year.

Corporate Revenues

Corporate revenues are favourable by \$927,030 for the first six months of 2007, largely linked to a favourable investment income performance of \$535,884 as returns on investments exceeded forecasts, favourable fines and penalties revenues of \$151,835, and favourable revenues from the Provincial Offences Act of \$174,577. All three revenue sources are ahead of budget and anticipated to remain favourable for the balance of the year. The balance of the variances in the corporate revenue details include some variances, all minor in nature, and are not expected to be material at year end.

Corporate & Election Expenditures

Corporate expenditures were unfavourable by \$4,753,213 for the first six months of 2007. A significant portion of this balance is due to a substantial transfer to the building standards continuity reserve resulting from higher than anticipated building code permit revenues \$3,566,610. As of July 1, 2005, Bill 124 imposed cost and price restrictions on the building code permit fees to the extent that revenues cannot exceed reasonable and anticipated costs. For this reason revenue surpluses are transferred to the reserve, as per the City's policy, to provide future service continuity when expenses eventually outpace revenues. The above mentioned trend is anticipated to continue and will result in additional transfers at year-end.

The remaining variance consists primarily of unfavourable variances in salary gapping and the elections accounts. The \$653,586 unfavourable variance in salary gapping was anticipated since savings are budgeted under corporate expenses, but actual salary savings are realized within the respective individual departments. An analysis of salary savings realized in departments offsets the unfavourable gapping variance under corporate expenditures. The \$333,158 unfavourable variance experienced in the election account is related to unexpected costs associated with the election recount. The remaining portion of the variance consists of mixture of various minor miscellaneous corporate expenses, which are expected to correct themselves in the second half of 2007.

Revenue from Reserves

Revenues from reserves were \$612,404 under budget largely as a result of actual spending in departments being lower than budgeted, which in turn reduces the requirement for reserve transfers to the operating budget. The Engineering Reserve transfer is \$382,079 under budget as a result of lower than forecasted expenses in Engineering Services and Public Works. The Finance from Capital Reserve transfer is \$248,139 under budget as a result of lower than forecasted capital expenditures, as of June 30. The Fleet Management Reserve transfer is \$51,919 under budget as

a result of lower than forecasted expenses in Fleet management Services. The Heritage Reserve transfer is \$31,749 under budget as a result of lower than budgeted expenses in the Cultural Services administration. These above favourable variances are slightly offset by an \$87,867 higher than anticipated transfers from the insurance reserve to cover increasing cost of claims related vehicle accidents, vandalism, and theft.

Relationship to Vaughan Vision 2007

The report is consistent with the priorities set by Council and the necessary resources have been allocated and approved.

Conclusion

Based on the year-to-date budget for the Second Quarter of 2007, the excess of revenue over expenditures was \$1,792,662. This excess is a point in time measure and may not be indicative of any potential actual year-end surplus. In addition, over the past few years the operating budget has relied on prior year's surplus of \$2.5m to assist in balancing the budget. It is unclear at this time if \$2.5m will be available in the 2007 year-end surplus to be utilized for the 2008 Operating Budget.

Attachments

Attachment 1 – 2007 Second Quarter Variance Report

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Respectfully submitted,

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John Henry, CMA
Director of Budgeting & Financial Planning



ATTACHMENT #1

CITY OF VAUGHAN
2007 OPERATING BUDGET

SECOND QUARTER
VARIANCE REPORT

AS AT
June 30, 2007

**CITY OF VAUGHAN
2007 OPERATING BUDGET
SECOND QUARTER VARIANCE REPORT
REVENUE / EXPENDITURE SUMMARY**

	2007 ANNUAL BUDGET	2007 YTD BUDGET AS AT JUNE 30/07	2007 YTD ACTUAL AS AT JUNE 30/07	2007 BUD / 2007 ACT VARIANCE FAV./ (UNFAV.) \$	2007 BUD / 2007 ACT VARIANCE FAV./ (UNFAV.) %
REVENUES:					
TAXATION	105,902,685	90,286,995	90,370,990	83,995	0.09%
SUPPLEMENTAL TAXATION	2,200,000	0	0	0	0.00%
GRANT / PAYMENT IN LIEU / OTHER	2,943,235	2,016,240	2,055,683	39,443	1.96%
RESERVES	13,157,125	5,283,785	4,671,381	(612,404)	-11.59%
FEES AND SERVICE CHARGES	34,933,995	16,313,946	18,171,641	1,857,695	11.39%
CORPORATE	14,976,800	5,873,045	6,800,076	927,030	15.78%
PRIOR YEAR'S SURPLUS CARRYFORWARD	2,500,000	1,249,950	1,250,000	50	0.00%
TOTAL REVENUES AFTER FLOW-THROUGH CHARGES	176,613,840	121,023,961	123,319,770	2,295,809	1.90%
EXPENDITURES:					
DEPARTMENTAL	153,708,080	75,318,795	71,103,729	4,215,066	5.60%
CORPORATE	7,351,255	5,449,121	10,202,334	(4,753,213)	-87.23%
LONG TERM DEBT	5,750,000	5,170,271	5,170,271	0	0.00%
CONTINGENCY	3,139,190	35,000	0	35,000	100.00%
CAPITAL FROM TAXATION	6,665,315	6,665,315	6,665,315	0	0.00%
TOTAL EXPENDITURES AFTER FLOW THROUGH CHARGES	176,613,840	92,638,502	93,141,649	(503,147)	-0.54%
EXCESS OF REVENUES OVER EXPENDITURES	0	28,385,459	30,178,121	1,792,662	6.32%

**CITY OF VAUGHAN
2007 OPERATING BUDGET
SECOND QUARTER VARIANCE REPORT**

REVENUE BY MAJOR SOURCE

	2007 ANNUAL BUDGET	2007 YTD BUDGET AS AT JUNE 30/07	2007 YTD ACTUAL AS AT JUNE 30/07	2007 BUD / 2007 ACT	
				VARIANCE FAV./ (UNFAV.) \$	VARIANCE FAV./ (UNFAV.) %
TAXATION					
SUPPLEMENTALS	2,200,000	0	0	0	0.00%
GRANT					
LIBRARY GRANT	143,235	0	0	0	0.00%
PAYMENT IN LIEU / OTHER					
PAYMENT IN LIEU / OTHER	2,800,000	2,016,240	2,055,683	39,443	1.96%
RESERVES					
HERITAGE	359,890	179,940	148,191	(31,749)	-17.64%
ENGINEERING	3,130,595	1,565,235	1,183,156	(382,079)	-24.41%
PARKS DEVELOP. / URBAN DESIGN / REAL ESTATE	360,000	173,070	180,000	6,930	4.00%
FINANCE - FROM CAPITAL	1,080,000	539,980	291,841	(248,139)	-45.95%
FLEET MANAGEMENT	867,335	383,035	331,116	(51,919)	-13.55%
PLANNING	500,000	0	0	0	0.00%
INSURANCE	2,099,435	1,679,550	1,767,417	87,867	5.23%
TAX RATE STABILIZATION	3,244,870	0	0	0	0.00%
ELECTION	15,000	13,000	13,680	680	5.08%
WATER & WASTEWATER RECOVERY	1,500,000	749,975	756,000	6,025	0.80%
TOTAL	13,157,125	5,283,785	4,671,381	(612,404)	-11.59%
FEES/SERVICE CHARGES					
FIRE AND RESCUE SERVICES	487,120	243,550	269,879	26,329	10.81%
CLERKS	33,800	21,590	11,755	(9,835)	-45.55%
LICENSING - CLERKS	744,550	372,275	392,765	20,490	5.50%
COMMITTEE OF ADJUSTMENT	350,000	175,000	280,204	105,204	60.12%
LEGAL SERVICES	72,500	29,455	40,099	10,644	38.14%
ENFORCEMENT SERVICES	1,600,720	752,165	682,022	(70,143)	-9.33%
COMMUNITIES IN BLOOM SPONSORSHIP	15,000	0	0	0	0.00%
RECREATION	14,816,995	6,383,605	6,134,380	(249,225)	-3.90%
BUILDINGS AND FACILITIES (1)	96,025	41,240	84,156	42,916	104.06%
PARKS OPERATIONS (1)	286,530	10,690	5,305	(5,385)	-50.37%
CEMETERIES	71,855	38,175	36,629	(1,546)	-4.05%
DEVELOPMENT PLANNING	4,695,600	2,636,585	1,349,782	(1,286,803)	-48.81%
BUILDING STANDARDS - LICENSES/PERMITS	9,000,000	4,500,000	7,283,115	2,783,115	61.85%
- PLUMBING PERMITS	545,000	272,500	656,477	383,977	140.81%
- SERVICE CHARGES	451,750	225,870	300,030	74,160	32.83%
ECONOMIC AND BUSINESS DEVELOPMENT	330,000	59,500	48,370	(11,130)	-18.71%
CORPORATE COMMUNICATIONS	84,530	44,495	71,250	26,755	60.13%
ENGINEERING SERVICES (1)	386,750	193,370	115,563	(77,807)	-40.24%
PUBLIC WORKS - OPERATIONS	609,500	186,135	246,314	60,179	32.33%
NON-PROFIT HOUSING	9,000	4,366	4,366	0	0.00%
VAUGHAN PUBLIC LIBRARIES	246,770	123,380	159,180	35,800	29.02%
TOTAL FEES / SERVICE CHARGES	34,933,995	16,313,946	18,171,641	1,857,695	11.39%
TOTAL CORPORATE REVENUES	14,976,800	5,873,045	6,800,075	927,030	15.78%
TOTAL REVENUE	68,211,155	29,487,016	31,698,780	2,211,764	7.50%

(1) For presentation purposes year-to-date actuals as at June 30, 2007 have been reduced by flow through transactions.

**CITY OF VAUGHAN
2007 OPERATING BUDGET
SECOND QUARTER VARIANCE REPORT**

**REVENUE BY MAJOR SOURCE
CORPORATE REVENUE DETAIL**

	2007 ANNUAL BUDGET	2007 YTD BUDGET AS AT JUNE 30/07	2007 YTD ACTUAL AS AT JUNE 30/07	2007 BUD / 2007 ACT	
				VARIANCE FAV./ (UNFAV.) \$	VARIANCE FAV./ (UNFAV.) %
<i>CORPORATE REVENUE DETAIL :</i>					
FINES AND PENALTIES	4,100,000	1,914,290	2,066,125	151,835	7.93%
TAX CERTIFICATES AND DOCUMENTS	279,100	145,125	162,480	17,355	11.96%
INVESTMENT INCOME	2,900,000	1,449,940	1,885,824	535,884	36.86%
HYDRO INVESTMENT INCOME	4,365,585	2,182,705	2,210,280	27,575	1.26%
HYDRO DIVIDENDS	2,334,415	0	0	0	0.00%
PROVINCIAL OFFENSES ACT	890,000	117,570	292,147	174,577	148.49%
MISCELLANEOUS REVENUE	41,000	28,310	60,232	31,922	112.76%
PURCHASING	50,700	25,350	15,782	(9,568)	-37.74%
CAPITAL ADMIN. REVENUE	16,000	9,755	7,205	(2,550)	-26.14%
TOTAL CORPORATE REVENUE	14,976,800	5,873,045	6,800,075	927,030	15.78%

**CITY OF VAUGHAN
2007 OPERATING BUDGET
SECOND QUARTER VARIANCE REPORT**

EXPENDITURES BY MAJOR CATEGORY

	2007 ANNUAL BUDGET	2007 BUD / 2007 ACT		2007 BUD / 2007 ACT	
		YTD BUDGET AS AT JUNE 30/07	YTD ACTUAL AS AT JUNE 30/07	VARIANCE FAV./ (UNFAV.) \$	VARIANCE FAV./ (UNFAV.) %
COUNCIL	1,235,820	595,130	561,512	33,618	5.65%
OFFICE OF THE INTEGRITY COMMISSIONER	100,000	0	0	0	0.00%
CITY MANAGER	550,900	268,250	250,883	17,387	6.48%
OPERATIONAL AUDIT	165,470	84,600	69,387	15,213	17.98%
STRATEGIC PLANNING	243,195	117,670	117,591	79	0.07%
CORPORATE POLICY	114,320	57,305	55,432	1,873	3.27%
FIRE AND RESCUE SERVICES	26,734,420	13,923,970	13,680,998	42,972	0.31%
EMERGENCY PLANNING	152,715	73,600	71,154	2,346	3.19%
DEPUTY CITY MGR. / COMM. OF FINANCE AND CORP. SERVICES	470,885	238,200	171,425	66,774	28.03%
CITY FINANCIAL SERVICES	2,382,315	1,192,645	1,053,902	138,743	11.63%
BUDGETING AND FINANCIAL PLANNING	1,080,825	544,015	457,154	86,861	15.97%
RESERVES AND INVESTMENTS	733,415	363,390	309,566	53,824	14.81%
PURCHASING SERVICES	1,044,035	521,285	479,045	42,240	8.10%
COMMISSIONER OF LEGAL AND ADMINISTRATIVE SERVICES	333,755	188,180	155,770	12,410	7.38%
CITY CLERK (1)	4,173,815	2,053,030	2,035,572	17,458	0.85%
CITY CLERK - INSURANCE	2,099,435	1,654,375	1,767,417	(113,042)	-6.83%
LEGAL SERVICES	1,373,785	682,750	631,356	51,394	8.86%
ENFORCEMENT SERVICES	3,202,680	1,589,885	1,470,262	119,583	7.52%
HUMAN RESOURCES	2,661,900	1,235,795	1,098,190	137,605	11.13%
COMMISSIONER OF COMMUNITY SERVICES	578,845	214,025	194,585	19,440	9.08%
COMMUNITY GRANTS AND ADVISORY COMMITTEES	60,840	31,470	9,598	21,872	69.50%
RECREATION	16,015,335	7,435,895	7,134,674	301,221	4.05%
CULTURAL SERVICES	995,175	771,130	722,144	48,986	6.35%
BUILDINGS AND FACILITIES (1) (2)	15,710,810	8,103,485	7,594,496	508,989	6.28%
FLEET MANAGEMENT	867,335	425,125	332,748	92,377	21.73%
PARKS - OPERATIONS (2)	9,535,825	4,061,115	3,561,183	499,932	12.31%
PARKS DEVELOPMENT	885,235	499,010	454,969	44,041	8.83%
COMMISSIONER OF PLANNING	308,805	155,965	151,722	4,243	2.72%
DEVELOPMENT PLANNING	2,779,955	1,387,700	1,203,785	183,915	13.25%
POLICY PLANNING AND URBAN DESIGN	901,400	461,575	386,354	65,221	14.44%
BUILDING STANDARDS	5,698,385	2,883,040	2,512,812	370,228	12.84%
COMMISSIONER OF ECONOMIC AND TECHNOLOGY DEVELOPMENT AND COMMUNICATIONS	314,070	158,860	153,413	5,447	3.43%
ECONOMIC AND BUSINESS DEVELOPMENT	1,475,870	689,235	594,944	94,291	13.68%
ACCESS VAUGHAN	635,485	311,235	269,047	42,188	13.56%
INFORMATION AND TECHNOLOGY MANAGEMENT (1)	5,692,460	2,518,455	2,653,226	(134,771)	-5.35%
CORPORATE COMMUNICATIONS	1,357,665	691,770	639,128	52,642	7.61%
COMMISSIONER OF ENGINEERING AND PUBLIC WORKS	301,505	151,000	150,824	176	0.12%
DEVELOPMENT AND TRANSPORT. ENGINEERING (2)	2,344,065	1,167,300	964,979	202,321	17.33%
ENGINEERING AND CONSTRUCTION SERVICES	3,704,685	1,845,600	1,478,368	367,232	19.90%
PUBLIC WORKS - OPERATIONS	24,084,285	10,671,200	10,636,810	34,290	0.32%
VAUGHAN PUBLIC LIBRARIES	10,806,550	5,320,550	4,667,183	653,367	12.28%
TOTAL DEPARTMENTAL EXPENDITURES	153,708,080	75,318,795	71,103,728	4,215,066	5.60%
CORPORATE AND ELECTION	7,361,265	5,449,121	10,202,334	(4,753,213)	-87.23%
LONG TERM DEBT	5,750,000	5,170,271	5,170,271	0	0.00%
CONTINGENCY	3,139,190	35,000	0	35,000	100.00%
CAPITAL FROM TAXATION	6,665,315	6,665,315	6,665,315	0	0.00%
TOTAL DEPARTMENTAL AND CORPORATE EXPENDITURES	176,613,840	92,638,502	93,141,649	(503,147)	-0.54%

(1) Expenditures are net of Hydro Joint Services Revenue and Library Joint Service Charges.

(2) For presentation purposes year-to-date actuals as at June 30, 2007 have been reduced by flow through transactions.

**CITY OF VAUGHAN
2007 OPERATING BUDGET
SECOND QUARTER VARIANCE REPORT**

EXPENDITURE DETAILS BY DEPARTMENT

	2007 ANNUAL BUDGET	2007 YTD		2007 BUD / 2007 ACT	
		BUDGET AS AT JUNE 30/07	ACTUAL AS AT JUNE 30/07	VARIANCE FAV./ (UNFAV.) \$	VARIANCE FAV./ (UNFAV.) %
DEPARTMENTAL DETAILS:					
COUNCIL	1,235,820	595,130	561,512	33,618	5.65%
OFFICE OF THE INTEGRITY COMMISSIONER	100,000	0	0	0	0.00%
CITY MANAGER	550,900	289,250	250,863	17,387	6.48%
OPERATIONAL AUDIT	165,470	84,600	69,387	15,213	17.98%
STRATEGIC PLANNING	243,195	117,670	117,691	79	0.07%
CORPORATE POLICY	114,320	57,305	55,432	1,873	3.27%
FIRE AND RESCUE SERVICES DETAIL:					
FIRE ADMINISTRATION	899,030	568,780	648,180	(79,400)	-13.96%
FIRE COMMUNICATION	919,005	462,220	427,796	34,424	7.45%
FIRE MECHANICAL	559,880	285,335	221,593	63,742	22.34%
FIRE PREVENTION	1,458,175	739,955	650,877	89,078	12.04%
FIRE OPERATIONS	22,343,860	11,569,050	11,680,601	(111,541)	-0.96%
FIRE TRAINING	479,810	250,770	207,017	43,753	17.45%
EMERGENCY MEDICAL PROGRAM	74,660	47,850	44,934	2,916	5.08%
TOTAL FIRE AND RESCUE SERVICES	26,734,420	13,923,970	13,880,988	42,972	0.31%
EMERGENCY PLANNING	152,715	73,500	71,154	2,346	3.19%
DEPUTY CITY MGR. / COMM. OF FINANCE AND CORP. SERVICES	470,885	238,200	171,426	66,774	28.03%
CITY FINANCIAL SERVICES DETAIL:					
CITY FINANCIAL SERVICES ADMINISTRATION	365,140	180,580	169,069	11,511	6.37%
ACCOUNTING SERVICES	907,930	454,900	372,697	82,203	18.07%
TAXATION AND PROPERTY ASSESSMENT	1,054,555	529,155	486,746	42,419	8.02%
PAYROLL SERVICES	64,690	28,000	25,390	2,610	9.32%
TOTAL CITY FINANCIAL SERVICES	2,382,315	1,192,645	1,053,902	138,743	11.63%
BUDGETING AND FINANCIAL PLANNING DETAIL:					
BUDGETING ADMINISTRATION	260,855	131,298	110,333	20,965	15.97%
BUDGETING	583,465	293,678	246,787	46,891	15.97%
FINANCIAL PLANNING	118,175	59,482	49,984	9,498	15.97%
ACTIVITY COSTING	118,330	59,556	50,050	9,507	15.96%
TOTAL BUDGETING AND FINANCIAL PLANNING	1,080,825	544,015	457,154	86,861	15.97%
RESERVES AND INVESTMENTS	733,415	363,390	309,566	53,824	14.81%
PURCHASING SERVICES	1,044,035	521,285	479,045	42,240	8.10%

**CITY OF VAUGHAN
2007 OPERATING BUDGET
SECOND QUARTER VARIANCE REPORT**

EXPENDITURE DETAILS BY DEPARTMENT

	2007 ANNUAL BUDGET	2007 YTD BUDGET AS AT JUNE 30/07	2007 YTD ACTUAL AS AT JUNE 30/07	2007 BUD / 2007 ACT	2007 BUD / 2007 ACT
				VARIANCE FAV./ (UNFAV.) \$	VARIANCE FAV./ (UNFAV.) %
DEPARTMENTAL DETAILS:					
COMMISSIONER OF LEGAL AND ADMINISTRATIVE SERVICES	333,755	168,180	155,770	12,410	7.38%
CITY CLERK DETAILS:					
CLERKS ADMINISTRATION	823,345	444,860	437,781	4,079	0.92%
RECORDS MANAGEMENT	300,590	149,685	122,562	27,123	18.12%
ARCHIVAL SERVICES	109,190	52,160	44,784	7,376	14.14%
MAILROOM / PRINTSHOP / COURIER SERVICES	817,340	398,140	353,800	44,340	11.14%
LICENSING AND SPECIAL PROJECTS	408,605	207,515	207,446	69	0.03%
COMMITTEE OF ADJUSTMENT AND DEVELOP. SERV.	483,940	241,325	215,742	25,583	10.60%
COUNCIL CORPORATE	88,940	43,065	56,049	(12,984)	-30.15%
COUNCIL ADMINISTRATIVE ASSISTANTS	1,041,865	519,280	597,408	(78,128)	-15.05%
TOTAL CITY CLERK	4,173,815	2,053,030	2,035,572	17,458	0.85%
CITY CLERK - INSURANCE	2,099,435	1,654,375	1,767,417	(113,042)	-6.83%
LEGAL SERVICES DETAIL:					
LEGAL SERVICES ADMINISTRATION	1,057,880	531,630	481,638	49,992	9.40%
REGISTRATION FEES	26,430	16,850	12,302	4,548	26.99%
REAL ESTATE	289,475	144,270	137,416	6,854	4.75%
TOTAL LEGAL SERVICES	1,373,785	692,750	631,356	61,394	8.86%
ENFORCEMENT SERVICES DETAIL:					
ENFORCEMENT SERVICES ADMINISTRATION	2,842,680	1,409,870	1,286,582	123,288	8.74%
ANIMAL CONTROL	360,000	179,995	183,700	(3,705)	-2.06%
TOTAL ENFORCEMENT SERVICES	3,202,680	1,589,865	1,470,282	119,583	7.52%
HUMAN RESOURCES DETAIL:					
HUMAN RESOURCES ADMINISTRATION	36,880	9,760	12,185	(2,425)	-24.97%
RECRUITMENT AND TRAINING	462,860	164,365	216,761	(52,396)	-31.88%
EMPLOYEE RELATIONSHIPS	440,795	281,255	118,730	162,525	57.79%
EMPLOYEE SERVICES	414,865	173,960	162,054	11,906	6.84%
CROSSING GUARDS	811,790	370,610	383,703	(13,093)	-3.53%
HEALTH AND WELLNESS	494,710	236,865	204,757	31,098	13.19%
TOTAL HUMAN RESOURCES	2,681,900	1,235,795	1,098,190	137,605	11.13%

**CITY OF VAUGHAN
2007 OPERATING BUDGET
SECOND QUARTER VARIANCE REPORT**

EXPENDITURE DETAILS BY DEPARTMENT

	2007 ANNUAL BUDGET	2007 YTD BUDGET AS AT JUNE 30/07	2007 YTD ACTUAL AS AT JUNE 30/07	2007 BUD / 2007 ACT	
				VARIANCE FAV/J (UNFAV.) \$	VARIANCE FAV/J (UNFAV.) %
DEPARTMENTAL DETAILS:					
COMMISSIONER OF COMMUNITY SERVICES	453,040	182,575	181,414	(8,839)	-4.84%
COMMUNITIES IN BLOOM	125,805	31,450	3,171	28,279	89.92%
COMMUNITY GRANTS AND ADVISORY COMMITTEES	60,840	31,470	9,598	21,872	69.50%
RECREATION DETAIL:					
RECREATION ADMINISTRATION	4,547,975	2,314,640	2,223,066	91,574	3.96%
PROGRAMMES ADMINISTRATION	375,165	188,115	153,656	34,459	18.32%
AQUATICS	2,851,595	1,288,680	1,278,117	10,563	0.82%
FITNESS	1,441,475	716,800	681,981	34,819	4.86%
GENERAL PROGRAMMES	2,526,410	1,334,110	1,162,201	171,909	12.89%
CAMPS	1,637,960	258,165	245,230	12,935	5.01%
SKATING	85,805	49,725	43,413	6,312	12.69%
CITY PLAYHOUSE	405,235	212,860	226,132	(13,272)	-5.24%
PERMITS (VAUGHAN HOCKEY SUBSIDY)	1,086,305	548,130	530,800	17,330	3.16%
YORK REGION TRANSIT TICKETING	660,000	329,990	416,155	(86,165)	-25.11%
OTHER PROGRAMMES	387,420	184,780	173,923	20,857	10.71%
TOTAL RECREATION	16,015,335	7,435,995	7,134,674	301,321	4.05%
CULTURAL SERVICES DETAIL:					
CULTURAL SERVICES ADMINISTRATION	952,295	750,240	708,081	42,159	5.62%
VAUGHAN CULTURAL INTERPRETIVE CTR.	9,880	4,940	(1,630)	6,570	133.00%
ARTS	16,500	8,250	10,204	(1,954)	-23.68%
HERITAGE VAUGHAN	16,500	7,700	5,489	2,211	28.71%
TOTAL CULTURAL SERVICES	995,175	771,130	722,144	48,986	6.35%
BUILDINGS AND FACILITIES DETAIL:					
ADMINISTRATION	1,991,275	1,208,950	1,106,744	102,206	8.45%
TRADES SHOPS	449,530	236,040	247,230	(11,190)	-4.74%
CIVIC CENTRE	1,162,945	555,520	470,219	85,301	15.36%
BUILDING OPERATIONS	12,107,060	6,102,975	5,770,303	332,672	5.45%
TOTAL BUILDINGS AND FACILITIES	15,710,810	8,103,485	7,594,496	508,989	6.28%
FLEET MANAGEMENT DETAIL:					
FLEET MANAGEMENT ADMINISTRATION	422,970	207,205	142,321	64,884	31.31%
FLEET MANAGEMENT SERVICES	444,365	217,920	190,427	27,493	12.62%
TOTAL FLEET MANAGEMENT	867,335	425,125	332,748	92,377	21.73%

**CITY OF VAUGHAN
2007 OPERATING BUDGET
SECOND QUARTER VARIANCE REPORT**

EXPENDITURE DETAILS BY DEPARTMENT

	2007 ANNUAL BUDGET	2007 YTD BUDGET AS AT JUNE 30/07	2007 YTD ACTUAL AS AT JUNE 30/07	2007 BUD / 2007 ACT	
				VARIANCE FAV./ (UNFAV.) \$	VARIANCE FAV./ (UNFAV.) %
DEPARTMENTAL DETAILS:					
PARKS OPERATIONS DETAIL:					
PARKS ADMINISTRATION	1,448,980	722,575	475,422	247,153	34.20%
OPERATIONS	5,375,585	2,265,555	2,059,755	205,800	9.08%
FORESTRY	986,005	378,590	314,008	64,582	17.06%
CEMETERIES / CAPITAL PROJECTS	1,725,355	694,395	711,898	(17,603)	-2.54%
TOTAL PARKS OPERATIONS	9,536,925	4,061,115	3,561,183	499,932	12.31%
PARKS DEVELOPMENT	985,235	499,010	454,969	44,041	8.83%
COMMISSIONER OF PLANNING	308,805	155,965	151,722	4,243	2.72%
DEVELOPMENT PLANNING DETAIL:					
PLANNING ADMINISTRATION	496,695	249,465	200,120	49,345	19.78%
DEVELOPMENT PLANNING	2,066,130	1,029,690	899,684	130,006	12.63%
DRAFTING	217,130	108,545	103,981	4,564	4.20%
TOTAL DEVELOPMENT PLANNING	2,779,955	1,387,700	1,203,785	183,915	13.25%
POLICY PLANNING AND URBAN DESIGN	901,100	451,575	386,354	65,221	14.44%
BUILDING STANDARDS	5,698,385	2,883,040	2,512,812	370,228	12.84%
COMMISSIONER OF ECONOMIC AND TECHNOLOGY DEVELOPMENT AND COMMUNICATIONS	314,070	158,860	153,413	5,447	3.43%
ECONOMIC AND BUSINESS DEVELOPMENT DETAIL:					
ECONOMIC AND BUSINESS DEVELOP. ADMIN.	667,985	336,945	337,889	(944)	-0.28%
BUSINESS DEVELOPMENT	305,425	131,710	126,639	5,071	3.85%
MARKETING	150,590	116,760	28,077	88,683	75.95%
TOURISM	300,000	84,670	87,645	(2,975)	-3.51%
ENVIRONMENT	51,870	19,160	14,694	4,466	23.27%
TOTAL ECONOMIC AND BUSINESS DEVELOPMENT	1,475,870	689,235	594,944	94,291	13.68%
ACCESS VAUGHAN	635,495	311,235	269,047	42,188	13.56%
INFORMATION AND TECHNOLOGY MANAGEMENT DETAIL:					
OFFICE OF THE CHIEF INFORMATION OFFICER	325,340	140,080	130,377	9,703	6.93%
TECHNICAL SERVICES	2,372,445	1,034,600	1,181,130	(146,530)	-14.16%
BUSINESS SOLUTIONS	1,957,515	949,240	943,745	5,495	0.58%
CLIENT SERVICES	937,160	394,535	387,974	(6,561)	-0.87%
TOTAL INFORMATION AND TECHNOLOGY MANAGEMENT	5,592,460	2,518,455	2,653,226	(134,771)	-5.35%
CORPORATE COMMUNICATIONS ADMINISTRATION	1,357,665	691,770	639,128	52,642	7.61%

**CITY OF VAUGHAN
2007 OPERATING BUDGET
SECOND QUARTER VARIANCE REPORT**

EXPENDITURE DETAILS BY DEPARTMENT

	2007 ANNUAL BUDGET	2007 YTD BUDGET AS AT JUNE 30/07	2007 YTD ACTUAL AS AT JUNE 30/07	2007 BUD / 2007 ACT	2007 BUD / 2007 ACT
				VARIANCE FAV./ (UNFAV.) \$	VARIANCE FAV./ (UNFAV.) %
<i>DEPARTMENTAL DETAILS:</i>					
<i>COMMISSIONER OF ENGINEERING SERVICES AND PUBLIC WORKS</i>	301,505	151,000	150,824	176	0.12%
<i>ENGINEERING SERVICES DETAIL:</i>					
DEVELOPMENT AND TRANSPORTATION ENGINEERING	2,344,065	1,167,300	964,979	202,321	17.33%
ENGINEERING AND CONSTRUCTION SERVICES	3,704,685	1,845,600	1,478,388	367,212	19.90%
TOTAL ENGINEERING SERVICES	6,048,750	3,012,900	2,443,367	569,533	18.90%
<i>PUBLIC WORKS DETAIL:</i>					
PUBLIC WORKS ADMINISTRATION	1,716,310	1,121,305	1,080,414	40,891	3.65%
ROADS MAINTENANCE	6,622,630	2,496,475	2,679,018	(181,543)	-7.27%
WINTER CONTROL	7,397,825	4,385,635	3,698,142	687,493	15.68%
WASTE MANAGEMENT	8,347,520	2,667,785	3,180,336	(512,551)	-19.21%
TOTAL PUBLIC WORKS	24,084,285	10,671,200	10,636,910	34,290	0.32%
<i>VAUGHAN PUBLIC LIBRARIES DETAIL:</i>					
PERSONNEL AND ADMINISTRATION	7,758,860	3,889,930	3,355,534	534,396	13.74%
COMMUNICATIONS	554,500	298,870	264,090	34,780	11.64%
RESOURCES	1,325,690	663,510	639,959	23,551	3.55%
FACILITIES	967,500	468,240	407,600	60,640	12.95%
TOTAL VAUGHAN PUBLIC LIBRARIES	10,606,550	5,320,550	4,667,183	653,367	12.28%
TOTAL DEPARTMENTAL EXPENDITURES	153,708,080	75,318,795	71,103,728	4,215,066	5.60%

**CITY OF VAUGHAN
2007 OPERATING BUDGET
SECOND QUARTER VARIANCE REPORT
CORPORATE AND ELECTION EXPENDITURES - DETAILS**

	2007 ANNUAL BUDGET	2007 YTD BUDGET AS AT JUNE 30/07	2007 YTD ACTUAL AS AT JUNE 30/07	2007 BUD / 2007 ACT	
				VARIANCE FAV./ (UNFAV.) \$	VARIANCE FAV./ (UNFAV.) %
CORPORATE & ELECTIONS DETAIL :					
RESERVE CONTRIBUTIONS:					
1998 & PRIOR BLDG & FACIL. INFRAST. RES. CONTRIB.	825,000	825,000	825,000	0	0.00%
POST 1998 BLDG & FACIL. INFRAST. RES. CONTRIB.	675,000	675,000	675,000	0	0.00%
ROADS INFRASTRUCTURE RESERVE CONTRIBUTION	475,000	475,000	475,000	0	0.00%
PARKS INFRASTRUCTURE RESERVE CONTRIBUTION	275,000	275,000	275,000	0	0.00%
BLDG. STDS. SERVICE CONTINUITY RESERVE CONTRIB.	2,205,920	1,102,915	4,669,525	(3,566,610)	-323.38%
ELECTION RESERVE CONTRIBUTION	200,000	200,000	200,000	0	0.00%
TOTAL RESERVE CONTRIBUTIONS	4,655,920	3,552,915	7,119,525	(3,566,610)	-100.39%
CORPORATE EXPENDITURES:					
BANK CHARGES	20,000	10,000	44,894	(34,894)	-348.94%
PROFESSIONAL FEES	146,820	86,200	50,305	35,895	41.64%
MAJOR OMB HEARINGS - PROFESSIONAL FEES	200,000	100,000	79,129	20,871	20.87%
JOINT SERVICES	240,000	120,000	126,500	(6,500)	-5.42%
SUNDRY, DUES & MUNICIPAL GRANTS	34,900	17,450	31,399	(13,949)	-79.94%
CITY HALL FUNDING	1,000,000	1,000,000	1,000,000	0	0.00%
TAX ADJUSTMENTS	1,296,175	647,440	710,784	(63,344)	-9.78%
CORPORATE INSURANCE	538,220	538,220	538,220	0	0.00%
AMO MEMBERSHIP	11,850	11,850	12,452	(602)	-5.08%
CONFERENCES	29,370	5,632	5,632	0	0.00%
ELECTION COSTS	15,000	13,000	346,158	(333,158)	-2562.75%
UNALLOCATED BENEFITS	0	0	137,336	(137,336)	0.00%
SALARY SAVINGS FROM TURNOVER (GAPPING)	(637,000)	(653,586)	0	(653,586)	100.00%
TOTAL CORPORATE EXPENSES	2,695,335	1,896,206	3,082,809	(1,186,603)	-62.58%
TOTAL RESERVE CONTRIBUTIONS AND CORP. EXPENDITURES	7,351,255	5,449,121	10,202,334	(4,753,213)	-87.23%