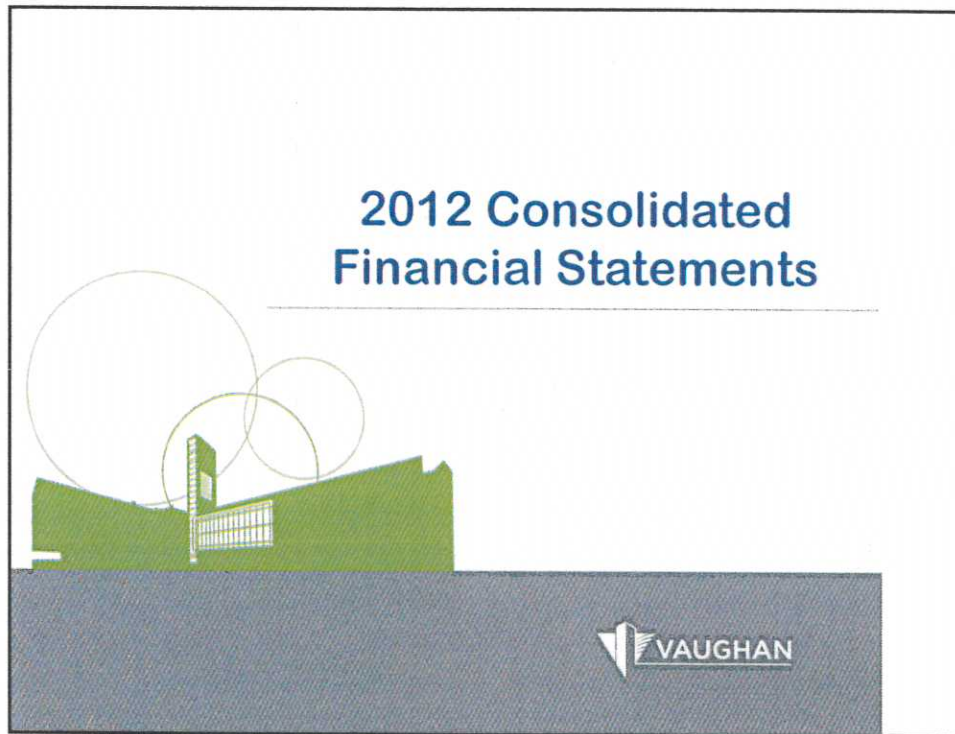


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F&A
June 10/13
Item #1

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2012 Consolidated Financial Statements

- Includes
 - City of Vaughan
 - Vaughan Public Library Board
 - Kleinburg Business Improvement Area (KBIA)
 - Hydro Vaughan Corporations
- Excludes
 - City of Vaughan Trust Funds
- Clean audit opinion from KPMG on all 2012 financial statements



Financial Statement Presentation – Differences from Budget Presentation

Fund Accounting
Financial Presentation by Fund
Presents Partial Financial Picture
Expense TCA
Reserve Contributions/No Amortization
Excludes Unfunded Liabilities

Accrual Accounting
One Set of Summary Financial Statements
Presents Full Financial Picture
Capitalize TCA
Amortization over TCA useful life
Includes Unfunded Liabilities



Financial Assets - Highlights

- Strong Cash and Cash investments position
 - 2012 - \$437.1m versus 2011 \$370.5m
- Taxes receivable lower in 2012 due to smaller supplemental tax billing at year end
 - 2012 - \$36m versus 2011 \$43.1m
- Water and wastewater receivable increase due to large year end billing accrual
 - 2012 - \$17m versus 2011 \$15.8m



Financial Assets – Investments in Hydro Vaughan Corporations as at 12/31/12 (Note 4)

- PowerStream IFRS adjustment resulted in an adjustment of \$21.9m in the 2011 and 2012 Investment
- Increased investment in PowerStream's solar business of \$12/
- 2012 Net Earnings of Hydro Vaughan Corps is \$16.5m
- Investment in Hydro Vaughan Corp - \$299.5m (2011 restated - \$275.7m)



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Financial Liabilities – Highlights (Note 5)

- Employee Future Benefits \$75.5 (2011 - \$65.2) includes:
 - Post-employment retirement benefits - \$70.4 m
 - Vacation pay entitlements - \$4.6m
 - Workers Safety Insurance Board (WSIB) - \$0.5m
- Post-employment retirement benefits
 - Cost recognized over service life of employees
 - Valuation based on 2011 actuarial study
 - Current reserve balance of \$21.7m set aside
 - Unfunded portion of \$48.7 netted against Accumulated Surplus



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Financial Liabilities – Highlights (Notes 6 & 7)

- Deposits and Deferred Revenue - \$22.5m (2011 - \$20.5m)
- Deferred Revenue – Obligatory Reserves - \$244.7m
 - Recreational Land - \$38.6
 - DC's - \$163.3
 - Federal Gas Tax - \$14.4
 - Building Standards Act \$17.0
 - Other - \$11.4
- Debentures and Other Debt - \$77.2m – includes sinking fund and serial debentures and other debt



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 VAUGHAN
MULTICOMMUNICATIONS

Non Financial Assets – Highlights (Note 9)

- Land and capital assets available and used to provide services to residents
- Net Book Value is \$7.0 billion (2011 - \$6.9 billion) and comprised of:
 - Cost
 - Plus Additions
 - Less Disposals
 - Less Accumulated Amortization
- Figure includes \$4.9 billion of land that is not amortized



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 VAUGHAN
MULTICOMMUNICATIONS

Accumulated Surplus (Note 10)

	2012	2011
	(\$b)	(\$b)
Tangible Capital Assets	6.989	6.868
Investment in Hydro Vaughan Corporations	0.300	0.276
Discretionary Reserves	0.228	0.225
Amounts to be Recovered in Future Years	(0.136)	(0.111)
Other	(0.077)	(0.130)
	<u>7.304</u>	<u>7.128</u>

- Annual Surplus is \$176.4 m (2011 revised - \$94.0 m)



Statement of Operations

- Revenue of \$523.9m is a \$191.2m difference from budget due to unbudgeted contributed assets from assumed development - \$159.5m
- Expenditures of \$360.3m is a \$80m difference primarily due to unbudgeted amortization of \$65.1m and unbudgeted loss on disposal of tangible capital assets of \$11.6m



Conclusion – Good News Story

- Clean Audit Opinion from KPMG
- Reserves strong
- Cash and investment position is strong
- Strong financial position reflects commitment to sound fiscal policy

Going Forward

- need to address funding issues for amortization and post retirement benefits

