



TOWNSHIP OF VAUGHAN — AUDITOR'S REPORT — 1969

March 31, 1970.

THE REEVE, MEMBERS OF COUNCIL AND RATEPAYERS OF THE MUNICIPAL CORPORATION OF THE TOWNSHIP OF VAUGHAN.

We have examined the financial statements of the Township of Vaughan and its local boards for the year ended December 31, 1969, and report as follows:

RESULTS FOR THE YEAR

The statement of operations for the year is summarized as follows:

Revenue	\$6,239,792
Expenditure	6,152,398
Excess of revenue over expenditure for the year	87,394
Surplus, December 31, 1968	221,140
Surplus, December 31, 1969	\$ 308,534

TAX ROLLS AND TAX COLLECTIONS

The revenue from taxation compares with prior years as follows:

1969	\$5,002,509
1968	4,128,032
1967	3,970,274

The taxes receivable including penalties on the current year's roll are \$362,373 at December 31, 1969 compared with \$301,685 at December 31, 1968. The collection of the current year's taxes including penalties represents 92.8% of the total 1969 tax roll including penalties compared with 93.3% at December 31, 1968.

The total collection in the year of 1969 taxes, arrears of taxes for prior years, and penalties represent 98.7% of the 1969 tax roll.

CAPITAL FUND BALANCE SHEET

Unexpended funds, Industrial Land Development - \$367,070

All the marketable property developed by the Township in the industrial area has been sold and the funds on hand after all costs to date is \$367,070. We are advised that addi-

tional costs will be incurred as the development of the properties in the area will require further improvements.

WATER AREAS

The operations of the Water Areas are summarized as follows:

	Balance of Surplus or (Deficit) Dec. 31, 1968	Surplus or (Deficit) for 1969	Balance of Surplus or (Deficit) Dec. 31, 1969
Area 1	\$ 71,695	\$ 3,369	\$ 75,064
Area 2	(30,950)	14,121	(16,829)
Area 4	3,660	2,725	6,385
Area 5	2,348	(2,286)	62
Area 6	8,985	5,584	14,569

The operations for the year of Water Area No. 7 shows a deficit of \$51,862 after debt charges of \$36,742. This deficit was assumed by the Township and is included in total expenditures for the year.

HYDRO UTILITY

The financial statements of the Utility are not included as their accounts and records for 1969 have not been completed, hence we are unable to report thereon.

We hereby report subject to the exclusion of the Hydro Utility financial statements, that in our opinion,

- The financial transactions which have come to our notice have been within the powers of the municipality.
- The audit has been conducted in accordance with the instructions of the Department of Municipal Affairs.
- The financial statements present fairly the financial position of the Municipality at December 31, 1969 and the results of its operations for the year then ended.

EDDIS & ASSOCIATES
Chartered Accountants
Licence No. 3755

Date of filing with Department of Municipal Affairs, April 3, 1970.

CAPITAL FUND BALANCE SHEET December 31, 1969

ASSETS:		1969	1968
Current assets			
Accounts receivable	\$	1,083	\$
Mortgages receivable		495,195	293,855
		496,278	293,855
Capital outlay to be recovered in future years			
		5,913,688	11,332,235
	\$	6,409,966	\$ 11,626,090
LIABILITIES			
Current liabilities			
Bank loan			191,500
Due to revenue fund	67,818		552,099
Due to water area	85,444		163,115
Mortgage payable - 7% due June 1971	29,160		31,160
Accounts payable and accrued expenses		182,422	942,398
Unexpended funds, Industrial Land Development		367,070	
Net long term liabilities			
General municipal activities	1,016,523		1,070,731
Municipal enterprises	4,843,951		4,786,633
School boards (all liabilities were assumed by divisional boards of education from January 1, 1969)			4,826,328
	5,860,474		10,683,692
	\$ 6,409,966		\$ 11,626,090

REVENUE FUND BALANCE SHEET

December 31, 1969

ASSETS		1969	1968	LIABILITIES		1969	1968
Cash		\$ 233,250	\$ 331,072	Temporary loans		\$	\$ 300,000
Short term investment certificates		700,000		Accounts payable and accrued expenses		673,530	626,720
				Debentures and coupons due		32,398	10,811
Accounts receivable				Due to local boards and other funds			
Canada		4,784	1,050	Hydro system	408,384		82,569
Province of Ontario		286,751	245,445	Reserve funds			76,796
Other municipalities			15,559	Library boards			1,215
General accounts receivable (less allowance for doubtful accounts, 1969, \$5,000; 1968 \$5,000)		80,941	51,834	Toronto Transit Commission			
		372,476	313,888	Bus Line Funds		17,488	20,978
Due from local boards and other funds				Water supply system			
Capital fund		67,818	552,099	Area No. 1		83,326	18,046
Reserve funds		3,265		Area No. 5			826
Maple Police Village			88	Area No. 6		12,409	6,466
Library board		2,157				95,735	25,338
Water supply system				Deferred revenue			
Area No. 2		18,887	33,221	County rates		4,329	2,506
Area No. 4		8,300	10,572	School boards		2,235	6,085
Area No. 5		2,864		Local improvement charges		3,309	3,183
Area No. 7		18,794	10,044	Public works		86,751	67,522
		48,845	53,837	Per capita grant		1,121	3,980
		122,085	606,024	Thornhill Police Village		1,293	2,630
Taxes receivable				Township dump			
1969 tax arrears		348,061	288,717			58,113	37,776
1968 tax arrears		31,944	24,570	Reserves			
1967 and prior tax arrears		7,990	5,352	Replacement of Public Works			
Penalties and interest		16,957	16,423	Equipment		64,724	52,630
		404,952	335,062	General reserve		7,105	7,105
Less allowance for uncollectable taxes		10,000	10,000			71,829	59,735
		394,952	325,062	Surplus account			
Property acquired for taxes		3,115	2,667			308,534	221,140
Inventory at cost, Public Works		4,643	2,100			\$ 1,830,521	\$ 1,580,813
		\$ 1,830,521	\$ 1,580,813				

STATEMENT OF REVENUE AND EXPENDITURE

for the year ended December 31, 1969

	1969	1968	Expenditures	1969	1968
Revenue					
Taxation	\$5,002,509	\$4,128,032	General government	\$ 295,070	\$ 272,614
Contributions from other governments			Protection to persons and property	632,842	510,278
Payments in lieu of taxes	32,342	27,905	Public works	1,092,370	1,029,767
Subsidies	915,575	876,519	Sanitation and waste removal	135,045	119,202
Municipalities	114	15,000	Conservation of health		5,526
	948,031	919,424	Social and family services		53,694
Other revenue					
Reduction in deferred revenues		43,198	Recreation and community services	107,987	78,222
Interest on capital fund	62,168	44,928	Community planning and development	96,600	67,532
Penalties and interest on taxes	36,707	33,511	Financial expenses	58,804	71,571
Capital lot fees	24,697	23,296	Deficit of water area 7 written off	51,862	58,763
Licences, fees and permits	63,084	42,917	Pine Grove watermain	1,839	1,840
Service charges	84,111	74,021	Water areas	134,975	125,462
Tax write-offs and adjustments recovered	15,855	31,256	Police villages	28,849	40,508
Fines	2,008	1,013	Thornhill Police Village - works	15,000	
Income from investments	622	408	County share of expenditure	486,593	461,556
Discount and accrued debenture interest		6,347	Education - local contributions	3,014,562	2,850,800
	289,252	300,895		6,152,398	5,247,335
	\$ 6,239,792	\$ 5,348,351	Excess of revenue over expenditure for the year 87,394 101,016		
			Surplus, beginning of the year 221,140 120,124		
			Surplus, end of the year \$ 308,534 \$ 221,140		

NOTES TO FINANCIAL STATEMENTS

for the year ended December 31, 1969

1. Charges for net long term liabilities

Total charges for the year for net long term liabilities were as follows:

Principal payments	\$ 265,890
Interest	375,095
	\$ 640,985

Of the total charges shown above, an amount of \$144,291 was paid from the general revenues of the Municipality and is included in expenditure, classified under the appropriate functional headings, and an amount of \$496,694 was recovered from the Municipal enterprises for which the related net long term liabilities were incurred.

2. Mortgages receivable

7% due January 15, 1970	\$ 32,000
7½% due January 23, 1970	57,500
8% due March 1, 1970	57,495
8% due March 28, 1970	45,000
8% due June 30, 1970	79,200
8% due December 1, 1970	224,000
	\$ 495,195

The above first mortgages were taken back by the Municipality on the sale of industrial land and those which mature prior to the date of this report have been paid in full.

3. Net long term liabilities

Total long term liabilities incurred by the Municipality and outstanding at the end of the year amount to \$ 9,144,342

Of the outstanding long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by others for a principal amount of \$ 3,233,868

Net long term liabilities, end of the year \$ 5,860,474

On January 1, 1969, the York County Board of Education assumed from the Municipality the responsibility for the payment of the principal and interest charges on the debentures issued for school purposes.

4. Net long term liabilities to be specially assessed

Certain net long term liabilities, the terms of which will require certain lands, owners or occupants to be specially assessed, have been included in the net long term liabilities classified under general Municipal activities. The amount of these liabilities is as follows:

(1) The Local Improvement Act \$41,527

5. Liabilities payable in United States' dollars

Included in "net long term liabilities" is an amount of \$527,000 payable in U.S. dollars and is recorded on the basis of \$1 Canadian being equal to \$1 U.S.

6. Liability for sick leave benefits

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment on termination of service. The liability for these accumulated days, to the extent that they could be taken in cash by an employee on terminating, amounted to \$73,533 at the end of the year. It is the policy of the Municipality to pay the accumulated sick leave benefits of retiring or terminating employees from the revenue of the year in which the liability becomes payable.