

Consolidated Financial Statements of

**THE CORPORATION OF THE
TOWN OF RICHMOND HILL**

December 31, 2004

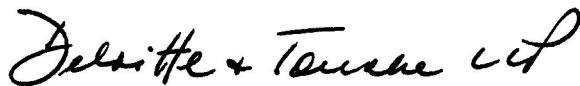
Auditors' Report

To the Members of Council, Inhabitants
and Ratepayers of The Corporation of
the Town of Richmond Hill

We have audited the consolidated statement of financial position of The Corporation of The Town of Richmond Hill as at December 31, 2004 and the consolidated statements of financial activities and of changes in financial position for the year then ended. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2004 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

Toronto, Ontario
April 22, 2005

THE CORPORATION OF THE TOWN OF RICHMOND HILL

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December 31, 2004

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THE CORPORATION OF THE TOWN OF RICHMOND HILL

Consolidated Statement of Financial Position

December 31, 2004

(\$000's)

	2004	2003
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 319,119	\$ 307,062
Short term investments (Note 2)	10,264	17,153
Taxes and payments-in-lieu receivable (Note 4)	20,789	19,182
Accounts receivable	29,987	21,045
	380,159	364,442
LIABILITIES		
Accounts payable and accrued liabilities	29,127	25,922
Other liabilities	3,360	2,845
Deferred revenue (Note 5)	76,227	79,695
Employee future benefits liability (Note 6)	3,077	2,828
	111,791	111,290
NET FINANCIAL ASSETS	268,368	253,152
NON-FINANCIAL ASSETS		
Prepaid expenses	103	29
Inventory	285	292
	388	321
NET ASSETS	\$ 268,756	\$ 253,473
COMMITMENTS (Note 13)		
CONTINGENCY (Note 14)		
MUNICIPAL POSITION		
Operating Fund - Schedule 1 (Note 7)	\$ 1,040	\$ 1,153
Capital Fund - Schedule 2 (Note 7)	23,791	20,966
Reserves and Reserve Funds - Schedule 3 (Note 7)	248,297	235,597
	273,128	257,716
Amounts to be recovered (Note 8)	(4,372)	(4,243)
	\$ 268,756	\$ 253,473

APPROVED BY

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The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Consolidated Statement of Financial Activities and Change in Fund Balance

Year ended December 31, 2004

(\$000's)

	2004		2003
	Budget (unaudited - Note 15)	Actual	Actual
REVENUES			
Taxation (Note 9)	\$ 233,133	\$ 234,803	\$ 214,453
Less amounts received for Region and School Boards	(184,979)	(184,677)	(169,403)
	48,154	50,126	45,050
User charges	33,686	35,231	33,870
Grants (Note 10)	248	300	732
Permits, penalties, rents and other	13,196	26,745	20,325
Investment income	5,725	16,939	16,289
Development contributions earned	11,378	17,691	18,919
	112,387	147,032	135,185
EXPENDITURES (Note 11)			
CURRENT			
General government	16,749	17,095	15,558
Protection to persons and property	16,836	16,805	16,390
Transportation services	14,425	13,712	12,757
Environmental services	27,719	25,847	24,839
Health services	2,500	2,500	2,500
Social and family services	150	150	1,000
Recreation and cultural services	23,023	25,223	23,702
Planning and development	2,652	2,370	2,067
	104,054	103,702	98,813
CAPITAL			
General government	1,485	1,781	2,294
Protection to persons and property	2,402	942	738
Transportation services	11,958	4,132	6,230
Environmental services	663	976	2,240
Recreation and cultural services	9,357	20,230	20,034
Planning and development	8	53	249
	25,873	28,114	31,785
TOTAL EXPENDITURES	129,927	131,816	130,598
(DECREASE) INCREASE IN NET FINANCIAL ASSETS	(17,540)	15,216	4,587
INCREASE (DECREASE) IN AMOUNTS TO BE RECOVERED	-	129	(805)
INCREASE (DECREASE) IN NON-FINANCIAL ASSETS	-	67	(49)
CHANGE IN FUND BALANCES	\$ (17,540)	\$ 15,412	\$ 3,733

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Consolidated Statement of Changes in Financial Position

Year ended December 31, 2004

(\$000's)

	2004	2003
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATIONS		
Net revenues	\$ 15,216	\$ 4,587
Uses		
Increase in taxes and payments-in-lieu	(1,607)	(5,524)
Increase in accounts receivable	(8,942)	-
Decrease in other liabilities	-	(779)
Decrease in deferred revenues	(3,468)	(595)
Decrease in interest payable on long-term debt	-	(29)
	(14,017)	(6,927)
Sources		
Decrease in trade and other receivables	-	10,674
Increase in accounts payable and accrued liabilities	3,205	4,869
Increase in other liabilities	515	-
Increase in employee benefits payable	249	207
	3,969	15,750
Net increase in cash from operations	5,168	13,410
INVESTING		
Decrease in short term investments	6,889	46,782
FINANCING		
Long-term debt payments	-	(853)
NET CHANGE IN CASH AND CASH EQUIVALENTS	12,057	59,339
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	307,062	247,723
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 319,119	\$ 307,062

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

THE CORPORATION OF THE TOWN OF RICHMOND HILL
Notes to the Consolidated Financial Statements
December 31, 2004
(tabular amounts in thousands of dollars)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The Corporation of The Town of Richmond Hill (the "Town") are the representations of management prepared in accordance with local government accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants.

Significant accounting policies adopted include:

(a) i) Reporting entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the current fund, capital fund, reserves and reserve funds of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees controlled by the Town, including the following:

Richmond Hill Public Library
Richmond Hill Business Improvement Area
Richmond Hill Arena Association

All material inter-entity and interfund transactions and balances are eliminated on consolidation.

ii) Accounting for region and school board

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of The York Region District School Board, The York Region Roman Catholic Separate School Board, and The Region of York are not reflected in the municipal fund balances of these consolidated financial statements.

iii) Trust Funds

Trust funds and their related operations administered by the Town are not included in the financial statements but are reported separately on the Trust Funds Statement of Revenue, Expenditure and Fund Balance.

(b) Basis of accounting

i) Revenues and expenditures

Revenues and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenditures are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

THE CORPORATION OF THE TOWN OF RICHMOND HILL
Notes to the Consolidated Financial Statements
December 31, 2004
(tabular amounts in thousands of dollars)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of accounting (continued)

ii) Tangible capital assets

The historical cost and accumulated depreciation of capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the consolidated statement of financial activities in the year of acquisition.

iii) Deferred revenue

Deferred revenues represent user charges, development charges and other fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

iv) Employee future benefits

The present value of the cost of providing employees with future benefits programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is actuarially determined using the projected benefit method prorated on service and management's best estimate of retirement ages of employees and expected health care and dental costs.

Any actuarial gains or losses are recognized within the fiscal period in which the actuarial valuation has determined the amount.

v) Investment income

Investment income earned on current funds, capital funds, reserves and reserve funds (other than obligatory funds) is reported as revenue in the period earned. Investment income earned on development charges and parkland obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances.

vi) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenditures during the period. Actual results could differ from these amounts.

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Notes to the Consolidated Financial Statements

December 31, 2004

(tabular amounts in thousands of dollars)

2. CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

	<u>2004</u>	<u>2003</u>
Unrestricted cash and cash equivalents	\$ 219,101	\$ 206,401
Restricted cash and cash equivalents	100,018	100,661
	<u>319,119</u>	<u>307,062</u>
Short-term investments	10,264	17,153
	<u>\$ 329,383</u>	<u>\$ 324,215</u>

Cash and cash equivalents and short-term investments included above had a market value of \$343,134 (2003 - \$335,282) at the end of the year.

3. TRUST FUNDS

Trust funds administrated by the Town amounting to \$68 (2003 - \$50) are presented separately in the Trust Fund Statement of Financial Activities and Fund Balance and the Statement of Financial Position. As the Town holds these funds in trust for the benefit of others, they are not presented as part of the Town's financial position or financial activities.

4. TAXES AND PAYMENTS-IN-LIEU RECEIVABLE

The balance in taxes receivable, including penalties and interest, is comprised of the following:

	<u>2004</u>	<u>2003</u>
Current year	\$ 12,280	\$ 11,058
Previous years	6,965	6,923
Penalties and interest	1,864	1,521
	<u>21,109</u>	<u>19,502</u>
Less allowance	320	320
	<u>\$ 20,789</u>	<u>\$ 19,182</u>

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Notes to the Consolidated Financial Statements

December 31, 2004

(tabular amounts in thousands of dollars)

5. DEFERRED REVENUE

Deferred revenue represents user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed. The following is the current status of the deferred revenues:

	<u>2004</u>	<u>2003</u>
Obligatory Reserve Funds		
Development charges	\$ 38,477	\$ 39,787
Parkland	10,362	7,987
Unspent development contributions from Capital Funds	26,000	30,813
Deferred revenue - general	1,388	1,108
Total	\$ 76,227	\$ 79,695

Continuity of deferred revenue is as follows:

	<u>2004</u>	<u>2003</u>
Balance, beginning of year	\$ 79,695	\$ 80,290
Developer contributions collected	12,106	15,810
Other collections	880	952
Interest earned	1,861	1,769
	<u>14,847</u>	<u>18,531</u>
Less		
Developer contributions used in capital operations	17,613	18,798
Developer contributions used in current operations	102	231
General deferred revenues used	600	97
	<u>18,315</u>	<u>19,126</u>
Balance, end of year	\$ 76,227	\$ 79,695

THE CORPORATION OF THE TOWN OF RICHMOND HILL
Notes to the Consolidated Financial Statements
December 31, 2004
(tabular amounts in thousands of dollars)

6. EMPLOYEE FUTURE BENEFITS LIABILITY

(a) Employee future benefits liability

Health and dental benefits

Employee future benefits include health and dental benefits that the Town of Richmond Hill pays on behalf of its current and retired employees. The Town recognizes these post-retirement costs as they are earned during the employees' tenure of service.

Vested sick leave benefit

Under the sick leave benefit plan available only to the Town's firefighters, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the Town's employment.

The benefit liability related to retirees at December 31, 2004 of \$2,718 (2003 - \$2,506) was determined by actuarial update. The accrued benefit liability and the expense for the year ended December 31, 2004 were based on assumptions used for the December 31, 2002 actuarial valuation.

The significant actuarial assumptions employed in the actuarial valuations are as follows:

i) General inflation

Future general inflation levels were assumed to be 3.0% in 2005 and thereafter.

ii) Interest (discount) rate

The present value as at December 31, 2004 of the future benefits was determined using a discount rate of 6%. This corresponds to the assumed inflation rate plus an assumed rate of return of 3%.

iii) Health costs

Health costs were assumed to increase at a rate of 10% for 2005 and continue to increase for the next 15 years. The increase will start at 10% per year in 2005 and gradually reduce to a 5% per annum increase in 2019 and thereafter.

iv) Dental costs

Dental costs were assumed to increase at 5% for 2005 and thereafter.

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Notes to the Consolidated Financial Statements

December 31, 2004

(tabular amounts in thousands of dollars)

6. EMPLOYEE FUTURE BENEFITS LIABILITY (continued)

(b) Workplace Safety and Insurance Board Liability

Effective January 1, 1994, the Corporation of the Town of Richmond Hill became a Schedule II employer under the Workplace Safety and Insurance Act and follows a policy of self insurance for all its employees.

The Town also maintains an insurance policy, which protects the Corporation against single claims in excess of \$250,000.

The Workplace Safety and Insurance Board liability at December 31, 2004 of \$359 (2003 - \$322) was determined by a full actuarial valuation for the year ended December 31, 2004.

Information about the Town's employee future benefits liability is as follows:

	<u>2004</u>			<u>2003</u>
	<u>Firefighters and Retirees</u>	<u>WSIB</u>	<u>Total</u>	<u>Total</u>
Accrued future benefits liability, beginning of year	\$ 2,506	\$ 322	\$ 2,828	\$ 2,621
Expense for the period	169	74	243	223
Interest accrued	152	23	175	161
Benefits paid during the period	(109)	(60)	(169)	(177)
Accrued future benefits liability, end of year	<u>\$ 2,718</u>	<u>\$ 359</u>	<u>\$ 3,077</u>	<u>\$ 2,828</u>

7. MUNICIPAL FUND BALANCES AT THE END OF THE YEAR

(a) Operating Fund Balance

	<u>2004</u>	<u>2003</u>
Town	\$ 1,040	\$ 1,127
Business Improvement Area	-	26
	<u>\$ 1,040</u>	<u>\$ 1,153</u>

(b) Capital Fund Balance

	<u>2004</u>	<u>2003</u>
Funds available for the acquisition of tangible capital assets	\$ 23,791	\$ 20,966

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Notes to the Consolidated Financial Statements

December 31, 2004

(tabular amounts in thousands of dollars)

7. MUNICIPAL FUND BALANCES AT THE END OF THE YEAR (continued)

(c) *Reserves and Reserve Funds*

	<u>2004</u>	<u>2003</u>
Reserves set aside for special purposes by Council		
Working capital	\$ 116	\$ -
Contingencies	11,634	5,948
Acquisition of fixed assets	5,529	6,340
Operations and special purposes	15,633	15,874
	<u>32,912</u>	<u>28,162</u>
Reserve Funds set aside for special purposes by Council		
Parks and recreation	221	208
Acquisition of fixed assets	140,164	126,373
Insurance	1,928	1,938
W.S.I.B.	534	629
Fire fighters' sick leave	1,404	1,333
Operating and special purposes	71,134	76,954
	<u>215,385</u>	<u>207,435</u>
Total Reserves and Reserve Funds	<u>\$ 248,297</u>	<u>\$ 235,597</u>

8. AMOUNTS TO BE RECOVERED

	<u>2004</u>	<u>2003</u>
Employee future benefits	\$ 3,077	\$ 2,828
Vacation pay - Library	37	30
Internal loans from obligatory reserve funds	1,258	1,385
	<u>\$ 4,372</u>	<u>\$ 4,243</u>

9. TAXATION

Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of Municipal Act, 2001. The Municipal Council establishes the tax rates annually, incorporating amounts to be raised for local services, the requisitions made by the Region of York in respect to Regional services and amounts the Town is required to collect on behalf of the School Board(s) in respect of education taxes. From time to time property assessment are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are processed by the Town upon receipt and recognized in the fiscal year they are determined. All property taxes are secured by the land and pose no collection risk.

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Notes to the Consolidated Financial Statements

December 31, 2004

(tabular amounts in thousands of dollars)

10. GRANTS

	<u>2004</u>	<u>2003</u>
Government of Canada	\$ 12	\$ 252
Province of Ontario	288	480
	<u>\$ 300</u>	<u>\$ 732</u>

11. CLASSIFICATION OF EXPENDITURES BY OBJECT

The Consolidated Statement of Financial Activities presents the expenditures by function, whereas the following classifies those same expenditures by object:

	<u>2004</u>	<u>2003</u>
Salaries, wages and employee benefits	\$ 53,314	\$ 49,940
Operating materials and supplies	17,067	17,118
Contracted services	29,307	27,353
Rents and financial expenses	1,264	1,023
External transfers to others	2,750	3,342
Tangible capital assets	28,114	31,785
Debt service	-	37
Total expenditures by object	<u>\$ 131,816</u>	<u>\$ 130,598</u>

12. PENSION AGREEMENTS

The Town is required to participate in and make contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The contribution rate for 2004 was 6% (2003 – 2.1%). The amount contributed to OMERS for 2004 was \$2,444 (2003 - \$758) for current service and is included as an expenditure on the Consolidated Statement of Financial Activities.

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Notes to the Consolidated Financial Statements

December 31, 2004

(tabular amounts in thousands of dollars)

13. COMMITMENTS

- (a) The Town of Richmond Hill Public Library leases office space under an agreement that expires March 31, 2005. The obligations over the remaining life of the lease are as follows:

2005	\$ 25
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- (b) The Richmond Hill Arena Association leases land under an agreement that expires December 31, 2015. The obligations over the remaining life of the lease are as follows:

2005	\$ 31
2006	31
2007	31
2008	31
2009 to 2015	217
	<hr/>
	\$ 341

- (c) The Town of Richmond Hill has entered into various contracts for vehicle and equipment leases. The obligations over the remaining life of the leases are as follows:

2005	\$ 13
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- (d) The Town of Richmond Hill has entered into a ten-year contract for the handling of garbage and recycling materials expiring on March 31, 2009. The obligations over the remaining life of this contract are as follows:

2005	\$ 2,978
2006	3,109
2007	3,238
2008	3,368
2009	875
	<hr/>
	\$ 13,568

14. CONTINGENCY

The Town is the defendant in several legal actions claiming personal, property and other damages. The claims are being handled by the Town's insurers. Provision has been made in the consolidated financial statements for management's best estimate of the ultimate cost to the Town to settle these actions.

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Notes to the Consolidated Financial Statements

December 31, 2004

(tabular amounts in thousands of dollars)

15. BUDGET FIGURES

The Town completes separate budget reviews for its Operating and Capital Budgets each year. The approved budget for 2004 is reflected on the Consolidated Statement of Financial Activities, the Consolidated Schedule of Operating Activities and Fund Balance, and the Consolidated Schedule of Capital Fund Activities and Fund Balance.

Budgets established for the Capital Fund are set on a project-oriented basis, the costs of which may be carried out over one or more fiscal years and may not be comparable with the current year actual amounts. Funding for these capital projects is determined annually and made by transfers from reserve funds and by the application of applicable grants or other available funds.

As well, the Town does not budget for activity within the Reserve and Reserve Funds, with the exception being those transactions which affect either the operating or capital budgets.

16. GUARANTEES

In the normal course of business, the Town enters into agreements that meet the definition of a guarantee. The Town's primary guarantees subject to disclosure include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements.

These indemnification agreements may require the Town to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Town from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Town has not made the any significant payments under such or similar indemnification agreements and therefore no amount has been accrued with respect to these agreements.

17. COMPARATIVE FIGURES

Certain of prior years figures have been reclassified to conform with the current year's basis of presentation.

THE CORPORATION OF THE TOWN OF RICHMOND HILL

Consolidated Schedule of Operating Fund Activities and Fund Balance

Year ended December 31, 2004

(\$000's)

Schedule 1

	2004		2003
	Budget	Actual	Actual
	(unaudited - Note 15)		
REVENUES			
Taxation	\$ 233,133	\$ 234,803	\$ 214,453
Less amounts received for Region and School Boards	(184,979)	(184,677)	(169,403)
	48,154	50,126	45,050
User charges	33,686	35,231	33,870
Grants	248	300	214
Permits, penalties, rents and other	12,757	15,430	13,327
Investment income	5,725	6,144	5,933
Developer contributions earned	276	78	121
	100,846	107,309	98,515
EXPENDITURES			
General government	16,749	17,095	15,558
Protection to persons and property	16,836	16,805	16,390
Transportation services	14,425	13,712	12,757
Environmental services	27,719	25,847	24,839
Health services	2,500	2,500	2,500
Social and family services	150	150	1,000
Recreation and cultural services	23,023	25,223	23,702
Planning and development	2,652	2,370	2,067
	104,054	103,702	98,813
NET REVENUES	(3,208)	3,607	(298)
FINANCING AND TRANSFERS			
External debt principal repayments	-	-	(853)
Internal loan repayments	-	(127)	(116)
Accrued interest on long-term debt	-	-	(29)
Employee future benefits	-	249	207
Vacation pay - Library	-	7	(14)
Transfers from (to) Reserves and Reserve Funds	3,094	(2,888)	2,285
Transfers to Capital Fund	(1,039)	(1,028)	(889)
	2,055	(3,787)	591
CHANGE IN OPERATING FUND	(1,153)	(180)	293
INCREASE (DECREASE) IN NON-FINANCIAL ASSETS	-	67	(49)
CURRENT FUND BALANCE, BEGINNING OF YEAR	1,153	1,153	909
CURRENT FUND BALANCE, END OF YEAR	\$ -	\$ 1,040	\$ 1,153

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

THE CORPORATION OF THE TOWN OF RICHMOND HILL
Consolidated Schedule of Capital Fund Activities and
Fund Balance

Year ended December 31, 2004
(\$000's)

Schedule 2

	2004		2003
	Budget	Actual	Actual
	(unaudited - Note 15)		
REVENUES			
Developer recoveries	\$ 439	\$ 1,494	\$ 1,084
Grants	-	-	518
Developers contributions earned	11,102	17,613	18,798
	11,541	19,107	20,400
EXPENDITURES			
General government	1,485	1,781	2,294
Protection to persons and property	2,402	942	738
Transportation services	11,958	4,132	6,230
Environmental services	663	976	2,240
Recreation and cultural services	9,357	20,230	20,034
Planning and development	8	53	249
	25,873	28,114	31,785
NET EXPENDITURES	(14,332)	(9,007)	(11,385)
FINANCING AND TRANSFERS			
Transfers from reserves and reserve funds	13,293	10,804	16,299
Transfers from operating fund	1,039	1,028	889
	14,332	11,832	17,188
CHANGE IN CAPITAL FUND	-	2,825	5,803
CAPITAL FUND BALANCE, BEGINNING OF YEAR	23,791	20,966	15,163
CAPITAL FUND BALANCE, END OF YEAR	\$ 23,791	\$ 23,791	\$ 20,966

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

THE CORPORATION OF THE TOWN OF RICHMOND HILL
Consolidated Schedule of Reserves and Reserve Funds Activities
and Fund Balance

Year ended December 31, 2004

(\$000's)

Schedule 3

	2004		2003
	Budget (unaudited - Note 15)	Actual	Actual
REVENUES			
Investment income	\$ -	\$ 10,795	\$ 10,356
Permits, penalties, rents and other	-	9,821	5,914
	-	20,616	16,270
FINANCING AND TRANSFERS			
Transfer from (to) Operating Fund	(3,094)	2,888	(2,285)
Transfer to Capital Fund	(13,293)	(10,804)	(16,299)
	(16,387)	(7,916)	(18,584)
CHANGE IN RESERVES AND RESERVE FUNDS	(16,387)	12,700	(2,314)
FUND BALANCE, BEGINNING OF YEAR	235,597	235,597	237,911
FUND BALANCE, END OF YEAR	\$ 219,210	\$ 248,297	\$ 235,597

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.