

# **2010 Draft Financial Statements**

**PRESENTATION TO GENERAL COMMITTEE  
May 30, 2011**

# Agenda

- 2010 Draft Financial Statements
- Public Sector Accounting Board Requirements
- Consolidated Statement of Operations and Accumulated Surplus
- Next Steps

## 2010 Draft Financial Statements

- Financial Statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP)
- Audit conducted in accordance with Generally Accepted Auditing Standards
- Town's operations include BIA, Community Boards, Water and Wastewater operations

# Public Sector Accounting Board (PSAB) Requirements

- Section PS 3150 of the PSAB Regulations requires governments to record and amortize their tangible capital assets (TCA) in their financial statements beginning in Jan. 2009.
- Sections PS1100 & PS1200 of the regulation that deals with financial reporting requires public sector organizations to account and report annually on an accrual basis beginning in Jan. 2009.

# 2010 Draft Financial Statements

## Consolidated Statement of Operations and Accumulated Surplus

(\$ in thousands)

	<u>2010</u>	<u>2009</u>
Revenues	306,075	331,130
Expenses before Amortization and Write-down of TCA	<u>177,093</u>	<u>181,647</u>
	128,982	149,483
Less:		
Amortization of TCA	(53,636)	(50,996)
Write-down of TCA	<u>(989)</u>	<u>-</u>
	74,357	98,487
Dilution loss due to decrease in retained earning in Power Stream Inc.	<u>-</u>	<u>(2,100)</u>
Annual Surplus	74,357	96,387
Accumulated Surplus at the beginning of year	<u>3,453,349</u>	<u>3,356,962</u>
Accumulated Surplus at the end of year	<u>3,527,706</u>	<u>3,453,349</u>

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## Accumulated Surplus, end of year

(\$ in thousands)

<u>Break-down of Accumulated Surplus at the end of year:</u>	<u>2010</u>	<u>2009</u>
Operating surplus (including waterworks, building services, planning & design, engineering, community boards and BIA) (Note 14, page 22)	2,608	1,870
Equity in Markham Enterprises Corporation (Note 14, page 22)	189,665	185,760
Investment in Tangible Capital Assets and other (Note 14, page 22)	3,152,742	3,122,900
Reserves (Note 14, page 22)	61,699	38,002
Reserve Funds (Note 14, page 23)	120,992	104,817
	<u>3,527,706</u>	<u>3,453,349</u>

## Accumulated Surplus, end of 2010

(\$ in thousands)

	<u>2010</u>	<u>2009</u>
Operating - tax funded	1,879	617
Library	232	97
	<hr/> 2,111	<hr/> 714
Waterworks	444	992
BIA	(83)	5
Community Boards	136	159
	<hr/> 2,608	<hr/> 1,870

# 2010 Draft Financial Statements

## 2010 Vs 2009 Surplus

(\$ in thousands)

	<u>2010</u>	<u>2009</u>	<u>Variance</u>
Annual Surplus for the year	<u>74,357</u>	<u>98,487</u>	<u>(24,130)</u>
<b>Major factors:</b>			
Contribution from developers	54,858	92,456	(37,598)
- Assumed land parcels from sub-divisions			
User Charges	58,748	51,349	7,399
- Increase in engineering and planning fees (engineering - \$3.6M and planning -\$3.3M)			
Equity in Markham Enterprises Corporation	6,926	(2,247)	9,173
- Share of surplus in Power Stream for the year 2010			



## Next Steps

- General Committee approval of 2010 Draft Financial Statements and forward Recommendations to Council
- Council authorization to issue the Financial Statements upon receiving auditors' final report