2011 Draft Financial Statements

PRESENTATION TO GENERAL COMMITTEE
June 18, 2012

Agenda

- 2011 Draft Financial Statements
- Financial Considerations
- Next Steps

2011 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.

2011 Draft Financial Statements

Consolidated Statement of Operations and Accumulated Surplus

($ in millions)

	2011	2010
Revenues	402.421	306.075
Expenses before Amortization and Write-down of TCA	195.213	177.093
	207.208	128.982
Less:		
Amortization of TCA	(55.246)	(53.636)
Write-down of TCA	(0.331)	(0.989)
Annual Surplus	151.631	74.357
Accumulated Surplus at the beginning of year	3,527.706	3,453.349
Accumulated Surplus at the end of year	3,679.337	3,527.706

2011 Draft Financial Statements

Accumulated Surplus, end of year

($ in millions)

	2011	2010
Break-down of Accumulated Surplus at the end of year:		
Operating surplus including Library, Building Services, Planning & Design and Engineering	1.994	2.111
Community Boards	0.149	0.136
BIA's	0.050	(0.083)
Operating surplus excluding Waterworks	2.193	2.164
Waterworks	(2.421)	0.444
Operating surplus including Waterworks (Note 14, page 23)	(0.228)	2.608
Equity in Markham Enterprises Corporation (Note 14, page 23)	199.578	189.665
Investment in Tangible Capital Assets and other (Note 14, page 23)	3,265.580	3,152.742
Reserves (Note 14, page 23)	80.384	61.699
Reserve Funds (Note 14, page 24)	134.023	120.992
	3,679.337	3,527.706

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2011 Vs 2010 Surplus

($ in millions)

	2011	2010	Variance
Annual Surplus for the year	151.631	74.357	77.274
Major factors:			
Contribution from developers - Assumed land parcels from sub-divisions	88.047	54.858	33.189
User Charges - Increase in building permit fees $7.4 M (2011 - $13.4M minus 2010 - $6.0M) and decrease in engineering fees $2.3M (2011 - $2.9M minus 2010 - $5.2M)	64.309	58.748	5.561
Deferred revenue (Development Charge Revenue) earned - East Markham CC $25.1M, Birchmount Road Utility Relocation $8.5M, Roddick Road $5.2M, Cornell Fire Station $2.7M)	82.760	40.564	42.196
Equity in Markham Enterprises Corporation - Share of surplus in Power Stream for the year 2011	8.020	6.926	1.094

Next Steps

- General Committee approval of 2011 Draft Financial Statements and forward Recommendations to Council