2011 Year End Review of Operations

General Committee

April 2, 2012

MARKHAM

Year End Results of Operations

(excluding Planning & Design, Engineering, Building Services and Waterworks)
($ in millions)

Town's Year End Results of Operations
Favourable Variance of $3.972M vs. Budget

Revenues
Favourable variance of $4.007M

Revenues	Fav./ (Unfav.)	
Taxation Revenues	3.460	M
User Fees & Service Charges	0.605	M
Financial Administrative Fees and Legal Fees from Developers	0.359	M
Tax Interest and Penalties	0.349	M
Investment Income	0.337	M
Provincial & Federal Grants	0.128	M
Parks Recoveries from Region of York	0.112	M
Recreation Revenue - lower fitness membership and gym & hall rental	(0.324)	M
PowerStream Interest Income and Dividend	(1.000)	M
Other	(0.019)	M

Personnel
Favourable variance of $0.670M

Personnel	Fav./ (Unfav.)	
Full time Salaries net of vacancy backfills & Part Time Salaries	1.203	M
Overtime	(0.375)	M
Other	(0.158)	M

Non-Personnel
Unfavourable variance of ($0.705M)

Expenditures	Fav./ (Unfav.)	
Winter Maintenance	(0.954)	M
Insurance Deductibles	(0.931)	M
Tax Write-offs	(0.311)	M
External Legal Fees	(0.268)	M
Non-personnel Expenditure Gapping	(0.242)	M
Operating Materials/Car Rental/Botanical Supplies/Waste Collection	0.303	M
Contracted Services	0.687	M
Training/Travel/Promotion/Advertising/ Professional Fees	0.803	M
Other	0.208	M

2011 Year End Net Operation Surplus

(excluding Planning & Design, Engineering, Building Services and Waterworks)

Town's Year End Results Favourable Variance	$3.972M
Year End Accounting Adjustments	($2.289M)
Town's Year End Net Operation Surplus	$1.683M

Town's Year End Operation Surplus	$1.683M
Transfers to Reserves or Reserves Funds as per the Town's Reserve Policy:	
1. Corporate Stabilization Reserve (to top up reserve to a level equivalent of 15% of local tax revenues)	$0.686M
2. Environmental Land Acquisition Reserve Funds (no 2011 expenditures)	$0.000M
3. Life Cycle Replacement and Capital Reserve Fund	$0.997M

Planning & Design Operating Budget

($ in millions)

Year End Results
Unfavourable Variance of ($1.832M) vs Budget

Revenues	Personnel	Non-Personnel
Unfav. var. of ($2.023M)	Fav. var. of $0.159M	Fav. var. of $0.032M

Unfavourable variance of ($1.832M) compared to budget is due to the delay in servicing allocation from the Region partially offset by personnel savings from 3 average net vacancies

Budgeted surplus	$1.003M
Actual deficit	($0.829M)
Unfavourable Variance	($1.832M)
Reserve Impact	
Draw from Reserve	($0.829M)

Engineering Operating Budget

($ in millions)

Year End Results
Favourable Variance of $1.183M vs Budget

Revenues	Personnel	Non-Personnel
Fav. var. of $0.400M	Fav. var. of $0.727M	Fav. var. of $0.056M

Favourable variance of $1.183M compared to budget due to personnel savings from 6 average net vacancies and higher development fee application activity

Budgeted deficit	($1.035M)
Actual surplus	$0.148M
Favourable Variance	$1.183M
Reserve Impact	
Transfer to Reserve	$0.148M

Planning & Engineering Reserve Balance

($ in millions)

	2011 Budget	2011 Actual	Variance Fav./(Unfav.)
Opening Balance at January 1, 2011	(1.476)	(1.476)	0.000
Transfer to Capital and Interest Income	(0.306)	(0.306)	0.000
Transfer to/(from) Reserves			
Planning & Design	1.003	(0.829)	(1.832)
Engineering	(1.035)	0.148	1.183
Planning & Engineering Reserve Ending Balance	**(1.814)**	**(2.463)**	**(0.649)**

Building Standards Operating Budget

($ in millions)

Year End Results
Favourable Variance of $7.612M vs Budget

Revenues
Fav. var. of $6.935M

Personnel
Fav. var. of $0.696M

Non-Personnel
Unfav. var. of ($0.019M)

Favourable variance of $7.612M compared to budget due to higher development fee permit activity and personnel savings from 9 average net vacancies

Budgeted deficit	($0.811M)
Actual surplus	$6.801M
Favourable variance	$7.612M
Reserve Impact	
Transfer to Reserve	$6.801M

Building Reserve Balance

($ in millions)

	2011 Budget	2011 Actual	Variance Fav./(Unfav.)
Opening Balance	(0.090)	(0.090)	0.000
Transfer to Capital and Interest Income	(0.081)	(0.081)	0.000
Transfer to Reserves	(0.811)	6.801	7.612
2012 Building Standards Reserve Ending Balance	**(0.982)**	**6.630**	**7.612**

Waterworks Operating Budget

($ in millions)

Year End Results
Unfavourable variance of ($2.264M) vs. Budget

Sales & Purchases	Revenues	Personnel	Non-Personnel
Unfav. var. of ($2.731M)	Fav. var. of $0.382M	Fav. var. of $0.320M	Unfav. var. of ($0.235M)

Unfavourable variance of ($2.264M) due to unfavourable variance in the net sales and purchases of water partially offset by lower personnel costs as a result of 8 average net vacancies and savings in materials and supplies.

Budgeted Surplus	$11.825M
Actual surplus	$ 9.561M
Unfavourable variance	($ 2.264M)

Reserve Impact

$11.825M was transferred to the reserve at the time of budget approval. There will be a draw from reserve of $2.264M in order to balance the budget.

Waterworks Reserve Balance

($ in millions)

	2011 Budget	2011 Actual	Variance Fav./(Unfav.)
Opening Balance - January 1, 2011	10.003	10.003	0.000
Transfer to/(from) Reserves at time of budget approval	11.825	9.561	(2.264)
Transfer to Capital	(9.054)	(9.054)	0.000
Transfer from Interest Income and 2010 year end surplus[1]	0.060	0.496	0.436
Return of surplus funds from closed capital projects	0.000	2.092	2.092
Waterworks Reserve Ending Balance	**12.834**	**13.098**	**0.264**

Next Steps

- The 2011 unaudited statements excluding Markham Enterprise Corporation (MEC) will be presented to General Committee in May/June 2011.