

2011 Year End Review of Operations

General Committee

April 2, 2012

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

Personnel
Favourable variance
of \$0.670M

Non-Personnel
Unfavourable variance
of (\$0.705M)

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

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 Capping	(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

Building Markham's Future Together

Towards a Sustainable Community

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	<u>(\$2.289M)</u>
Town's Year End Net Operation Surplus	\$1.683M

Town's Year End Operation Surplus

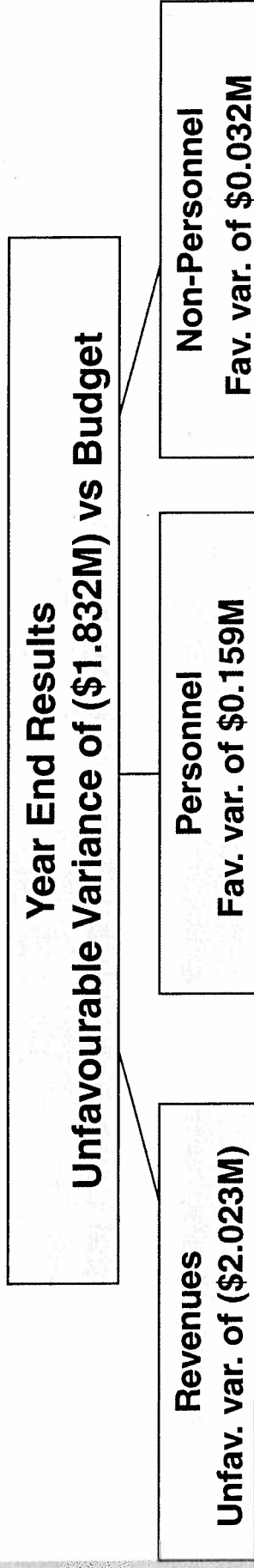
\$1.683M

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)

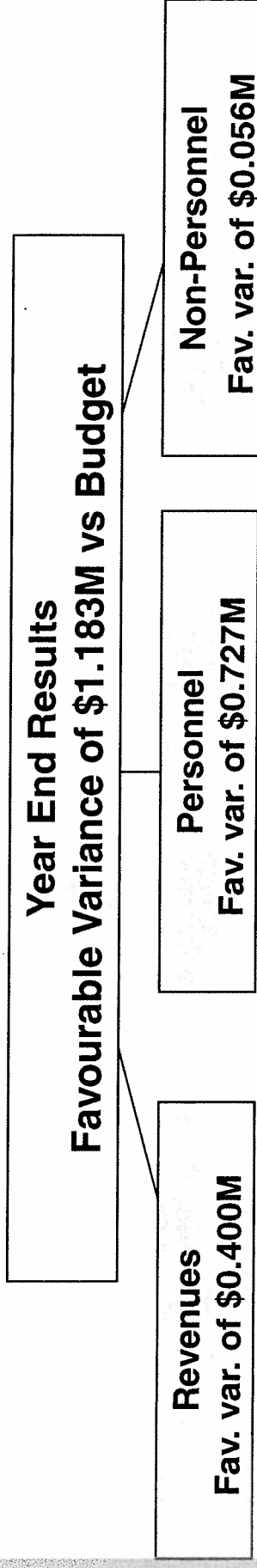


Unfavourable variance of (\$1.832M) compared to budget is due to the delay in servicing allocation from the Region partially offset by personnel savings from 3 average net vacancies

Budgeted surplus	\$1.003M
Actual deficit	<u>(\$0.829M)</u>
Unfavourable Variance	(\$1.832M)
<u>Reserve Impact</u>	
Draw from Reserve	(\$0.829M)

Engineering Operating Budget

(\$ in millions)



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	<u>\$0.148M</u>
Favourable Variance	\$1.183M
<u>Reserve Impact</u>	
Transfer to Reserve	\$0.148M

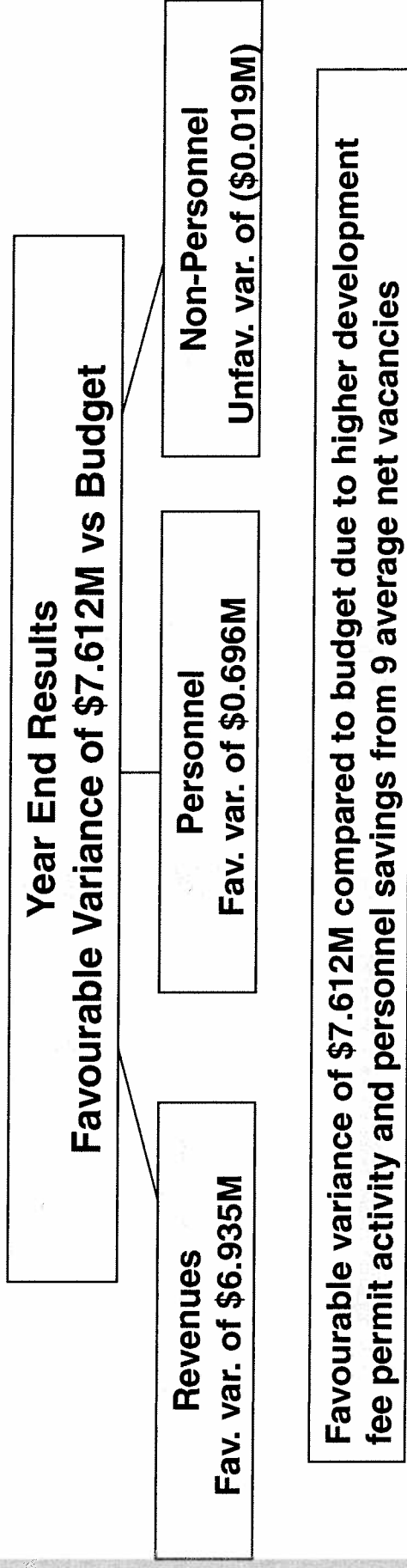
Planning & Engineering Reserve Balance

(\$ 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 Engineering	1.003 (1.035)	(0.829) 0.148	(1.832) 1.183
Planning & Engineering Reserve Ending Balance	(1.814)	(2.463)	(0.649)

Building Standards Operating Budget

(\$ in millions)



Budgeted deficit	(\$0.811M)
Actual surplus	<u>\$6.801M</u>
Favourable variance	\$7.612M
<u>Reserve Impact</u>	
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
Unfav. var. of (\$2.731M)

Revenues
Fav. var. of \$0.382M

Personnel
Fav. var. of \$0.320M

Non-Personnel
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

Actual surplus

Unfavourable variance

\$11.825M

\$ 9.561M

(\$ 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.