

2007 DRAFT FINANCIAL STATEMENTS

PRESENTATION TO GENERAL COMMITTEE
April 21, 2008



Town of Markham

2007 DRAFT FINANCIAL STATEMENTS

\$ 000'S

Executive Summary

- Financial Statements prepared in accordance with Generally Accepted Accounting Principles (GAAP)
- Audit conducted in accordance with Generally Accepted Auditing Standards
- The financial statements for Markham Enterprises (MEC) are not finalized but included in 2007 totals at 2006 values



Town of Markham

2007 DRAFT FINANCIAL STATEMENTS

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- The Town's financial statements made up of three funds
 - Operating Fund
 - Capital Fund
 - Reserve & Reserve Fund



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2007 DRAFT FINANCIAL STATEMENTS

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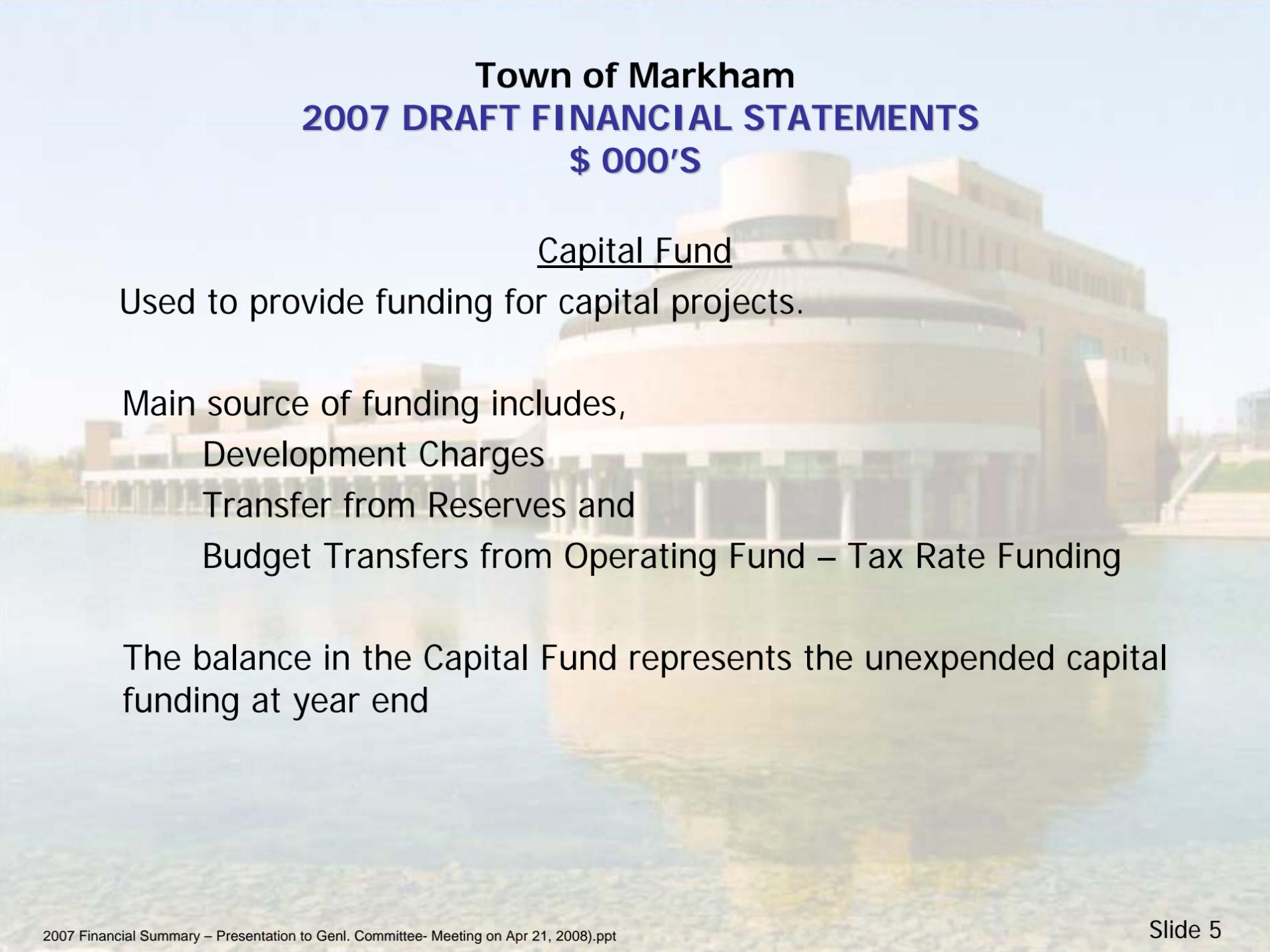
Operating Fund

Used to fund all Town's operations including the two BIAs and Community Boards

Tax revenue is the main source of funding

Fund also includes Water & Wastewater operations with water billing the main source of revenue

The balance in the operating fund as of Jan 1 each year is transferred to the Corporate Rate Stabilization Reserves as per policy



Town of Markham
2007 DRAFT FINANCIAL STATEMENTS
\$ 000'S

Capital Fund

Used to provide funding for capital projects.

Main source of funding includes,
Development Charges
Transfer from Reserves and
Budget Transfers from Operating Fund – Tax Rate Funding

The balance in the Capital Fund represents the unexpended capital funding at year end



Town of Markham

2007 DRAFT FINANCIAL STATEMENTS

\$ 000'S

Reserve & Reserve Funds

Reserves & Reserve Funds are established with Council approval for a particular purpose.

Interest earned on the invested earnings is accumulated in the specific Reserve Funds as per the Town's policy

Town of Markham
2007 DRAFT FINANCIAL STATEMENTS
FUND BALANCES SUMMARY
\$ 000'S

FUND BALANCES

	<u>2007</u>	<u>2006</u>
Operating Fund	432	3,814
Capital Fund	23,963	25,997
Reserves and Reserve Funds	127,132	105,178
Equity in Markham Enterprises Corporation	174,471	174,471
TOTAL FUND BALANCES	<u>325,998</u>	<u>309,460</u>

Town of Markham

2007 DRAFT FINANCIAL STATEMENTS

OPERATING FUND BALANCE

\$000'S

	<u>2007</u>	<u>2006</u>	<u>Variance</u> <u>Increase/(decrease)</u>
General Operating Fund Surplus/(Deficit)	(186)	2,095	(2,281)
Library Fund Surplus	438	55	383
	<u>252</u>	<u>2,150</u>	<u>(1,898)</u>
Waterworks Fund Surplus	46	1,475	(1,429)
Unionville BIA Surplus/(Deficit)	6	(1)	7
Markham Village BIA Surplus/(Deficit)	(37)	14	(51)
Community Boards	165	176	(11)
	<u>432</u>	<u>3,814</u>	<u>(3,382)</u>

Town of Markham
2007 DRAFT FINANCIAL STATEMENTS
OPERATING FUND BALANCE
\$000'S

General Operating Fund Balance

Favourable Variance in Revenues	1,649.1
Unfavourable Variance in Expenditure	(1,834.2)
	<u>(185.1)</u>

Fav. Variance in Revenues mainly due to:

Engineering Fees	808.0
Programs & WDO Grant	267.0
Income from Investments	215.0
Financial Services Admin Fees	176.0

Unfav. Variance in Expenditure mainly due to:

Winter Maintenance	(1,260.0)
Legal Fees	(297.0)
Election Rebate Program	(163.0)

Town of Markham

2007 DRAFT FINANCIAL STATEMENTS

CAPITAL FUND BALANCE

\$ 000'S

		<u>2007</u>	<u>2006</u>
Revenues			
- Developers		38,750	14,983
- Others (Gas tax, Region, MTO, MDE funding)		5,851	10,142
		<u>44,601</u>	<u>25,125</u>
Transfer from Reserves & Reserve Funds		29,379	34,730
Transfer from Operating Funds		258	-
	A	<u>74,238</u>	<u>59,855</u>
Less: Capital Expenditure (2007 & Prior years)	B	76,272	57,056
Change in Capital Fund for the Year	(A-B)	<u>(2,034)</u>	<u>2,799</u>
Opening Capital Fund		25,997	23,198
Closing Capital Fund		<u>23,963</u>	<u>25,997</u>

Town of Markham
2007 DRAFT FINANCIAL STATEMENTS
Reserves & Reserve Funds Balance
\$000's

	<u>2007</u>	<u>2006</u>
Reserves		
Waste Management Process	26	26
Waterworks Purposes	8,668	7,719
Firefighters Sick Leave Benefits	4,751	4,383
Corporate Rate Stabilization	14,899	12,539
Facility Ramp Up	2,402	-
Partnership	15	15
Long Term Disability Benefit	6,032	4,523
Development Fee	1,528	255
Election Expenses	300	-
Election Rebate	70	220
Building Fee	3,571	2,218
	<u>42,262</u>	<u>31,898</u>

Town of Markham
2007 DRAFT FINANCIAL STATEMENTS
Reserves & Reserve Funds Balance
\$000's

	<u>2007</u>	<u>2006</u>
Reserve Funds		
Theatre	394	345
Museum	3	48
Heritage	510	482
Environmental Land Acquisition	5,007	4,298
Environmental Sustainability Fund	69	51
Library	2,825	2,195
Workplace Safety & Insurance Board	2,618	2,503
Life Cycle Replacement & Capital	67,809	58,631
Land Acquisition	1,590	1,031
10% Non-DC Growth	4,045	3,696
	<hr/> 84,870 <hr/>	<hr/> 73,280 <hr/>
 TOTAL RESERVES & RESERVE FUNDS	 <hr/> 127,132 <hr/>	 <hr/> 105,178 <hr/>

Town of Markham

2007 DRAFT FINANCIAL STATEMENTS

\$000's

	<u>2007</u>	<u>2006</u>
<u>Deferred Revenue</u>		
<u>Obligatory Reserve Funds</u>		
Development charges	129,563	121,921
Pre-DCA Engineering Growth Reserve Funds	17,035	17,518
	<u>146,598</u>	<u>139,439</u>
Parkland	9,366	7,421
Other	745	2,345
<u>Deferred Revenue - General</u>	2,940	3,162
	<u>159,649</u>	<u>152,367</u>

Town of Markham

2007 DRAFT FINANCIAL STATEMENTS

Next Step:

- General Committee approval of 2007 Draft Financial Statements and forward Recommendations to Council



Town of Markham

2007 DRAFT FINANCIAL STATEMENTS

RECOMMENDATION:

That the report “Draft 2007 Consolidated Financial Statements be received;

And That Council approve the Corporation of the Town of Markham’s Draft Consolidated Financial Statements for the fiscal year ended December 31, 2007;

And That Council authorize Staff to issue the Consolidated Financial Statements for the fiscal year ended December 31, 2007 upon finalization of all consolidated amounts;

And that Staff be authorized and directed to do all things necessary to give effect to this resolution.