

Corporation of The Town of Markham

MUNICIPAL OFFICES — 8911 DON MILLS ROAD, MARKHAM ONTARIO
(Woodbine Ave.) just north of Highway No. 7



1975 AUDITED FINANCIAL STATEMENTS

AUDITORS' REPORT

To: The Members of Council, Inhabitants and Ratepayers of the Corporation of The Town of Markham.

We have examined the 1975 financial statements of The Town of Markham and its local boards. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Town of Markham and its local boards as at December 31, 1975 and the results of its operations for the year then ended, in accordance with accounting principles generally accepted for Ontario municipalities, after giving retroactive effect to the changes referred to in note 2 to the financial statements, on a basis consistent with that of the preceding year.

Toronto, Canada,
May 14, 1976

Eddie & Associates
CHARTERED ACCOUNTANTS

Licence No. 218

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 1975

1. Accounting Policies

- Balance sheet**
The balance sheet reflects the combined assets and liabilities of the revenue fund, capital fund, reserve funds, and the following local boards:
(1) Town of Markham Public Library Board
(2) Community Centre boards
Crosby Memorial Arena
Box Grove
Cedar Grove
Victoria Square
North Thornhill
Trust funds administered by the municipality amounting to \$45,232, and the assets and liabilities of the Electric and Water utilities, Transit operation and Cemetery Board are not consolidated in the balance sheet.
 - Fixed assets**
No value is attached to fixed assets for municipal reporting purposes. Expenditures on fixed assets are charged against current revenues unless the expenditures are financed out of long term debt. Debt retirement costs are charged against current revenues in the periods in which they are paid.
 - Inventories of supplies**
Inventories of supplies, amounting to \$68,486 are included in other current assets and are reflected at cost on the basis of first-in, first-out.
 - Provincial road subsidy, revenue and expenditure on roads**
Provincial subsidy programmes are on a "receipt and disbursements" basis which does not recognize accruals. The municipality has expended amounts for which the road subsidy will be eligible for claim until the succeeding year. Such future subsidy revenues have been accrued in the current year.
 - Charges for net long term liabilities**
Charges for net long term liabilities include principle and interest. Interest charges are not accrued for the period(s) from the date(s) of the latest interest payment(s) to the end of the fiscal year.
2. Restatement of 1974 Comparative Figures
Changes in the 1975 financial reporting for Ontario municipalities includes consolidation of local boards' disclosure of over and under levies as accumulated net revenue and revisions to functional classification of certain expenditures.
- The comparative figures for 1974 have been restated to be consistent with the 1975 presentation and include the following restatement of 1974 figures:
- Financial expenses of \$256,282 are reclassified into general government administrative expense.
 - Revenue and expenditures of Local Boards are included.
 - Accumulated net revenue, December 31, 1974
- | | |
|---------------------------------------|------------------|
| General revenue | \$210,998 |
| Special charges | 20,829 |
| Special areas | 496,910 |
| Total previously reported | 728,737 |
| Over levies accumulated - Region | 131,686 |
| School boards | 122,975 |
| Local Boards' accumulated net revenue | 12,673 |
| Total, as restated | \$896,071 |

- Charges for net long term liabilities
Total charges for the year for net long term liabilities were as follows:
Principal payments including contributions to the Ministry of Environment Debt Retirement Fund Interest
\$287,902
600,409
888,311
- Of the total charges shown above \$622,087 was paid from the revenue of the municipality and is included in expenditure, classified under the appropriate functional headings, and \$266,224 was recovered from the municipal enterprises for which the related net long term liabilities were incurred.
- Provision for reserves and allowances
Provisions for reserves and allowances amounting to \$111,500 are included in the Statement of Revenue and Expenditure.
- Contributions to reserve funds
The revenues for the year of reserve funds include contributions from the revenue fund amounting to \$757,374 which are included in the "Statement of Revenue and Expenditure" classified under the appropriate functional headings, and the following which were credited directly to the reserve funds:
Subdivider and developer contributions, and income from investments \$2,255,598
Transfer from trust funds 33,764
- Net long term liabilities \$2,289,362
Total long term liabilities incurred by the municipality and outstanding at the end of the year amount to \$10,597,003
In addition, the municipality has assumed responsibility for the payment of principle and interest charges on certain long term liabilities issued by other municipalities. At the end of the year, the principal amount of this liability is \$3,403,200
Of the long term liabilities shown above, the responsibility for payment of principle and interest charges has been assumed by others for a principal amount of \$6,141,632
The total value of sinking funds and the balance in the Ministry of Environment Debt Retirement Fund which have been accumulated to the end of the year to retire the outstanding long term liabilities included above amount to \$553,642
Long term liabilities issued by the municipality and held by reserve funds as investments, amount to \$1,200
Net long term liabilities at the end of the year \$7,303,729
- Capital outlay to be recovered in future years
Some capital outlay does not represent a burden on general municipal revenues, as it is to be recovered in future years from other sources:
Special charges on benefitting landowners \$4,418,553
Municipal enterprises 2,050,094
\$6,468,647
- Liability for vested sick leave benefits
Under the sick leave benefit plan, unused sick leave can accumulate and employees may become entitled to a cash payment when they leave the municipality's employment. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by employees terminating, amounted to \$197,370 at the end of the year, which amount has been provided for by a reserve fund and is included on the balance sheet.
- Capital expenditure commitments
The impost and lot levy fund together with the reserve fund under the Planning Act totalling \$2,047,042 are fully committed for the financing of recreational facilities and environmental services in addition to capital expenditures approved under long term financing.
Subsequent to the year end proceeds of long term financing from Regional debenture sales were received in the amount of \$4,529,500 to finance capital outlay carried at December 31, 1975 expended for the following purposes:
Recreation and community services \$3,039,500
Municipal enterprise - water utility 130,000
General government 710,000
Transportation services 650,000
\$4,529,500
- Ontario Housing Action Program
In accordance with agreements between the Town, the Ontario Housing Action Program and the developer, involved the sum of \$698,700 was received in 1975 with respect to low cost housing development. This amount is included in 1975 revenue but not included in the original budget. It is the intention of the Town to use these funds over the next several years as a mill rate stabilization factor and accordingly an appropriate by-law is to be passed to establish a reserve fund for this purpose. The 1976 budget includes a \$95,900 reduction in these funds towards 1976 expenditures and subsequent annual transfers are to be made until the fund is depleted.
- Subsequent event
Subsequent to the date of these financial statements the municipality received notification from the Judge's court and the Assessment Review Court with respect to the reduction and/or elimination of tax arrears otherwise receivable from certain societies and institutions. The total amount of tax arrears carried at December 31, 1975 which are to be written off amount to \$184,875. Of this amount \$116,709 will be charged back to the Region and Boards of Education leaving a balance of \$68,166 which will be charged as a general municipal expenditure in 1976.

BALANCE SHEET DECEMBER 31, 1975

ASSETS	1975		1974	
			(Restated)	(Restated)
Cash	\$ 164,683		\$ 29,498	
Accounts receivable				
Other government	641,156		546,636	
Hydro utility and water utility	595,321		241,220	
Other	159,482		113,171	
Taxes receivable	2,356,371		1,587,101	
Investments, at cost, and short term deposits	2,046,239		1,399,596	
Ministry of Environment Reserve Fund Assets	105,688		98,567	
Inventories and prepayments	95,072		74,550	
Total current assets	6,164,012		4,090,339	
Capital outlay to be recovered in future years	12,267,511		11,046,067	
	\$18,431,523		\$15,136,406	

LIABILITIES	1975		1974	
			(Restated)	(Restated)
Temporary loans	\$ 3,907,000		\$ 2,922,226	
Accounts payable and accrued liabilities				
Other governments	283,605		320,054	
School boards	237,896		373,581	
Other	587,118		1,032,693	
Total current liabilities	5,015,609		4,648,524	
Net long term liabilities	7,303,729		7,075,508	
Reserves and reserve funds	4,335,776		2,416,303	
Accumulated net revenue				
General revenue	997,208		210,998	
Special charges	8,513		20,829	
Special areas	411,801		496,910	
Region	190,663		131,686	
School boards	151,122		122,975	
Local boards	17,102		12,673	
	\$1,776,409		\$96,071	
	\$18,431,523		\$15,136,406	

STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED DECEMBER 31, 1975

	1975	1974
Revenue		
General municipal purposes		
Taxation	\$5,549,294	\$4,578,785
Payments in lieu of taxes	42,614	35,063
Ontario grants	1,064,980	1,179,808
Other	2,991,604	1,242,851
	9,648,492	7,036,507
Region Purposes		
Taxation	3,207,397	2,406,901
School board purposes		
Taxation	8,601,346	6,940,784
	\$21,457,235	\$16,384,172

	1975	1974
Expenditure		
General government	861,580	719,825
Protection to persons and property	892,251	661,925
Transportation services	2,082,820	2,438,223
Environmental services	1,832,019	1,278,617
Health services	6,334	3,853
Recreation and community services	3,158,080	1,604,131
Planning and development	322,194	234,324
Total, general municipal purposes	8,956,278	6,940,898
Region of York	3,148,420	2,378,838
School Board purposes	8,573,189	6,821,157
	20,676,897	16,140,893

	1975	1974
Excess of revenue over expenditure for the year	780,338	243,279
Accumulated net revenue, beginning of the year	996,071	762,782
Accumulated net revenue, end of the year	\$1,776,409	\$996,071

STATEMENT OF CAPITAL FUND OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1975

	1975	1974
Unfinanced capital outlay, at the beginning of the year	\$ 3,969,259	\$ 496,371
Capital outlay		
Capital expenditures		
General government	861,324	275,617
Protection to persons and property	113,454	37,031
Transportation services	1,401,604	735,022
Environmental services	676,105	296,174
Recreation and community services	2,052,882	3,868,925
Community planning and development	5,033	1,496
Total	5,010,402	5,214,265
Capital financing		
Long term liabilities incurred	434,374	493,926
Ontario grants	1,316,381	267,613
Contributions from the revenue fund	655,130	336,624
Contributions from reserve funds and reserves	974,846	148,123
Other	636,348	495,091
	4,017,079	1,741,377
Unfinanced capital outlay, at the end of the year	\$ 4,962,582	\$ 3,969,259

TRUST FUNDS STATEMENT OF CONTINUITY FOR THE YEAR ENDED DECEMBER 31, 1975

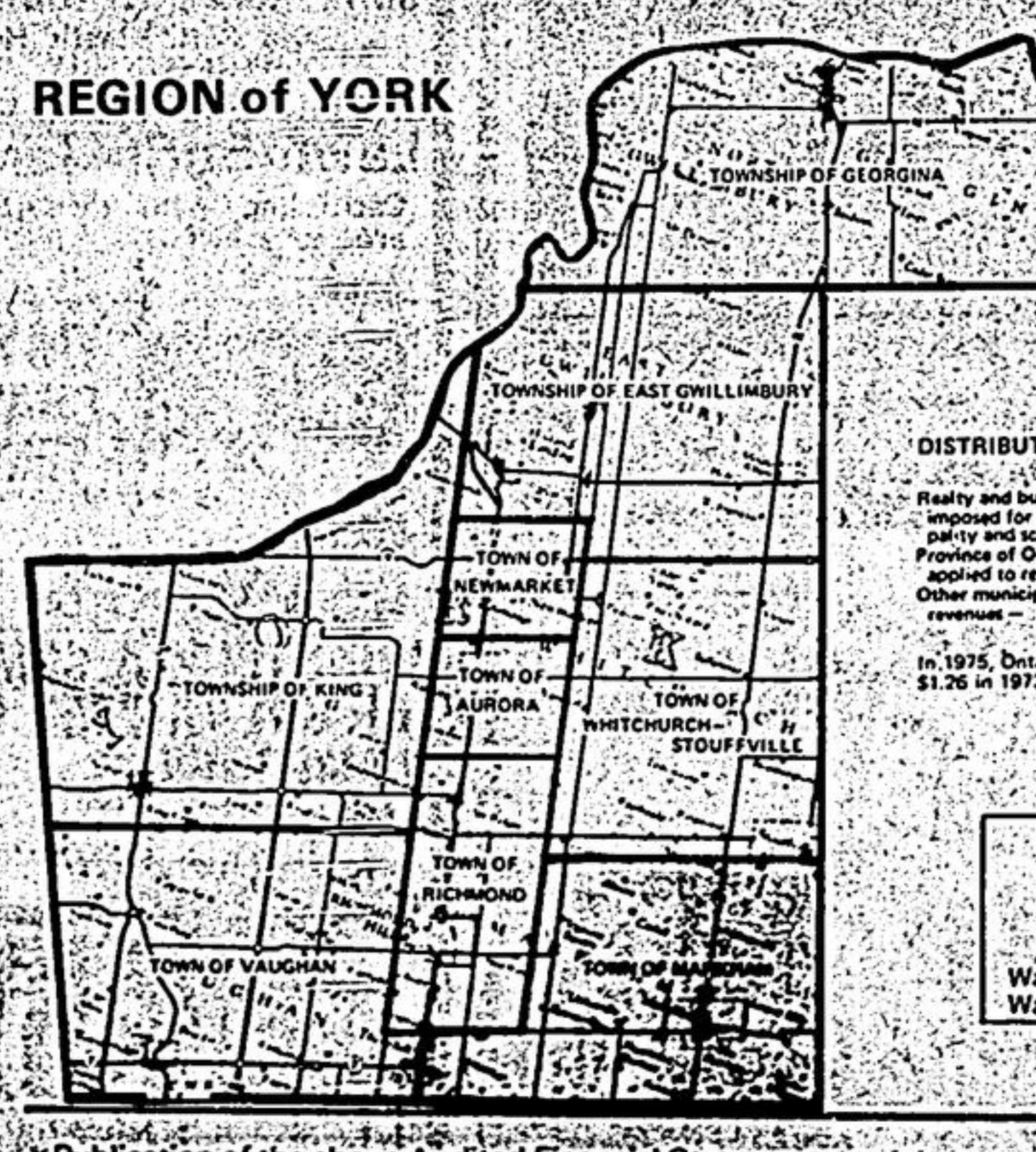
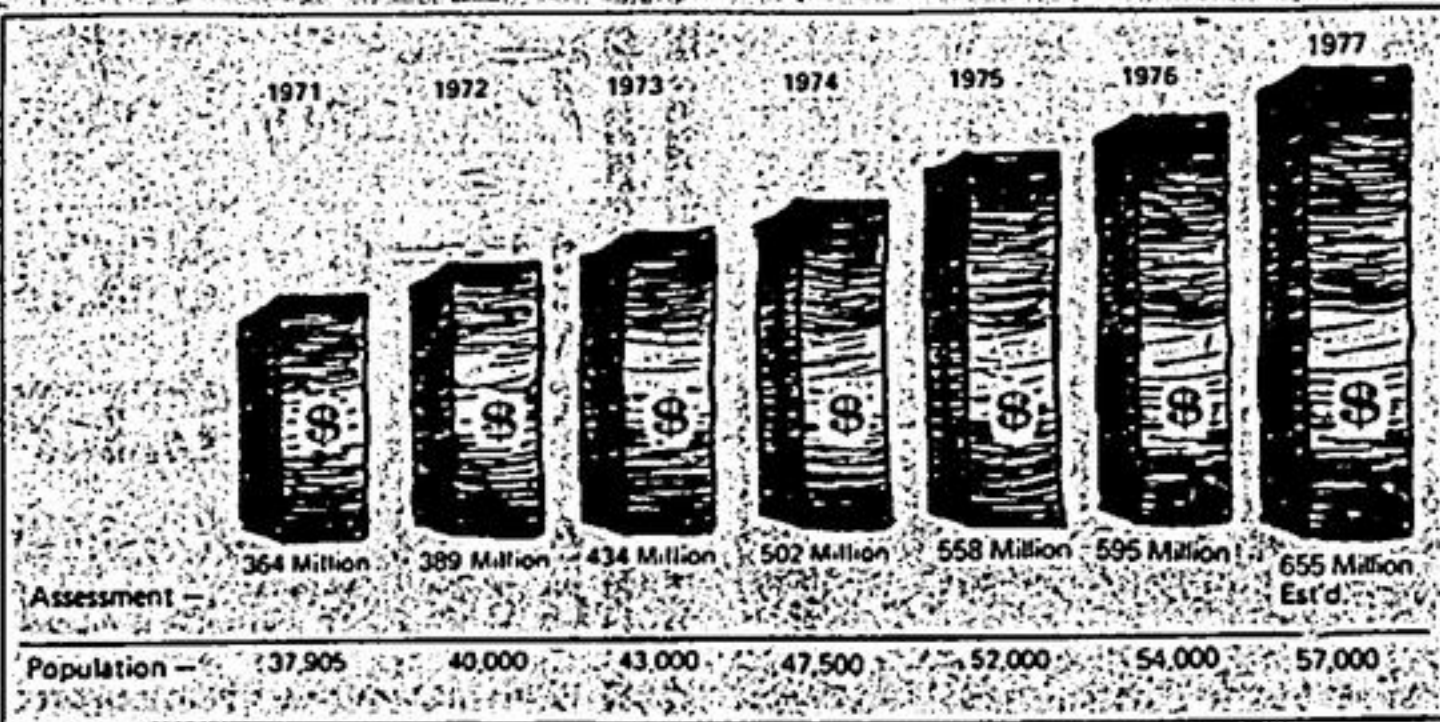
	Total	Guarantee Deposits	Morgan Trust	R.K. Person Trust	Cemetery Perpetual Care
Balance, beginning of the year	\$74,012	\$33,764	\$26,413	\$13,835	
Capital receipts					
Transfer from former Trustees	1,916			1,916	
Deposits	1,568			1,568	
Sale of plots	200				200
Interest earned	1,483	330	966	187	
	5,167	330	2,534	2,303	
Expenditure					
Cemetery	183				183
Transfer to reserve fund	33,764	33,764			
	33,947	33,764			183
Balance, end of the year	\$45,232	\$Nil	\$26,743	\$16,369	\$2,120

TRUST FUNDS BALANCE SHEET AS AT DECEMBER 31, 1975

Assets	1975	1974	1973	1972
Cash	\$26,883	\$24,743	\$1,568	\$572
Investments, at cost				
Provincial bonds	3,000	2,000		1,000
Canada bonds	500			500
Investment certificate	14,801		14,801	
Due from Town revenue fund	18,301	2,000	14,801	1,500
	48			48
	\$45,232	\$26,743	\$16,369	\$2,120
Fund balance				
Capital	\$38,354	\$23,000	\$13,238	\$2,116
Income	6,878	3,743	3,131	4
	\$45,232	\$26,743	\$16,369	\$2,120

ASSESSMENT ANALYSIS

ASSESSMENT	1971	1972	1973	1974	1975	1976	1977
RESIDENTIAL	304 Million	389 Million	434 Million	502 Million	558 Million	595 Million	655 Million
COMMERCIAL	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
INDUSTRIAL	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000	12,000,000
TOTAL	328 Million	413 Million	458 Million	526 Million	583 Million	623 Million	685 Million



DISTRIBUTION OF YOUR TAX DOLLAR

	1975	1974	1973	1972
Realty and business taxes imposed by Regional, Area Municipality and school board purposes	\$16,412,300.00	\$12,847,229.00	\$10,450,848.00	\$8,448,225.00
Province of Ontario's contributions applied to reduce the taxes imposed	\$16,488,200.00	\$13,353,000.00	\$12,219,254.00	\$10,656,400.00
Other municipal and school board revenue	\$3,270,700.00	\$2,335,300.00	\$2,174,433.00	\$1,828,300.00
	\$36,171,200.00	\$28,535,529.00	\$24,844,535.00	\$20,932,925.00

In 1975, Ontario will contribute \$1.01 for every dollar of realty and business taxes imposed by the Town of Markham. As compared to \$1.26 in 1972 and \$1.18 in 1973 and \$1.04 in 1974.

- #### Council
- Mayor - A. Roman
Regional Councilors
R. W. Adams Mrs. Alma Walker
Councilors
Ward 1 - P. G. Grosskurth Ward 3 - Mrs. C. Bell Ward 5 - W. B. Greve
Ward 2 - S. J. Daurio Ward 4 - A. B. Bonner Ward 6 - H. C. Lewis