

Corporation of The Town of Markham

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



1976 AUDITED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 1976

1. Accounting Policies

(a) Statement of Revenue and Expenditure
This statement reflects the revenues and expenditures of the revenue fund of the municipality and includes the activities of all committees and local boards for general municipal activities. The local boards whose activities are included are as follows:
Public Library Board
Community Centre Board
Museum Board

(b) Statement of Capital Operations
This statement reflects the capital expenditures and the related capital financing to be recovered from general municipal revenues of the municipality and its local boards described in note 1 (a).

(c) The long term liabilities reported on this statement were incurred by the Region of York on behalf of the municipality. Repayment of the debt is the responsibility of the municipality.

(d) In addition to the long term liabilities reported on this statement, the municipality incurred \$459,071 in long term liabilities on behalf of its municipal enterprises. Repayment of this debt will be from the revenues of the waterworks and not from general municipal revenues.

(e) Fixed assets
The historical cost and accumulated depreciation of fixed assets is not reported for municipal purposes. Instead the "Capital outlay to be recovered in future years" which is the aggregate of the principal portion of unamortized long term liabilities, capital funds transferred to other organizations, and the cost of capital projects not yet permanently financed, is reported on the "Balance Sheet".
The unamortized capital outlay at December 31, 1976 includes \$246,700 received from a subdivider for capital construction of sewers to be completed in 1977.

(f) Municipal enterprises
The revenues and expenditures for municipal enterprise activities are not reflected in the "Statement of Revenue and Expenditure" except to the extent that their expenditures are covered from general municipal revenues.
Municipal enterprise activities are those activities whose costs are substantially recovered from service charges on the users and are as follows:
Electric Utility
Water Works Utility

(g) Charges for net long term liabilities
Debt retirement costs including principal and interest are charged against current revenues in the periods in which they are paid. Interest charges are not accrued for the periods from the date of the latest interest payment to the end of the financial year.

(h) Trust funds
Trust funds administered by the municipality amounting to \$49,851 have not been included in these financial statements.

2. Capital Outlay To Be Recovered In Future Years

(a) Some capital outlay to be recovered in future years does not represent a burden on general municipal revenues, as it is to be recovered in future years from other sources:

	1976	1975
Special charges on benefiting landowners	\$ 9,004,103	\$4,418,553
Municipal enterprises	2,395,815	2,050,094
	\$11,399,918	\$6,468,647

(b) Capital outlays, including fixed assets and the transfers of capital funds in the amount of \$572,415 which have been paid, interest charges are not accrued for the periods from the date of the latest interest payment to the end of the financial year.

(c) The "Statement of Revenue and Expenditure" does not reflect the following revenues for the year which were credited directly to reserve funds:

	1976	1975
Income from investments and subdivider and developer contributions	\$1,988,342	\$2,255,596
Transfers from trust funds		33,764
	\$1,988,342	\$2,289,362

(d) The total balance of reserves and reserve funds is \$5,893,608 and is comprised of the following:

	1976	1975
Reserves		
For working capital	\$517,296	\$467,296
For equipment replacement	41,210	37,431
	\$558,506	\$504,727
Reserve funds		
From contributions by sub-dividers for specific purposes	1,050,454	1,105,189
For sick leave benefits	281,753	197,370
Revenue under The Planning Act	637,893	343,596
Imposts and lot levies	1,985,583	1,703,848
Street lighting	176,488	2,456
OWRC contingency	113,528	105,688
Sewer lot levies	444,182	372,904
Community centre expansion	137,414	5,017
Day Care Centre	602,900	698,700
Stabilization Fund		
	\$5,336,102	\$4,529,749

4. Net Long Term Liabilities

(a) The balance for net long term liabilities reported on the "Balance Sheet" is made up of the following:
Total long term liabilities incurred by the municipality including those incurred on behalf of former school boards, other municipalities and municipal enterprises and outstanding at the end of the year amount to \$12,130,172.
In addition, the municipality has assumed responsibility for the payment of principal 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 \$8,460,963.
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by others for a principal amount of \$5,703,514.
The total value of sinking funds and the balance in the Ministry of the 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 \$611,199.

(b) Long term liabilities issued by the municipality and held by reserve funds as investments, amount to \$1,100.

Net long term liabilities at the end of the year \$112,130,172

(c) Of the net long term liabilities reported in (a) of this note \$2,227,910 in principal payments are payable from 1977 to 1981, \$2,876,637 from 1982 to 1986, and \$7,025,625 thereafter and are summarized as follows:

	1977 to 1981	1982 to 1986	thereafter
From general municipal revenues	\$1,207,779	\$1,632,685	\$4,894,733
From benefiting landowners	686,285	868,102	1,126,384
From municipal enterprises	321,745	377,850	1,014,908
	\$2,227,910	\$2,876,637	\$7,025,625

5. Accumulated Net Revenue At The End Of The Year

Accumulated net revenue of \$1,095,160 at the end of the year reported on the "Balance Sheet" includes amounts related to benefiting landowners which are not available as general municipal revenues, and are analysed as follows:

	1976	1975
Special charges for garbage for area	\$ 96,116	\$ 60,229
sanitary sewer for area	324,009	281,888
lighting area	85,128	60,684
	\$495,253	\$441,801
Special charges for sewer	330,458	18,513

6. Charges For Net Long Term Liabilities

Total charges for the year for net long term liabilities were as follows:

	1976	1975
Principal payments including contributions to sinking funds and to the Ministry of the Environment Debt Retirement Fund	\$ 375,678	\$287,902
Interest	1,040,861	600,409
	\$1,416,539	\$888,311

Of the total charges shown above \$1,133,210 were paid from general municipal revenues of the municipality and are included in expenditure on the "Statement of Revenue and Expenditure" classified under the appropriate functional headings. The remaining \$283,329 were recovered from municipal enterprises from which the related net long term liabilities were incurred, and are not reflected in the statement.

7. 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 an employee on terminating, amounted to \$281,763 at the end of the year which has been provided for and is reported on the "Balance Sheet".

8. The Anti-Inflation Act

The municipality, its local boards and commissions are by agreement between the Government of Canada and the Government of the Province of Ontario dated January 13, 1976 subject to The Anti-Inflation Act (Canada) and the national guidelines. This legislation limits increases in compensation payments effective October 14, 1975. The municipality believes it has complied with the provisions of the Act.

9. Investments

The investments included in current assets of \$50,000 are recorded at cost, and have a market value of \$50,000 as at the end of the year.

10. Contractual Obligations

The municipality is committed to an annual rental cost of \$24,000 under a 5 year lease contract for property used for cultural purposes. The municipality also has the option to purchase the property at the end of the lease term, December 31, 1979, at a cost of \$300,000.

11. Restatement Of 1975 Comparative Figures

In accordance with the provisions of the Act, the municipality in 1976 has amount received, as referred to in note 10 to the 1975 financial statements, totaling \$688,700 was transferred from the general accumulated net revenue to a mill rate stabilization reserve fund.
In addition the accumulated general net revenue of Crosby Memorial Arena on the assumption by the town of the former local board's activities was transferred to the town's accumulated general net revenue.
The changes in the 1975 comparative figures is summarized as follows:

Year for general revenue	1977
As previously reported	\$687,208
ADD:	
Crosby Memorial	4,738
	\$691,946
LESS:	
Investment in stabilization reserve fund	\$688,700
	\$ 3,247

12. Capital Expenditure Commitments

The impact and lot levy fund, together with the reserve funds for Community Centre expansion and the Planning Act reserve totaling \$2,760,880 are committed for the financing of recreational facilities and environmental services.

AUDITORS' REPORT

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

We have examined the 1976 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, 1976 and the results of its operation for the year

then ended, in accordance with accounting principles generally accepted for Ontario municipalities after giving retroactive effect to the charges referred to in note 11 to the financial statements, on a basis consistent with that of the preceding year.

Toronto, Canada,
May 6, 1977

Eddie & Associates
CHARTERED ACCOUNTANTS
Licence No. 433

BALANCE SHEET DECEMBER 31, 1976

ASSETS	1976	1975
		(Restated)
Current assets		
Cash and short term deposits	\$ 5,956,403	\$ 2,160,922
Accounts receivable	1,047,025	1,395,959
Taxes receivable	2,061,674	2,356,371
Investments	50,000	50,000
Other current assets	183,678	200,760
	9,298,780	6,164,012
Capital outlay to be recovered in future years	11,936,128	12,267,511
	\$21,234,908	\$18,431,523

LIABILITIES

	1976	1975
		(Restated)
Current liabilities		
Temporary loans	\$	\$ 3,907,000
Accounts payable and accrued liabilities	2,115,968	1,108,609
	2,115,968	5,015,609
Net long term liabilities	12,130,172	7,303,729
Reserves and reserve funds	5,893,608	5,034,476
Accumulated net revenue and unapplied capital receipts	1,095,160	1,077,709
	\$21,234,908	\$18,431,523

STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED DECEMBER 31, 1976

	1976	1975
		(Restated)
Accumulated net revenue at the beginning of the year	\$ 1,077,709	\$ 996,071
Expenditure		
General municipal purposes		
General government	1,071,288	861,580
Protection to persons and property	1,084,195	892,251
Transportation services	2,493,335	2,082,820
Environmental services	1,819,820	1,632,019
Health services	4,929	6,334
Recreation and cultural services	3,835,165	3,158,080
Planning and development	354,480	322,194
	10,663,191	8,955,278
Region of York purposes	3,548,625	3,148,420
School board purposes	10,747,258	8,573,199
Total expenditure	24,959,074	20,676,897
Revenue		
General municipal purposes		
Taxation	6,169,431	5,549,294
Payments in lieu of taxes	29,129	42,614
Ontario grants	1,017,378	777,280
Other	3,481,554	2,580,604
	10,697,492	8,949,792
Region of York purposes		
Taxation	3,449,109	3,207,397
Payments in lieu of taxes	4,520	
	3,453,629	3,207,397
School board purposes		
Taxation	10,811,895	8,601,346
Payments in lieu of taxes	13,509	
	10,825,404	8,601,346
Total revenue	24,976,525	20,758,535
Accumulated net revenue at the end of the year	\$ 1,095,160	\$ 1,077,709
Analysed as follows:		
General revenue	\$ 240,988	\$ 303,247
Region	95,667	190,663
School boards	229,268	151,122
Special charges	30,458	8,513
Special areas	495,253	411,801
Local boards	3,526	12,363
	\$1,095,160	\$1,077,709

STATEMENT OF CAPITAL OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1976

	1976	1975
Unfinanced capital outlay at the beginning of the year	\$4,962,582	\$3,969,259
Capital expenditure		
General government	67,945	861,324
Protection to persons and property	9,864	13,454
Transportation services	1,048,047	1,401,604
Environmental services	1,081,440	678,105
Recreation and cultural services	973,979	2,052,882
Planning and development		5,033
Total expenditure	3,081,275	5,010,402
Capital financing		
Contributions from the revenue fund	672,415	655,130
Contributions from reserve funds and reserves	1,576,497	974,846
Long term liabilities incurred	4,766,636	434,374
Ontario grants	420,000	1,316,381
Other	803,453	636,348
Total capital financing	8,239,001	4,017,079
Unfinanced capital outlay (unexpended capital financing) at the end of the year	\$ (195,144)	\$4,962,582

TRUST FUNDS STATEMENT OF CONTINUITY FOR THE YEAR ENDED DECEMBER 31, 1976

	R.K. Morgan Fund	Cemetery Person Trust	Perpetual Care Income	Capital	Totals
Balance at the beginning of the year	\$26,743	\$16,369	\$ 4	\$2,116	\$45,232
Capital receipts					
Deposits		1,569			1,569
Transfer from operations				1,500	1,500
Interest earned	90	1,332	302		1,724
Expenditure				(174)	(174)
Transfer to operations					
Balance at the end of the year	\$26,833	\$19,270	\$132	\$3,616	\$49,851

BALANCE SHEET TRUST FUNDS AS AT DECEMBER 31, 1976

Assets	1976	1975
Cash	\$ 1,568	\$ 572
Investments		
Bonds - Canada		500
Provincial	2,000	1,000
Short term deposits	24,833	17,702
	26,833	17,702
Due from the Town		132
		44
	\$26,833	\$19,270
	\$132	\$3,616
	\$49,851	\$49,851
Funds		
Balance - capital	\$23,000	\$14,807
Income	3,833	4,463
	\$26,833	\$19,270
	\$132	\$3,616
	\$49,851	\$49,851

Distribution of your 1976 tax increase based on an average residential assessment of \$30,000.00

	1975	1976	1977
Education (Public School Superintendant)	\$424,781	\$476,000	\$513,000
Regional (York Region)	159,500	158,000	178,000
Municipal (Markham) General Rate	199,000	199,000	172,000
	\$683,281	\$773,000	\$863,000
Education (Separate School Superintendant)	\$556,000	\$478,000	\$393,000
Regional (York Region)	159,500	158,000	178,000
Municipal (Markham) General Rate	199,000	199,000	172,000
	\$914,500	\$835,000	\$763,000

DISTRIBUTION OF YOUR TAX DOLLAR



ASSESSMENT ANALYSIS

	1977	RATIO
Residential & Farm	\$483,840,865.00	77%
Commercial & Industrial	\$144,656,216.00	23%
TOTAL	\$628,497,081.00	100%

	1976	Ratio	1975	Ratio	1974	Ratio	1973	Ratio	1972	Ratio	1971	Ratio
RESIDENTIAL & FARM	\$460,618,511.00	77%	\$435,537,695.00	78%	\$395,617,272.00	79%	\$347,387,000.00	80%	\$313,000,000.00	80%	\$295,000,000.00	81%
COMMERCIAL & INDUSTRIAL	\$132,733,688.00	23%	\$122,025,918.00	22%	\$106,616,961.00	21%	\$86,533,000.00	20%	\$76,000,000.00	20%	\$69,000,000.00	19%
TOTAL	\$593,352,199.00	100%	\$557,563,613.00	100%	\$502,234,233.00	100%	\$434,020,000.00	100%	\$389,000,000.00	100%	\$364,000,000.00	100%

Council

Mayor — A. Roman
Regional Councilors — R.A.P. Moran, Mrs. Alma Walker
Councilors
Ward 1 — R. Felson Ward 3 — Mrs. C. Bell Ward 5 — W.B. Grieve
Ward 2 — S.J. Daurio Ward 4 — A.B. Bonner Ward 6 — H.E. Miles
Ward 7 — T.S. Gove

Publication of the above Audited Financial Statements and the report of the Auditors thereon, pursuant to Section 224 (1) of the Municipal Act. The published statements herewith are essential extracts from the complete financial reporting documents on file at the Municipal Treasurer's Office.

ANTHONY ROMA, Mayor

E.A. BARTON, Treasurer