

Corporation of the Town of Markham

MUNICIPAL OFFICES - 8911 DON MILLS ROAD, MARKHAM, ONT. R1C

1971 AUDITED FINANCIAL STATEMENTS & AUDITORS' REPORT - 1971

EDDIS & ASSOCIATES CHARTERED ACCOUNTANTS

ASSOCIATED FIRMS
COLLINS, LOVE, EDDIS, VALOQUETTE & BARROW
VANCOUVER - CALGARY - EDMONTON - WINNIPEG - TORONTO
MONTREAL - HALIFAX - MONCTON AND OTHER CITIES IN CANADA
WHITEHILL, EDDIS & CO.
LONDON ENGLAND - TORONTO CANADA

TELEPHONE (416) 363-3235
SUITE 1201
110 YONGE STREET
TORONTO 1, CANADA

AUDITORS' REPORT

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

We have examined the 1971 financial statements of the Town of Markham and its local boards, which are reported on separately. 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 as at December 31, 1971, and the results of its operations for the year then ended, in accordance with accounting principles generally accepted for Ontario municipalities.

Toronto, Canada,
April 17, 1972.
Licence Number 4102

Eddis & Associates
CHARTERED ACCOUNTANTS.

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 1971

- The Regional Municipality of York Act R.S.O. 1970** created the area municipality of the Town of Markham. On January 1, 1971 the greater portion of the Township of Markham was annexed to the Town of Markham, the remaining portion of the Township being annexed to the Town of Richmond Hill, and the Town of Whitchurch-Stouffville. These financial statements report on the first year of operations of the Town of Markham, and comparative figures of the former municipalities are not shown as they would not be meaningful in the circumstances.
- Charges for Net Long Term Liabilities**
Total charges for the year for net long term liabilities were as follows:
Principal payments including contributions to sinking funds and to the debt retirement fund of Ontario Water Resources Commission \$191,568
Interest 386,780
\$578,348
- Contributions to Reserve Funds**
Contributions to reserve funds amounting to \$5,991 are included in the Statement of Revenue and Expenditure classified under cost of sanitation.
Contingency Reserve Funds, O.W.R.C. Projects
On January 1, 1971 the Regional Municipality of York assumed a percentage share of certain O.W.R.C. sanitation and water projects together with related long term debt. This percentage share has been interpreted to apply to contingency reserves provided for the same projects. The Town, as advised, have reduced their contingency reserves by \$37,639 to reflect the portion assumed by the Region but are not in agreement to this apportionment until such time as amending O.W.R.C. agreements are signed with respect to the use of the reserve funds.
- Basis of Consolidation**
The Consolidated Balance Sheet reflects the assets and liabilities of the revenue fund, the capital fund and all reserve funds of the municipality. Trust fund assets administered by the municipality, amounting to \$36,696, have not been consolidated, nor have the assets and liabilities of any local boards and water areas of the municipality.
- Net Long Term Liabilities**
Total long term liabilities incurred by the municipality and outstanding at the end of the year amount to \$12,911,202. 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 (7,814,637). The balance in the debt retirement fund of the Ontario Water Resources Commission which has accumulated to the end of the year to retire the outstanding long term liabilities included above amounts to (368,186). Long term liabilities issued by the municipality and held by reserve funds as investments, amount to (1,600).
Net long term liabilities at the end of the year \$ 4,726,779
- 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 \$3,260,874
Municipal enterprises 1,011,035
\$4,271,909
- Contractual Obligations**
The municipality is committed to capital expenditures of \$810,000 for the construction of recreational facilities, water and sanitary sewer projects. Lot fee funds on hand at December 31, 1971 are committed towards the financing of these projects.
- 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 \$97,550 at the end of the year. A reserve fund of \$85,177 is on hand at December 31, 1971 towards this obligation.

CONSOLIDATED BALANCE SHEET DECEMBER 31, 1971

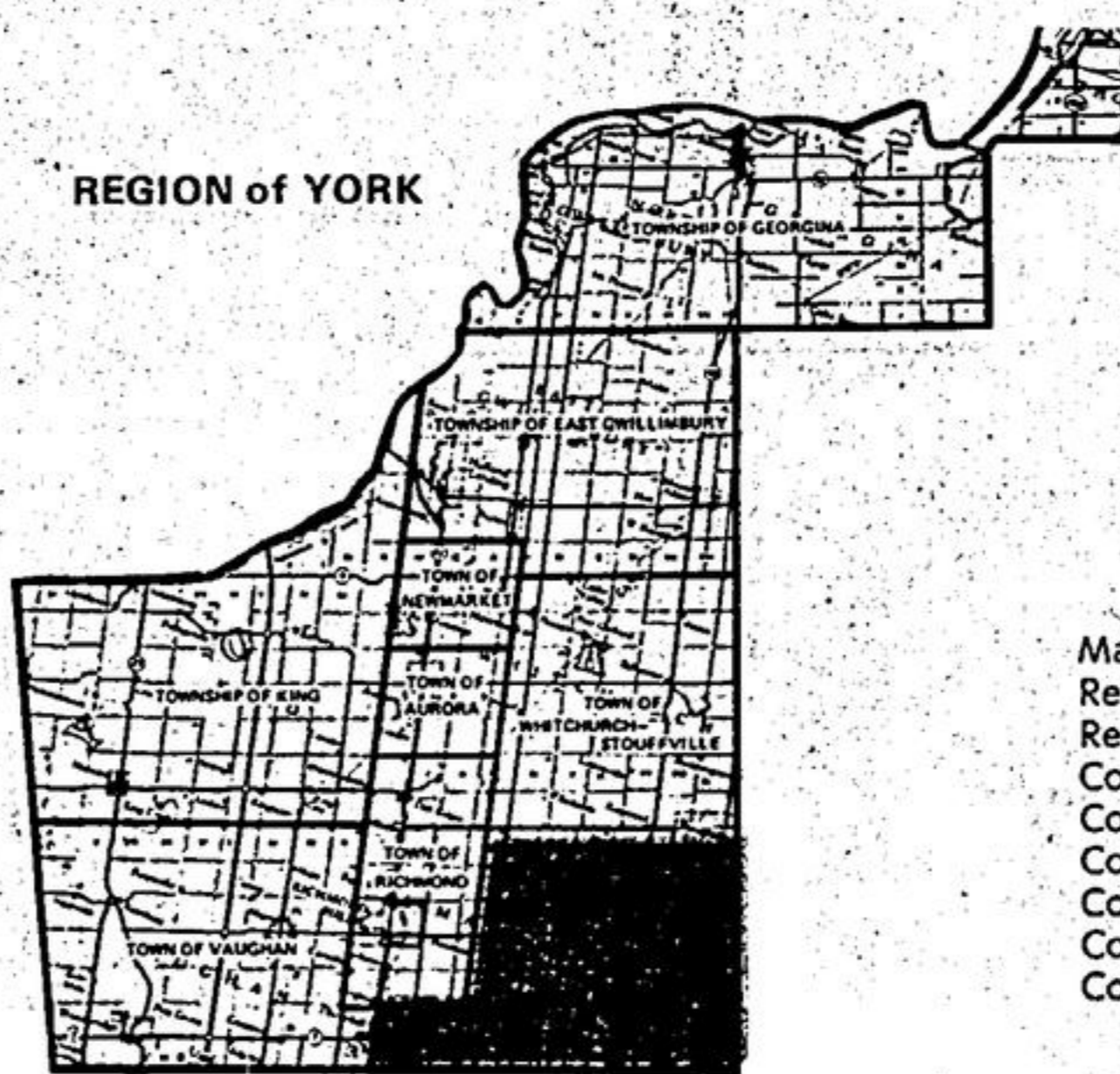
| ASSETS | | LIABILITIES | |
|---|-------------|----------------------------|-------------|
| Accounts receivable | | Temporary loans | \$ 452,500 |
| Other governments | \$ 459,903 | Accounts payable | 157,113 |
| Hydro utility, and local boards | 69,692 | Local governments | 5,120 |
| Other | 18,295 | Board of Education | 59,561 |
| Taxes receivable | 1,493,203 | Trust fund | 155,023 |
| Investments at cost, held for Reserve Funds | 1,112,054 | Water areas | 776,347 |
| Ontario Water Resources Commission, Reserve Fund assets | 72,965 | Other | 8,493 |
| Inventories and prepayments | 55,487 | Deferred revenue | |
| Total current assets | 3,281,599 | Total current liabilities | 1,614,157 |
| Capital outlay to be recovered in future years | 5,104,730 | Net long term liabilities | 4,726,779 |
| | \$8,386,329 | Reserves and Reserve Funds | 1,793,458 |
| | | Surplus (deficit) | |
| | | General | 149,012 |
| | | Special charges | (577) |
| | | Special areas | 251,935 |
| | | | \$8,386,329 |

STATEMENT OF REVENUE AND EXPENDITURE FOR THE YEAR ENDED DECEMBER 31, 1971

| REVENUE | | EXPENDITURE | |
|--------------------------------------|--------------|---|------------------|
| Taxation | \$ 7,853,907 | General government | 348,645 |
| Contributions from other governments | 26,753 | Protection to persons and property | 458,554 |
| Payments in lieu of taxes | 1,897,269 | Public works | 1,511,410 |
| Subsidies | 74,561 | Sanitation and waste removal | 734,835 |
| Other revenues | 158,003 | Recreation and community services | 316,714 |
| Licences and permits | 121,917 | Community planning and development | 69,393 |
| Service charges | 7,517 | Financial expenses | 88,175 |
| Penalties and interest on taxes | 1,093 | Water area | 63,145 |
| Sundry | 5,993 | Region of York | 1,653,423 |
| Income from short term investments | 1,015 | Education | 4,620,049 |
| Rents | | | 9,864,343 |
| Fines | | | |
| | 10,148,028 | Excess of revenue over expenditure for the year | 283,685 |
| | | Surplus (deficit), beginning of the year | |
| | | Former Township of Markham | |
| | | General | \$215,109 |
| | | Areas and special charges | (31,750) |
| | | Former Town of Markham, general | 1,789 |
| | | | 185,148 |
| | | Distribution to other municipalities on formation of area municipalities, January 1, 1971 | 23,897 |
| | | Transfer to reserve for working funds | 193,001 |
| | | | 216,898 (31,750) |
| | | Surplus, end of the year | \$ 251,935 |

STATEMENT OF CAPITAL FUND OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 1971

| | | | |
|---|------------|--|------------|
| Unfinanced capital outlay at the beginning of the year, former Township and Town of Markham | \$ 562,391 | Capital financing | |
| Capital outlay | | Long term liabilities incurred | 252,981 |
| Capital expenditures | | Contributions from other governments | 329,165 |
| General government | 10,524 | Contributions from the revenue fund for capital expenditures | 311,863 |
| Protection to persons and property | 79,418 | Contributions from reserve funds | 496,403 |
| Public works | 690,941 | | 1,390,412 |
| Sanitation and waste removal | 258,395 | Unfinanced capital outlay, end of the year | \$ 376,351 |
| Recreation and community services | 104,098 | | |
| Transfers to Hydro Utility | 60,996 | | |
| Total | 1,204,372 | | |



COUNCIL

| | |
|---------------------|-----------------|
| Mayor | A. Roman |
| Regional Councillor | J. P. Jongeneel |
| Regional Councillor | H. C. Lawrie |
| Councillor - Ward 1 | R. W. Adams |
| Councillor - Ward 2 | R. J. Muldrew |
| Councillor - Ward 3 | K. B. Kennedy |
| Councillor - Ward 4 | A. B. Bonner |
| Councillor - Ward 5 | M. A. Henderson |
| Councillor - Ward 6 | N. Tyndall |

STANDING COMMITTEES OF COUNCIL

| | |
|--------------------------------|----------------------------|
| By-laws | Committee Chairmen |
| Finance | Councillor N. Tyndall |
| Fire | Councillor R. J. Muldrew |
| Personnel and Public Relations | Councillor A. B. Bonner |
| Planning | Councillor R. W. Adams |
| Property | Councillor J. P. Jongeneel |
| Roads and Works | Councillor K. B. Kennedy |
| | Councillor H. C. Lawrie |

Publication of the above audited financial statements and the report of the auditors thereon, pursuant to Section 233 (a) of the Municipal Act.

ANTHONY ROMAN, Mayor. E. A. BARTON, Treasurer.

DISTRIBUTION OF YOUR 1971 TAX DOLLAR

| 1971 ASSESSMENT ANALYSIS | | |
|--------------------------|------------------|------|
| Residential & Farm | \$294,679,041.00 | 81% |
| Commercial & Industrial | 69,225,887.00 | 19% |
| TOTAL | \$363,904,928.00 | 100% |

