

SHAPING  
THE  
FUTURE



# HIGHLIGHTS

Engage Markham launched as Markham develops its strategic vision.

Key transportation initiatives undertaken.

Planning and development of Markham Centre continues.

Angus Glen Community Centre and Library approved.

Environmental land reserve fund established.

The theme of the 2001 Annual Report represents Markham's commitment to shaping its future while preserving the traditions of its past.

We thank those who provided renderings and concept drawings of the evolving work on three important Markham projects: Markham Centre - inside front cover and pages 1, 5, 14 and 33; Angus Glen Community Centre and Library - page 36; and the Cornell Community - pages 5, 8 and 9.

We also thank the Markham District Historical Society and the Markham Heritage Section for the photographs representing Markham's past - pages 21-29 and 35.

The 2001 Annual Report for Markham, Ontario, Canada has been prepared by:  
The Office of the Chief Administrative Officer and the Corporate Services Commission





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### Finance and Administrative Committee 2001-2003

#### Chair

Khalid Usman  
Councillor, Ward 7

#### Vice-Chair, Budget

Frank Scarpitti  
Deputy Mayor / Regional  
Councillor

#### Vice-Chair, Information Technology

Stan Daurio  
Councillor, Ward 1

#### Members

Gordon Landon  
Regional Councillor  
Joseph Virgilio  
Councillor, Ward 3  
Jack Heath  
Councillor, Ward 5  
W. Donald Cousens  
Mayor (ex-officio)

### Budget Committee

#### Chair

Frank Scarpitti  
Deputy Mayor/Regional  
Councillor

#### Members

Stan Daurio  
Councillor, Ward 1  
Erin Shapero  
Councillor, Ward 2  
Joseph Virgilio  
Councillor, Ward 3  
Dan Horchik  
Councillor, Ward 6  
Khalid Usman  
Councillor, Ward 7  
W. Donald Cousens  
Mayor (ex-officio)

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## Message from the Mayor

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*Markham is using the power of the Information Age to recapture the original spirit of democracy. This will allow us to shape the future for ourselves and our children.*

### ENGAGE MARKHAM

Engage Markham was a major initiative of the year 2001. It's a 20-year plan to map out the future of Markham and we invited the whole community to participate. Markham is the first community in Canada to initiate a long-term plan based on the social values of its residents. Engage Markham addresses the issues related to people's hopes and dreams and these will help shape our vision for the future, based on a set of commonly shared values. The community will be invited to review the draft vision statement in 2002, with approval of the final draft during that summer. We are taking control of our future by designing a value-based community that in twenty years will be home to 310,000 people.

### FINANCIAL

As we look back on 2001, I would like to thank Council, staff and all those involved in the budget review process. The pressures on the municipal budget are enormous. Increased operating costs are the result of a number of significant increases in energy costs, waste collection costs and tipping fees at the Keele Valley Landfill Site. Also, changes in the Development Charges Act have reduced or eliminated funding for several projects.

These budget pressures were partly offset by assessment growth and the savings produced by the

transfer of public transit services to York Region. With considerable effort, we were able to limit the increase in the municipal portion of the tax levy to 2.9 per cent. No new debt was created in 2001 and our Town will be debt-free by the end of 2002.

### TRANSPORTATION

Markham is a growing community, so it is not surprising that transportation and transit are its top concerns. In 2001, we developed our Four-Point Transportation Strategy that includes plans for a light rail transit system, road network improvements, policy initiatives to support those changes and a public education program. Major road improvements for Warden Avenue, McCowan Avenue and Leslie Street are already under way or in the advanced planning stages.

We are also working closely with York Region to meet Markham's public transit needs. In January 2001, the Region took over public transit to provide an integrated transit system for its nine municipalities. Markham is providing input into the Region's Transportation Master Plan that will guide our transit and road expansion over the next 30 years. This comprehensive plan will unify planning for provincial highways, major regional roads, region-linked transit, commuter rail and GO Transit. Now is the time to secure the right-of-way for our transportation plans, so they can become a reality.

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## *We are engaging all of our communities in planning the vision of Markham's future.*

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### MARKHAM CENTRE

I am pleased to report that development of Markham Centre, the new urban heart of downtown Markham, is advancing quickly. The year 2001 saw completion of IBM's new software development laboratory and the opening of Motorola Canada Centre. These two companies have brought our community more than 3,000 new high-technology jobs.

Markham Centre encompasses more than 375 hectares of land. Our new downtown will house 25,000 people in 10,000 residential units and provide 17,000 employment opportunities. We also have planned an innovative public transit system, linking this new community with the rest of the Greater Toronto Area. Markham Centre's neighbourhood and community parks will link directly to the Rouge River Valley lands. An integrated park system, with recreation resources and trails, is sure to make Markham's downtown a green and vibrant urban core.

### ENVIRONMENT

Our commitment to the environment remains one of Markham's top strategic priorities. In 2001, we adopted a number of environmentally friendly policies. They include our green fleet initiatives for Town vehicles, as well as By-laws on use of pesticides, storm water management, and noise and water quality regulations.

Also, as part of our budget process, we created an environmental reserve fund of more than \$2 million. We added 10 new parks during 2001 and have started another five in 2002, with a combined construction value of more than \$5 million.

### eMARKHAM

We want the public to enjoy dealing electronically with our Town. That's why in Fall 2001, Council and staff reaffirmed our commitment to using technology by redesigning all of the Town websites.

Last year, we responded to the ever-increasing public use of the Internet by producing the Resident, Business, Visitor and Town Centres on [www.city.markham.on.ca](http://www.city.markham.on.ca). The next step, in 2002, is

My Markham. My Markham will provide stakeholders with personalized access to the Town's web content. Registered users will be able to find out what facilities and services are in their area, check property tax data and receive e-mail publications and notifications of their choice. We have also set up a public forum on the Internet, so residents can talk directly with their elected representatives.

### MARKHAM YOUTH

Young people of Markham are a vital resource in our community and in the development of Markham. The community activities they are organizing today will influence them as they become our next generation of adult volunteers. Computer-savvy, these elementary and high school students bring tremendous energy and intelligence to the Mayor's Youth Task Force. The big 2001 project is ongoing – Markham Youth Directory – on the Web.

Even the youngest children in our community need to be computer-literate. This makes me particularly proud that Markham Public Library won the Province's Angus Mowat Award of Excellence for its leadership work in 2001 with children, age birth to 5 years, at the Milliken Library through the Early Years Program.

### IN CONCLUSION

The people of Markham are working to build a first-class community for ourselves and our children. I want to thank Council and staff, as well as our residents and businesses for the special energy and smart thinking they contribute to making our Town one of the best in Canada. Our fiscal picture is sound and our future bright. In that spirit, I am pleased to present Markham's 2001 Annual Report.



W. Donald Cousens  
Mayor

# Elected Officials



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# Town Councillors & Ward Map



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## Message from the CAO

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### ***2001 was a year of impressive achievements for the Town of Markham.***

A number of financial and growth pressures influenced the Town's budget in 2001. The challenge was to provide Markham taxpayers with the same or a better level of service without user fee increases. Council approved an operating budget of \$104.5 million and a capital budget of \$35.3 million. The Town's financial picture is healthy and it is in the enviable position of being debt-free for the first time in 2002.

Markham has added 30,000 people to the community in the past five years. Throughout this growth, Markham has maintained its quality of life and character as a town. Each year, we add to our infrastructure to meet the demands of this growth. In 2001, Markham completed 10 new parks and began construction of five more. We have increased our parks maintenance budget to keep the Town clean and beautiful. We also continue our program of linking our communities by adding to our more than 20 kilometres of pathways and trails.

During 2001, staff worked on our transportation strategy for major improvements to Markham's road network. Work also began, in co-operation with York Region, on a comprehensive light rail or bus rapid transit system to serve those who live and work in the Town. Also, more than \$3 million was allocated for road resurfacing during the year.

Our strong base of advanced technology companies broadened in 2001 with the completion of IBM's software laboratory and Motorola's Canadian headquarters, which together brought more than 3,000 new jobs to Markham. In other development news, IBM announced it is going to add a state-of-the-art technology campus to its present facilities. IBM has chosen a beautiful location inside our new downtown, Markham Centre, to link its campus to the Rouge River lands.



Markham's economy is strong. This is evident from the value of construction permits issued in 2001, which approached \$1 billion. In 2002, Markham will build the Angus Glen Community Centre and Library with a construction value of \$40 million. This is the largest capital project to be undertaken by the corporation since the building of Markham Civic Centre in 1990.

The Royal Canadian Golf Association (RCGA) will stage the 2002 Bell Canadian Open at the South Course of Markham's Angus Glen Golf Club. The RCGA also awarded the 2007 Bell Canadian Open to the club's new North Course, which opened the summer of 2001.

Once again, those who work for Markham showed their concern for others. The 23-member United Way committee kept the campaign spirited and fun using a Survivor theme. Results in 2001, the 25th anniversary of the York Region United Way, were spectacular. Town employees raised \$100,000 – well above our \$65,000 target. For the third year in a row, Markham received the Municipal Campaign Spirit Award.

Using its Quality Services through Quality People initiative, Markham has developed a framework to guide the corporation's business practices. The framework is based on the criteria put forward by Canada's National Quality Institute. Early in 2001, Markham became the first municipality in Canada to receive the Institute's Progressive Excellence Program Level 1 award, a testament to the progress made on our journey to excellence.

My thanks to Council, staff and the community for their support and hard work in 2001. We have made real progress during the year and our future prospects are excellent.

A handwritten signature in blue ink, appearing to read 'John Livey'. The signature is stylized and fluid.

John Livey  
Chief Administrative Officer



# Governance

## COUNCIL

The Town of Markham is governed by a Council, consisting of the Mayor, four Regional Councillors and eight Ward Councillors. The Mayor and Regional Councillors are elected at large, with each of the Ward Councillors elected in specific wards.

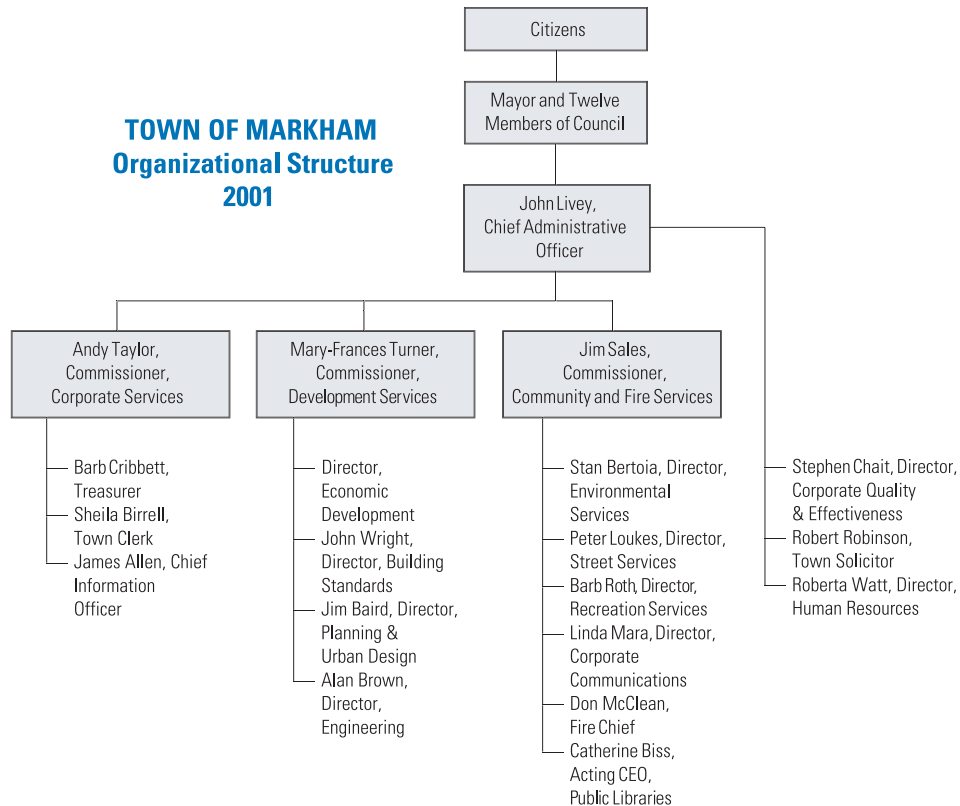
All Members of Council are elected for a three-year term and exercise their governance through the adoption of resolutions and By-laws. The key roles of Council are to: establish policies that define the strategic priorities of the Town; ensure that municipal services are provided in a cost-effective manner; balance the diverse values and priorities of competing interests within the community; and promote the interests of the Town of Markham.

## COMMITTEES

In January 2000, Council streamlined the Committee Structure reducing the number of committees reporting to Council from eleven to four. Each committee is delegated certain authority to facilitate decisions in assigned areas. The following Standing Committee Structure has been adopted for the term ending November 30, 2003: Finance and Administrative; Community Services & Environment; Transportation; and Development Services. Other sub-committees may be set up at need and report to Council through one of the Standing Committees.

## CHIEF ADMINISTRATIVE OFFICER

The CAO has overall responsibility for the Town's operating departments. In addition, Commissioners and departmental directors have responsibility for the day-to-day operations of the municipality. The CAO also advises the Mayor and Members of Council on matters of policy related to the civic administration of the Town of Markham.



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## Markham Profile

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Markham evolved from a rich tapestry of national and religious traditions. The first residents were Swiss, German, French, Dutch, English, Scottish and Irish, with Presbyterian, Puritan, Catholic, Lutheran and Quaker religious roots. The independent spirit and self-sufficiency of the first settlers in Markham Township is indeed an inspiration. They cut the first trails out of the wilderness and built rough roads. They built the first churches, schools and mills.

The first form of structured municipal government was established in 1850 when the Township of Markham was created. In November 1872, the Warden of York County signed the By-law of Incorporation which provided for the election of a Council for the Village of Markham. By 1891, the population was 1,100.

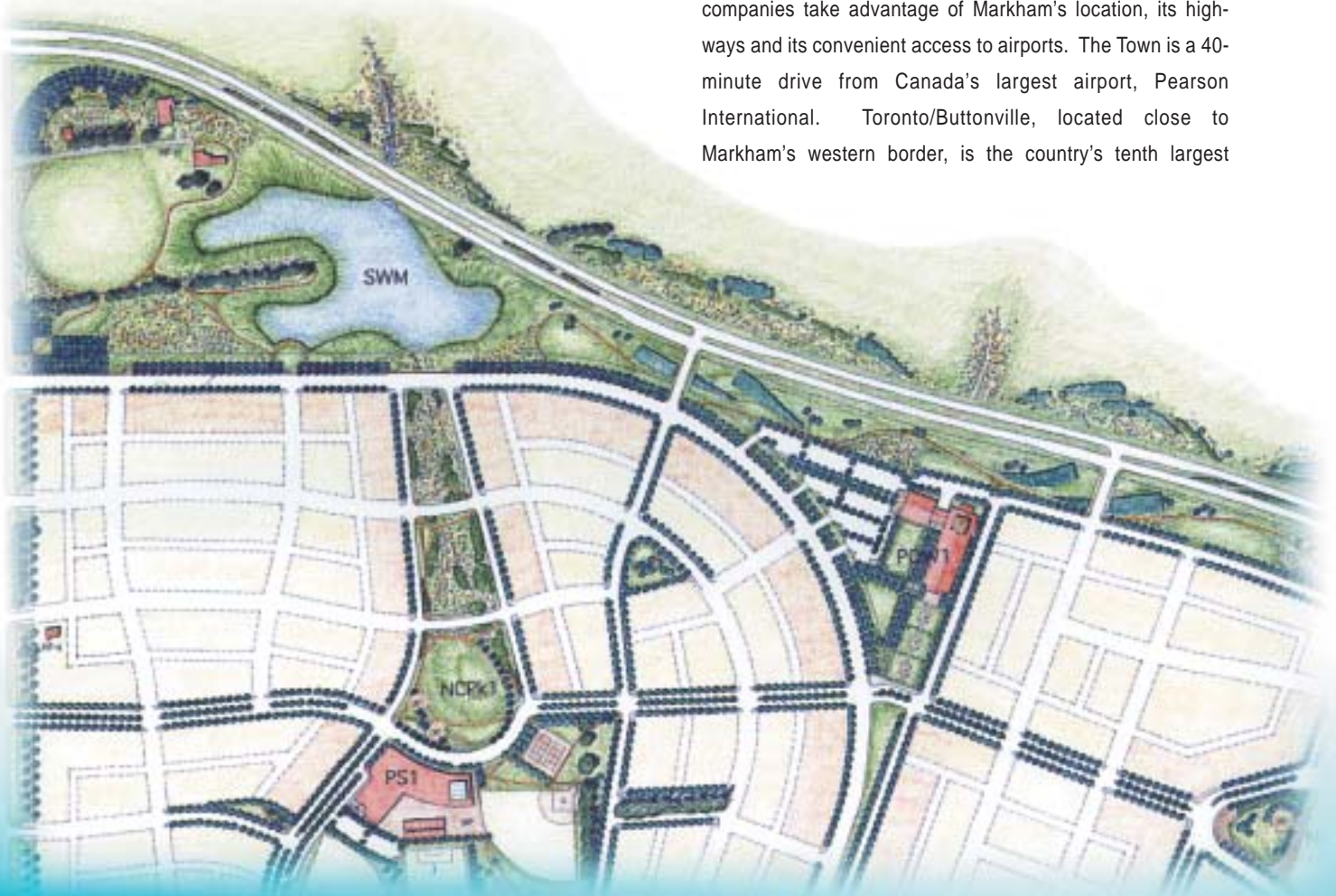
Markham, in the northeastern section of the Greater Toronto Area, has become Canada's High-Tech Capital and now has a population of 218,000. The municipality is surrounded by beautiful countryside and some of the finest

agricultural lands in Ontario. Markham takes pride in having planned and designed one of the most desirable communities in Canada.

Income levels are among the highest in Canada and those of employment age are more highly educated than average; 79 per cent have high school diplomas, 56 per cent have college diplomas, 31 per cent have university degrees. Providing jobs for residents is just one part of what makes Markham a strong community.

More than 800 technology companies are already the driving force of commerce in 21st century Markham. The Town's leading employers include IBM, American Express, ATI Technologies, Canac, Liberty Health and Motorola. In 2001, almost 120,000 people were employed in the Town of Markham.

Markham's population in the next two decades is projected to grow to 310,000, a clear sign of the Town's growing importance as a high-technology centre. Many companies take advantage of Markham's location, its highways and its convenient access to airports. The Town is a 40-minute drive from Canada's largest airport, Pearson International. Toronto/Buttonsville, located close to Markham's western border, is the country's tenth largest



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## Markham Profile

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airport, specializing in private air traffic.

Markham is part of the North Rouge River system. The Town sits near the headwaters of the rivers that flow through the Greater Toronto Area. When complete, the Rouge River Park, running south from the Oak Ridges Moraine to Lake Ontario will be the largest urban park in North America. The Town of Markham is the largest of nine municipalities that make up the Regional Municipality of York.

The Greater Toronto Area, formed by Toronto and the regions of York to the north, Peel and Halton to the west and Durham to the east, has a population of 4.4 million people. It is Canada's largest marketplace. This location also provides Canada's easiest access to a market of more than 150 million customers in the United States.

Municipalities derive their powers largely from the Province of Ontario. Municipal elections are held every three years; the most recent was in the year 2000. Markham has an elected council of 13. Eight town councillors serve constituents in Markham's eight wards.

The Mayor and four Regional Councillors represent Markham's interests town-wide and on York Regional

Council. This level of municipal government deals with region-wide matters. York Region's responsibilities include planning approvals, regional roads, transit, water and wastewater treatment, recycling and solid waste disposal, police services, provincial offence administration, public health and welfare programs.

The Town of Markham, the local level of government, is committed to providing service at reasonable cost. Such services include parks construction and maintenance, recreation facilities and programming, library service, fire and emergency services, the local road network, storm water management, zoning and building inspection, local community planning and tax collection.

Markham supports its cultural life through Town-owned facilities including Markham Theatre, the Varley Gallery, Markham Museum and the Markham Public Libraries. Also, the natural environment remains a priority as the community grows. In 2001, the Town had 38 parks, 730 hectares of green space and an extensive system of trails and pathways.



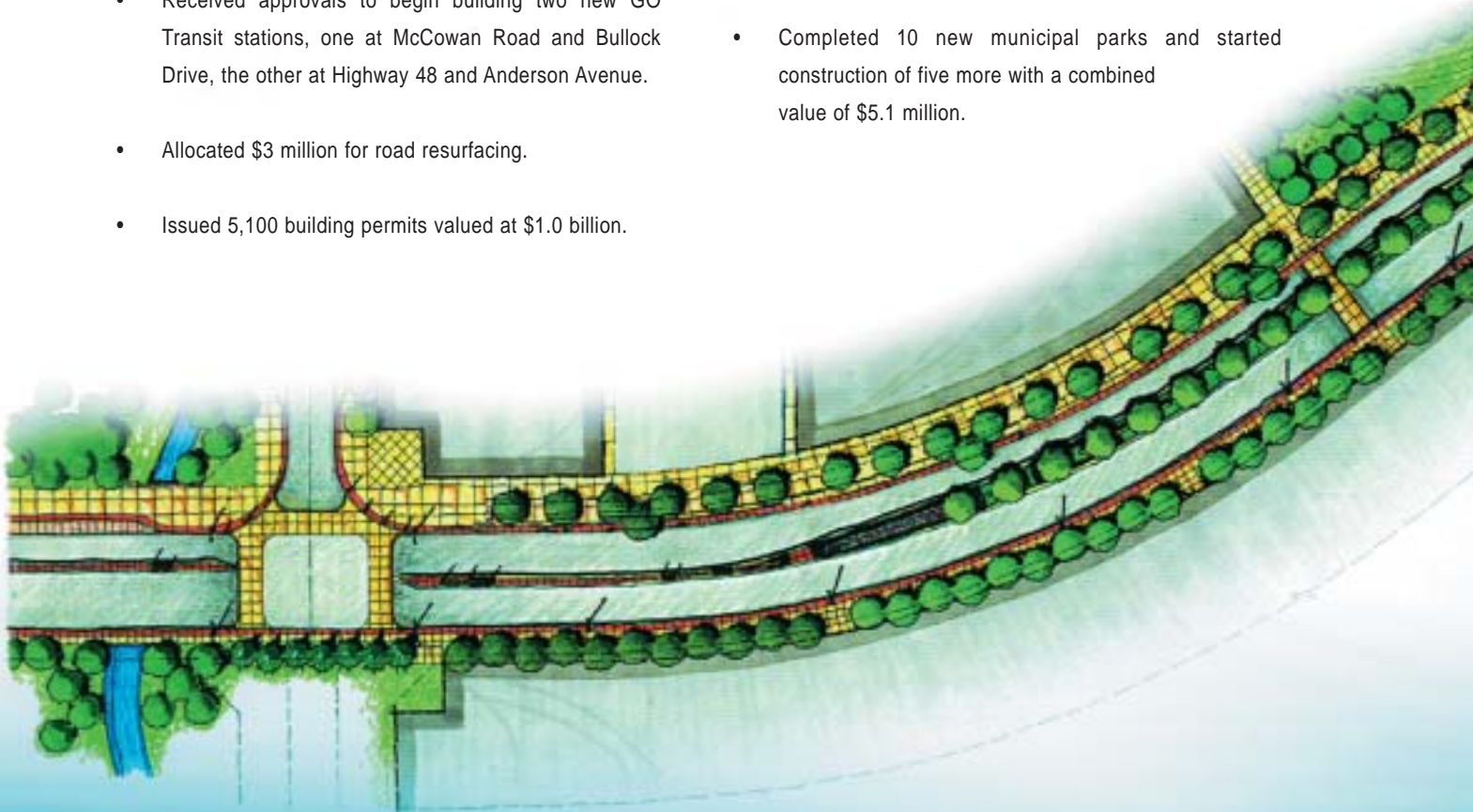


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## 2001 Accomplishments

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- Launched Engage Markham, a strategic planning process as the basis of Markham's vision for the community for the next 20 years.
- Completed a Core Services Review to rank all Town services/programs in relation to their value to the community.
- Continued to advance development of Markham Centre, the Town's new downtown core.
- Advanced a sustainable transportation strategy to match growth with much needed transportation improvements.
- Began key road initiatives to improve traffic flow.
- Co-operated with the Region of York in the process of designing a higher order rapid transit system.
- Received approvals to begin building two new GO Transit stations, one at McCowan Road and Bullock Drive, the other at Highway 48 and Anderson Avenue.
- Allocated \$3 million for road resurfacing.
- Issued 5,100 building permits valued at \$1.0 billion.
- Helped IBM, Motorola and Philips Electronics establish their new operations in Markham.
- Planned construction of the Angus Glen Community Centre and Library.
- Established an environmental land reserve fund of more than \$2 million.
- Made registration for recreation programs available using the Internet.
- Re-designed Markham's websites to provide the public with continuously updated information on Town services, facilities, news and community events.
- Reviewed the planning process in the Cornell community and reaffirmed our commitment to developing it according to the principles of new urbanism.
- Completed 10 new municipal parks and started construction of five more with a combined value of \$5.1 million.

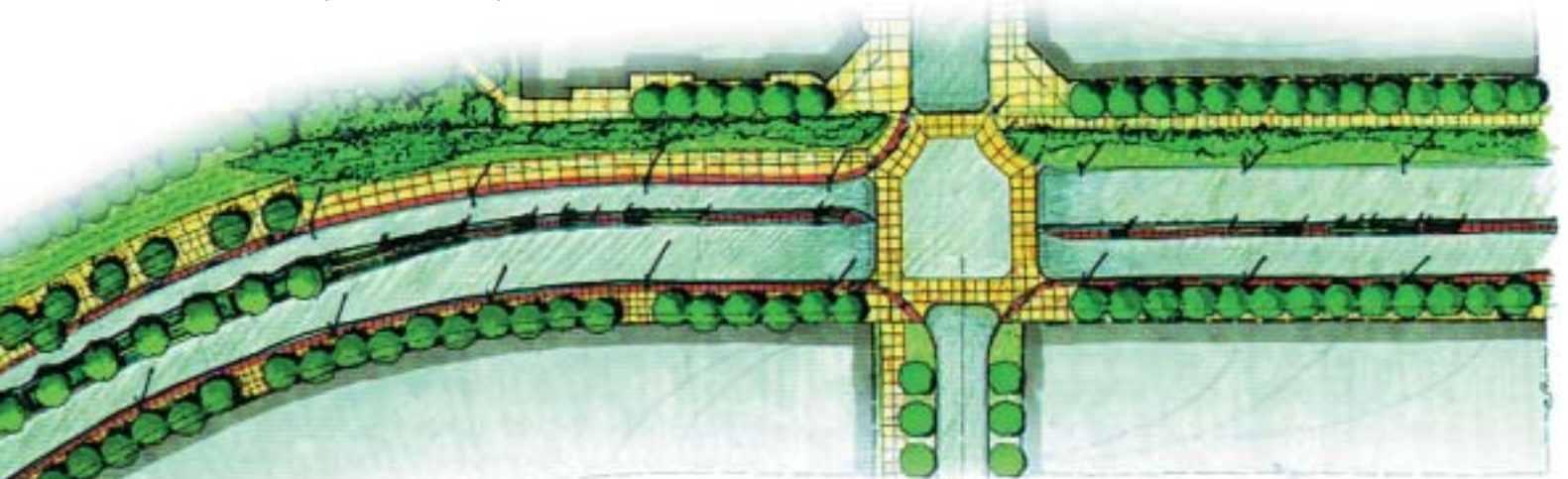


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## 2001 Accomplishments

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- Completed the replacement of equipment in 20 playgrounds to enhance safety for children.
- Arranged a celebration to recognize volunteers from across the Town as part of the International Year of the Volunteer 2001.
- Published Markham's first electronic street guide using GIS technology.
- Hosted the 2001 Ontario Provincial Lifeguarding Championships.
- Arranged the first presentation of Markham's Operating and Capital Budgets over the Internet.
- Retrofitted 19 facilities, resulting in a 50 per cent reduction in electrical lighting demand and saving 900,000 kilowatt hours of electricity.
- Commended for meeting Provincial Education and Fire Prevention Requirements by the Office of the Fire Marshall.
- Received Government Finance Officers Association Distinguished Budget Presentation Award for its joint submission of Markham's 2001 Operating and Capital Budget and 2001 Business Plan.



- Implemented "Markham On a Roll," a pilot project for waste handling, using carts and based on a three-stream collection method.
- Published a provincial report card demonstrating the Town's accountability to taxpayers.
- Restored the Markham Train Station, originally built in 1871.
- Won for the third year in a row the Bruce Brunton Award for participation in the Public Works Week Awareness program.
- Received the Angus Mowat Award of Excellence from Ontario for Markham Public Libraries' participation in the Early Years Program at the Milliken Library.

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# Looking Forward

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## ENGAGE MARKHAM

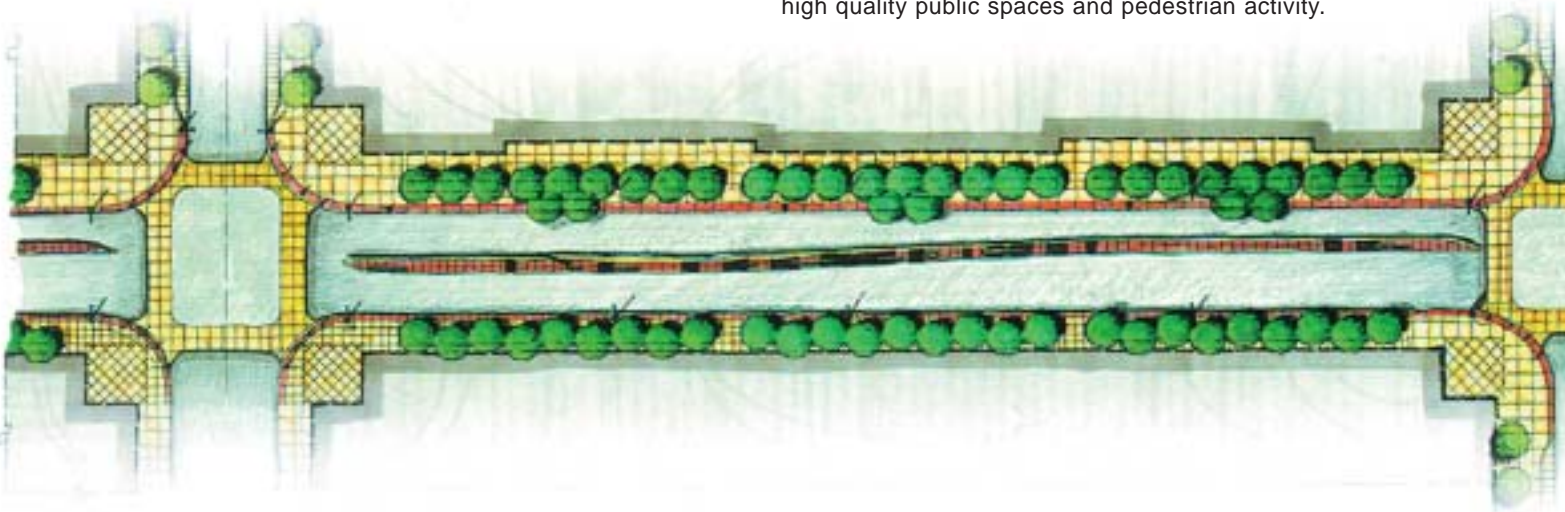
Engage Markham is a bold strategic planning initiative to involve residents in a value-based process to chart the Town's growth over the next twenty years.

It is an exciting process that involves all members of the community. By focusing on the changing values and behaviours of Markham residents, the Town is the first municipality in Canada to move beyond traditional demographic studies and correlate socio-cultural trends with its strategic vision. This will enable Markham to position itself more effectively and set its strategic plan for the next twenty years.

## MARKHAM CENTRE

Council favours sustainable growth through limited outward expansion and intensification in a centre that supports activity on a scale to sustain rapid transit. The vision of Markham Centre, developed in the 1990s, is now becoming a reality.

Markham Centre will bring a diverse range of housing that provides a broad range of opportunities for seniors, singles, empty nesters and families to live and work in our community. It will feature major office development, providing jobs close to home and help to reduce commuting distances. The community will be a lively, people place that is urban in character with high quality public spaces and pedestrian activity.



## CORE SERVICES

In August 2001, the Town of Markham began a comprehensive Core Services Review to identify the fundamental strategic direction of the Corporation. Ranking all Town services/programs against predetermined criteria and their values to the community led the group to suggest more than nine hundred ways to deploy taxpayer dollars better. The results of this work will improve customer service and realize at least \$2.9 million in savings by the end of the two-year implementation period.

## NATIONAL QUALITY INSTITUTE

Markham is a member of the National Quality Institute (NQI) and the first municipality in Canada to receive its Progressive Excellence Program, Level One award.

NQI's assessment of Markham in February 2001, identified four areas for further development: Customer Satisfaction, Process Improvement, Staff Communication and Long Range Planning. The National Quality Institute will conduct another assessment the second half of 2002, based on these four areas to determine the Town's Progressive Excellence status.



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# Looking Forward

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## TRANSPORTATION

Markham Council recognizes transportation as a municipal priority. Presently, only 8 per cent of all rush-hour trips are made by public transit. In June 2001, Markham's Engineering Department presented a transportation strategy to Council and the plan is undergoing public consultation.

The goal of the strategy is to achieve a balanced transportation system where the road network provides a reasonable level of service during peak hours. The strategy also includes a light rail, or bus, rapid transit system which is integrated with the Greater Toronto subway system and regional bus network.

Markham will continue to develop this interactive geographic program to serve the information needs of the community over the Internet. This will strengthen Markham's expanding database of three-dimensional images of the Town's built and planned infrastructure.

## CARe PROGRAM

In 2001, Markham staff began developing a Customer Action Request (CARe) program to ensure that public concerns are tracked and appropriate action is taken in a timely manner. Current telephone traffic of this type averages approximately 650 calls



Markham will work with surrounding municipalities, York Region and senior levels of government to implement this strategy. Plans are for the system to be operational within five to ten years.

## eMARKHAM

As Canada's High-Tech Capital, Markham is taking a lead role in using electronic technology, to plan the community, to conduct an e-business government and to communicate with its stakeholders.

Markham benefits in many ways from the interactive mapping provided by its Geographic Information Systems (GIS). It is well-suited to managing the same information in several different models to present options for decision-making.

per day. Ratepayers will call one number and have their concerns dealt with on the first call, with fewer than 20 per cent of calls requiring a referral to a second party. The original caller, using this CARe software via the Internet, can see how the matter is being handled, when it will be dealt with and by whom, at any stage in the process.

When fully implemented, the system is expected to produce savings of \$1.0 million per year and save staff time in responding to requests for customer service.

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# Financial Policies

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## Financial Policies

Council has approved a number of financial policies to govern the preparation of the annual operating and capital budgets and handling of the Town's day-to-day financial operations. The purpose of these policies is to maintain strong fiscal stewardship, ensuring that Markham taxpayers are getting value for their money. Significant Town financial policies are as follows:

### Basis of Accounting

The Town recognizes sources of revenue and expenditures on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they are earned and expenditures when they are incurred and measurable as a result of receipt of goods and services and the creation of a legal obligation to pay.

### Debt Issuance

Since 1992, Markham has not issued any new debt and will be debt-free in 2002. The Town has adopted a fiscal policy and is striving to maintain the status of a "Pay As You Go" Community.

### Use of One-Time Revenue

For most local governments revenue is recurring - it continues month after month, year after year. However, there is some revenue that may occur only once, or it comes for two or three years. The Town's policy on this revenue is to use it to fund one-time expenditures. Unallocated one-time revenue is transferred to the Corporate Rate Stabilization Reserve.

### Use of Unpredictable Revenues

Certain Town revenues fluctuate widely year-to-year. At year-end, whenever these revenues are above budget, the year's surplus is transferred to the Corporate Rate Stabilization Reserve. Conversely, if revenues fall below budget and budget re-allocations are not possible, or the fluctuations are more than temporary, the Corporate Rate Stabilization Reserve is used.

### Deficit Avoidance

The Town's budgets will continue to show fiscal constraint. In any given year, when revenue shortfalls, or unforeseen expenditures appear to be more than temporary, both the Capital and Operating budgets will be reviewed to minimize the Town's exposure. The administration of the Corporation is authorized to freeze or reduce line budget spending as fiscal conditions dictate.

### Use of Assessment Growth

The Town will transfer up to 25 per cent of tax revenue from the net annualized growth in assessments to the Major Repairs and Replacement Reserve to maintain and refurbish our existing infrastructure.

### Use of Prior Year's Surplus/Deficit

The Town has in place a number of policies to minimize operating deficits, but should they occur the Town maintains the flexibility to utilize funds from the Working Capital Stabilization Reserve. The Town has eliminated its dependence on balancing its budget by using the prior year's surplus. Surpluses are transferred to the Corporate Rate Stabilization Reserve through the budget process.



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# Report from The Commissioner, Corporate Services

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*I am pleased to present the  
2001 Financial Report for The  
Town of Markham.*

As we plan Markham's future, through the Engage Markham process, one of our goals is to become the best customer-focused municipality in Canada. We are increasing our effectiveness by investing in quality processes and quality people – not through reducing services. This investment in quality will deliver increased quality in our services and, in the long run, produce significant and sustainable long-term cost efficiencies.

To this end, we have completed a Core Services Review to determine where our municipal resources should best be allocated. By evaluating the way we do things and implementing suggestions for improvement, we project that the Town can realize a net reduction of \$2.9M by the end of the two-year program (\$1M in 2002 and \$1.9M in 2003).

One of the initiatives flowing from the Core Services Review is the establishment of one Corporate Customer Contact Centre. When fully implemented, residents will be able to call one phone number for information or to request municipal services. Residents will be told who will be dealing with their request and when it will be dealt with. They can also track this process on the Internet. Our goal is to provide comprehensive customer service to the Town on a one-call-does-it-all basis.

By eliminating duplication in service, the Corporate Customer Contact Centre should be able to save almost \$1M a year in service delivery costs.

The Town of Markham also prides itself on its fiscal stewardship. To achieve this, the Town has practices and policies in place to monitor and enhance performance and to ensure sound financial decisions are made. These include: strong internal controls, an inclusive budgeting process, professional financial management teams, external auditor and Audit Committee overview.



## **BUDGET**

The Budget is prepared to ensure it aligns with and supports the goals and strategic priorities of the Corporation. The Budget Committee, which consists of Members of Council, supported by Senior Staff, encourages input and feedback from stakeholders and uses a 'management by facts' approach to ensure taxpayers are receiving value for money.

Budget guidelines and priorities are set early in the process and budget requests are submitted to the Commissioners and CAO for rigorous review resulting in a budget recommendation for the Budget Committee and, ultimately, Council.

The Town submitted its Budget Presentation to the Government Finance Officers' Association in 2001 and was awarded the Distinguished Budget Presentation Award.

## **AUDIT COMMITTEE**

The Audit Committee assists Council in the provision of effective municipal government. Its three fundamental responsibilities are overseeing: the process related to the Corporation's financial risks and internal control; financial reporting; and the external audit process.

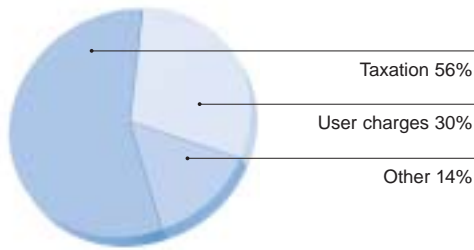
## **FINANCIAL STATEMENTS**

The accompanying consolidated Financial Statements and all other information included in this report are the responsibility of the management of the Town of Markham. Included with the Financial Statements is a report prepared by our external auditor, KPMG. The auditor has presented an independent opinion that the accompanying Consolidated Financial Statements present fairly, in all material respects, the financial position and operations of the Town of Markham.

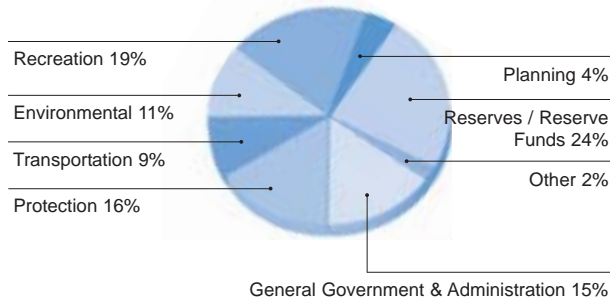
Commencing with the reporting year, 2000, Markham prepares its financial statements in compliance with the accounting recommendations applicable to local govern-



### 2001 Revenue



### 2001 Expenditures



ments as set out in the Canadian Institute of Chartered Accountants PSAB Handbook. It requires the Town's financial statements to provide an accounting of the full nature and extent of the financial affairs and resources for which the Town is responsible.

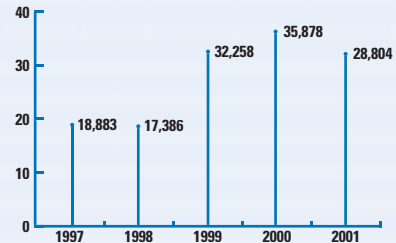
On a yearly basis, all Ontario municipalities are required to provide the Ministry with performance measurement information, and to report the results of their performance to taxpayers by September 30. The goals of the program are to improve performance, strengthen accountability to taxpayers, stimulate productivity and creativity and improve budget processes. The Town's required measures are included in this report.

### FINANCIAL HIGHLIGHTS

I would like to thank Barb Cribbett, Treasurer, for her impressive effort in putting in place the financial reporting systems that enabled our external auditors to verify Markham's Financial Statements within 90 days of year-end. Well done!

Municipalities account for expenditures by fund. Three funds historically make up the Town's Financial Statements: Operating Fund, Capital Fund and Reserves/Reserve Funds. For 2001, these three funds totalled \$85.3M (2000 - \$79.1M [restated]). In addition, Markham's equity interest in the Markham Energy Corporation is part of its Fund Balances. For 2001, the equity in Markham Energy Corporation was \$155.1M, bringing the total fund balances to \$240.4M. The following is a summary of each fund.

### Capital Spending



### OPERATING FUND

Revenues from the current year's operations were \$117.9M (2000 - \$119.3M [restated]) while the current operating expenditures totalled \$90.6M (2000 - \$95.0M). The 2001 surplus, after financing and transfers was approximately \$3.1M.

### CAPITAL FUND

Markham fully funds capital projects once approved by Council. As a result, the phasing and completion of the projects affect the Capital Fund balance. The Capital Fund balance of \$20.5M (2000 - \$18.5M) represents unexpended capital funding at year-end. Capital expenditures in 2001 totalled \$28.8M (2000 - \$35.9M) and include such projects as: replacement of an aerial fire truck for Fire Station No. 6; an enhanced asphalt resurfacing program; and establishment of an Environment Land Acquisition Reserve Fund.

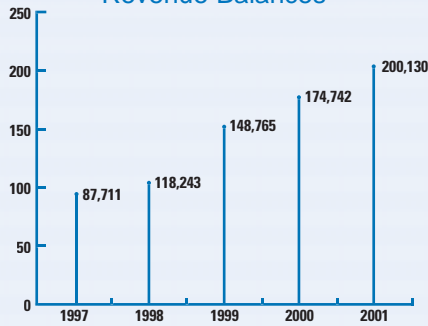
Changes to the Development Charges Act have eliminated funding for such items as parkland acquisition, information technology and administrative space. Also the requirement to partially fund significant growth-related costs through non-development-charge sources will continue to create challenges for Markham, given its remarkable growth.

To ensure Markham's existing infrastructure is maintained, up to 25% of tax revenue from new assessment each year is transferred to the Capital Fund. In 2001, \$12.0M (2000 - \$11.75M) was transferred to the Capital Fund from the tax rate.

### RESERVES/RESERVE FUNDS AND DEFERRED REVENUE

As at December 31, 2001, the Reserves/Reserve Funds totalled \$61.6M (2000 - \$57.7M [restated]) and Deferred Revenue totalled \$138.5M (2000 - \$117.1M). The Reserves and Reserve Funds have been established to fund future operating and capital expenditures, long-term liabilities, special projects and potential corporate tax rate stabilization and working capital requirements. Development Charges revenue and

### Reserves / Reserve Funds and Deferred Revenue Balances



developer contributions for parkland are now reclassified as Deferred Revenue under Public Sector Accounting Board recommendations. They are no longer included within the Reserves and Reserve Funds.

The Reserve balances that have been established will give the Town added stability and flexibility in dealing with the increasing demands of a growing community.

As we move forward, we remain committed to strong financial stewardship to ensure Markham's taxpayers are

receiving value for their money.

As Canada's High-Tech Capital, we are committed to using technology to improve our delivery of municipal services to the public.

In conclusion, our financial record is strong and our business plans are based on solid management principles. As we move to meet the challenges of the years ahead, we continue to improve our business practices with the goal of offering the highest level of municipal service in Canada.

Andy Taylor, C.A.  
Commissioner, Corporate Services

## Auditors' Report

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

We have audited the consolidated statement of financial position of The Corporation of The Town of Markham as at December 31, 2001 and the consolidated statement of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2001 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for the year ended December 31, 2000 were reported on by another firm of chartered accountants.

Chartered Accountants  
Toronto, Ontario  
March 22, 2002

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<i>December 31, 2001</i> <i>(All dollar amounts are in \$000)</i>	<b>2001</b>	2000
<b>ASSETS</b>		
FINANCIAL ASSETS		
Cash and investments <i>(Note 4)</i>	<b>\$ 227,702</b>	\$ 189,621
Taxes receivable <i>(Note 5)</i>	<b>24,569</b>	24,047
Unbilled user charges	<b>2,416</b>	2,109
Accounts receivable	<b>8,828</b>	9,451
Investment in Markham Energy Corporation <i>(Note 19)</i>	<b>155,098</b>	153,589
Other current assets	<b>234</b>	237
Subtotal	<b>418,847</b>	379,054
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities <i>(Note 8)</i>	<b>34,928</b>	26,886
Deferred revenues <i>(Note 9)</i>	<b>138,489</b>	117,062
Employee future benefits liabilities <i>(Note 10)</i>	<b>7,972</b>	8,325
Net long-term liabilities <i>(Note 13)</i>	<b>319</b>	665
Subtotal	<b>181,708</b>	152,938
<b>NET FINANCIAL ASSETS</b>	<b>\$ 237,139</b>	\$ 226,116
<b>MUNICIPAL POSITION</b>		
FUND BALANCES		
Operating fund <i>(Note 14)</i>	<b>\$ 3,150</b>	\$ 2,914
Capital fund <i>(Note 14)</i>	<b>20,487</b>	18,519
Reserves and reserve funds <i>(Note 14)</i>	<b>61,641</b>	57,680
Equity in Markham Energy Corporation <i>(Note 19)</i>	<b>155,098</b>	153,589
FUND BALANCES	<b>240,376</b>	232,702
AMOUNTS TO BE RECOVERED <i>(Note 11)</i>		
From reserves and reserve funds on hand	<b>(3,237)</b>	(3,583)
From future revenues	<b>-</b>	(3,003)
	<b>(3,237)</b>	(6,586)
<b>MUNICIPAL POSITION</b>	<b>\$ 237,139</b>	\$ 226,116

*The accompanying notes are an integral part of these financial statements.*



## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

<i>Year Ended December 31, 2001</i> <i>(All dollar amounts are in \$000)</i>	<b>2001</b> <i>Budget</i>	<b>2001</b> <i>Actual</i>	2000 <i>Actual</i>
<b>Revenues</b>			
Taxation	\$ 66,327	\$ 66,587	\$ 61,500
User charges (Note 12)	32,889	34,675	39,395
Grants	556	794	819
Contributions from developers	8,834	10,729	8,574
Investment income	5,201	8,952	8,669
Tax penalties	2,375	3,520	1,528
Other	10,670	5,739	9,101
Capital assets – transferred from Markham Hydro-Electric Commission (Note 19)	-	-	13,000
<b>TOTAL REVENUES</b>	<b>126,852</b>	<b>130,996</b>	142,586
<b>EXPENDITURES</b>			
<b>Operating</b>			
General government	21,172	18,680	19,200
Protection to persons and property	20,170	19,391	18,471
Transportation services	10,359	10,837	19,305
Environmental services	13,370	13,155	11,417
Recreation and cultural services	23,585	23,623	22,160
Planning and development	5,313	4,887	4,474
Varley McKay Trust	-	1,644	-
Other	22	461	25
Subtotal	93,991	92,678	95,052
<b>Capital</b>			
General government	8,446	12,262	4,444
Protection to persons and property	3,667	241	194
Transportation services	12,573	5,358	8,037
Environmental services	3,758	2,635	3,099
Recreation and cultural services	3,822	4,924	3,817
Planning and development	3,109	3,384	3,287
Capital assets – transferred from Markham Hydro-Electric Commission (Note 19)	-	-	13,000
Subtotal	35,375	28,804	35,878
<b>TOTAL EXPENDITURES</b>	<b>129,366</b>	<b>121,482</b>	130,930
	<b>(2,514)</b>	<b>9,514</b>	11,656
Equity in Markham Energy Corporation (Note 19)	-	1,509	153,589
<b>NET REVENUES (EXPENDITURES)</b>	<b>(2,514)</b>	<b>11,023</b>	165,245
Decrease in amounts to be recovered (Note 11)	(318)	(3,349)	(495)
Prior period adjustment (Note 18)	-	-	(898)
<b>CHANGE IN FUND BALANCE</b>	<b>\$ (2,832)</b>	<b>\$ 7,674</b>	\$ 163,852

The accompanying notes are an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

<i>Year ended December 31, 2001</i> <i>(All dollar amounts are in \$000)</i>	2001	2000
<b>OPERATIONS</b>		
Net revenues	<b>\$ 11,023</b>	\$ 165,245
Less equity in Markham Energy Corporation	<b>(1,509)</b>	(153,589)
Subtotal	<b>9,514</b>	11,656
<b>Uses</b>		
Increase in taxes receivable	<b>(522)</b>	-
Increase in accounts receivable	-	(459)
Increase in unbilled user charges	<b>(307)</b>	(139)
Decrease in accounts payable and accrued liabilities	-	(4,501)
Decrease in employee future benefits liability	<b>(353)</b>	-
Decrease in interest on long-term liabilities	<b>(109)</b>	(161)
Decrease in other current liabilities	-	(298)
Subtotal	<b>(1,291)</b>	(5,558)
<b>Sources</b>		
Decrease in taxes receivable	-	9,463
Decrease in accounts receivable	<b>623</b>	-
Decrease in other assets	<b>3</b>	610
Increase in accounts payable and accrued liabilities	<b>8,042</b>	-
Increase in employee benefits liabilities	-	753
Increase in deferred revenue	<b>21,427</b>	19,991
Subtotal	<b>30,095</b>	30,817
<b>Net increase in cash from operations</b>	<b>38,318</b>	36,915
<b>FINANCING</b>		
Long-term debt repayments	<b>(237)</b>	(261)
<b>Net decrease in cash from financing</b>	<b>(237)</b>	(261)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>38,081</b>	36,654
<b>OPENING CASH AND CASH EQUIVALENTS</b>	<b>189,621</b>	152,967
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>\$ 227,702</b>	\$ 189,621

*The accompanying notes are an integral part of these financial statements.*

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2001

(All dollar amounts are in \$000)

### 1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The Corporation of The Town of Markham are the representations of management prepared in accordance with local government accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies are as follows:

#### REPORTING ENTITY

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the operating fund, capital fund, and reserve and reserves funds of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of their financial affairs and resources, to the Town, and which are owned or controlled by the Town, including the following:

- Town of Markham Public Library Board
- Old Markham Village Business Improvement Area
- Unionville Business Improvement Area
- Toronto Buttonville Airport (Markham) Inc.

All material inter-entity transactions and balances are eliminated on consolidation.

#### INVESTMENT IN MARKHAM ENERGY CORPORATION

Markham Energy Corporation and its subsidiaries are accounted for on a modified equity basis, consistent with the generally accepted accounting principles as recommended by PSAB for government business enterprises. Under the modified equity basis of accounting, the business enterprise's accounting principles are not adjusted to conform to those of the Town, and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of Markham Energy Corporation in its statement of financial activities with a corresponding increase or decrease in its investment asset account. Any dividends that the Town may receive from Markham Energy Corporation will be reflected as reductions in the investment asset account.

#### ACCOUNTING FOR REGION AND SCHOOL BOARD TRANSACTIONS

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards and the Region of York are not reflected in the municipal fund balances of these financial statements.

#### TRUST FUNDS

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Financial Activities" and the "Trust Funds Statement of Financial Position".

#### BASIS OF ACCOUNTING

Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenue.

Expenditures are recorded in the period the goods and services are acquired and a liability is incurred, or transfers are due.

#### TANGIBLE CAPITAL ASSETS

Expenditures made on capital assets are reported as capital expenditures in the statement of financial activities in the period incurred.

#### GOVERNMENT TRANSFERS

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, providing that the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.



## 1. SIGNIFICANT ACCOUNTING POLICIES (cont'd.)

### DEFERRED REVENUE

Funds received for specific purposes are accounted for as deferred revenue until the Town discharges the obligation, which led to receipt of the funds. See Note 9 for more details.

### TAXATION AND RELATED REVENUES

Property tax billings are prepared by the Town based on assessment rolls compiled by the Municipal Property Assessment Corporation ("MPAC"). Tax rates are established annually by Town Council, incorporating amounts to be raised for local services and amounts that the Town is required to collect on behalf of the Region of York and for education purposes. Realty taxes are billed based on the assessment rolls provided by MPAC. Taxation revenues are recorded at the time tax billings are issued.

A normal part of the assessment process is the issue of supplementary assessment rolls that provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Town determines the taxes applicable and issues supplementary tax bills. Assessments and the related property taxes are subject to appeal. Any supplementary billing adjustments made necessary by the determination of such changes will be recognized in the fiscal year they are determined and the impact shared with the regional government and school boards as appropriate.

The Town is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

### EMPLOYEE FUTURE BENEFITS

The present value of the cost of providing employees with future benefits programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of retirement ages of employees and expected health care and dental costs.

### INVESTMENT INCOME

Investment income earned on surplus operating funds, capital funds, reserves and reserve funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income earned on obligatory reserve funds, such as development charges, is added to the fund balance and forms part of the respective deferred revenue balance.

### USE OF ESTIMATES

The preparation of the periodic financial statements in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenditures during the period. Actual results could differ from these estimates.

### BUDGET FIGURES

The approved operating and capital budgets for 2001 are reflected on the Consolidated Schedules of Operating Fund Activities, Capital Fund Activities and Financial Activities. The budgets established for the capital fund operations are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with the current year actual amounts. As well, the municipality does not budget for activity within Reserve Funds, with the exception being those transactions which affect either the operating or capital funds.

## 2. OPERATIONS OF SCHOOL BOARDS AND THE REGION OF YORK

Further to Note 1, requisitions were made by the York Region and School Boards requiring the Town to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are summarized as follows:

	2001			2000
	School Boards	Region of York	Total	Total
Taxation	\$ 141,438	\$ 112,507	\$ 253,945	\$ 238,399
Payment in lieu of taxes	406	1,506	\$ 1,912	1,538
Supplementary taxes	4,534	2,538	\$ 7,072	4,143
Amount requisitioned and transferred	\$ 146,378	\$ 116,551	\$ 262,929	\$ 244,080

## 3. TRUST FUNDS

Trust funds administered by the municipality amounting to \$1,508 (2000 - \$143) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Financial Activities". The trust funds have been reported separately on the "Trust Funds Statement of Financial Activities" and "Trust Funds Statement of Financial Position". The 2001 increase is due to the set up of the Varley-McKay Art Foundation Trust Fund in the sum of \$1,299 which is held as part of the Town Investments.

## 4. CASH AND INVESTMENTS

	2001			2000
	Cash	Investments	Total	Total
Operating fund	\$ (779)	\$ 118,010	\$ 117,231	\$ 96,810
Reserve funds	2,124	\$ 108,347	\$ 110,471	\$ 92,811
	\$ 1,345	\$ 226,357	\$ 227,702	\$ 189,621

Investments, which are reported at cost, had a market value of \$228,381 (2000 - \$189,187) at the end of the year. Investments consist of authorized investments pursuant to the provisions of the Municipal Act and include short-term instruments of various financial institutions, Government bonds, and Treasury Bills. For the 2001 year, the average rate of return earned was 5.05% (2000 - 5.82%).

## 5. TAXES RECEIVABLE

The balance in taxes receivable, including penalties and interest, is comprised of the following:

	2001			2000
	Business Tax	Realty Tax	Total	Total
Current year	\$ -	\$ 18,340	\$ 18,340	\$ 19,242
Arrears previous years	33	12,054	12,087	10,663
	33	30,394	30,427	29,905
Less allowance	(33)	(5,825)	(5,858)	(5,858)
	\$ -	\$ 24,569	\$ 24,569	\$ 24,047

MPAC reviewed all assessed property values in the Town and new values established based on a common valuation date. These new values were used by the Town to compute the 2001 property tax bills. However, the property tax revenue and tax receivables of the Town are subject to measurement uncertainty as a significant number of submitted appeals have yet to be heard. Further, MPAC's changes to assessed value reflecting new construction may significantly impact revenues. The Town has established an allowance for tax appeals in the amount of \$5,858 (2000 - \$5,858). The provision is still required due to a number of different types of tax adjustments, including frozen assessment listing ("FAL") appeals, new construction, and vacancy rebates. Any supplementary billing remove's adjustments made necessary by the determination of such changes will be recognized in the fiscal year they occur and the effect shared with the regional government and school boards as appropriate.



## 5. TAXES RECEIVABLE (cont'd)

The Province enacted legislation, the "Continued Protection for Taxpayers Act" (Bill 140) in December 2000 that continued the capping provisions for 2001 and onward that were in place between 1998 and 2000. The effect of this legislation, together with regulations issued subsequent to its enactment, will limit assessment-related tax increases to 5% annually for multi-residential, commercial and industrial properties until these properties attain a level of tax equivalent to full CVA. The adjustments caused by this legislation may also impact the amounts of rebates which the municipality must issue to certain charitable organizations and the interest and penalties the municipality can collect on arrears of taxes where it is subsequently determined that such amounts have been overstated.

This program is administered by the Region of York on behalf of the area municipalities, and therefore, there is no impact on the "Consolidated Statement of Financial Activities".

## 6. CLASSIFICATION OF EXPENDITURES BY OBJECT

The Consolidated Statement of Financial Activities presents the expenditures by function; the following classifies those same expenditures by object:

	<u>2001</u>	<u>2000</u>
Salaries, wages and employee benefits	\$ 54,545	\$ 53,033
Operating materials and supplies	17,465	18,504
Contracted services	17,252	21,662
Rents and financial expenses	1,517	1,421
External transfers to others	1,790	271
Tangible capital assets	28,804	35,878
Debt service	109	161
Total expenditures by object	<u>\$ 121,482</u>	<u>\$ 130,930</u>

## 7. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

In June 1998, OMERS announced a contribution holiday as part of a multi-phase surplus management initiative. For the period commencing August 1998, and ending June 30, 2002, the Town is not required to make contributions to the plan on behalf of its staff.

The amount contributed to OMERS for 2001 was \$10 for items not exempted from the contribution holiday (2000 - \$3) for current service and is included as an expenditure on the "Consolidated Statement of Financial Activities".

## 8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities include financial obligations to outside organizations and individuals as a result of transactions and events on or before the end of the accounting period. They are the result of contracts, agreements and legislation in force at the end of the accounting period that require the Town of Markham to pay for goods and services acquired or provided prior to the accounting date. A breakdown of the accounts payable and accrued liabilities is as follows:

	<u>2001</u>	<u>2000</u>
Trade accounts payable	\$ 9,740	\$ 6,648
Payable to other governments	18,224	7,820
Payroll liabilities	1,490	562
Accrued liabilities	5,474	11,856
	<u>\$ 34,928</u>	<u>\$ 26,886</u>



**9. DEFERRED REVENUE**

Deferred revenues represent user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed. The following is the current status of the deferred revenues:

	<u>2001</u>	<u>2000</u>
Obligatory reserve funds		
Development charges	\$ 121,352	\$ 104,043
Parkland	4,591	3,760
Other	150	27
Deferred revenue - city infrastructure	-	1,966
Deferred revenue - general	12,396	7,266
	<u>\$ 138,489</u>	<u>\$ 117,062</u>

**10. EMPLOYEE FUTURE BENEFITS LIABILITIES**

	<u>2001</u>	<u>2000</u>
Vacation pay -Town	\$ 1,117	\$ 1,633
Vacation pay - Library	73	87
Employee future benefits	3,350	3,267
Vested sick leave benefits	3,197	3,217
Workplace Safety & Insurance Board	235	121
	<u>\$ 7,972</u>	<u>\$ 8,325</u>

**EMPLOYEE FUTURE BENEFITS**

Employee Future Benefits are health and dental benefits that the Town of Markham pays on behalf of its current and retired employees. The Town recognizes these post-retirement costs as they are earned during the employee's tenure of service. The benefit liability at December 31, 2001 is \$3,350.

**VESTED SICK LEAVE BENEFITS**

Under the sick leave benefit plan, which is available only to the Town's firefighters, employees can accumulate unused sick leave and 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 termination, amounted to approximately \$3,197 (2000 - \$3,217) at the end of the year. An amount of \$19 (2000 - \$88) was paid out to employees during the year with respect to this plan.

**WORKPLACE SAFETY & INSURANCE OBLIGATIONS**

Effective January 1, 1999, the Corporation of the Town of Markham became a Schedule II employer under the Workplace Safety and Insurance Act and follows a policy of self insurance for all its employees. The Town remits payments to the WSIB as required to fund disability payments. The estimated future liability relating to WSIB amounted to \$235 (2000 - \$121). A Workplace Safety and Insurance Reserve Fund, funded by annual contributions from the Operating Fund, has also been established to protect against any unknown future liability. The Town also maintains an insurance policy, which protects the Corporation against single claims in excess of \$250.

**11. AMOUNTS TO BE RECOVERED**

	<u>2001</u>	<u>2000</u>
Employee future benefits	\$ -	\$ 2,916
Vacation pay - Library	-	87
Sick leave	2,918	2,918
Interest on long-term liabilities	55	164
Net long-term liabilities	\$ 264	\$ 501
	<u>\$ 3,237</u>	<u>\$ 6,586</u>

**12. USER CHARGES**

	<u>2001</u>	<u>2000</u>
Water and sewer billings to ratepayers	\$ 30,265	\$ 27,040
Region of York requisitions	(23,808)	(21,498)
Town share	6,457	5,542
Building permits	10,137	9,854
Parking violations	772	657
Transit passenger fees	-	5,596
Facility rentals	3,892	4,485
Sale of recycled materials	1,423	1,396
Recreational programs	4,074	3,562
Parks construction and maintenance	163	150
Cultural services	1,919	1,671
Engineering fees	1,116	1,598
Planning processing fees	1,000	834
Compliance letters/certificates	495	678
Other user charges	3,227	3,372
	<b>\$ 34,675</b>	<b>\$ 39,395</b>

**13. NET LONG-TERM LIABILITIES**

- (a) The balance of the net long-term liabilities reported on the "Consolidated Statement of Financial Position" is comprised of the following:

The municipality has assumed responsibility for the payment of principal and interest charges on certain long-term liabilities issued by the Region of York. At the end of the year, the outstanding liability was:

	<u>2001</u>	<u>2000</u>
	\$ 4,655	\$ 6,526

Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by Markham Hydro Distribution Inc. At the end of the year, the outstanding liability was:

	(630)	(1,539)
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The total value of sinking funds which have been accumulated to end of the year to retire the outstanding long-term liabilities included above amount to:

	(3,760)	(4,486)
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Interest to be paid on long-term liabilities

	54	164
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Net long-term liabilities at the end of the year

	\$ 319	\$ 665
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- (b) Of the net long-term liabilities in (a) of this note, \$319 in principal and interest payments is payable from 2002 to 2003 and is summarized as follows:

	<u>2001</u>	<u>2000</u>
From general municipal revenues	\$ 137	\$ 275
From benefiting landowners	11	71
From consolidated municipal entities	115	230
Interest to be earned on sinking funds	56	89
Net long-term liabilities payments	<b>\$ 319</b>	<b>\$ 665</b>



### 13. NET LONG-TERM LIABILITIES (cont'd)

(c) The long-term liabilities in (a) issued in the name of the municipality have received approval of the Ontario Municipal Board where required. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

The municipality is contingently liable for long-term liabilities with respect to those for which the responsibility for the payment of principal and interest has been assumed by Markham Hydro Distribution Inc.

Interest expense on net long-term liabilities amounted to \$54 (2000 - \$164).

### 14. MUNICIPAL FUND BALANCES AT THE END OF THE YEAR

#### (a) Operating fund balance

	<u>2001</u>	<u>2000</u>
Available for reduction of future taxation		
Town	\$ 3,100	\$ 2,887
Library	20	18
Business improvement areas	30	9
	<u>\$ 3,150</u>	<u>\$ 2,914</u>

#### (b) Capital fund balance

	<u>2001</u>	<u>2000</u>
Fund available for the acquisition of tangible capital assets	<u>\$ 20,487</u>	<u>\$ 18,519</u>

#### (c) Reserves and Reserve Fund

	<u>2001</u>	<u>2000</u>
Reserves set aside for specific purposes by Council:		
Working capital	\$ 2,089	\$ 2,051
Replacement of equipment	22,069	25,786
Waste management process	1,701	1,700
Waterworks purposes	4,418	5,232
Contingencies	19	18
Firefighters sick leave benefits	2,918	2,918
Corporate rate stabilization	23,681	15,885
Angus Glen/East Markham Fire Station	600	-
Hydro equity	2,094	-
Debt repayment and accrued interest	319	665
Total reserves	<u>\$ 59,908</u>	<u>\$ 54,255</u>
Reserve funds set aside for specific purposes by Council:		
Theatre	\$ 155	\$ 130
Museum	52	59
Heritage	415	397
Parks	137	184
Frederick Horsman Varley Art Gallery*	-	1,565
Workplace Safety & Insurance Board	974	1,090
Total reserve funds	<u>\$ 1,733</u>	<u>\$ 3,425</u>
Total reserves and reserve funds	<u>\$ 61,641</u>	<u>\$ 57,680</u>

\* During 2001, Council established the Varley-McKay Art Foundation Trust. The December 31, 2000 Frederick Horsman Varley Art Gallery Reserve Fund balance of \$1,565 plus interest earned in 2001 was transferred into the new trust account.



## 15. PUBLIC SECTOR SALARY DISCLOSURE

The Public Sector Salary Disclosure Act, 1996 requires the municipality to disclose the names, positions, salaries and benefits of employees who were paid a salary of \$100,000 or more during the calendar year.

As required under the Act, applicable salaries and benefits paid to employees during 2001 are as follows:

<u>Employee</u>	<u>Position</u>	<u>Paid</u>	<u>Actual Dollars Benefits</u>
Baird, Jim	Director, Planning and Urban Design	\$ 111,130	\$ 356
Hodgson, John	Director MIS	106,830	352
Livey, John	Chief Administrative Officer	151,982	9,542
Robinson, Robert	Town Solicitor	107,818	356
Sales, Jim	Commissioner Community Services	127,515	420
Taylor, Andrew	Commissioner, Corporate Services	118,707	7,425
Turner, Mary-Frances	Commissioner, Development Services	128,518	7,467
Watt, Roberta	Director, Human Resources	104,054	342
Wolfe, Alan	Commissioner, Community Services	118,507	7,156

## 16. LEASE OBLIGATIONS

- (a) As at December 31, 2001, the Town is committed to minimum annual operating lease payments for premises and equipment as follows:

2002	\$228
2003	177
2004	26
2005	11
	<u>\$442</u>

- (b) The Toronto Buttonville Airport (Markham) Inc. ("TBAI"), a wholly-owned subsidiary of the Town, entered into an agreement to lease the Buttonville Airport property for a period of nine years for the term of January 1, 2002 to December 31, 2010. Annual rental payment is limited to the funding provided by the Region of York, the Greater Toronto Airport Authority and from any other source during the term of this lease, whether paid directly or as rent.

## 17. CONTINGENCY

### UNSETTLED LEGAL CLAIMS AND POTENTIAL OTHER CLAIMS

The Town has been named as the defendant in certain legal actions in which damages have been sought. The outcome of these actions is not determinable at this time and, accordingly, no provision has been made in these financial statements for any liability that may result.

### MARKHAM HYDRO DISTRIBUTION INC

A class action claiming \$500,000 in restitutionary payments plus interest was served on November 18, 1998. The action was initiated against Toronto Hydro Electric Commission as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario, which have charged late payment charges on overdue utility bills at any time after April 1, 1981. The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of that permitted under Section 347(1)(b) of the Criminal Code.

The Electrical Distributions Association is undertaking the defence of this class action. At this time it is not possible to determine the effect, if any, on the financial position of Markham Energy Corporation and its subsidiary company, Markham Hydro Distribution Inc., and therefore, on that of the Town of Markham.

## 18. RESTATEMENT OF UNBILLED WATER AND SEWAGE SURCHARGE ACCRUAL

The Town accrues the unbilled portion of the metered water and the related sewer surcharge unearned from the last meter reading date to the end of its fiscal year. During the current year it was determined that owing to an error in the determination of prior year amounts, previously reported values were overstated. Comparative figures have been restated to reduce the reported amount of unbilled user charges as at December 31, 2000 by \$1,205. Revenues for the December 31, 2000 year was overstated by \$307 and opening fund balance by \$898.

## 19. INVESTMENT IN MARKHAM ENERGY CORPORATION

In recognition of the requirements in Bill 35 (The Energy Competition Act, 1998) the Town of Markham, on December 14, 1999, passed a transfer by-law, effective January 1, 2000, that transferred substantially all of the assets and liabilities of the Markham Hydro-Electric Commission to three newly created corporations. These three Markham Hydro corporations, Markham Energy Corporation and its wholly-owned subsidiary companies, Markham Hydro Distribution Inc. and Markham District Energy Inc. are carrying on the former businesses of the Commission with all its rights, duties, obligations and responsibilities.

The head office land and buildings of the commission are owned by the Town and were not transferred by the Town to any of the three hydro corporations. The land and buildings have an appraised value of \$13,000 and were recorded in the 2000 year-end on the Consolidated Statement of Financial Activities.

The promissory notes recoverable by the Town are demand notes, due and payable sixty days after written notice is given. Interest accrues from the later of the date of opening of the Ontario electricity market and the date the Ontario Energy Board approves distribution rates for Markham Hydro Distribution Inc. or such other date as may be specified by the Town. The interest rate for all notes will be determined by the Town. The promissory notes may, at the option of the Town, be converted into common shares at a conversion price per common share equal to the fair market value of the common shares of the Corporation.

### PURCHASE OF RICHMOND HILL HYDRO

Markham Energy Corporation, through its wholly owned subsidiary Markham Hydro Distribution Inc., acquired 50% interest in Richmond Hill Hydro on December 27, 2001. The purchase price for Markham Hydro Distribution Inc.'s share was \$ 70,601. The interest in Richmond Hill Hydro Inc. is included in the long-term investments. During 2001, the Town earned interest and rental income totalling \$ 2,094 (2000 - \$ 600) from Markham Energy Corporation and its subsidiaries.

The following provides condensed consolidated financial information for Markham Energy Corporation:

	2001	2000
<b>Assets</b>		
Current	\$ 62,357	\$ 66,084
Investment in other utilities	70,601	-
Capital	116,497	117,563
Other	5,792	6,324
	<b>\$ 255,247</b>	<b>\$ 189,971</b>
<b>Liabilities</b>		
Current	\$ 91,510	\$ 27,856
Other	8,605	7,721
Long term	34	805
Other	\$ 100,149	\$ 36,382
<b>Shareholders' Equity</b>		
Common shares	\$ 66,727	\$ 66,727
Promissory notes payable	84,666	84,666
Retained earnings	2,196	-
Net income	1,509	2,196
	<b>155,098</b>	<b>153,589</b>
	<b>\$ 255,247</b>	<b>\$ 189,971</b>
<b>Results of Operations</b>		
Revenues	\$ 157,119	\$ 139,822
Operating expenses	155,610	137,626
	<b>\$ 1,509</b>	<b>\$ 2,196</b>

## CONSOLIDATED SCHEDULE OF OPERATING FUND ACTIVITIES - SCHEDULE 1

For year ended December 31, 2001

(All dollar amounts are in (\$000))

	2001 <i>Budget</i>	2001 <i>Actual</i>	2000 Actual
<b>REVENUES</b>			
Taxation – all classes	\$ 66,327	\$ 66,587	\$ 61,500
User charges (Note 12)	32,889	34,675	39,395
Grants	441	709	769
Investment income	5,201	8,746	8,460
Tax penalties	2,375	3,520	1,528
Other	1,978	3,639	7,636
<b>Total revenue</b>	<b>109,211</b>	<b>117,876</b>	<b>119,288</b>
<b>EXPENDITURES</b>			
General government	21,172	18,680	19,200
Protection to persons and property	20,170	19,391	18,471
Transportation services	10,359	10,837	19,305
Environmental services	13,370	13,155	11,417
Recreation and cultural services	23,585	23,623	22,160
Planning and development	5,313	4,887	4,474
Other	22	21	25
<b>Total expenditures</b>	<b>93,991</b>	<b>90,594</b>	<b>95,052</b>
<b>NET REVENUES</b>	<b>15,220</b>	<b>27,282</b>	<b>24,236</b>
<b>FINANCING AND TRANSFERS</b>			
Decrease in amounts to be recovered	(318)	(3,349)	(495)
Transfer to reserves and reserve funds	(17,734)	(23,697)	(23,882)
Transfer to capital funds	-	-	(68)
<b>Net financing and transfers</b>	<b>(18,052)</b>	<b>(27,046)</b>	<b>(24,445)</b>
<b>CHANGE IN OPERATING FUND</b>	<b>(2,832)</b>	<b>236</b>	<b>(209)</b>
<b>SURPLUS, BEGINNING OF YEAR</b>	<b>2,832</b>	<b>2,914</b>	<b>3,123</b>
<b>SURPLUS, END OF YEAR</b>	<b>\$ -</b>	<b>\$ 3,150</b>	<b>\$ 2,914</b>

The accompanying notes are an integral part of these financial statements.



## CONSOLIDATED SCHEDULE OF CAPITAL FUND ACTIVITIES - SCHEDULE 2

For year ended December 31, 2001

(All dollar amounts are in (\$000))

	2001 Budget	2001 Actual	2000 Actual
<b>REVENUES</b>			
Province of Ontario Grants	\$ 115	\$ 85	\$ 50
Contributions from developers	241	272	335
Developers revenue earned	8,593	10,457	8,239
Capital assets - transferred from Markham Hydro (Note 19)	-	-	13,000
Other	8,692	2,100	1,465
<b>Total revenues</b>	<b>17,641</b>	<b>12,914</b>	<b>23,089</b>
<b>EXPENDITURES</b>			
General government	8,446	12,262	4,444
Protection to persons and property	3,667	241	194
Transportation services	12,573	5,358	8,037
Environmental services	3,758	2,635	3,099
Recreation and cultural services	3,822	4,924	3,817
Planning and development	3,109	3,384	3,287
Capital assets – transferred from Markham Hydro (Note 19)	-	-	13,000
<b>Total expenditures</b>	<b>35,375</b>	<b>28,804</b>	<b>35,878</b>
<b>NET EXPENDITURES</b>	<b>(17,734)</b>	<b>(15,890)</b>	<b>(12,789)</b>
<b>FINANCING AND TRANSFERS</b>			
Transfer from reserves and reserve funds	17,734	17,858	17,343
Transfer from operating funds	-	-	68
<b>Net financing and transfers</b>	<b>17,734</b>	<b>17,858</b>	<b>17,411</b>
<b>CHANGE IN CAPITAL FUND</b>	<b>-</b>	<b>1,968</b>	<b>4,622</b>
<b>OPENING CAPITAL FUND</b>	<b>-</b>	<b>18,519</b>	<b>13,897</b>
<b>CLOSING CAPITAL FUND</b>	<b>\$ -</b>	<b>\$ 20,487</b>	<b>\$ 18,519</b>

The accompanying notes are an integral part of these financial statements.

## CONSOLIDATED SCHEDULE OF RESERVES AND RESERVE FUNDS ACTIVITIES - SCHEDULE 3

For year ended December 31, 2001  
(All dollar amounts are in (\$000))

	2001	2000
<b>REVENUES</b>		
Investment income	\$ 206	\$ 209
<b>Total revenues</b>	<b>206</b>	<b>209</b>
<b>EXPENDITURES</b>		
Varley McKay Trust	1,644	-
Other	440	-
<b>Total expenditures</b>	<b>2,084</b>	<b>-</b>
<b>NET TRANSFERS FROM (TO) OTHER FUNDS</b>		
Transfer from operating funds	23,697	23,882
Transfer to capital funds	(17,858)	(17,343)
<b>Total net transfers</b>	<b>5,839</b>	<b>6,539</b>
<b>CHANGE IN RESERVES AND RESERVE FUNDS</b>	<b>3,961</b>	<b>6,748</b>
<b>OPENING BALANCE</b>	<b>57,680</b>	<b>51,830</b>
RESTATEMENT OF UNBILLED WATER AND SEWER SEWAGE	-	(898)
<b>ENDING BALANCE</b>	<b>\$ 61,641</b>	<b>\$ 57,680</b>

The accompanying notes are an integral part of these financial statements.

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# Auditors' Report

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

We have audited the statement of financial position of the trust funds of The Corporation of The Town of Markham as at December 31, 2001 and statement of financial activities and changes in fund balances for the year then ended. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds of the Town as at December 31, 2001 and the financial activities and changes in fund balances for the year then ended in accordance with Canadian generally accepted accounting principles.

The comparative figures for the year ended December 31, 2000 were reported on by another firm of chartered accountants.

*KPMG LLP*

Chartered Accountants  
Toronto, Ontario  
March 22, 2002





## TRUST FUNDS

Year ended December 31, 2001

**Statement of Financial Position**  
December 31, 2001

	2001						2000	
	Morgan Park Trusts	Varley McKay Trust	Markham Conservation Committee Trust	Elections Surplus Trust	Cemetery Trust	Older Adults in Action	Total	Total
Bank balances	\$ 47,618	\$ -	\$ 14,246	\$ 56,167	\$ 79,500	\$ 6,046	\$ 203,577	\$ 136,004
Due from								
Town of Markham	-	1,643,655	-	-	-	-	1,643,655	-
Payable to Varley-McKay Foundation	-	(344,851)	-	-	-	-	(344,851)	-
Investments, at cost								
Public Trustee (Note 3)	-	-	-	-	6,616	-	6,616	6,616
	\$ 47,618	\$ 1,298,804	\$ 14,246	\$ 56,167	\$ 86,116	\$ 6,046	\$ 1,508,997	\$ 142,620

**Statement of Financial Activities and Fund Balances**

Year ended December 31, 2001

Fund balance beginning of year	\$ 45,782	\$ -	\$ 14,547	\$ -	\$ 76,478	\$ 5,813	\$ 142,620	\$ 497,539
Receipts								
Town of Markham	-	1,565,392	-	-	-	-	1,565,392	-
Deposits from candidates	-	-	-	54,735	-	-	54,735	246
Interest earned	1,836	76,772	593	1,432	3,024	233	83,890	15,068
Sale of plots	-	-	-	-	9,958	-	9,958	4,309
Royalties and other income	-	1,491	716	-	-	-	2,207	-
	47,618	1,643,655	15,856	56,167	89,460	6,046	1,858,802	517,162
Expenditures	-	344,851	1,610	-	3,344	-	349,805	374,542
Fund balance, end of year	\$ 47,618	\$ 1,298,804	\$ 14,246	\$ 56,167	\$ 86,116	\$ 6,046	\$ 1,508,997	\$ 142,620

The accompanying notes are an integral part of these financial statements.

## TRUST FUNDS

### NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 2001

#### 1. SIGNIFICANT ACCOUNTING POLICIES

The Trust Funds financial statements of The Corporation of The Town of Markham are the representation of management prepared in accordance with accounting principles set out below.

##### **BASIS OF ACCOUNTING**

Receipts and income are reported on the cash basis of accounting other than interest income which is recorded on the accrual basis. Expenditures are reported on the cash basis of accounting with the exception of administrative expenses which are reported on the accrual basis of accounting. Accrual accounting recognizes revenues and expenditures as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

#### 2. TRUST FUNDS

##### **MORGAN PARK TRUSTS**

The T. & G. Morgan Memorial Fund in Markham Village was established in 1918 as a result of the last Will and Testament of George Morgan to hold funds, the interest earned on which can be used to offset certain maintenance costs of Morgan Park.

The Morgan Park Redevelopment Trust Fund was established by Council Resolution on December 11, 1991 to receive charitable donations to be used towards the redevelopment of Morgan Park.

##### **VARLEY-MCKAY ART FOUNDATION TRUST FUND**

The Varley-McKay Art Foundation Trust Fund was established by Council Resolution on December 11, 2001. This trust is funded by the amount received from the Estate of Kathleen G. McKay. Interest earned on these funds is available to the Varley-McKay Art Foundation of Markham to fund art appreciation and development.

##### **MARKHAM CONSERVATION COMMITTEE TRUST FUND**

The Markham Conservation Committee Trust Fund was established by Council Resolution on April 15, 1992 to receive donations, grants, subsidies, and other amounts, to be used to cover costs associated with conservation and naturalization programs and projects undertaken by the Markham Conservation Committee.

##### **ELECTION – CANDIDATES SURPLUS FUNDS TRUST ACCOUNT**

The Election - Candidates Surplus Funds Trust Account was established under the Municipal Elections Act to hold surplus campaign funds received by registered candidates in a previous election, to credit interest earned to the surplus funds while held in trust, and to distribute the funds to the registered candidate or to the municipality, school board or local board, as the case may be, in accordance with the Act.

##### **CEMETERY TRUST FUNDS**

The Cemetery Trust Funds were established under the Regulations of the Cemeteries Act to accumulate certain funds from the sale or transfer of an interment right to a purchaser in accordance with the Regulations. These funds are to be held in trust for the care and maintenance of the cemetery. Interest earned on amounts held by the Fund are used towards the maintenance, security and preservation of the cemetery, its grounds, buildings, equipment and markers in accordance with the Regulations.

##### **OLDER ADULTS IN ACTION TRUST FUND**

Council Resolution established the Older Adults In Action Trust Fund on March 10, 1998 to collect donations for the Club and Older Adult Centre.

#### 3. INVESTMENTS

The total cash and allocated amount in the Trust Funds is reported on the balance sheet at the market value at December 31, 2001 of \$ 210,193 (2000 - \$142,620).

#### 4. DUE FROM TOWN OF MARKHAM

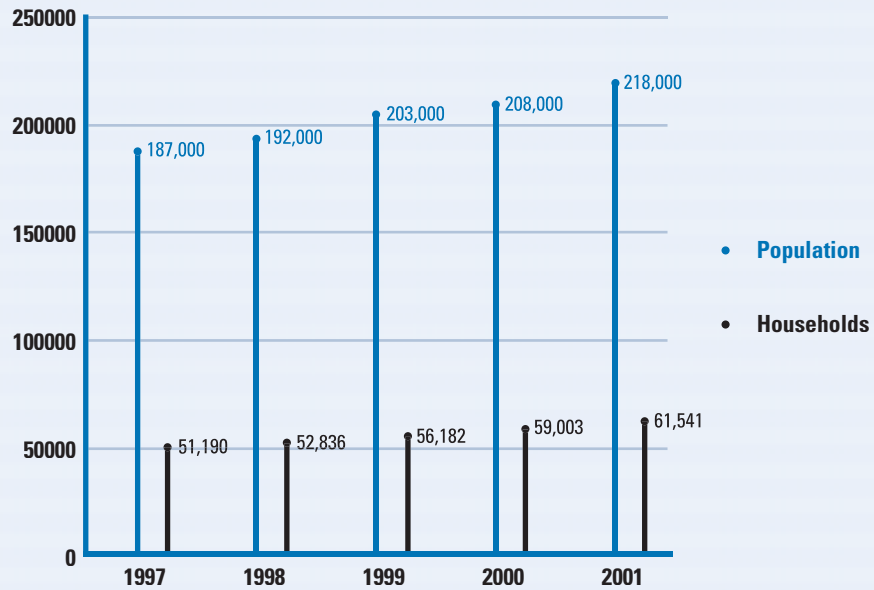
Surplus cash of the trust funds is invested by the Town in accordance with its investment policies and provincial regulations. Applicable interest earned by each fund is based on an average return earned by the pooled funds allocated based on the month-end invested balance. The aggregate market value at December 31, 2001 is \$1,298,804 (2000 - \$ NIL)



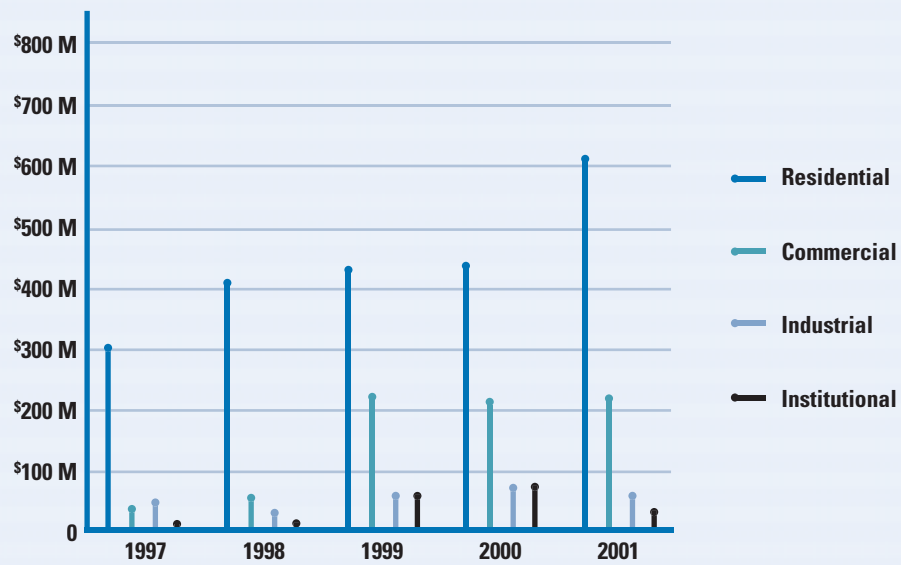


# 5 Year Review

## Number of Households and Population



## Value of Construction



### Major Taxpayers

IBM Canada Ltd.

IBM Toronto Lab

AMEX Canada

ATI Technologies Inc.

Canac Kitchens

## FIVE -YEAR REVIEW (UNAUDITED)

	2001	2000	1999	1998	1997
<b>REVENUE FUND OPERATIONS</b>					
<i>Expenditures by Function</i>					
General Government	\$18,680	\$19,200	\$11,756	\$10,281	\$14,064
Protection to Persons & Property	19,391	18,471	18,390	17,751	15,863
Transportation Services	10,837	19,305	18,310	17,425	17,569
Environmental Services	13,155	11,417	11,082	10,591	10,467
Recreation and Cultural Services	23,623	22,160	24,451	22,479	21,463
Planning and Development	4,887	4,474	4,367	4,260	4,161
Other	21	25	15	24	17
Financing Repayment & Transfers	27,046	24,445	21,931	25,504	11,681
	<u>\$117,640</u>	<u>\$119,497</u>	<u>\$110,302</u>	<u>\$108,315</u>	<u>\$95,285</u>
<i>Revenues by Source</i>					
Taxation (includes Supplementary & Payments In Lieu)	\$66,587	\$61,500	\$58,442	\$56,007	\$48,398
Province of Ontario - Grants/Subsidies	706	757	2,420	2,385	5,444
Other Grants - for example, Canada	3	12	7	25	19
Fees and service charges	34,675	39,395	38,789	35,076	34,737
Investment Income	8,746	8,460	4,612	5,519	3,744
Other Revenue	7,159	9,164	5,349	7,687	5,390
	<u>\$117,876</u>	<u>\$119,288</u>	<u>\$109,619</u>	<u>\$106,699</u>	<u>\$97,732</u>
Accumulated Net Revenue (Expenditure) at the end of the year	\$236	(\$209)	(\$683)	(\$1,616)	\$2,447
Surplus, Beginning of Year	2,914	3,123	3,806	5,422	2,975
Surplus, End of Year	<u>\$3,150</u>	<u>\$2,914</u>	<u>\$3,123</u>	<u>\$3,806</u>	<u>\$5,422</u>
Reference: Consolidated Schedule of Operating Fund Activities					
<b>CAPITAL OPERATIONS</b>					
Capital Expenditures	<u>\$28,804</u>	<u>\$35,878</u>	<u>\$32,258</u>	<u>\$17,386</u>	<u>\$18,883</u>
<i>Financing by Source</i>					
Transfers from Own Funds	\$17,858	\$17,411	\$21,219	\$18,877	\$8,128
Grants/Subsidies -Federal/Provincial	85	50	1,036	1,068	2,905
Capital assets - transferred from Markham Hydro	0	13,000	0	0	0
Other	12,829	10,039	14,458	1,676	2,505
	<u>\$30,772</u>	<u>\$40,500</u>	<u>\$36,713</u>	<u>\$21,621</u>	<u>\$13,538</u>
Change in Capital Fund	\$1,968	\$4,622	\$4,455	\$4,235	(\$5,345)
Opening Capital Fund	18,519	13,897	9,442	16,520	21,865
Closing Capital Fund	<u>\$20,487</u>	<u>\$18,519</u>	<u>\$13,897</u>	<u>\$20,755</u>	<u>\$16,520</u>
Reference: Consolidated Schedule of Capital Activities					
<b>RESERVES AND RESERVE FUNDS</b>					
Reserves	\$59,908	\$54,255	\$50,396	\$50,515	\$38,738
Reserve Funds - Discretionary Only	1,733	3,425	1,298	536	493
Deferred Revenue	138,489	117,062	97,071	67,192	48,480
	<u>\$200,130</u>	<u>\$174,742</u>	<u>\$148,765</u>	<u>\$118,243</u>	<u>\$87,711</u>
<b>NET LONG TERM DEBT</b>					
<i>Net Long-term Liabilities</i>					
Town of Markham Purposes	\$319	\$665	\$762	\$1,105	\$1,429
Annual Debt Limit prescribed by Province	\$26,870	\$25,594	\$22,459	\$20,466	\$20,393
Per Capita	\$1.46	\$3.20	\$3.75	\$5.76	\$7.64
Percentage of taxable assessment	0.0016%	0.0038%	0.0045%	0.0067%	0.0602%
<i>Annual charges for net long-term liabilities</i>					
Principal & Interest - Town of Markham Purposes	\$312	\$426	\$478	\$479	\$608
As a percentage of Revenue Fund Expenditures	0.34%	0.45%	0.54%	0.58%	0.73%
Per Capita	\$1.43	\$2.05	\$2.35	\$2.49	\$3.25

## FIVE -YEAR REVIEW (UNAUDITED)

	2001	2000	1999	1998	1997	
Population at the end of the year	218,000	208,000	203,000	192,000	187,000	
Number of Households	61,541	59,003	56,182	52,836	51,190	
Staff Complement - Full-time (includes Library)	785	771	752	730	665	
Building Permits						
-New Residential units	3,482	2,502	2,777	2,533	1,824	
-Total Res. Permit value	\$569 M	\$414 M	\$412 M	\$382 M	\$281 M	
<b>TAXABLE ASSESSMENT (All \$ in thousands of dollars)</b>						
Residential, multi-residential and farm	\$16,103,639	\$14,216,240	\$13,634,756	\$13,223,017	\$1,651,733	
Commercial - all classes	2,185,343	1,711,530	1,639,441	1,562,871	493,519	
Business	1,181,994	1,002,751	981,668	963,062	227,857	
Industrial - all classes	648,689	569,325	590,192	574,540	0	
Pipeline & Managed Forests	100,042	31,472	62,793	62,110	0	
	<u>\$20,219,707</u>	<u>\$17,531,318</u>	<u>\$16,908,850</u>	<u>\$16,385,600</u>	<u>\$2,373,109</u>	
Commercial, industrial and business as a percentage of taxable assessment	19.86%	18.73%	18.99%	18.92%	30.40%	
<b>PROPERTY TAXATION</b>						
<i>Tax Rates/Mill Rates (Note 1)</i>						
<i>Residential</i>	Town of Markham	0.302480 %	0.3169 %	0.3169 %	0.2700 %	15.236
	Region of York	0.543601 %	0.5735 %	0.5742 %	0.5654 %	12.783
	School Boards (Public and Separate)	0.373 %	0.4140 %	0.4140 %	0.4600 %	75.642
		<u>1.219081 %</u>	<u>1.3044 %</u>	<u>1.3051 %</u>	<u>1.2954 %</u>	<u>103.661</u>
<i>Multi-residential</i>	Town of Markham	0.499092 %	0.6615 %	0.6616 %	0.5636 %	15.236
	Region of York	0.896941 %	1.1972 %	1.1986 %	1.1802 %	12.783
	School Boards (Public and Separate)	0.373000 %	0.4140 %	0.4140 %	0.4600 %	75.642
		<u>1.769033 %</u>	<u>2.2727 %</u>	<u>2.2742 %</u>	<u>2.2038 %</u>	<u>103.661</u>
<i>Commercial - Full Rate</i>	Town of Markham	0.332728 %	0.3636 %	0.3632 %	0.3159 %	17.924
	Region of York	0.597961 %	0.6580 %	0.6581 %	0.6616 %	15.039
	School Boards (Public and Separate)	2.002016 %	2.3361 %	2.3361 %	2.3361 %	88.990
		<u>2.932705 %</u>	<u>3.3577 %</u>	<u>3.3574 %</u>	<u>2.9977 %</u>	<u>121.953</u>
<i>Commercial - Vacant units, excess land % of Full Rate (Note 2)</i>		70%	70%	70%	70%	85%
<i>Industrial - Full Rate</i>	Town of Markham	0.393224 %	0.4801 %	0.4899 %	0.4422 %	17.924
	Region of York	0.706681 %	0.8688 %	0.8875 %	0.9260 %	15.039
	School Boards (Public and Separate)	2.503122 %	2.8640 %	2.8640 %	2.8640 %	88.990
		<u>3.603027 %</u>	<u>4.2129 %</u>	<u>4.2414 %</u>	<u>4.2322 %</u>	<u>121.953</u>
<i>Industrial - Vacant units, excess land - Percentage of Full Rate</i>		65%	65%	65%	65%	85%
<b>Taxes Levied (\$ in thousands of dollars)</b>						
Town of Markham	\$ 66,587	\$ 61,500	\$ 58,442	\$ 56,007	\$ 48,398	
Region of York	116,551	105,503	105,198	97,052	33,060	
School Boards (Public and Separate)	146,378	134,434	136,475	132,247	199,482	
	<u>\$ 329,516</u>	<u>\$ 301,437</u>	<u>\$ 300,115</u>	<u>\$ 285,306</u>	<u>\$ 280,940</u>	
Total Tax Arrears (Taxes Receivable)	\$ 24,569	\$ 24,047	\$ 33,510	\$ 22,777	\$ 18,418	
Per capita	\$ 112.70	\$ 115.61	\$ 165.07	\$ 118.63	\$ 98.49	
Percentage of current levy	7.46%	7.98%	11.17%	7.98%	6.56%	

**Notes:**

(1) Prior to 1997, rates were expressed as mill rates which represented the tax amount per \$1,000 of assessment whereas from 1998 forward tax rates represent the percentage of tax applied to assessment. In addition, in 1998 assessments were updated to a 1996 base year Province wide whereas prior to 1998 assessments for municipalities were based on various years. For these reasons, a comparison between pre 1998 and post 1998 is difficult.

(2) Up to 1997, the Vacant Commercial/Industrial class was taxed at the residential rate which was 85% of Commercial/Industrial rates



## PERFORMANCE MEASURES REPORT CARD

Year ended December 31, 2001

Measure	Calculated Result
<b>Local Government</b>	
Operating costs for general government as a percentage of total municipal operating costs	7.22%
<b>Fire</b>	
Operating costs for fire services per \$1,000 of assessment	\$0.82
<b>Roads</b>	
Operating costs for paved (hard top) roads per lane kilometre	\$521.06
Operating costs for unpaved (loose top) roads per lane kilometre	\$3,320.55
Operating costs for winter control maintenance of roadways per lane kilometre	\$1,565.43
Percentage of paved lane kilometres rated as good to very good	89.61%
Percentage of winter event responses that met or exceeded municipal maintenance standards	100.00%
<b>Wastewater (Sewage)</b>	
Operating costs for collection, treatment and disposal of wastewater per megalitre	\$449.11
Number of sewer-main backups per 100 kilometres of sewer line in a year	0.003
Percentage of wastewater estimated to have by-passed treatment	N/A
<b>Water</b>	
Operating costs for the treatment and distribution of drinking quality water per megalitre	\$580.10
Number of breaks in watermains per 100 kilometres of watermain pipe in a year	0.05
Weighted number of days when a boil water advisory issued by the Medical Officer of Health, applicable to a municipal water supply	0.00
<b>Solid Waste Management (Garbage)</b>	
Operating costs for solid waste collection, transfer and disposal per tonne	N/A
Operating costs for solid waste diversion per tonne	N/A
Average operating costs for solid waste management per tonne	\$139.02
Number of days per year when a Ministry of Environment compliance order for remediation concerning an air or groundwater standard was in effect for a solid waste management facility, by site and total number of sites in the municipality	0.00
Number of complaints received in a year concerning the collection of solid waste and recycled materials per 1,000 households	22.36
Percentage of residential solid waste diverted	34.99%
<b>Land-Use Planning</b>	
Percentage of new development with final approval which is located within settlement areas and the number of new lots, blocks and/or units	100.00%
Percentage of land designated for agricultural purposes which was preserved and number of hectares of land originally designated for agricultural purposes which was re-designated for other uses	100.00%

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## Environmental Focus

To protect, enhance and restore the Town's natural features and green spaces as part of a vital and healthy ecosystem.

## Fiscal Stewardship

To ensure that resources are managed responsibly and taxpayers are receiving the best value for their money.

## Infrastructure Management

To build, renew and strategically manage the Town's infrastructure to meet the demands and expectations of a growing community.

## Managed Growth

To provide the framework for the timely delivery of well-planned new communities that are phased and coordinated with the provision of infrastructure.

## Quality Community

To recognize, promote and strengthen the sense of community and multi-culturalism, while appealing to all ages and stages of life by providing high quality services.

## Economic Development

To establish, promote and support Markham as the best location for diverse high-tech and related businesses.

## Organized Excellence

To achieve excellence in managing and delivering quality services through quality people.



# Where do IBM, Motorola, Philips, Sun Microsystems, and ATI call home?



Where the world turns for technology.

Find out why these superstars, as well as more than 800 of Canada's other leading high technology companies, have chosen Markham as their corporate home.