



2022 Annual Report

City of Markham, Ontario, Canada

December 31, 2022





Unity flowerbed blooming at Markham Civic Centre ground.

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In Markham, we use Excellence Canada's Excellence Framework for Municipalities to guide how we manage the organization, focusing on:

- Customer Satisfaction
- Operational Excellence
- Staff Engagement
- Financial Performance

The Excellence journey is a long-term process that requires the commitment of all Markham staff to reach our destination and sustain our efforts.

The 2022 Annual Report was compiled by:

- Office of the Chief Administrative Officer
- Corporate Services Commission
- Community & Fire Services
- Development Services Commission

Introduction

We are pleased to present, on behalf of Markham Council and staff, the 2022 Annual Report for The Corporation of the City of Markham. This year's report is Markham's fourth digital-only Report and includes the City's Consolidated Financial Statements.

Markham's decision-making is guided by *Building Markham's Future Together: 2020-2023 Strategic Plan*. This and other key strategic documents, including *The Greenprint – Markham's Community*

Sustainability Plan, our *Official Plan* and other master plans help ensure our work is aligned with our four goals: Exceptional Services by Exceptional People; Engaged, Diverse, Thriving and Vibrant City; Safe, Sustainable and Complete Community; and Stewardship of Money and Resources.

Through the annual budget process, Council and staff review Markham's programs, projects and services, providing value for municipal tax dollars through continuous improvement, leadership and fiscal stewardship.

General Committee, together with the Budget Committee, work to minimize property tax rate increases while ensuring the delivery of excellent services to our diverse City.

We continue to be proud that Markham is recognized as a municipal leader and has received the Government Finance Officers Association Award for its annual reports consecutively since 2001. We thank everyone who contributed to our outstanding successes in 2022.



Frank Scarpitti
Mayor



Andrew Keyes
Budget Chair, Ward 5 Councillor



Isa Lee
Budget Vice Chair, Ward 8 Councillor



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to
Corporation of the City of Markham
Ontario

For its Annual
Financial Report
for the Year Ended

December 31, 2021

Christopher P. Morill
Executive Director/CEO

General Committee

Mayor **Frank Scarpitti**
Deputy Mayor **Michael Chan**
Regional Councillor **Jim Jones**
Regional Councillor **Joe Li**
Regional Councillor **Alan Ho**
Ward 1 Councillor **Keith Irish**
Ward 2 Councillor **Ritch Lau**
Ward 3 Councillor **Reid McAlpine**
Ward 4 Councillor **Karen Rea**
Ward 5 Councillor **Andrew Keyes**
Ward 6 Councillor **Amanda Yeung Collucci**
Ward 7 Councillor **Juanita Nathan**
Ward 8 Councillor **Isa Lee**

Budget Committee

Budget Chair

Ward 5 Councillor **Andrew Keyes**

Budget Vice Chair

Ward 8 Councillor **Isa Lee**

Members

Deputy Mayor **Michael Chan**
Regional Councillor **Jim Jones**
Regional Councillor **Joe Li**
Regional Councillor **Alan Ho**
Ward 1 Councillor **Keith Irish**
Ward 2 Councillor **Ritch Lau**
Ward 3 Councillor **Reid McAlpine**
Ward 4 Councillor **Karen Rea**
Ward 6 Councillor **Amanda Yeung Collucci**
Ward 7 Councillor **Juanita Nathan**

Markham City Council (2022-2026)



(Front Row L to R:) Ward 8 Councillor **Isa Lee**, Ward 6 Councillor **Amanda Yeung Collucci**,
Ward 4 Councillor **Karen Rea**, Ward 7 Councillor **Juanita Nathan**

(Middle Row L to R:) Regional Councillor **Alan Ho**, Deputy Mayor **Michael Chan**,
Mayor **Frank Scarpitti**, Regional Councillor **Jim Jones**, Regional Councillor **Joe Li**

(Back Row L to R:) Ward 1 Councillor **Keith Irish**, Ward 3 Councillor **Reid McAlpine**,
Ward 5 Councillor **Andrew Keyes**, Ward 2 Councillor **Ritch Lau**

Governance

Markham City Council

Council is comprised of the Mayor, four Regional Councillors and eight Ward Councillors. It is responsible for governing the City of Markham. Members of Council are democratically elected to serve a four-year term. The Mayor and Regional Councillors are elected through a City-wide voting process, while each of the eight wards in Markham elects one Ward Councillor. The individual who secures the highest number of votes among the Regional Councillors assumes the role of Deputy Mayor.

Council exercises its authority by enacting resolutions and passing bylaws. Members of Council act as representatives of the public, taking into account the well-being and interests of the community. They establish the strategic priorities for Markham, make decisions about the services provided by the City and ensure their efficient delivery within budgetary constraints. Additionally, they uphold the implementation of administrative and controllership policies, practices and procedures.

The Mayor serves as the Chair of Council and holds the position of Markham's Chief Executive Officer. In this capacity, the Mayor provides leadership to Council, advocates for the City, fosters public engagement in municipal activities, represents the City to its stakeholders and drives initiatives that enhance the economic, social and environmental well-being of Markham. Members of Council actively participate in Standing Committee and Council meetings, attending either in person at the Council Chamber or remotely. Individuals have the option to make a deputation to Council or Committee via email, in person, or through platforms such as Zoom and the telephone.

Chief Administrative Officer

The Chief Administrative Officer (CAO) holds the responsibility of supervising the operating departments of the City and ensuring the implementation of suitable administrative practices and procedures to execute the decisions made by Markham City Council. Additionally, the CAO provides guidance to the Mayor and Members of Council regarding policy matters concerning the civic administration of the City of Markham.

Committees

Council is supported by two Standing Committees: General Committee and Development Services Committee. All members of Council serve on both Standing Committees.

- General Committee considers matters related to finance and administration, fire and other protective services, community services, environment and sustainability, land, buildings and parks.
- Development Services Committee deals with planning, economic development and transportation matters.

Both Committees forward their recommendations to Council for consideration. Advisory committees composed of residents and one or more Council Members, also report to Council through Standing Committees.

Council and Standing Committee meetings are open to the public and are live streamed. For audio links, meeting times and agendas, visit markham.ca. To encourage dialogue between elected officials and the community, Council members are available to residents and other stakeholders. Public meetings and consultations, deputations and the City Contact Centre provide additional avenues for stakeholders to provide input and feedback.

Governance Framework

Markham Councillors are subject to Provincial legislation as well as the City's own policies. This includes the *Municipal Act, 2001*, and *Municipal Conflict of Interest Act* and Markham's *Accountability and Transparency Policy*.

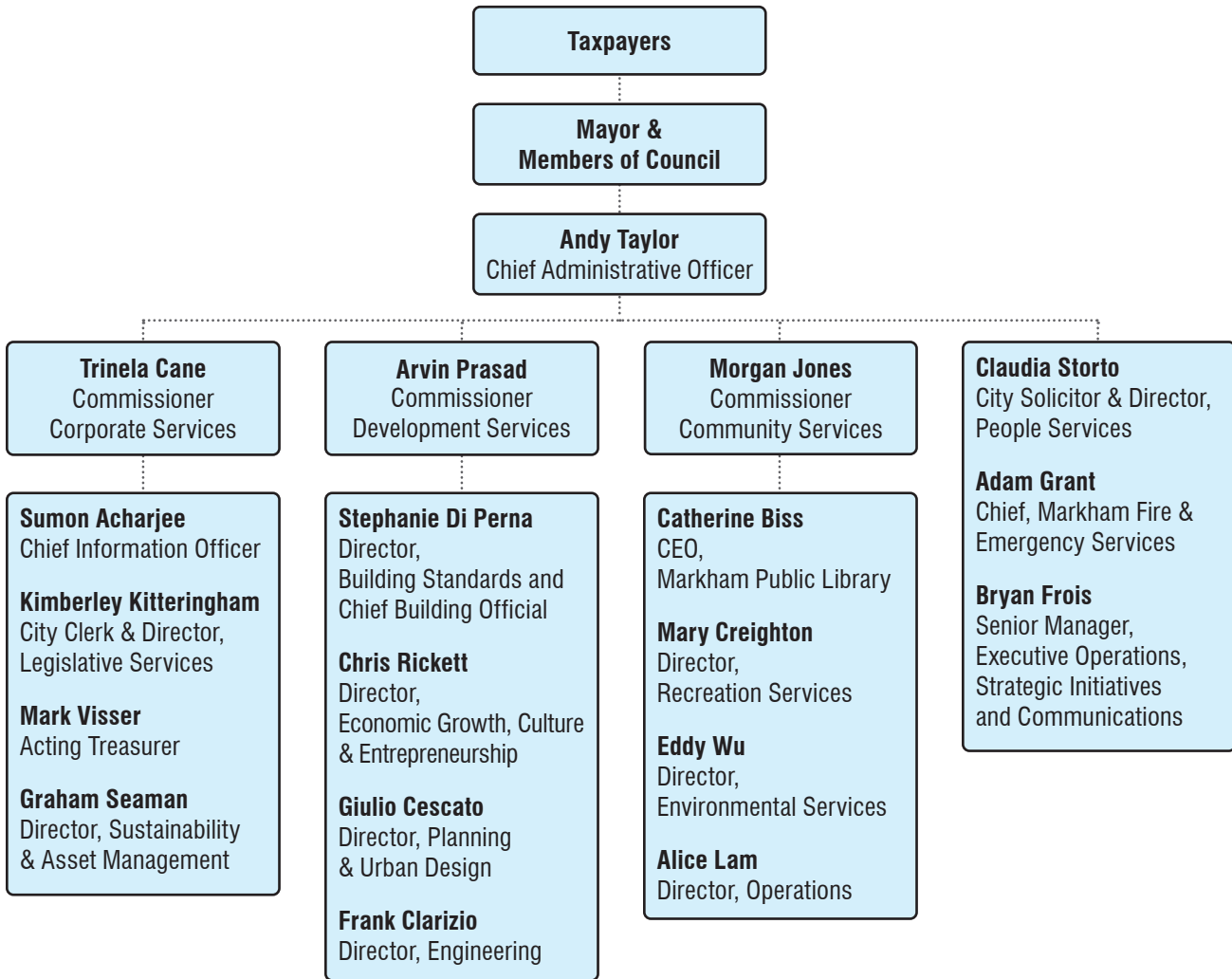
Accountability and Transparency

To assure Markham stakeholders that Council is acting with integrity and transparency, the City has appointed three independent, external bodies to monitor its activities and investigate complaints.

- **Auditor General:** MNP LLP was retained in 2015 to provide Auditor General services for the City. The Auditor General reviews and ensures the quality of stewardship of public funds and considers the achievement of value for money in programs and services. The Auditor General reports directly to Council through General Committee.
- **Integrity Commissioner:** ADR Chambers Inc. serves as the City's Integrity Commissioner to investigate complaints about the conduct of Members of Council and to determine if there has been a contravention of the Council Code of Conduct.
- **Closed Meeting Investigator:** Amberley Gavel Ltd. acts as the City's Closed Meeting Investigator and conducts investigations concerning compliance with the closed meeting provisions of The Municipal Act, 2001.

In addition to the above, the City of Markham uses the services of the Provincial Ombudsman. The Ombudsman resolves and investigates complaints from the public about the administrative conduct of municipalities.

Organizational Structure



Markham's Executive Leadership Team in front of Unity flowerbed at Markham Civic Centre ground, July 27, 2022 (L to R): Bryan Frois, Arvin Prasad, Claudia Storto, Andy Taylor, Trinela Cane, Morgan Jones, and Adam Grant.

Mayor's Message



Frank Scarpitti

Frank Scarpitti
Mayor, City of Markham

Strong fiscal management and transparency are hallmarks of the City of Markham. We were ranked first amongst Ontario cities from the C.D. Howe Institute for fiscal transparency with a score of “A-”. Markham also had the lowest 17-year average tax increase among all GTA municipalities. We continue to build on our strong record of providing value to our taxpayers through continuous improvement, leadership and fiscal stewardship.

Our community enjoys exceptional services by highly motivated municipal staff dedicated to customer service and committed to the betterment of our quality of life. Forbes once again recognized the City of Markham as one of Canada’s Best Employers.

We continue to make key investments that will have lasting benefits and are truly transformational. I have made it a priority to modernize our Fire & Emergency Service. Thanks to the leadership of our CAO Andy Taylor, Fire Chief Adam Grant, Deputy Fire Chief Chris Nearing, and Deputy Fire Chief Matt Keay, substantive progress has been made that will improve coverage and response times while significantly reducing the financial impact to our property taxpayers.



The City of Markham named Canada’s Top City Employer by Forbes in 2023.

We will be utilizing Canadian-made technology, the DRAGO, a high-powered water cannon, that takes two firefighters to operate, and creates a safer work environment. We have built an innovative fire training centre using recycled shipping containers that allow for multiple configurations, reducing previous cost estimates of \$15M to \$250,000. Markham Fire & Emergency Services (MFES) now has a contract service arrangement for call taking and dispatch with Barrie Fire Service. MFES has improved its responsiveness with an average decrease in “call to customer” time of 60 seconds across the majority of incidents, meaning quicker arrival and more successful life-saving and recovery efforts. While it has only been in use for one year, this service agreement has proven tremendously impactful and has already improved response times, while also saving \$730,000.



On July 13, 2022, the City of Markham, in partnership with Ted Rogers School of Management's Diversity Institute, officially launched *Markham's Diversity Action Plan* and *Eliminating Anti-Black Racism Action Plan* at Aaniin Community Centre.

Back row (left to right): Mayor Frank Scarpitti; City of Markham's Executive Leadership Team Bryan Frois; Trinela Cane; Claudia Storto; Andy Taylor; Morgan Jones; Arvin Prasad; Adam Grant

Front row (left to right): Dr. Wendy Cukier, Ted Rogers School of Management's Diversity Institute; Joanne Kinya-Baker, City of Markham; Dr. Mary Anne Chambers, Markham's Special Advisor on Eliminating Anti-Black Racism Action Plan; Nancy Mitchell, Ted Rogers School of Management's Diversity Institute

The City created five new outdoor skating rinks and added a tennis dome at Reesor Park through a public-private partnership, increasing our year-round activities. We also acquired the historic Shouldice property in Thornhill, bringing this beautiful open space into public ownership for use by the entire community.

Significant progress was made on the Yonge North Subway Extension, York Region's largest mass transit project. I strongly advocated for the new Royal

Orchard station, bringing the total number of stations to five. Our new East Markham Operations Yard provides better and more efficient Winter maintenance across our entire community.

As Canada's most diverse community, we strive to ensure that everyone feels welcome, heard and included. As part of that commitment, we updated *Markham's Diversity Action Plan* and officially launched a new *Eliminating Anti-Black Racism Action Plan*.

I often say that while the City of Markham is not a business and we do not have a profit line, we are very entrepreneurial. Our culture is one of innovation, collaboration and empowerment to do better, achieve more and make advancements in the services and programs we deliver.

I want to thank our community, our businesses, and our many partners who have contributed to our success.

The City's Budget Process

Budget Framework

Building Markham's Future Together four-year Strategic Plan is the foundation for the City's annual budget process. The strategic objectives and associated action plans listed under Markham's Strategic Plan are incorporated and considered during the development of every Budget the City produces. In 2022, Council's strategic priorities addressed the initiatives defined in the 2020 - 2023 Council term that are detailed under section 2 - Corporate Strategic Plan:

1. Exceptional Services by Exceptional People
2. Engaged, Diverse, Thriving & Vibrant City
3. Safe, Sustainable and Complete Community
4. Stewardship of Money and Resources

The corporate goals combined with Council's strategic priorities lay the foundation to determine Markham's Business Plans (BP) for each department to ensure alignment to Council and the City's corporate goals. Combined, the Business Plans form the basis for the budget process, while the City's Budget provides a framework to put the BP into action.

Budget process

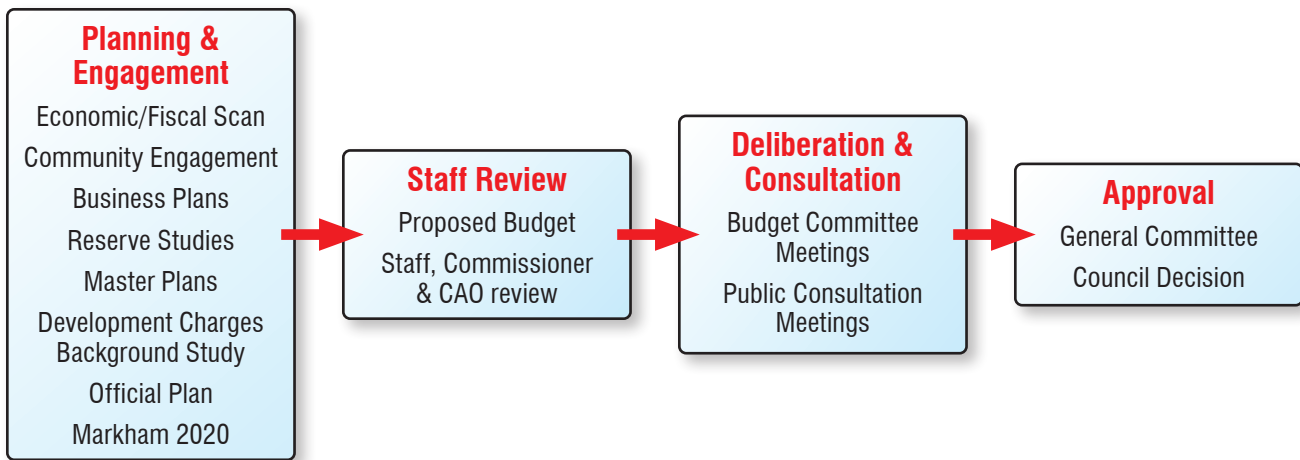
The City of Markham Business Plan identifies the "Stewardship of Money and Resources" as a key corporate goal with the accompanying goal statement:

"We demonstrate exceptional leadership using sound, transparent and responsible fiscal and resource management, and policy development to mitigate risks while enabling efficient and effective service delivery."

Fiscally prudent policies combined with a rigorous budgetary process allow the City to deliver services efficiently and effectively to the community, while mitigating the need for significant tax rate increases. As part of the 2022 budget, a series of new measures were introduced to reduce the property tax rate increase and enhance efficiency across the City.

A total of eight Budget Committee meetings including all members of Council were held between in October, November and December 2021 to discuss, review and finalize the 2022 Operating and Capital Budget. One public consultation meeting was held on December 8, 2021 as an opportunity for residents, business and community leaders to obtain an overview of the City's budget process and the 2022 proposed budget. Attendees were invited to inquire about the Budget and to provide feedback at these meetings.

On December 14, 2021, Council approved the Capital and Primary Operating Budgets as well as the Planning & Design, Engineering, Building Standards, and Waterworks Operating Budgets for 2022. The 2022 Budget aligns with the Council approved strategic priorities which address social, economic and environmental considerations. The Budget includes service level enhancements while providing Markham residents value for their tax dollars.



Fiscal prudence

Markham has remained financially prudent through diligent adherence to the following practices:

- Minimizing dependency on the use of one-time funding to balance the Operating Budget
- Prohibiting the use of prior year surpluses to balance the Operating Budget
- Allocating available funding to the Life Cycle Reserve



2022 Budget virtual press conference, December 15, 2021. Clockwise from top left: Mayor Frank Scarpitti; CAO Andy Taylor; Budget Vice Chair, Ward 5 Councillor Andrew Keyes; and Budget Chair, Ward 6 Councillor Amanda Yeung Collucci.

Reconciliation of City's budget to audited financial statements

The City's annual budget is prepared on a cash basis for the purpose of calculating the property tax levy whereas the audited financial statements are prepared on an accrual basis of accounting. The audited financial statements are prepared in accordance with generally accepted accounting principles (GAAP) for local governments as recommended, from time to time, by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPAC). There are certain budgeted revenues and expenses within the financial statements that need to be eliminated (such as transfers between funds, debt principal repayments, and dividend receipts) for financial reporting purposes. There are a few other non-budgeted adjustments included to help align with actual numbers. Some of these non-budgeted adjustments include BIA consolidations, amortization of capital assets and Reserve Fund interest. The chart below helps break down the reconciliation between the City's budget and the audited financial statements. Please refer to Notes 18 in the audited financial statements for budgets and actuals.

| | Approved budget | | | Adjusted budget as per financial statements | Actual 2022 as per financial statements |
|--|-----------------|----------------|-----------------|---|---|
| | Operating | Capital | Adjustments | | |
| | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | |
| Property taxes | 173,248 | - | - | 173,248 | 174,977 |
| User charges | 208,805 | - | - | 208,805 | 216,661 |
| Government transfers | 1,935 | 14,481 | - | 16,416 | 29,443 |
| Contributions from developers and others | - | 7,550 | - | 7,550 | 86,041 |
| Investment income | 14,893 | - | - | 14,893 | 18,911 |
| Tax penalties | 4,576 | - | - | 4,576 | 6,044 |
| Gain on sale of tangible capital assets | - | - | - | - | 282 |
| Deferred revenue earned | - | 35,209 | - | 35,209 | 133,302 |
| Equity income from Markham Enterprises Corporation | 10,300 | - | - | 10,300 | 12,086 |
| Other | 9,698 | 53,023 | (53,023) | 9,698 | 19,748 |
| Total | 423,455 | 110,263 | (53,023) | 480,695 | 697,495 |
| Expenses | | | | | |
| General Government | 49,470 | 16,160 | 3,726 | 69,356 | 63,371 |
| Protection to Property | 55,558 | - | 1,770 | 57,328 | 57,958 |
| Transportation services | 39,041 | 3,003 | 31,540 | 73,584 | 67,708 |
| Environmental services | 138,090 | 3,257 | 24,126 | 165,473 | 166,816 |
| Recreation and cultural services | 69,141 | 1,655 | 19,004 | 89,800 | 82,872 |
| Planning and development services | 15,211 | 5,898 | - | 21,109 | 18,095 |
| Transfer to own funds | 56,910 | 80,290 | (137,200) | - | - |
| Other | 34 | - | - | 34 | 20 |
| | 423,455 | 110,263 | (57,034) | 476,684 | 456,840 |
| Net Surplus | - | - | 4,011 | 4,011 | 240,655 |

2022 Financial Statements Review

The Corporation of the City of Markham is pleased to present the 2022 Consolidated Financial Statements. The annual financial statements are the responsibility of Management and are prepared in accordance with generally accepted accounting principles (GAAP) for local governments as recommended, from time to time, by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPAC). The statements include the financial results of the City of Markham, the Markham Public Library Board, Community Boards and Business Improvement Areas (BIAs), Destination Markham Corporation, as well as the City's wholly owned investment in Markham Enterprises Corporation (MEC), including MEC's shares in Alectra Inc. of 15.00 (2021 – 15.00) per cent and in Markham District Energy Inc. (MDE) of 100 per cent.

The audited statements are a report card on the financial position, health and strength of the City. The 2022 financial results continue to demonstrate Markham's strong leadership and excellence in financial planning and fiscal prudence.

Each year the City's business units produce business plans that present their accomplishments from the previous year and detail their growth requirements and new initiatives for the coming year. From this process, the budget is prepared to ensure it aligns with and supports the goals and strategic priorities of the City of Markham.

The Budget Committee consists of all Members of Council supported by senior staff. The Committee encourages input and feedback from stakeholders and uses a management-by-facts approach to ensure taxpayers are receiving value for their property tax dollars. Budget guidelines and priorities are set early in the process and budget requests are submitted to the Commissioners and CAO for rigorous review. This process results in a budget recommendation for the Budget Sub-Committee and Council.

The City continues to strive for its financial performance and strategies to address growth and increased demand for services through *Excellence through Efficiency & Effectiveness* (E3) initiatives. Without E3 there would have been a need for a property tax increase of approximately 28.0 per cent. The increase would have been paid out year after year by Markham taxpayers on a cumulative basis.

The E3 program has generated \$35.3 million of cumulative savings since 2009, through revenue enhancements and expenditure reductions

1. HIGHLIGHTS (All dollar amounts are in \$000)

Annual (Current Year) Surplus:

The Annual Surplus is shown on the Statement of Operations and Accumulated Surplus, and is the mathematical result of total revenues for the year less total expenses. The current year surplus is \$240,655, a decrease of \$213,881 from the surplus reported for 2021. As the 2022 budget projected a surplus of \$4,011, the actual surplus result represents a favourable difference of \$236,644 in comparison.

A key reason for the variances between budget and actual is that the City does not include, or cannot reasonably estimate, certain unknown and highly unpredictable items when preparing the annual operating budget. The most prominent examples are observed in Contributions from Developers and Deferred Revenues Earned:

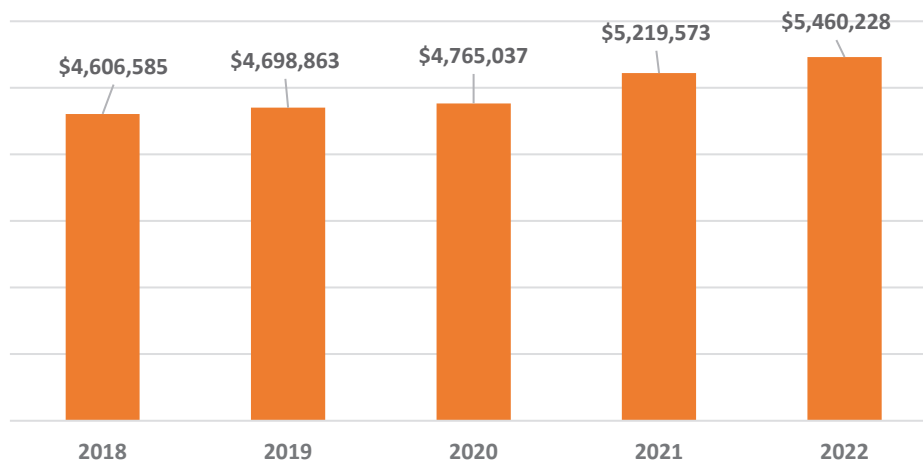
- Contributions from Developers consist mostly of assets that have been constructed by developers, and are transferred to and recorded in City financials at the time the City accepts responsibility for the maintenance of the municipal services. These include assets such as roads, sidewalks water delivery systems, etc. The transfer of ownership usually occurs within four years from the date of registration of a subdivision agreement, although it may be longer depending on the development. Contributed land is recorded earlier in the process at the time of plan registration. The value of contributed assets differs from year to year, based on the number of plans registered, timing of subdivision assumptions and the infrastructure assets constructed within each subdivision. These factors make it extremely difficult to predict (or budget) for these revenues. This is evidenced by the actual Contributions from Developers in 2022 of \$86,041 vs. the budget of only \$7,550.
- Deferred Revenues Earned refers to monies that were received and set aside in prior years but used for their intended purpose (earned), within the current year. During the year, \$133,302 was earned, having been used to construct assets such as the works yard, parks improvements, and various other infrastructure assets. Again, the annual progress of the projects (spending of deferred revenues) is very difficult to predict.

Another reason for the variances between budget and actual is that the budget includes items that were originally represented in the City's Capital Project budget. Because some of the projects are "operating" in nature, the associated revenues and expenses must be included in the calculation of the Annual Surplus. Although the budget for these projects is shown in the year in which it was approved, the actual spending often occurs in subsequent years. Therefore, the revenues or expense budgets often do not match the timing of the actual spending.

Accumulated Surplus:

The Accumulated Surplus is derived by adding the current year Annual Surplus to the Accumulated Surplus of the prior year. The 2022 Accumulated Surplus of \$5,460,228 includes the total operating surplus, the City's equity in MEC, investment in tangible capital assets as well as reserve and reserve fund balances. As illustrated in the following table, the Accumulated Surplus continues to grow, and has increased by an average of \$213,411 per year since 2018.

Accumulated Surplus



Markham's Accumulated Surplus has grown by 18.5% since 2018, at an average of \$213,411 per year

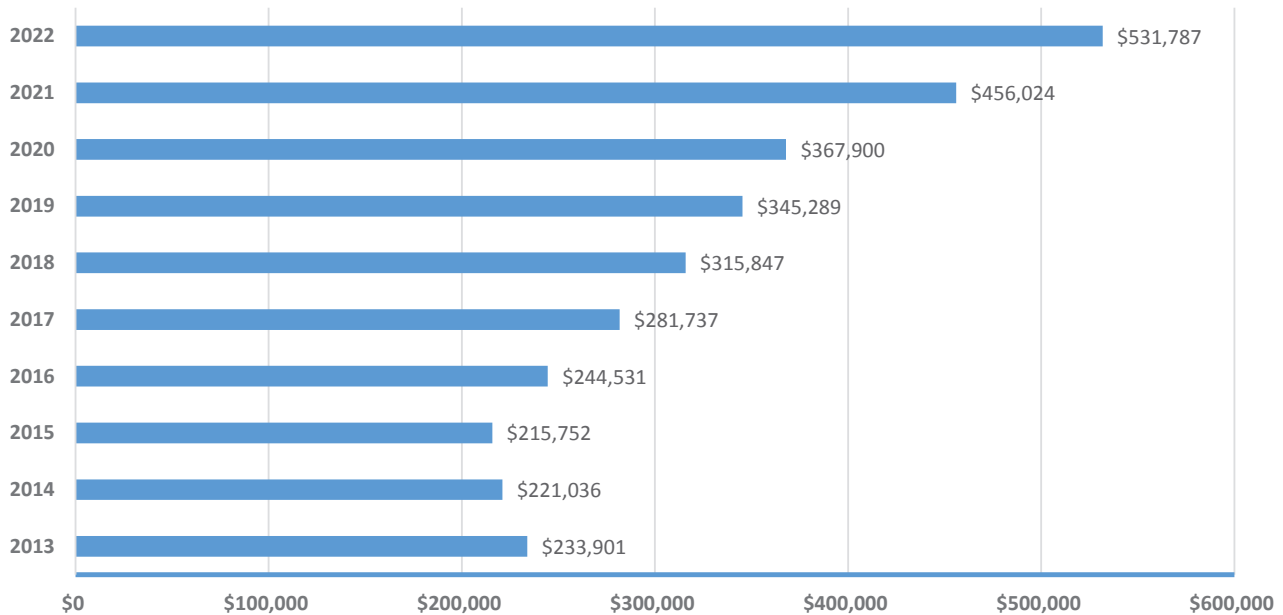
Reserves and Reserve Funds:

Reserves and Reserve Funds represent the means by which the City keeps track of monetary resources set aside by Council for specific future purposes. The inflows into these funds are generally from the operating budget and the outflows are to fund capital projects and other initiatives approved by Council.

The Reserves and Reserve Funds totaled \$196,366 at the end of 2022 (\$531,787 excluding the Land Acquisition Reserve Fund). Markham's Reserves and Reserve Funds (excluding the Land Acquisition Reserve Fund) have seen an overall increase of 117.4 per cent from 2013 to 2022.

From time to time, the City purchases land for which the intended purpose has not been confirmed. In these instances, the initial funding source is the Land Acquisition Reserve Fund. When the ultimate use of the land is confirmed, the Land Acquisition Reserve Fund will be replenished with funds transferred in from the appropriate funding source (e.g. Development Charges, Parks Cash-in-lieu). The Land Acquisition Reserve Fund has been excluded from the following ten-year history chart as the anomalies skew the historical reserve and reserve fund growth. The prior nine years have also been restated to reflect the exclusion.

Ten-Year Reserve and Reserve Fund History



Reserves and Reserve Funds have increased by 117.4 per cent since 2013

Although all municipalities report on reserves and reserve funds, not all choose to fully fund the balances. The City's total Cash & Investments exceeds the amount that Council has directed be held in reserve for future needs.

| | |
|--|----------------|
| A. Total Cash & Cash Equivalents and Investments | 415,527 |
| Reserves | 268,402 |
| Reserve Funds | (72,036) |
| Deferred Reserve Funds (DCs, Parkland cash-in-lieu, Gas Tax & Section 37 funds) | 123,421 |
| B. Total Reserves, Reserve Funds & Deferred Reserve Funds | 319,787 |
| A. Less B. | 95,740 |

Reserves & Reserves Funds fully funded

Investment in MEC:

Markham Enterprises Corporation is a holding company that is wholly owned by the City. MEC in turn owns 100 per cent of Markham District Energy Inc. (MDE) and 15 per cent of Alectra Inc. The City's investment in MEC continues to grow each year as shown in the below table. The total investment each year is determined by starting with the January 1 opening equity, adding the equity in income of MEC for the year (MEC net income) plus the change in share capital in the current year, and finally, by reducing the total by the amount of dividend paid to the City in the current year.

| | 2022 | 2021 | 2020 |
|--|----------------|----------------|----------------|
| Equity in MEC, January 1 | 394,816 | 384,983 | 381,477 |
| Equity pick-up for the year | 12,086 | 20,121 | 15,486 |
| Increase / (Decrease) in share capital | (1,048) | (1,494) | (1,700) |
| Dividend paid by MEC to City | (7,416) | (8,794) | (10,280) |
| Equity in MEC, December 31 | 398,438 | 394,816 | 384,983 |

Investment in Markham Enterprises Corporation grew by 4.4 per cent since 2020

2. FINANCIAL STATEMENT DISCUSSION (All dollar amounts are in \$000)

STATEMENT OF FINANCIAL POSITION (Balance Sheet)

The Statement of Financial Position outlines the City's financial assets, financial liabilities and non-financial assets.

Financial Assets

By definition, financial assets are the resources available to the organization as a result of past events, from which future economic benefits are expected to flow to the organization. Financial assets include cash and other assets expected to be converted to cash, sold or consumed within a year or within the operating cycle. These assets are continually turned over in the course of normal business activities.

The City ended the year with financial assets totaling \$911,305, a decrease of \$97,094 (9.6%) over 2021.

- Cash and investments decreased in 2022 from \$516,645 to \$415,527 (\$101,118, 19.6%). The decrease in cash inflows was driven by an increase in spending on operating and capital projects in 2022 compared to 2021 (\$106,531) offset by an increase in revenues \$5,413. The major drivers for the changes were a decrease in Parkland Cash-in-lieu funds (\$91,212), and an increase in payments to the Region for water (\$38,235). This was partially offset by an increase in development charges collected \$14,568, and an increase in the Canada Community Building Fund \$10,433 (formerly Gas Tax). The average rate of return on investments in the general portfolio in 2022 was 4.3% (2021 – 2.73%).
- Property taxes receivable increased from \$34,147 to \$34,792 (\$645, 1.9%) due to lower property tax payments collected in 2022 when compared to 2021.
- Accounts receivable decreased from \$62,791 to \$62,548 (\$243, 0.4%) in 2022 mainly due to a decrease in receivables from the Region of York for shared projects.
- Investment in MEC increased by \$3,622 (0.9%) in 2022. This increase in investment includes the 2022 equity in income of \$12,086. This was offset by a dividend payment of \$7,416 and a reduction in share capital of \$1,048. This increase is detailed in the “Investment in MEC” section above.

Financial Liabilities

Financial liabilities are financial obligations to outside organizations or individuals that are the result of transactions or events that occurred on or before the end of the accounting period (or year).

Financial liabilities were \$351,539, a decrease of \$105,339 compared to 2021.

- Accounts payable and accrued liabilities decreased in 2022 from \$191,655 to \$157,165 (\$34,490, 18.0%) mainly due to decreases in the net amount owed to Region of York and School Boards for development charges (\$27,317), Region of York for water purchases and shared capital projects (\$15,289), offset by increase in liabilities for construction projects, property tax credits and developers credit liabilities \$7,923.
- Deferred revenues are considered liabilities until the funds are spent or used for their intended purpose. The major deferred revenues include development charges, parkland cash-in-lieu, Federal Gas Tax Grants and Section 37 Funds. The deferred revenues totaled \$145,632, a decrease of \$75,898 over 2021. Increases include \$14,568 in development charges collected, \$10,433 in Canada Community Building Fund (formerly Federal Gas Tax) offset by decrease of \$91,212 in Parkland Cash-in-Lieu funds from developers for capital projects and other external funding due to timing.
- Employee future benefits include liabilities that are based on actuarial valuations for vested sick leave benefits for fire fighters, long-term disability (LTD) benefits, Workplace Safety and Insurance Board (WSIB) obligations, and post-employment benefits. The City has set aside funds in specific purpose reserves and reserve funds for the financing of these anticipated future costs. These liabilities totaled \$40,294, an increase of \$5,861 or 17% over 2021 which included an increase as per actuarial valuations for the current year end for post-employment and sick leave benefits.
- Long-term liabilities totaled \$8,448, a decrease of \$812 from 2021 as the City met loan repayment obligations to the Canada Mortgage and Housing Corporation (CMHC) and the Federation of Canadian Municipalities (FCM).

Non-Financial Assets

Non-financial assets are assets with a physical, rather than cash value such as property and supplies. It includes tangible capital assets (TCA), inventories (e.g. salt and sand) and prepaid expenses. The net book value of TCA is determined by the gross cost of all assets, including in-year additions and adjustments, minus disposals and accumulated amortization.

Tangible capital assets totaled \$4,892,136, an increase of \$229,950 over 2021. The change was almost entirely due to the addition of TCA, such as land, parks, pathways and various infrastructure assets.

Financial Position

| | | | | | | |
|---|---|--|---|---|---|--|
| Financial Assets \$911,305 | - | Financial Liabilities \$351,539 | + | Non-Financial Assets \$4,900,462 | = | Accumulated Surplus \$5,460,228 |
|---|---|--|---|---|---|--|

STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS (Income Statement)

Revenues by Source

Total revenues in 2022 were \$697,495, a decrease of \$158,927 from 2021.

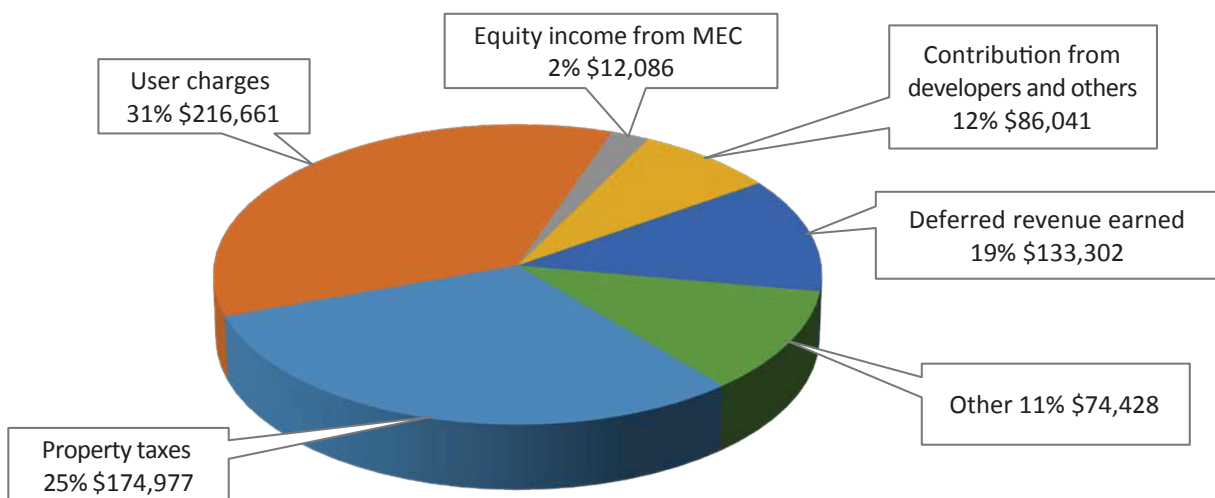
User Charges were \$216,661, 31% of 2022 total revenues. These include such things as planning and engineering fees, water and sewer billing, building permits and recreation and culture program registration and facility rental fees.

Contributions from developers and others totaled \$86,041, 12% of 2022 total revenues, as the City assumed ownership of land and other assets constructed in new development areas.

Deferred revenue earned (spent) totaled \$133,302 or 19% of the 2022 total revenues. Deferred revenue earned increased during 2022 when compared to 2021 mainly due to increase in capital spending in development charges, cash in lieu and section 37 funding.

Equity income from MEC totaled \$12,086 or 2% of 2022 total revenues. In 2022, the equity income decreased by \$8,035 due to Alectra's lower income.

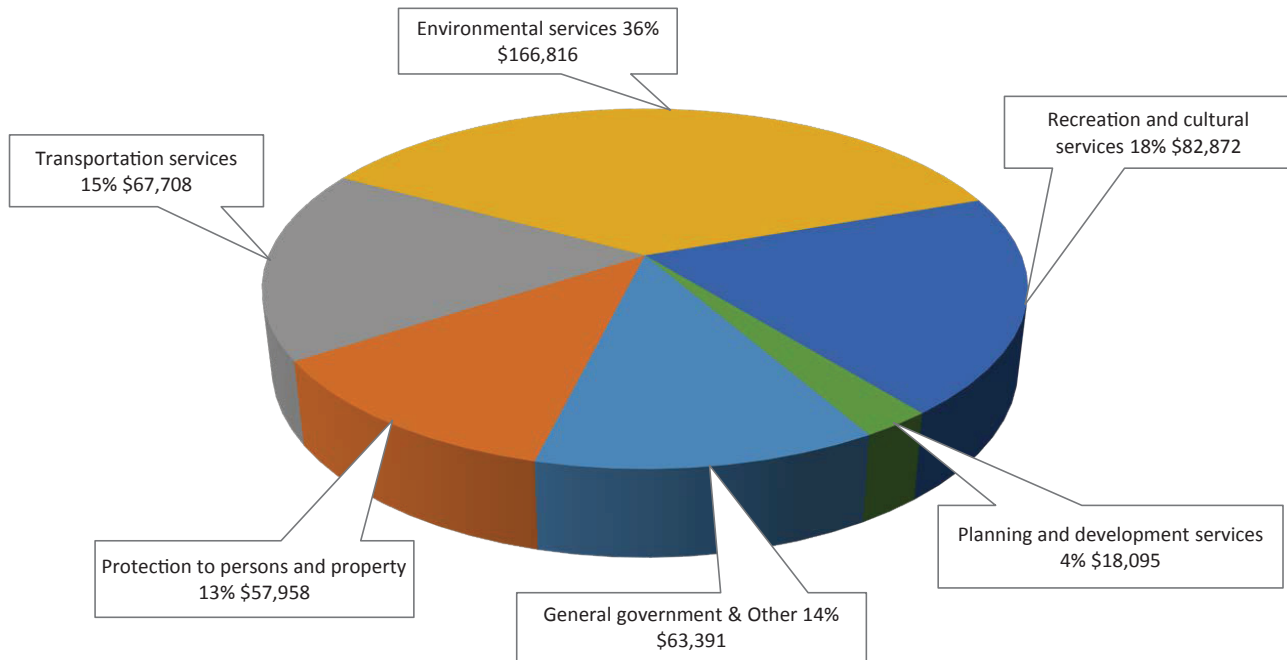
2022 Revenues by Source – Total: \$697,495



Expenses by Function

Total expenses in 2022 were \$456,840, an increase of \$54,954 or 13.7% over 2021 due to contracted services and amortization. Expenses are presented by the various functional groups of the City. For example, General Government includes the administrative and shared services expenses of the City, and protection to persons and property includes Fire and Emergency Services and Building Standards.

2022 Expenses by Function – Total: \$456,840



- The Annual Surplus for the year (total revenues less total expenses) was \$240,655, a decrease of \$213,881 from 2021.

REPORTING AND ACCOUNTABILITY

The role of the external auditor, KPMG LLP, is to present an independent opinion on the fair presentation of the City's financial position and operating results as contained in the Financial Statements, confirming that the statements are free from material misstatements. It is the responsibility of the auditor to advise management and Council of any control or operational issues that may be identified during their audit procedures.

For the past twenty-one years, the City has received the Government Finance Officers Association (GFOA) 'Canadian Award for Financial Reporting.' The award provides recognition for excellence in governmental accounting and financial reporting. The receipt of this award signifies that Markham delivered a comprehensive annual financial report that demonstrates full transparency and disclosure over and above the minimum requirements of Generally Accepted Accounting Principles.

On a yearly basis, all Ontario municipalities are required to provide the Ministry of Municipal Affairs and Housing with performance measurement information, and to report the results of their performance to taxpayers. The goals of the program are to improve performance, strengthen accountability to taxpayers, stimulate productivity and creativity, and improve budget processes.

Mark Visser
Acting Treasurer
April 19, 2023

Financial Policies

Council has approved a number of financial policies to govern the preparation of the annual operating and capital budgets and handling of Markham’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 Markham financial policies are as follows:

Basis of Accounting

Markham 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.

Reserves/Reserve Funds Policy

Reserves and Reserve Funds are grouped into two main categories: Working/Stabilization Reserves and Capital Reserves. Targets have been established for stabilization reserves based on best practices and capital reserves based on a review of life cycle replacement requirements for major Markham facilities and infrastructure. In addition, the policy prioritizes the distribution of annual operating budget surpluses to various reserves and determines the allocation of revenues from various companies owned by Markham.

Use of Assessment Growth

Markham will transfer up to 25 per cent of tax revenue from the net annualized growth in assessment to the Life Cycle Replacement and Capital Reserve Fund to maintain and refurbish our existing infrastructure.

Use of Prior Year’s Surplus/Deficit

Markham has in place a number of policies to minimize operating deficits, but should they occur, Markham maintains the flexibility to utilize funds from the Corporate Rate Stabilization Reserve. Markham does not balance its budget by using prior year surpluses. Surpluses are transferred in accordance with Markham’s Reserves/Reserve Funds Policy.

Capital Budget Control Policy

The policy sets out guidelines for reporting to Council regarding the closing of capital projects, reallocation of capital funds and requests for new capital projects.

Investment Policy

The policy provides a framework to make investment decisions within acceptable risk levels. Markham strives for the maximum utilization of its cash resources within statutory limitations and the basic need to protect and preserve capital.

Development Charges Credit Policy

The policy sets out guidelines for administration and issuance of development charge credits to developers. This is implemented through formal agreements with Markham.

Purchasing Policy Under Bylaw 2017-8

The purpose of the Bylaw is to establish policies and regulations respecting the City’s procurement, disposal and administrative service requirements, including the entering into of contracts and signing authority.

Expenditure Control Policy

The purpose of this policy is to establish internal controls over the authorization of expenses. This procedure is subject to the limitations and guidelines established by Markham’s Purchasing Bylaw #2017-8.

Payment Acceptance Policy

The policy provides direction on the forms of payment accepted by the organization, both in person and online payment methods including credit card and debit card payments.



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Markham (the City), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2022, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditor's report.

We are independent of the City in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the City's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the City or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the City's financial reporting process.

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.



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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 19, 2023

Consolidated Statement of Financial Position

December 31, 2022 with comparative figures for 2021
(All dollar amounts are in \$000's)

| | Note | 2022 | 2021 |
|---|------|--------------------|--------------------|
| FINANCIAL ASSETS | | | |
| Cash and investments | 4 | \$415,527 | \$516,645 |
| Property taxes receivable | 5 | 34,792 | 34,147 |
| Accounts receivable | | 62,548 | 62,791 |
| Investment in Markham Enterprises Corporation | 6 | 398,438 | 394,816 |
| | | \$911,305 | \$1,008,399 |
| FINANCIAL LIABILITIES | | | |
| Accounts payable and accrued liabilities | 7 | \$157,165 | \$191,655 |
| Deferred revenues | 8 | 145,632 | 221,530 |
| Employee future benefits liabilities | 9 | 40,294 | 34,433 |
| Long-term liabilities | 10 | 8,448 | 9,260 |
| | | \$351,539 | \$456,878 |
| NET FINANCIAL ASSETS | | \$559,766 | \$551,521 |
| NON-FINANCIAL ASSETS | | | |
| Tangible capital assets | 11 | \$4,892,136 | \$4,662,186 |
| Inventories | | 3,757 | 3,373 |
| Prepaid expenses | | 4,569 | 2,493 |
| | | \$4,900,462 | \$4,668,052 |
| Commitments | 15 | | |
| Contingencies | 16 | | |
| Contractual rights | 20 | | |
| Subsequent event | 21 | | |
| ACCUMULATED SURPLUS | 14 | \$5,460,228 | \$5,219,573 |

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

Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2022 with comparative figures for 2021
(All dollar amounts are in \$000's)

| | Note | 2022 | 2021 |
|--|------|--------------------|--------------------|
| | | Budget (note 18) | Actual |
| | | | Actual |
| Revenues | | | |
| Property taxes | | \$173,248 | \$174,977 |
| User charges | 12 | 208,805 | 216,661 |
| Government transfers | 13 | 16,416 | 29,443 |
| Contributions from developers and others | | 7,550 | 86,041 |
| Investment income | | 14,893 | 18,911 |
| Tax penalties | | 4,576 | 6,044 |
| Gain (loss) on sale of tangible capital assets | | - | 282 |
| Deferred revenue earned | | 35,209 | 133,302 |
| Equity income from Markham Enterprises Corporation | 6 | 10,300 | 12,086 |
| Other | | 9,698 | 19,748 |
| TOTAL REVENUES | | \$480,695 | \$697,495 |
| Expenses | | | |
| General government | | \$69,356 | \$63,371 |
| Protection to persons and property | | 57,328 | 57,958 |
| Transportation services | | 73,584 | 67,708 |
| Environmental services | | 165,473 | 166,816 |
| Recreation and cultural services | | 89,800 | 82,872 |
| Planning and development services | | 21,109 | 18,095 |
| Other | | 34 | 20 |
| TOTAL EXPENSES | | \$476,684 | \$456,840 |
| ANNUAL SURPLUS | | \$4,011 | \$240,655 |
| ACCUMULATED SURPLUS, BEGINNING OF YEAR | | 5,219,573 | 5,219,573 |
| ACCUMULATED SURPLUS, END OF YEAR | 14 | \$5,223,584 | \$5,460,228 |

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

Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2022 with comparative figures for 2021
(All dollar amounts are in \$000's)

| | Note | 2022 | | 2021 |
|--|------|-------------------|------------------|------------------|
| | | Budget | Actual | Actual |
| Annual surplus | | \$4,011 | \$240,655 | \$454,536 |
| Acquisition of tangible capital assets | | (140,235) | (224,871) | (115,005) |
| Contributed tangible capital assets | 11 | - | (86,126) | (364,253) |
| Amortization of tangible capital assets | | 79,345 | 81,041 | 80,114 |
| Loss (gain) on disposal of tangible capital assets | | - | (282) | 1,622 |
| Proceeds from disposal of tangible capital assets | | - | 288 | 1,096 |
| | | (\$56,879) | \$10,705 | \$58,110 |
| Acquisition of inventories | | - | (3,671) | (3,287) |
| Acquisition of prepaid expenses | | - | (4,569) | (2,493) |
| Consumption of inventories | | - | 3,287 | 1,546 |
| Use of prepaid expenses | | - | 2,493 | 3,220 |
| Change in net financial assets | | (\$56,879) | \$8,245 | \$57,096 |
| Net financial assets, beginning of year | | 551,521 | 551,521 | 494,425 |
| Net financial assets, end of year | | \$494,642 | \$559,766 | \$551,521 |

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

Consolidated Statement of Cash Flows

For the year ended December 31, 2022 with comparative figures for 2021
(All dollar amounts are in \$000's)

| | 2022 | 2021 |
|--|--------------------|--------------------|
| CASH PROVIDED BY (USED IN): | | |
| OPERATING ACTIVITIES | | |
| Annual surplus | \$240,655 | \$454,536 |
| Add (deduct) items not involving cash | | |
| Amortization of tangible capital assets | 81,041 | 80,114 |
| Loss (gain) on disposal of tangible capital assets | (282) | 1,622 |
| Change in employee future benefits and other liabilities | 5,861 | 128 |
| Equity income from Markham Enterprises Corporation | (12,086) | (20,121) |
| Contributed tangible capital assets | (86,126) | (364,253) |
| Change in non-cash assets and liabilities | | |
| Property taxes receivable | (645) | 3,359 |
| Accounts receivable | 243 | (3,314) |
| Accounts payable and accrued liabilities | (34,490) | 50,693 |
| Long term liabilities | (812) | (783) |
| Deferred revenue | (75,898) | 47,946 |
| Inventories | (384) | (1,741) |
| Prepaid expenses | (2,076) | 727 |
| Net change in cash from operating activities | \$115,001 | \$248,913 |
| CAPITAL ACTIVITIES | | |
| Acquisition of tangible capital assets | (224,871) | (115,005) |
| Proceeds from disposal of tangible capital assets | 288 | 1,096 |
| Net change in cash from capital activities | (\$224,583) | (\$113,909) |
| INVESTING ACTIVITIES | | |
| Dividend from Markham Enterprises Corporation | 7,416 | 8,794 |
| Decrease in share capital of Markham Enterprises Corporation | 1,048 | 1,494 |
| Net change in cash from investing activities | \$8,464 | \$10,288 |
| NET CHANGE IN CASH & CASH EQUIVALENTS AND INVESTMENTS | (\$101,118) | \$145,292 |
| OPENING CASH & CASH EQUIVALENTS AND INVESTMENTS | 516,645 | 371,353 |
| CLOSING CASH & CASH EQUIVALENTS AND INVESTMENTS | \$415,527 | \$516,645 |
| Supplementary information: | | |
| Interest paid | 305 | 334 |
| Interest received | 11,770 | 6,855 |

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

Notes to the Consolidated Financial Statements

Year ended December 31, 2022
(All dollar amounts are in \$000's)

1. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of The Corporation of The City of Markham (the City) are prepared by management in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

Significant accounting policies adopted by the City are as follows:

a) Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenses 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 City, and which are owned or controlled by the City, including the following:

- City of Markham Public Library Board
- Old Markham Village Business Improvement Area
- Unionville Business Improvement Area
- Destination Markham Corporation

Inter-entity transactions and balances are eliminated on consolidation.

b) Investment in Markham Enterprises Corporation

Markham Enterprises Corporation (MEC) and its subsidiaries are accounted for on a modified equity basis, consistent with the Canadian public sector accounting standards 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 City, and inter-organizational transactions and balances are not eliminated. The City recognizes its equity interest in the annual income or loss of MEC in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment asset account. Any dividends that the City may receive from MEC are reflected as reductions in the investment asset account.

c) Accounting for Region and School Board Transactions

The property taxes, other revenues, expenses, assets and liabilities with respect to the operations of the Regional Municipality of York (the Region) and the York Region District School Boards (School Boards) are not reflected in the municipal fund balances of these consolidated financial statements.

d) 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 Position" and the "Trust Funds Statement of Operations and Fund Balances".

e) Basis of Accounting

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

Expenses are the cost of goods and services acquired in the period whether or not payment has been made or invoices received.

f) Investments

Investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. If there is a loss of value that is other than a temporary decline in value, the respective investment will be written down to market value to recognize the loss in the consolidated statement of operations.

g) Government Transfers

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

The City adopted PS 3410, *Government Transfers* that establishes the recognition, measurement and disclosure requirements for government transfers. It provides specific revenue recognition criteria for transferring government and recipient government.

h) Deferred Revenues

Funds received for specific purposes are accounted for as deferred revenue until the City discharges the obligation, which led to receipt of the funds.

i) Property Taxes and Related Revenues

Property tax billings are prepared by the City based on assessment rolls compiled by the Municipal Property Assessment Corporation (MPAC). Property tax rates are established annually by City Council, incorporating amounts to be raised for local services and amounts that the City is required to collect on behalf of the Region and School Boards for education purposes. Realty taxes are billed based on the assessment rolls provided by MPAC.

A normal part of the assessment process is the issuance of supplementary assessment rolls that provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the City determines the property 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 Region and School Boards as appropriate.

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

j) Employee Future Benefits Liabilities

The City accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, which is accounted for as a defined benefit plan. Vacation entitlements are accrued for as entitlements are earned. Sick leave benefits are accrued where they are vested and subject to pay out when an employee leaves the City's employment. Other employee future benefits are accrued in accordance with the projected benefit method prorated on service and management's best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are performed triennially. The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date on high-quality debt instruments with cash flows that match the timing and amount of expected benefit payments. Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups.

Unamortized actuarial gains or losses for event-triggered liabilities, such as those determined as claims related to Workplace Safety and Insurance Board (WSIB) are amortized over the average expected period during which the benefits will be paid. The cost of plan amendments is accounted for in the period they are adopted.

The City, on approval from City Council, has set aside funds specifically for the financing of future costs.

k) Investment Income

Investment income is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue and/or obligatory reserve funds balance.

l) Non-Financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

m) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributed to acquisition, construction, development or betterment of the asset. The cost, less residual value of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives in number of years as follows:

| Asset | Useful Life - Years |
|---|----------------------------|
| Buildings | 40 |
| Equipment | 5 – 20 |
| Furniture and fixtures | 10 – 15 |
| Infrastructure | 10 – 100 |
| Library materials, furniture and fixtures | 7 – 10 |
| Park and pathways | 10 – 60 |
| Vehicles | 7 – 9 |
| Waterworks equipment | 9 |
| Waterworks infrastructure | 15 – 100 |

Amortization is prorated to six months in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

(i) Contributions of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue. Tangible capital assets conveyed from developers are recorded at the estimated engineering value at the time of registration.

(ii) Works of Art and Cultural and Historic Assets

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements.

(iii) Interest Capitalization

Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets.

n) Assets

The assets standard provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events and from which future economic benefits are to be obtained. For the year ended December 31, 2022, all the material assets have been reported.

o) Inventories

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost. Inventories of heritage land held for sale are recorded at lower of the cost or net realizable value.

p) Use of Estimates

The preparation of financial statements 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.

q) Budget Figures

The approved operating and capital budgets for 2022 are reflected on the Consolidated Statement of Operations and Accumulated Surplus and on the Consolidated Statement of Change in Net Financial Assets. The Capital budget is on a project-oriented basis, the costs of which may be carried but over one or more years and, therefore, may not be comparable with the current year actual amounts. The budget presented in these financial statements has been reconciled to the approved budgets to reflect the accrual basis of accounting in note 18.

r) Segment Disclosure

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The City has provided definitions of the segments used and presented financial information in segmented format in note 17.

s) Contaminated Sites

Contaminated sites are defined as sites that are contaminated as a result of contamination being introduced in air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. This standard relates to sites that are not in productive use and sites in productive use where an unexpected event resulted in contamination.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- an environmental standard exists
- contamination exceeds the environmental standard
- the organization is directly responsible or accepts responsibility for the liability
- future economic benefits will be given up, and
- a reasonable estimate of the liability can be made.

t) Future Accounting Pronouncements

These standards and amendments were not yet effective for the year ended December 31, 2022, and have therefore not been applied in preparing these financial statements. Management is currently assessing the impact of the following accounting standards updates on the future financial statements.

Standards applicable for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end):

- (i) PS 1201, Financial Statement Presentation, was issued in June, 2011. This standard requires entities to present a new statement of remeasurement gains and losses separate from the statement of operations and accumulated surplus. This new standard includes unrealized gains and losses arising from remeasurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This standard applies when PS 3450, Financial Instruments, and PS 2601, Foreign Currency Translation, are adopted.
- (ii) PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives.
- (iii) PS 2601, Foreign Currency Translation, establishes the standards on accounting for and reporting transactions that are denominated in a foreign currency. Earlier adoption is permitted. A public sector entity adopting this standard must also adopt the new financial instruments standard.
- (iv) PS 3041 - Portfolio Investments, replaces PS 3040 - Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of portfolio investments to conform to PS 3450 - Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 - Temporary Investments, will no longer apply.
- (v) PS 3280, Asset Retirement Obligations, addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets either in productive use or no longer in productive use.

Standards applicable for fiscal years beginning on or after April 1, 2023 (the City's December 31, 2024 year-end):

- (vi) PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity.
- (vii) PS 3400, Revenue, establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement.
- (viii) Public Sector Guideline 8 Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction.

u) Contractual Rights and Obligations

Contractual rights reflect future rights to economic resources arising from contracts and/or agreements that will result in both an asset and revenue in future fiscal periods. Contractual rights for the year ended on December 31, 2022, are disclosed in note 20.

Contractual obligations represent obligations, which will result in liabilities upon the completion of agreed upon terms specified in contracts and/or agreements in future fiscal periods. For further details regarding the City's contractual obligations, including the nature, extent and timing of these types of transactions, please refer to note 15.

v) Contingent Assets and Liabilities

Contingent assets and contingent liabilities arise from circumstances when the City is uncertain whether it has an asset and/or liability on the date of the consolidated financial statements. The existence of the asset and/or liability is ultimately dependent upon the occurrence or nonoccurrence of a future event that is outside of the entity's control.

For the year ended December 31, 2022, the City is not aware of any contingent asset. However, disclosure regarding the City's contingent liabilities, including the nature, extent, and basis of estimates (if available), can be found in note 16.

w) Related Party Transactions

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties also include key management personnel, such as City Councillors, as well as their close family members.

PS 2200 - Related Party Disclosure, requires the City to disclose circumstances in which the entity enters into transactions with its related parties at a value different from that which would have been arrived at if the parties were unrelated (i.e. not at arm's length) and these transactions are considered to have a significant financial impact on the City's consolidated financial statements. In the event qualifying transactions are identified, the City would disclose the nature of relationships with all involved parties, type of related party transaction, and amounts recognized in the consolidated financial statements.

x) Reserves and Reserve Funds

Reserve funds are comprised of funds set aside for specific purposes. City Council has authorized the allocation of interest to reserve funds but not to reserves. There are two types of reserve funds:

- (i) Obligatory reserve funds are funds received and set aside for specific purposes by legislation or contractual agreements. These funds can only be used for prescribed purposes and are reported as deferred revenue on the consolidated statement of financial position.
- (ii) Council directed reserve funds are created by council for specific purposes through bylaw and are reported in the accumulated surplus balance on the consolidated statement of financial position.

2. OPERATIONS OF SCHOOL BOARDS AND THE REGION OF YORK

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

| | School Boards | Region of York | 2022 | 2021 |
|---|------------------|------------------|------------------|------------------|
| Taxation | \$245,502 | \$361,830 | \$607,332 | \$593,537 |
| Payment in lieu of taxes | 322 | 1,101 | 1,423 | 1,144 |
| Supplementary taxes | 1,403 | 2,364 | 3,767 | 3,527 |
| Amount requisitioned and transferred | \$247,227 | \$365,295 | \$612,522 | \$598,208 |

3. PENSION AGREEMENTS

The City makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of its employees. 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 credited service and average earnings. Employees contribute between 9.0% and 15.9% of their salary and the City matches the employee contribution.

Total OMERS contributions amounted to \$25,453 (2021 - \$23,576) of which \$12,727 (2021 - \$11,788) represented the City's portion and \$12,727 (2021 - \$11,788) represented employees portion. Since OMERS is a multi-employer pension plan, the City does not recognize any share of the pension plan deficit of \$6.7 billion as of 2022 (2021 - \$3.1 billion) based on the fair market value of the Plan's assets, as this is a joint responsibility of all Ontario municipalities and their employees.

4. CASH AND INVESTMENTS

| | 2022 | 2021 |
|---------------------------|------------------|------------------|
| Cash and cash equivalents | \$152,635 | \$293,320 |
| Investments | 262,892 | 223,325 |
| | \$415,527 | \$516,645 |

Cash balance includes investments in the amount of \$6,300 (2021 - \$5,000) which have a maturity date of less than three months. 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. Investments, which are reported at cost for money market and face value for bonds, had a market value of \$264,684 (2021 - \$258,738) at the end of the year.

5. PROPERTY TAXES RECEIVABLE

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

| | 2022 | 2021 |
|---|-----------------|-----------------|
| Current year | \$25,870 | \$24,198 |
| Arrears prior years | 11,873 | 12,900 |
| | 37,743 | 37,098 |
| Less: Allowance for uncollectible taxes | (2,951) | (2,951) |
| | \$34,792 | \$34,147 |

The Municipal Property Assessment Corporation (MPAC) is responsible for the valuation of the current value assessment (CVA) of all properties in Ontario. MPAC determines the CVA for all properties and provides it annually to municipalities in the form of an Assessment Roll, which the municipalities use to calculate property taxes for each individual property.

As a result of the global pandemic, the ARB (Assessment Review Board) tribunal has experienced delays in the amount of appeals being conducted and completed. In addition, the Government of Ontario announced the decision to postpone a province-wide property assessment update due to the pandemic. Property assessments for the 2023 property tax year will continue to be based on January 1, 2016.

The City of Markham's property tax revenue and property tax receivables rely on the stability of the assessment roll, which is subject to annual assessment appeals that create an amount of uncertainty related to the amount of property tax receivables. Long delays in updating assessments are known to create inequities in taxation and it is anticipated that there will be significant amount of assessment appeals launch by property owners, particularly in the business classes who have been impacted by the pandemic. This financial uncertainty continues to illustrate the requirement of a provision allowance of \$2,951 (2021 - \$2,951).

6. INVESTMENT IN MARKHAM ENTERPRISES CORPORATION

Markham Enterprises Corporation (MEC) is wholly owned by the City of Markham. MEC owns 100% of Markham District Energy Inc. (MDE) and 15.00% of Alectra Inc. (2021 – 15.00%).

The following consolidated financial statements of Markham Enterprises Corporation include the financial information of its subsidiaries Markham District Energy Inc. and Alectra Inc. for the period from January 1, 2022 to December 31, 2022.

| | 2022 | 2021 |
|--|------------------|------------------|
| Assets | | |
| Current | \$26,657 | \$15,517 |
| Capital assets | 130,570 | 124,852 |
| Investment in Alectra Inc. | 306,706 | 311,807 |
| Other | 2,757 | 1,778 |
| Total Assets | \$466,690 | \$453,954 |
| Liabilities | | |
| Current | 35,731 | 17,976 |
| Other | 32,521 | 41,162 |
| Total Liabilities | \$68,252 | \$59,138 |
| Shareholder's Equity | | |
| Common shares | 91,822 | 92,870 |
| Promissory notes payable | 79,184 | 79,184 |
| Retained earnings and contributed surplus | 227,432 | 222,762 |
| Total Shareholder's Equity | 398,438 | 394,816 |
| Total Liabilities and Shareholder's Equity | \$466,690 | \$453,954 |
| Results of Operations | | |
| Revenues | \$39,497 | \$44,263 |
| Operating expenses | 27,411 | 24,142 |
| Net Income | 12,086 | 20,121 |
| Return of capital | (1,048) | (1,494) |
| Dividend | (7,416) | (8,794) |
| Net change in equity in Markham Enterprises Corporation | \$3,622 | \$9,833 |
| Opening shareholder's equity | \$394,816 | \$384,983 |
| Closing shareholder's equity | \$398,438 | \$394,816 |

7. 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 year that require the City to pay for goods and services acquired or provided prior to year end. A breakdown of accounts payable and accrued liabilities is as follows:

| | 2022 | 2021 |
|------------------------------|------------------|------------------|
| Payable to other governments | \$59,970 | \$104,914 |
| Trade accounts payable | 74,739 | 68,445 |
| Accrued liabilities | 18,113 | 15,061 |
| Payroll liabilities | 4,343 | 3,235 |
| | \$157,165 | \$191,655 |

8. DEFERRED REVENUES

Deferred revenue represents 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 represents the activity and year end balances for deferred revenue.

| | Opening balance | Receipts | Revenues earned | Closing balance |
|----------------------------------|------------------------|-----------------|------------------------|------------------------|
| Obligatory reserve funds: | | | | |
| Development charges | \$105,666 | \$39,647 | \$25,079 | \$120,234 |
| Parkland cash-in-lieu | 65,728 | 8,128 | 99,340 | (25,484) |
| Canada community building fund | 22,706 | 11,053 | 11,910 | 21,849 |
| Section 37 funds | 6,991 | 559 | 731 | 6,819 |
| Other | 3 | - | - | 3 |
| | \$201,094 | \$59,387 | \$137,060 | \$123,421 |
| General: | | | | |
| Deferred revenue and deposits | 20,436 | 29,647 | 27,872 | 22,211 |
| | \$221,530 | \$89,034 | \$164,932 | \$145,632 |

9. EMPLOYEE FUTURE BENEFITS LIABILITIES

| | 2022 | 2021 |
|--|-----------------|-----------------|
| Long-term disability benefits | \$5,921 | \$5,932 |
| Post-employment benefits | 18,513 | 12,951 |
| Vested sick leave benefits | 6,763 | 6,776 |
| Workplace Safety & Insurance Board obligations | 5,314 | 5,165 |
| | \$36,511 | \$30,824 |
| Vacation pay - City | 3,624 | 3,444 |
| Vacation pay - Library | 159 | 165 |
| | \$40,294 | \$34,433 |

a) Long-Term Disability Benefits (LTD)

The City provides long-term disability benefits to eligible employees. At year end, the accrued liability of \$5,921 (2021 – \$5,932) represents the actuarial valuation of benefits to be paid, based on the history of claims with employees. The City has established a long-term disability reserve to reduce future impact of these obligations. The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation for December 2020 and projected to December 2022.

b) Post-Employment Benefits

The City provides for post-employment benefits (extended health and dental benefits) to eligible retiring employees to age 65. The City recognizes these post-employment costs as they are earned during the employee's tenure of service. The post-employment benefit liability at December 31, 2022 is \$18,513 (2021 – \$12,951). The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation for December 2021 and projected to December 2022.

c) Vested Sick-Leave Benefits

Under the sick-leave benefit plan, which is available only to the City's Firefighters, employees can accumulate unused sick leave and may become entitled to a cash payment when they leave the City'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 \$6,763 (2021 - \$6,776). The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation for December 2021 and projected to December 2022.

d) Workplace Safety and Insurance Board (WSIB) Obligations

Effective January 1, 1999, the Corporation of the City 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 City remits payments to the WSIB as required to fund disability payments. The estimated future liability relating to WSIB amounted to \$5,314 (2021 - \$5,165) and was determined by an actuarial valuation. A Workplace Safety and Insurance Reserve Fund, funded by annual contributions from the Operating Fund, has been established to protect against any unknown future liability. The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation for December 2019 and projected to December 2022.

Information about the City's self-insured, defined benefit plans is as follows:

| | LTD benefits | Post- employment benefits | Vested sick- leave | WSIB obligations | 2022 | 2021 |
|--|-----------------|---------------------------------|--------------------------|---------------------|-----------------|-----------------|
| Accrued benefit liability, beginning of year | \$5,932 | \$12,951 | \$6,776 | \$5,165 | \$30,824 | \$30,374 |
| Service cost | 957 | 885 | 561 | 298 | 2,701 | 2,354 |
| Interest cost | 111 | 725 | 284 | 208 | 1,328 | 1,040 |
| Increase due to plan amendment | - | 5,315 | - | - | 5,315 | - |
| Benefit payments | (833) | (1,323) | (923) | (447) | (3,526) | (3,035) |
| Amortization of actuarial loss(gain) | (246) | (40) | 65 | 90 | (131) | 91 |
| Accrued benefit liability, end of year | \$5,921 | \$18,513 | \$6,763 | \$5,314 | \$36,511 | \$30,824 |
| Unamortized actuarial (gain) loss | (210) | (125) | 430 | 757 | 852 | (712) |
| Accrued benefit obligation, end of year | \$5,711 | \$18,388 | \$7,193 | \$6,071 | \$37,363 | \$30,112 |

The actuarial valuations of the plans were based upon a number of assumptions about the future events, which reflect management's best estimates. The following represents the significant assumptions made:

| | LTD benefits | Post- employment benefits | Vested sick-leave | WSIB obligations |
|--|-------------------------|--|------------------------------|-----------------------------|
| Expected inflation rate | N/A | 1.75% | 1.75% | 1.75% |
| Expected level of salary increase | N/A | 2.75% | 2.75% | 3.00% |
| Interest discount rate | 2.00% | 4.00% | 4.00% | 3.50% |
| Expected average remaining service life in years | N/A | 13 | 13 | 12 |

10. LONG-TERM LIABILITIES

On July 1, 2010 and April 14, 2014, the City received a loan from Canada Mortgage Housing Corporation (CMHC) and Federation of Canadian Municipalities (FCM) respectively through the Region. As a lower-tier municipality the City does not have the ability to borrow long-term funds, and as such the borrowing was done through the Region.

- The loan of \$12,000 received on July 1, 2010 was used to fund the purchase of the Markham District Energy Birchmount plant. The plant was subsequently leased back to Markham District Energy (MDE), a 100% owned subsidiary of MEC. The loan is to be amortized over a period of 20 years, at an interest rate of 4.04%. An annual payment to the Region of \$886 consists of principal and interest.
- The loan of \$4,000 received on April 14, 2014 was used to fund the cost of Cornell Community Centre. The loan is to be amortized over a period of 20 years, at an interest rate of 2%. An annual payment to the Region of \$244 consists of principal and interest.

Principal payments are repayable annually as follows:

| | |
|---------------------|----------------|
| 2023 | \$840 |
| 2024 | 870 |
| 2025 | 901 |
| 2026 | 934 |
| 2027 | 967 |
| 2028 and thereafter | 3,936 |
| | \$8,448 |

11. TANGIBLE CAPITAL ASSETS

a) Assets under construction

Assets under construction having a value of \$132,403 (2021 - \$36,873) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) Contributed Tangible Capital Assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$86,126 (2021 - \$364,253) comprised of land in the amount of \$63,056 (2021 - \$342,952), infrastructure in the amount of \$13,713 (2021 - \$15,273) and waterworks equipment and infrastructure in the amount of \$9,357 (2021 - \$6,028).

c) Tangible Capital Assets Disclosed at Nominal Values

Where an estimate of fair value cannot be made, the tangible capital asset is recognized at a nominal value. Land is the only asset where nominal values are assigned.

d) Works of Art and Historical Treasures

The City manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at City sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

| | Cost | | | | Accumulated Amortization | | | | Net Book Value | |
|---|------------------|----------------|-------------------------|------------------|--------------------------|----------------------|-------------------------|------------------|------------------|------------------|
| | Jan. 1, 2022 | Additions | Disposals & Adjustments | Dec. 31, 2022 | Jan. 1, 2022 | Amortization expense | Disposals & Adjustments | Dec. 31, 2022 | 2022 | 2021 |
| Land | 2,555,882 | 113,015 | (4) | 2,668,893 | - | - | - | - | 2,668,893 | 2,555,882 |
| Buildings | 436,582 | 11,147 | (68) | 447,661 | 156,702 | 10,513 | (62) | 167,153 | 280,508 | 279,880 |
| Equipment | 39,900 | 3,821 | (4,481) | 39,240 | 19,601 | 4,088 | (4,481) | 19,208 | 20,032 | 20,299 |
| Furniture & fixtures | 7,624 | 267 | (3,965) | 3,926 | 6,663 | 287 | (3,965) | 2,985 | 941 | 961 |
| Infrastructure | 1,539,310 | 44,950 | (8,198) | 1,576,062 | 570,555 | 39,182 | (8,200) | 601,537 | 974,525 | 968,755 |
| Library materials, furniture & fixtures | 18,822 | 1,290 | (2,618) | 17,494 | 11,522 | 2,126 | (2,618) | 11,030 | 6,464 | 7,300 |
| Parks & Pathways | 106,185 | 15,082 | (3,081) | 118,186 | 41,731 | 5,955 | (3,081) | 44,605 | 73,581 | 64,454 |
| Vehicles | 16,870 | 1,407 | (3,441) | 14,836 | 11,165 | 1,668 | (3,441) | 9,392 | 5,444 | 5,705 |
| Waterworks equipment & infrastructure | 1,110,676 | 24,488 | (1,634) | 1,133,530 | 388,599 | 17,222 | (1,636) | 404,185 | 729,345 | 722,077 |
| Total | 5,831,851 | 215,467 | (27,490) | 6,019,828 | 1,206,538 | 81,041 | (27,484) | 1,260,095 | 4,759,733 | 4,625,313 |
| Assets under construction | 36,873 | 95,530 | - | 132,403 | - | - | - | - | 132,403 | 36,873 |
| Grand Total | 5,868,724 | 310,997 | (27,490) | 6,152,231 | 1,206,538 | 81,041 | (27,484) | 1,260,095 | 4,892,136 | 4,662,186 |

12. USER CHARGES

| | 2022 | 2021 |
|---------------------------------------|------------------|------------------|
| Water and sewer billing to ratepayers | \$138,965 | \$134,063 |
| Engineering | 24,229 | 19,545 |
| Building permits | 9,317 | 16,800 |
| Planning | 11,494 | 11,620 |
| Landscaping | 4,748 | 5,366 |
| Other | 5,986 | 4,720 |
| Facility rentals | 8,132 | 4,426 |
| Parking violations | 2,320 | 1,917 |
| Licenses | 1,940 | 1,575 |
| Recreation programs | 7,397 | 1,057 |
| Culture venues | 2,133 | 67 |
| Total | \$216,661 | \$201,156 |

Other user charges includes property tax administration fees, waterworks services, and legal administration fees.

13. GOVERNMENT TRANSFERS

The City recognizes the transfer of government funding as revenue in the year the events giving rise to the transfer occur. The details of government transfers for the year are:

| | 2022 | 2021 |
|-----------------------------------|-----------------|-----------------|
| Provincial Grant: | | |
| General government | \$10 | \$11,970 |
| Environmental services | 2,066 | 1,863 |
| Recreation and cultural services | 389 | 452 |
| Planning and development services | 470 | 310 |
| | \$2,935 | \$14,595 |
| Federal Grant: | | |
| General government | 12,086 | 12,554 |
| Environmental services | 13,866 | - |
| Recreation and cultural services | 556 | 199 |
| | \$26,508 | \$12,753 |
| | \$29,443 | \$27,348 |

14. ACCUMULATED SURPLUS

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

| | 2022 | 2021 |
|--|--------------------|--------------------|
| City operating fund surplus including library, community boards, Destination Markham Corporation and business improvement areas | \$15,711 | \$27,002 |
| Less: transferred to reserve and reserve funds | (12,445) | (24,793) |
| | \$3,266 | \$2,209 |
| Equity in Markham Enterprises Corporation | 398,438 | 394,816 |
| Invested in tangible capital assets | 4,892,136 | 4,662,186 |
| Other | (29,978) | (23,742) |
| | \$5,263,862 | \$5,035,469 |
| RESERVES SET ASIDE FOR SPECIFIC PURPOSES BY COUNCIL | | |
| Berczy landscape feature | 203 | 203 |
| Building fee | 14,513 | 14,810 |
| Capital gains | 7,203 | 4,160 |
| Corporate rate stabilization | 29,045 | 31,122 |
| COVID | 6,702 | 11,449 |
| Development fee | 51,668 | 28,944 |
| Election expenses | 63 | 831 |
| Election rebates | 700 | 747 |
| Facility ramp up | 31,559 | 29,008 |
| Firefighters sick leave benefits | 6,763 | 6,776 |
| Insurance | 4,451 | 4,059 |
| Long-term disability benefits | 24,711 | 23,773 |
| Waterworks | 90,821 | 86,657 |
| Total reserves | 268,402 | 242,539 |
| RESERVE FUNDS SET ASIDE FOR SPECIFIC PURPOSES BY COUNCIL | | |
| Cemetery expenses | 126 | 123 |
| Emerald Ash Borer | 192 | 192 |
| Environmental land acquisition | 12,184 | 11,236 |
| Environmental sustainability fund | 67 | 84 |
| Heritage | 499 | 513 |
| Heritage land acquisition | 6,700 | - |
| Land acquisition | (335,421) | (271,920) |
| Library infrastructure | 6,688 | 6,517 |
| Life cycle replacement and capital | 193,436 | 169,562 |
| Museum | 20 | 19 |
| Non-DC growth | 18,461 | 16,403 |
| Post retirement benefits | 18,513 | 14,912 |
| Public art acquisition | 5,165 | 5,036 |
| Stormwater fee | (8,236) | (20,162) |
| Theatre | 959 | 905 |
| Trees for Tomorrow program | 599 | 682 |
| Workplace Safety & Insurance Board (WSIB) | 5,511 | 5,370 |
| WSIB excess compensation | 2,501 | 2,093 |
| Total reserves fund | (72,036) | (58,435) |
| Total | 5,460,228 | 5,219,573 |

15. COMMITMENTS

As at December 31, 2022, the City is committed to minimum annual operating lease payments for premises and equipment as follows:

| | |
|---------------------|--------------|
| 2023 | \$99 |
| 2024 | 99 |
| 2025 | 99 |
| 2026 | 99 |
| 2027 | 84 |
| 2028 and thereafter | 43 |
| Total | \$523 |

16. CONTINGENCIES

Unsettled Legal Claims and Potential Other Claims

The City 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.

17. SEGMENTED INFORMATION

The City is a diverse municipal government that provides a wide range of services to its citizens. For management reporting purposes, the City’s operations and activities are organized functionally based on services provided. Certain allocation methodologies are employed in the preparation of segmented financial information. User charges and other revenues are allocated to the segments based upon the segment that generated the revenue. Government transfers are allocated to the segment based upon the purpose for which the transfer was made. Deferred revenues earned and developer contributions are allocated to General Government.

The segmented information with a brief description of the service area is as follows:

a) General Government

General government service area includes the Office of Mayor and Members of Council, Chief Administrative Officer, People Services, Legal, Sustainability Office, Legislative Services, Financial Services, Corporate Communications and Community Engagement, and Information Technology Services. The departments are responsible for general governance and corporate management.

b) Protection to Persons and Property

Protection service area includes Fire and Emergency Services and Building Standards. The departments are responsible to perform fire prevention and protection, fire alarm, building services and other auxiliary services.

c) Transportation Services

Transportation service area includes Roads, Parking Control and Asset Management. The departments are responsible for road maintenance, hard-top and loose-top maintenance, winter patrol, salt, sanding, snow removal, street lighting and administration of facilities and parking.

d) Environmental Services

Environmental service area includes Waterworks and Waste Management. The departments are responsible for the administration of the sanitary and storm sewer system, distribution of water, and the administration of garbage collection and garbage recycling.

e) Recreation and Cultural Services

The recreation and cultural service area includes Park, Recreation services, Culture services and Markham Public Libraries. The departments are responsible for providing and facilitating the development and maintenance of high-quality parks, recreation services and cultural services, and administration of libraries.

f) Planning and Development Services

Planning and development services area includes Planning and Urban Design and Engineering. The departments are responsible for administration of land use plans and policies for sustainable development of the City.

g) Other

The Legislative Services department is responsible for administration of cemetery maintenance and morgues.

| | General government | Protection to persons and property | Transportation services | Environmental services | Recreation and cultural services | Planning and development | Other | 2022 | 2021 |
|--|--------------------|------------------------------------|-------------------------|------------------------|----------------------------------|--------------------------|-------------|----------------|----------------|
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Revenues | | | | | | | | | |
| Property taxes | 174,977 | - | - | - | - | - | - | 174,977 | 168,375 |
| User charges | 4,332 | 11,171 | 27,869 | 140,047 | 17,001 | 16,241 | - | 216,661 | 201,157 |
| Government transfers | 25,962 | - | - | 2,066 | 945 | 470 | - | 29,443 | 27,348 |
| Contribution from developers and others | 86,041 | - | - | - | - | - | - | 86,041 | 362,369 |
| Investment income | 18,911 | - | - | - | - | - | - | 18,911 | 12,101 |
| Tax penalties | 6,044 | - | - | - | - | - | - | 6,044 | 6,414 |
| Profit/(loss) on sale of tangible assets | 282 | - | - | - | - | - | - | 282 | (1,622) |
| Deferred revenue earned | 133,302 | - | - | - | - | - | - | 133,302 | 40,101 |
| Equity income from Markham Enterprises Corporation | 12,086 | - | - | - | - | - | - | 12,086 | 20,121 |
| Other | 16,523 | 474 | 841 | 844 | 751 | 312 | 3 | 19,748 | 20,059 |
| Total revenues | 478,460 | 11,645 | 28,710 | 142,957 | 18,697 | 17,023 | 3 | 697,495 | 856,422 |
| Expenses | | | | | | | | | |
| Salaries, wages and employee benefits | 35,397 | 51,727 | 15,577 | 8,002 | 41,824 | 8,925 | - | 161,452 | 130,871 |
| Operating materials and supplies | 12,809 | 1,750 | 5,393 | 1,444 | 11,942 | 945 | 20 | 34,303 | 29,431 |
| Contracted services | 13,460 | 2,608 | 14,568 | 129,741 | 9,270 | 8,054 | - | 177,701 | 159,169 |
| Rents and financial expenses | (2,079) | 157 | 161 | 2,910 | 555 | 171 | - | 1,875 | 1,520 |
| External transfers to others | 121 | - | - | - | 42 | - | - | 163 | 447 |
| Long term debt charges | 305 | - | - | - | - | - | - | 305 | 334 |
| Amortization of tangible capital assets | 3,358 | 1,716 | 32,009 | 24,719 | 19,239 | - | - | 81,041 | 80,114 |
| Total expenses | 63,371 | 57,958 | 67,708 | 166,816 | 82,872 | 18,095 | 20 | 456,840 | 401,886 |
| Annual surplus/(deficit) | 415,089 | (46,313) | (38,998) | (23,859) | (64,175) | (1,072) | (17) | 240,655 | 454,536 |

18. BUDGET FIGURES

The budget figures presented in these consolidated financial statements are based on the Council approved 2022 budget. The following table reconciles the approved budget figures as presented in these consolidated financial statements using the accrual basis of accounting.

| | 2022 | 2021 |
|----------------------------------|----------------|----------------|
| Revenues | \$ | \$ |
| Approved operating budget | 423,455 | 415,765 |
| Approved capital budget | 110,263 | 103,259 |
| Transfer from reserve funds | (53,023) | (60,076) |
| Total revenues | 480,695 | 458,948 |
| Expenses | | |
| Approved operating budget | 423,455 | 415,765 |
| Transfer to reserve funds | (56,910) | (62,008) |
| Expenses not capitalized | 29,972 | 18,399 |
| Post-employment benefit expenses | 822 | 341 |
| Amortization | 79,345 | 80,117 |
| Total expenses | 476,684 | 452,614 |
| Annual surplus | 4,011 | 6,334 |

19. TRUST FUNDS

Trust funds administered by the City for the benefit of others amounting to \$2,449 (2021 - \$2,445) have not been included in the Consolidated Statement of Financial Position of the City nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus of the City. The details of the trust funds are as follows:

a) Morgan Park Trust Fund

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 can be used to offset certain maintenance costs of Morgan Park. As at December 31, 2022 the trust fund balance was \$89 (2021 - \$88).

b) 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. As at December 31, 2022 the trust fund balance was \$1,299 (2021 - \$1,299).

c) Markham Environmental Advisory Committee Trust Fund

The Markham Environmental Advisory Committee (previously 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 Environmental Advisory Committee. As at December 31, 2022 the trust fund balance was nil (2021 - \$nil).

d) Cemetery Trust Fund

The Cemetery Trust Fund was 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 is used towards the maintenance, security and preservation of the cemetery, its grounds, buildings, equipment and markers in accordance with the Regulations. As at December 31, 2022 the trust fund balance was \$944 (2021 - \$943).

e) 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. As at December 31, 2022 the trust fund balance was \$11 (2021 - \$11).

f) Markham History - Research and Publication Trust Fund

The Markham History – Research and Publication Trust Fund was established by Council Resolution on June 1, 2004 to plan and monitor the implementation of research, writing, digitizing and production of historical media that illuminates various themes in Markham’s history. As at December 31, 2022 the trust fund balance was \$106 (2021 - \$104).

20. CONTRACTUAL RIGHTS

City revenues to be generated in the future, in relation to existing lease agreements are approximately \$33,088. The City has also entered into Provincial funding agreements, whereby the estimated future funding is \$10,887.

| Year | Lease agreements | Provincial funding agreements |
|---------------------|------------------|-------------------------------|
| 2023 | 4,931 | 10,887 |
| 2024 | 4,666 | - |
| 2025 | 4,619 | - |
| 2026 | 3,466 | - |
| 2027 | 3,411 | - |
| 2028 and thereafter | 11,995 | - |
| Total | \$33,088 | \$10,887 |

21. SUBSEQUENT EVENT

The City has entered into an agreement with a vendor for acquisition of real property and provided a promissory note in the amount of \$94 million on January 3, 2023. The City has also concurrently delivered a letter of credit to the vendor to draw on such letter of credit on, and not before, the maturity date in full and final satisfaction of City’s obligation under the above promissory note.

Five-Year Review (Unaudited)

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| OPERATIONS | | | | | |
| Expenses by Function | | | | | |
| General Government | \$63,371 | \$48,676 | \$46,714 | \$44,799 | \$52,289 |
| Protection to persons and property | 57,958 | 55,182 | 51,704 | 52,041 | 49,254 |
| Transportation Services | 67,708 | 60,243 | 64,260 | 75,509 | 61,103 |
| Environmental Services | 166,816 | 162,625 | 159,650 | 159,498 | 146,179 |
| Recreation and Cultural Services | 82,872 | 61,810 | 73,195 | 85,622 | 88,324 |
| Planning and Development Services | 18,095 | 13,328 | 13,033 | 10,986 | 12,803 |
| Other | 20 | 22 | 29 | 24 | 34 |
| | \$456,840 | \$401,886 | \$408,585 | \$428,479 | \$409,986 |
| Revenues by Source | | | | | |
| Taxation (includes supplementary & payments in lieu) | \$174,977 | \$168,375 | \$167,013 | \$162,536 | \$156,737 |
| User Charges | 216,661 | 201,156 | 183,161 | 189,080 | 192,852 |
| Government Transfers | 29,443 | 27,348 | 20,112 | 15,573 | 11,158 |
| Contribution from developers | 86,041 | 362,369 | 53,025 | 41,637 | 128,130 |
| Investment income | 18,911 | 12,101 | 14,201 | 14,824 | 15,726 |
| Deferred revenue earned | 133,302 | 40,101 | 14,365 | 65,543 | 20,543 |
| Equity pick up in Markham Enterprises Corporation | 12,086 | 20,121 | 15,486 | 11,476 | 21,327 |
| Other revenue | 26,074 | 24,851 | 7,397 | 20,088 | 14,933 |
| | \$697,496 | \$856,422 | \$474,759 | \$520,757 | \$561,406 |
| Accumulated Surplus | | | | | |
| Surplus for the year | \$240,655 | \$454,536 | \$66,174 | \$92,278 | \$151,420 |
| Accumulated Surplus, beginning of Year | 5,219,573 | 4,765,037 | 4,698,863 | 4,606,585 | 4,455,165 |
| Accumulated Surplus, end of Year | \$5,460,228 | \$5,219,573 | \$4,765,037 | \$4,698,863 | \$4,606,585 |
| RESERVES AND RESERVE FUNDS | | | | | |
| Reserves | \$268,402 | \$242,539 | \$183,962 | \$173,529 | \$167,585 |
| Reserve Funds | (72,036) | (58,435) | (59,117) | (43,476) | (16,967) |
| | \$196,366 | \$184,104 | \$124,845 | \$130,053 | \$150,618 |
| Tangible Capital Assets | | | | | |
| Cost | \$6,019,828 | \$5,831,851 | \$5,376,267 | \$5,289,921 | \$5,121,358 |
| Amortization | 1,260,095 | 1,206,538 | 1,252,791 | 1,096,451 | 1,035,858 |
| Net book value | 4,759,733 | 4,625,313 | 4,123,476 | 4,193,470 | 4,085,500 |
| Assets under construction | 132,403 | 36,873 | 42,284 | 24,379 | 27,857 |
| Total Tangible Capital Assets | \$4,892,136 | 4,662,186 | 4,165,760 | 4,217,849 | 4,113,357 |

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|------------------|--------------------|------------------|------------------|------------------|
| NET FINANCIAL ASSETS | | | | | |
| Financial Assets | | | | | |
| Cash and cash equivalents | \$415,527 | \$516,645 | \$371,353 | \$344,476 | \$389,141 |
| Property taxes receivable | 34,792 | 34,147 | 37,506 | 26,653 | 25,691 |
| Accounts receivable | 62,548 | 62,791 | 59,477 | 61,016 | 59,026 |
| Investment in Markham Enterprises Corporation | 398,438 | 394,816 | 384,983 | 381,477 | 380,312 |
| Total Financial Assets | \$911,305 | \$1,008,399 | \$853,319 | \$813,622 | \$854,170 |
| Financial Liabilities | | | | | |
| Accounts payable and accrued liabilities | \$157,165 | \$191,655 | \$140,962 | \$151,241 | \$148,524 |
| Deferred revenue | 145,632 | 221,530 | 173,584 | 142,603 | 172,847 |
| Employee future benefits liabilities | 40,294 | 34,433 | 34,305 | 32,103 | 31,649 |
| Long term liabilities | 8,448 | 9,260 | 10,043 | 10,800 | 11,530 |
| Total Financial Liabilities | \$351,539 | \$456,878 | \$358,894 | \$336,747 | \$364,550 |
| NET FINANCIAL ASSETS | \$559,766 | \$551,521 | \$494,425 | \$476,875 | \$489,620 |
| NET LONG TERM DEBT | | | | | |
| Net long-term liabilities - City of Markham Purposes | 8,448 | 9,260 | 10,043 | 10,800 | 11,530 |
| Annual debt repayment limit prescribed by province | \$90,337 | \$93,810 | \$91,331 | \$88,023 | \$85,353 |
| Per capita | \$0.25 | \$0.27 | \$0.26 | \$0.25 | \$0.24 |
| Percentage of taxable assessment | 0.0001% | 0.0001% | 0.0001% | 0.0001% | 0.0001% |
| Annual charges for net long-term liabilities | | | | | |
| Principal & Interest - City of Markham Purposes | \$1,130 | \$1,130 | \$1,130 | \$1,130 | \$1,130 |
| As a percentage of Revenue | 0.16% | 0.13% | 0.24% | 0.21% | 0.20% |
| Per Capita | \$0.003 | \$0.003 | \$0.003 | \$0.003 | \$0.003 |
| CONSOLIDATED EXPENSES BY OBJECT | | | | | |
| Salaries, wages & employee benefits | \$161,452 | \$130,871 | \$134,247 | \$143,121 | \$148,082 |
| Operating materials and supplies | 34,303 | 29,431 | 28,778 | 39,863 | 33,206 |
| Contracted services | 177,701 | 159,169 | 164,040 | 164,549 | 149,221 |
| Rents and financial expenses | 2,180 | 1,854 | 1,805 | 2,351 | 2,718 |
| External transfers to others | 163 | 447 | 457 | 407 | 375 |
| Amortization - tangible capital assets | 81,041 | 80,114 | 79,258 | 78,188 | 76,384 |
| Total expenses by object | \$456,840 | \$401,886 | \$408,585 | \$428,479 | \$409,986 |

| | | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|-------------------------------------|---------------|---------------|---------------|--------------|--------------|
| TAXABLE ASSESSMENT | | | | | | |
| Residential, multi-residential and farm | | 91,564,975 | 90,321,301 | 89,144,793 | 81,616,967 | \$71,361,563 |
| Commercial - all classes | | 11,273,397 | 11,300,973 | 11,339,344 | 10,880,640 | 10,444,369 |
| Industrial - all classes | | 1,432,932 | 1,431,201 | 1,413,400 | 1,390,877 | 1,327,924 |
| Pipeline & managed Forests | | 96,012 | 95,885 | 95,621 | 92,640 | 2,266,896 |
| | | \$104,367,315 | \$103,149,360 | \$101,993,158 | \$93,981,125 | \$85,400,752 |
| Commercial and Industrial as a percentage of taxable assessment | | 12.17% | 12.34% | 12.50% | 13.06% | 13.78% |
| PROPERTY TAXATION | | | | | | |
| Tax Rates/Mill Rates (Note 1) | | % | % | % | % | % |
| <i>Residential</i> | City of Markham | 0.156059 | 0.153483 | 0.153572 | 0.162273 | 0.173226 |
| | Region of York | 0.335958 | 0.326425 | 0.321619 | 0.336549 | 0.350606 |
| | School Boards (Public and Separate) | 0.153000 | 0.153000 | 0.153000 | 0.161000 | 0.170000 |
| | | 0.645017 | 0.632908 | 0.628191 | 0.659822 | 0.693832 |
| <i>Multi-residential</i> | City of Markham | 0.156059 | 0.153483 | 0.153572 | 0.162273 | 0.173226 |
| | Region of York | 0.335958 | 0.326425 | 0.321619 | 0.336549 | 0.350606 |
| | School Boards (Public and Separate) | 0.153000 | 0.153000 | 0.153000 | 0.161000 | 0.170000 |
| | | 0.645017 | 0.632908 | 0.628191 | 0.659822 | 0.693832 |
| <i>Commercial - full rate</i> | City of Markham | 0.207887 | 0.204455 | 0.204573 | 0.207612 | 0.213467 |
| | Region of York | 0.447530 | 0.434831 | 0.428429 | 0.430581 | 0.432052 |
| | School Boards (Public and Separate) | 0.880000 | 0.880000 | 0.896686 | 0.931834 | 0.966480 |
| | | 1.535417 | 1.519286 | 1.529688 | 1.570027 | 1.611999 |
| Commercial - vacant units, excess land percentage of full rate | | 70 | 70 | 70 | 70 | 70 |
| <i>Industrial - full rate</i> | City of Markham | 0.256437 | 0.252203 | 0.252350 | 0.254833 | 0.259372 |
| | Region of York | 0.552046 | 0.536382 | 0.528484 | 0.528517 | 0.524962 |
| | School Boards (Public and Separate) | 0.880000 | 0.880000 | 0.980000 | 1.030000 | 1.090000 |
| | | 1.688483 | 1.668585 | 1.760834 | 1.813350 | 1.874334 |
| Industrial - vacant units, excess land - percentage of full rate | | 65 | 65 | 65 | 65 | 65 |
| Taxes Levied | | | | | | |
| City of Markham | | \$173,328 | \$168,375 | \$167,013 | \$162,536 | \$156,737 |
| Region of York | | 365,295 | 351,824 | 343,801 | 329,994 | 312,140 |
| School Boards (Public and Separate) | | 247,227 | 246,384 | 250,425 | 245,656 | 238,168 |
| | | \$785,850 | \$766,583 | \$761,239 | \$738,186 | \$707,045 |
| Taxes Collected | | | | | | |
| | | \$785,204 | \$769,942 | \$750,386 | \$737,123 | \$675,896 |
| Total Tax Arrears (Taxes Receivable) | | | | | | |
| Per capita | | \$97.71 | \$96.47 | \$106.78 | \$76.37 | \$73.73 |
| Population | | 356,060 | 353,982 | 351,251 | 349,007 | 347,103 |
| Percentage of current levy | | 4.43% | 4.45% | 4.93% | 3.61% | 3.62% |

Note: (1) Average Residential Tax Bill for 2022 was based on Current Value Assessment \$839,526.

TEN LARGEST CORPORATE PROPERTY TAXPAYERS

| Owner | Assessment Value \$ |
|--|----------------------|
| 1 Ontrea Inc. | 481,152,000 |
| 2 Ruland Properties | 365,464,500 |
| 3 IBM Canada Ltd. | 305,032,000 |
| 4 Neamsby Investments Inc | 290,422,000 |
| 5 E Manson Investments Limited Zureit Holdings Limited | 177,360,000 |
| 6 Wahta Developments Inc | 144,030,000 |
| 7 ACC Complex Inc | 135,993,000 |
| 8 Wismer Markham (Commercial) Developments Inc | 114,392,000 |
| 9 3500 Steeles Ave East Inc | 105,566,000 |
| 10 Canadian Property Holdings (Ontario) Inc | 101,813,000 |
| Top Ten - Assessment Total | 2,221,224,500 |

TOP 10 EMPLOYERS (BY NUMBER OF EMPLOYEES)

| |
|-------------------------------------|
| 1 IBM Canada Limited |
| 2 York Region District School Board |
| 3 TD Waterhouse Inc |
| 4 Markham Stouffville Hospital |
| 5 CGI Information Systems |
| 6 Aviva Canada |
| 7 City of Markham |
| 8 Saint Elizabeth Health Care |
| 9 Homelife Landmark Realty Inc |
| 10 AMD Technologies Inc |

Awards in 2022

Distinguished Budget Presentation Award

- Government Finance Officers Association (GFOA), consecutively since 2000

Canadian Award for Financial Reporting

- Government Finance Officers Association (GFOA) consecutively since 2001

AI Pothole Detection

- PEO York Chapter Project of the Year (Medium Categories) – Better Road Practices Using AI
- OPWA Project of the Year Award – Technical Innovation - Innovating Public Service in Road Maintenance in the City of Markham with CityROVER Artificial Intelligence

Smart City

- World Council on City Data – ISO 37120 Platinum-level certification

Varley Art Gallery

- Curatorial Writing Text Between 2,000 to 5,000 words
 - Marissa Largo, “Elusive Desires: Queer Feminist Asian Diaspora and Suburban Possibilities”
- Art Publication Award
 - Annie Wong and Chen Chen, “How to be a Chinese Ally”
- Exhibition Design and Installation
 - Elusive Desires: Ness Lee and Florence Yee, and Marissa Largo, Curator

City of Markham

- Forbes Best Employers





Our Mission Statement

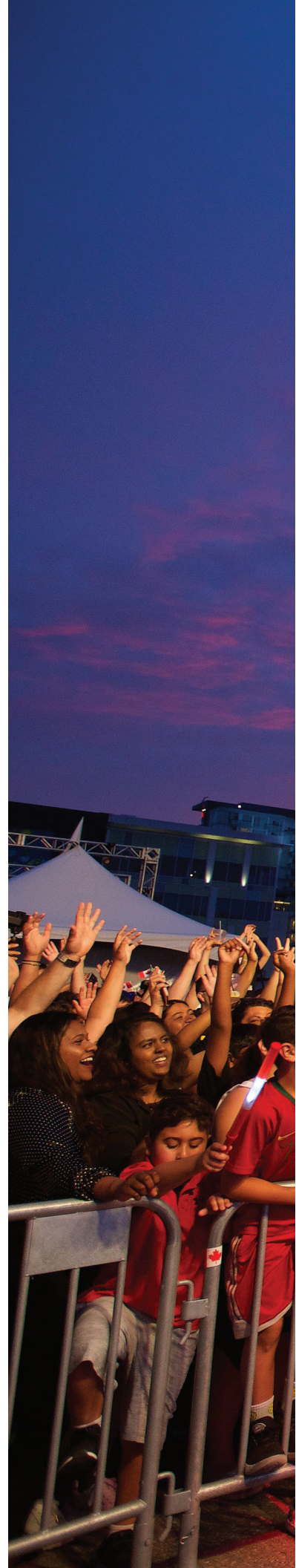
Working with the community to provide high-quality municipal services that meet, if not exceed, the expectations of residents and businesses.

Our Vision

Markham, the leading Canadian municipality – embracing technological innovation, celebrating diversity, characterized by vibrant and healthy communities – preserving the past and building for the future.

Our Values

- Cooperation and teamwork
- Focus on continuous improvement
- Respect for the individual
- Process-driven and prevention-based strategic planning
- Primary focus on the customer
- Responsibility to society
- Leadership through involvement
- Factual approach to decision-making
- People encouraged to make a contribution



After a two-year hiatus due to the Covid-19 pandemic, residents enjoyed 2022 Canada Day celebrations at Markham Centre.





Aerial view of Markham Civic Centre summer 2022 (looking south)

Mayor Frank Scarpitti

City of Markham, Anthony Roman Centre
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