

2014 Annual Report

Year ended December 31, 2014

Markham, Ontario, Canada



Markham Welcomes the World



Markham Pan Am Centre

Markham's Pan Am Centre was officially opened on November 23, 2014. It is located on 2.4 hectares of property in Markham Centre. It is a 13,660 sq.m. (147,000 sq.ft.) multi-sport centre, and home to four TO2015 Pan Am/Parapan Am competitions: badminton; table tennis; water polo and para table tennis.

The 3,344 sq. m. (36,000 sq. ft.) triple gymnasium features 12 badminton courts, six volleyball and two basketball courts, and the 12.5 metre-high (41 feet) ceiling meets international competition standards for volleyball and other sports. The Centre also features a warm-up hall, a two-level fitness area, and the first 50-metre (164 foot) Olympic-sized pool in York Region. The pool has ten lanes and a moveable floor.

Markham's Pan Am Centre also has many sustainability features including a direct connection to Markham District Energy for an efficient and centralized heating and cooling supply, water efficient fixtures and it is also ready for a 450kW photovoltaic system that will be installed by PowerStream Solar in the fall of 2015. These features enable the building to target Leadership in Energy and Environmental Design (LEED) Silver for New Construction, a City requirement for all new large buildings in the community.



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

- Customer Satisfaction;
- Operational Excellence;
- Staff Engagement; and
- 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 (G4-15).

City of Markham

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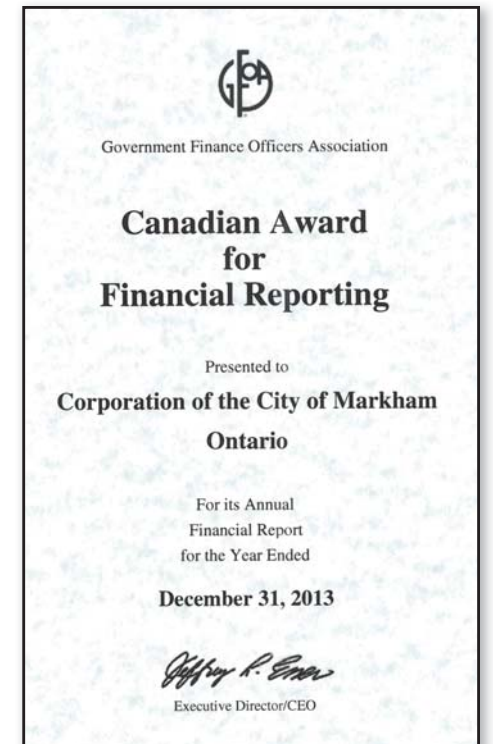
Global Reporting Initiative (GRI)

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The Corporation of the City of Markham's 2014 ANNUAL REPORT (aligned with GRI G4*) has been prepared by the Office of the Chief Administrative Officer and the Corporate Services Commission.

*Markham integrates Sustainability Reporting into its Annual Report, using the Global Reporting Initiative (GRI) Framework. Throughout this Annual Report you will see notations identifying information that is aligned with one of the GRI indicators, as documented on pages 54 and 55.

2014 Annual Report



The City of Markham has been awarded first position in the most recent edition of the Local Government Performance Index (LGPI), after also placing first the previous two years.

The LGPI is a project of the Frontier Centre for Public Policy, an independent public policy think tank that measures the financial performance and transparency of the 100 largest cities in Canada.



We are pleased to present, on behalf of Markham Council and staff, the 2014 Annual Report for the Corporation of the City of Markham (G4-3)*. This year's report is aligned with Global Reporting Initiative's G4 Sustainability Reporting Guidelines.

Through an annual budget process, Council and staff review Markham's programs, projects and services, seeking to provide value for municipal tax dollars through continuous improvement, leadership and fiscal stewardship. General Committee, with the Budget Committee, works to minimize tax rate increases while ensuring the delivery of excellent services to our diverse City and the necessary investments to support a vibrant, growing and sustainable community in the future.

Markham's decision making is guided by its strategic plan, *Building Markham's Future Together* (G4-56). This and other key strategic documents, including the *Greenprint*, Markham's Community Sustainability Plan and our *Official Plan*, help ensure our work is aligned with our seven priorities: Growth; Economic Development; Transportation and Transit; Environment and Sustainability; Leisure, Recreation, Culture and Library; Diversity; and Municipal Services.

We are proud that Markham continues to be recognized as a municipal leader, and we thank everyone who contributed to our outstanding success in 2014.

Frank Scarpitti
Mayor

Logan Kanapathi
Councillor, Ward 7
Budget Chief

Amanda Collucci
Councillor, Ward 6
Budget Vice Chair

General Committee

- Frank Scarpitti, Mayor
- Jack Heath, Deputy Mayor
- Jim Jones, Regional Councillor
- Joe Li, Regional Councillor
- Nirmala Armstrong, Regional Councillor
- Valerie Burke, Councillor, Ward 1
- Alan Ho, Councillor, Ward 2
- Don Hamilton, Councillor, Ward 3
- Karen Rea, Councillor, Ward 4
- Colin Campbell, Councillor, Ward 5
- Amanda Collucci, Councillor, Ward 6
- Logan Kanapathi, Councillor, Ward 7
- Alex Chiu, Councillor, Ward 8

Budget Committee

- Budget Chief**
- Logan Kanapathi, Councillor, Ward 7
- Budget Vice Chair**
- Amanda Collucci, Councillor, Ward 6
- Members**
- Frank Scarpitti, Mayor, Ex Officio
- Jack Heath, Deputy Mayor, Ex Officio
- Nirmala Armstrong, Regional Councillor
- Alan Ho, Councillor, Ward 2
- Don Hamilton, Councillor, Ward 3
- Karen Rea, Councillor, Ward 4
- Alex Chiu, Councillor, Ward 8

Council

Our City is governed by a Council consisting of a Mayor, four Regional Councillors and eight Ward Councillors. All Members of Council are elected for four-year terms; the Mayor, Deputy Mayor and Regional Councillors are elected at large, while Ward Councillors are elected in specific areas (G4-34).

Council exercises its authority through the adoption of resolutions and by-laws. Council members represent the public and consider the well-being and interests of the City, define the strategic priorities of Markham, determine the services the City provides and see that they are delivered in a cost-effective manner. They also ensure administrative and controllership policies, practices and procedures are in place. Council members are subject to the *Ontario Municipal Act* and *Municipal Conflict of Interest Act* (G4-34, G4-41).

The Mayor is Chair of Council and Markham's Chief Executive Officer. As CEO, the Mayor provides leadership to Council, promotes the City both within and outside of Markham, supports public engagement in municipal activities, represents the City to its stakeholders, and drives activities that enhance the economic, social and environmental well-being of Markham and its residents (G4-35, G4-37).

Chief Administrative Officer

The Chief Administrative Officer (CAO) oversees the City's operating departments and ensures that appropriate administrative practices and procedures are in place to carry out Council's decisions. The CAO also advises the Mayor and Members of Council on matters of policy related to the civic administration of Markham (G4-35). Reporting to the CAO, Commissioners, through their departmental directors, are responsible for the day-to-day operations of the City.

Committees

Council is organized into 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 issues. Both Committees forward their recommendations to Council for adoption.

Several advisory committees and sub-committees, composed of residents and one or more Council Members, report to Council through each of the Standing Committees.

Council and Committee meetings are open to the public and may also be heard online. For audio links and meeting times, visit markham.ca.

Mayor and Members of Council

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Ward 8 Councillor Alex Chiu
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Mayor Frank Scarpitti's Message

WELCOMING THE WORLD TO OUR GLOBAL COMMUNITY

In July and August 2015 Markham will welcome forty-one countries to our community to compete at the Pan Am and ParaPan Am Games at our outstanding new facility in Markham Centre, and at the Angus Glen Golf Club. This is an opportunity to showcase everything Markham has to offer: fine restaurants and shops, our vibrant main streets, world class cultural venues and community centres, and our extensive system of park and trails.

In 2014, Markham celebrated the many achievements accomplished over the past six years through our strategic plan, *Building Markham's Future Together (BMFT)*. As a result of all our efforts, Markham is recognized across the country and around the world for our thriving and diverse communities, and our leadership in fiscal management, economic prosperity and sustainability.

Financial Performance

In 2014, Markham continued to exercise strong fiscal leadership on taxes. From 2009 to 2014, Markham's total tax rate increase was 5.49 per cent, or an average of less than one per cent per year, over a six year period. This is the lowest in the GTA.

I am pleased that we have been able to maintain this position with our 2015 tax rate increase of 2.50. Our seven-year tax rate increase of 7.99 per cent is still the lowest in the GTA.

Markham has maintained the lowest industrial and multi-residential tax rates in the GTA since 2009, and the lowest commercial tax rates since 2013. Through innovation, new technology, operational efficiencies and new revenue opportunities we continue our record of fiscal excellence. This leadership in financial management has been recognized by the CD Howe Institute and Frontier Centre for Public Policy. This outstanding record is coupled with the Distinguished Budget Presentation Award and the Canadian Award for Financial Reporting from the Government Finance Officers Association for 14 and 13 years respectively.



Mayor Frank Scarpitti and Members of Markham Council were joined by residents for the celebration of the opening of the Markham Pan Am Centre.

Economic Prosperity and Quality of Life

Markham celebrated the 220 anniversary of its founding by William Moll Berczy in 2014. We are an award-winning heritage community, stimulated through award-winning urban development plans and a thriving commercial sector. Our strategic location along the highway 407 corridor, our GO train and transit links, low taxes, highly educated and diverse workforce makes Markham an attractive location to live and work. In 2014, we announced that AVIVA insurance headquarters for 1,500 employees, and that the Hyundai (Mobis) 550,000 square foot distribution centre would be moving to Markham. In addition Century Link's 100,000 square foot data centre, and the head office expansion of Huawei's Cloud Computing R&D Centre are now completed. These developments reinforce Markham's standing as a highly attractive city for both new and continuing investment.

Highlights in 2014 include exciting new developments such as the completion of the new Markham Pan Am Centre, and the selection of Markham Centre by York University as the preferred location for a proposed new satellite campus location.

A rich quality of life is paramount to economic prosperity. Markham continues to expand and improve its infrastructure through new parks and trails, contemporary community-based centres and cultural facilities, and substantial improvements to our roads infrastructure. Our new Southeast Community Centre and Library is well underway, the Birchmount Road extension and bridge was completed, as were new bridges at Roy Rainey Avenue and Angus Glen Boulevard. We continue to work with all levels of government on transportation and transit improvements such as expanded Go Train service, critical elements of the Metrolinx's plan The Big Move, our mobility hub in Markham Centre and continued expansion of vivaNext transit along Highway 7.

Forging a Sustainable Community

Community sustainability and climate change requires action at all levels of government and Markham has continued to show leadership on this front through the actions of the *Greenprint, Markham's Community Sustainability Plan (G4-1)*. Our energy efficient facilities are built to a LEED Silver minimum, a nationwide-leading curbside waste diversion rate of 82 per cent, conversion of street lights to LED technology, public community gardens, a zero waste policy in all our facilities, tree canopy improvements through *Trees For Tomorrow*, an award-winning district heating and cooling system, and 1.4MW of installed roof top solar systems. These and many other initiatives highlight the leadership Markham is taking at a local level.

An Inspired and Engaged Community

When Markham welcomes the 2015 Pan Am/Parapan Am Games, we will be ready. We have been preparing for over three years to welcome the world to Markham, and our community has made a substantial contribution. Residents, community organizations, and Markham Council and staff have been deeply involved in the preparations of the many countdown celebrations and logistical preparations, and are committed to providing an outstanding experience for our visitors. The Markham Pan Am Centre,

completed in 2014, has already hosted international competitions to high praise. Over 3,000 enthusiastic residents joined Council and staff for the official building opening in 2014 to celebrate our efforts and to signal pride in our community's accomplishments.

It is with similar pride we continue to be at the forefront of the many leading and unique attributes of our community. When athletes and visitors arrive in Markham this July they will experience an inspired, multi-cultural community that is rich in heritage, contemporary in its approach to development and infrastructure, and engaging through our many arts, culture and community entertainment opportunities.



leadership position through a renewed strategy and goals that will focus on:

- enhanced customer service;
- new and innovative technologies;
- growth management;
- continued attention to our road and transit infrastructure;
- retaining our commitment to fiscal prudence, efficiency and transparency;
- community sustainability, environmental enhancement and public realm;
- economic prosperity;
- and, a strong focus on community engagement and maintaining a city that is welcoming to those of all ages, background and abilities.

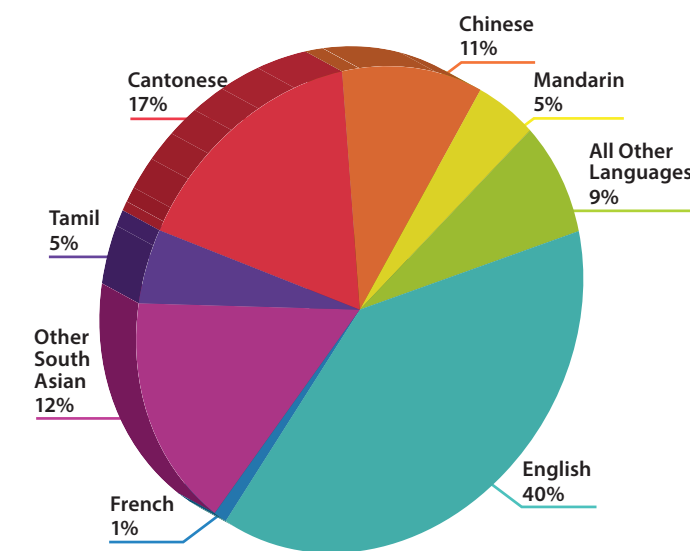
I am very pleased to present this Annual Report as a testament to our success in 2014. It's a tribute to all those who have contributed to the outstanding legacy and foundation we have created over the past six years through *Building Markham's Future Together*.

With the support of our community we will continue to transform Markham as a leading city in Canada to live and play.

Frank Scarpitti

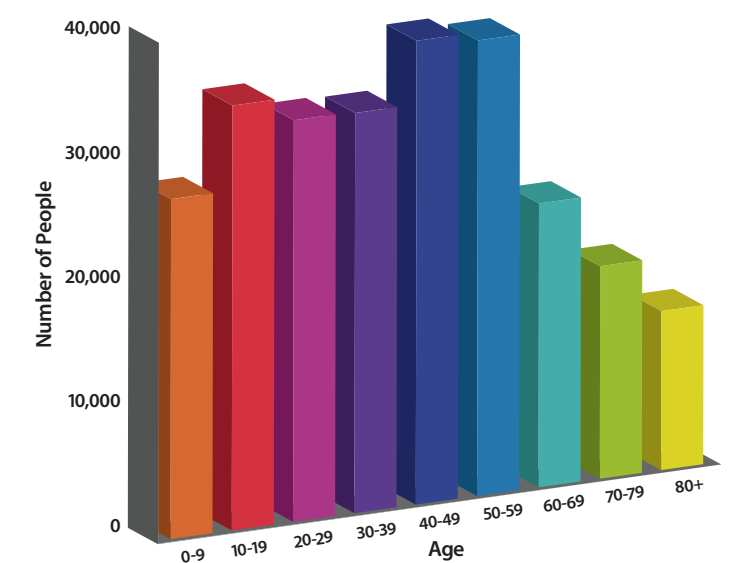
Frank Scarpitti, Mayor
May 2015

Mother Tongue Demographic



Markham continues to be Canada's most diverse city, as confirmed by Statistics Canada's National Household Survey released last year. Over 50 per cent of the City's population has a first language other than English or French.

Population Age Characteristics



Markham is a young and vibrant community, with over 30% of our population under the age of 40. Our city continues to attract businesses, and provides opportunities for all ages.



Chief Administrative Officer's Message

Markham continues to be among the fastest growing communities in the Greater Toronto and Hamilton Area with a population of 345,000, up from 310,000, just four years ago. Smart growth management and strong fiscal planning, coupled with high quality municipal services, have made Markham a top destination for businesses and families. Markham completed its most current phase of *Building Markham's Future Together* (BMFT), our robust strategic plan, with a city-wide celebration event in February 2014, showcasing all of our achievements.

City Projects

A growing city requires new roads, bridges, parks, as well as the utilities and enhanced services to support them. In 2014, Markham continued to focus on building key infrastructure (G4-13):

- Completion of the Markham Pan Am Centre on Enterprise Drive. The facility, with its gym, fieldhouse and Olympic-sized pool, will be a key venue for the Pan Am events: badminton, table tennis, para table tennis and water polo. It will continue to serve as a high performance sports destination facility, attracting provincial, national and international sports team competitions and athletes from across Ontario and beyond.
- Reopening of the Markham Main Street after the reconstruction including significant streetscape enhancements to support local businesses, while preserving heritage features.



Installation of a new stormwater pipe as part of the Markham Flood Control Program.

- Projects to improve traffic flow and reduce congestion:
 - The construction of the new Birchmount Road bridge, to create a new north south arterial route connecting Steeles Avenue to Highway 7.
 - The widening of Warden Avenue north to Major Mackenzie Drive.

Other important City projects underway are:

- The first and second phases of the West Thornhill stormwater construction, part of a city wide program to address Flood Management issues.
- Construction of the Southeast Community Centre and Library, at 14th Avenue and Middlefield Road, with completion planned for 2016.
- Continued implementation of an aggressive program to address damage to City ash trees from the Emerald Ash Borer infestation.
- Markham's mobility hub studies in Markham Centre, to better connect and integrate transit and transportation modes.

Operational Excellence

As part of **Excellence Canada's** service quality framework, Markham staff have continued to focus on Excellence Markham, our program to guide City operations. This program helps us to continuously improve how we manage the City: fiscal management, planning for the future, improving customer service, ensuring efficient and effective systems and engaging our staff.

In 2014, as part of our Excellence Markham framework, the City undertook its ninth bi-annual staff satisfaction survey, which demonstrated significant progress in most areas. Because staff satisfaction is directly linked to quality service delivery to our customers, the City has developed robust action plans to ensure continued improvement across all areas. Staff have also laid the foundation for achieving the highest level in the **Excellence Canada** model. Our plan is to "Go for Gold" in the summer of 2015!

The City has continued to implement our *Excellence Through Efficiency and Effectiveness* program, or E3, to keep operating costs low through the identification of opportunities for cost avoidance, new revenue and cost reductions. By 2014, we had found cumulative expenditure savings/revenue enhancements of over \$15M, thus avoiding a 15 per cent tax rate increase during the same period. In 2015, we will further advance our efforts in this area, continuing our emphasis on operating in a "business-like" manner.

Sustainability Reporting

The City continues to be a leader in Sustainability Reporting (SR) in the municipal sector. This is our fourth year of applying the leading SR framework from the Global Reporting Initiative (GRI) which allows us to articulate our corporate economic, environmental, social and governance performance. Last year we moved with GRI to adopt their new G4 protocol which improved flexibility for reporting. In 2014, we improved the quality of our data collection practices, further enhanced our materiality discussion and improved the GRI introduction in this report.

For 2014, we report on 22 GRI indicators and now have a good base of data to set corporate performance targets as part of our strategic plan. Our corporate focus on the *Greenprint*, Markham's Community Sustainability Plan, a priority area of Energy and Climate, shows results, with a 4.1 per cent reduction in greenhouse gas emission intensity per resident for 2014 (G4-1).

Emergency Preparedness

The 2013 Ice Storm taught us a lot about what can be achieved when City staff and the community come together during an emergency. And while our efforts were very successful both



Crews grind tree stumps away (called stumping) in order to replant new trees in the same location, as part of Markham's Emerald Ash Borer Management Plan.

during the Ice Storm itself and in the months following, there were also a number of lessons learned. We have had the opportunity to talk with key stakeholders, and Council members to develop and report on our improvement plan for emergency preparedness, a plan that will equip us to be even more ready in the future.

In 2014, the City continued its restoration efforts, cutting and stumping trees, removing hazards, clearing parks, and beginning tree replanting. In December 2014, Staff submitted a detailed and well-substantiated claim to the Province for \$7.1M in Ice Storm relief, and we are awaiting final decisions regarding the total funding which will be provided. In the meantime, work continues on replacing the trees lost during the storm and its aftermath in an effort to restore the tree canopy in Markham.

In closing...

This past year has been very productive and our efforts are showing results for the City. Markham is a prosperous and vibrant community in which to do business, work and enjoy an amazing quality of life.

I would like to thank Markham Council for their leadership and support, and to extend my appreciation to our City Staff for their continued commitment to provide responsive, high quality service to our residents.

Andy Taylor, Chief Administrative Officer
May 2015



Data valid as of December 31, 2014.

HOW MARKHAM USES THE GLOBAL REPORTING INITIATIVE

The City of Markham's Annual Report continues to evolve in an effort to maintain transparency and accountability to stakeholders and to better measure the progress made in meeting Markham's *Greenprint* sustainability goals. For the fourth year, Markham has integrated Sustainability Reporting into its Annual Report, using the Global Reporting Initiative (GRI) framework. The GRI establishes standards, called indicators, that specify activities or outcomes to be measured and reported over time so as to present a reliable picture of the organization's social, economic and environmental impacts.

GRI indicators cover both qualitative and quantitative measures. For example, G4-1 specifies that a report must include a statement on sustainability from the Mayor and the Chief Administrative Officer. G4-24 through G4-27 deal with indicators that demonstrate an organization's efforts to engage stakeholders. G4-EN3 calls for measuring energy used within the organization, while G4-EN6 calls for measuring energy reduction.

There are two ways to identify when a GRI reporting requirement has been met: note the indicator's identifier (for example, G4-1) in brackets after the relevant statement or refer to the chart on pages 54 and 55, which provides a complete listing of all of the GRI indicators used in this Report.

GRI indicators guide an organization in choosing what to measure. Each organization sets its own goals and decides how to gather and present the resulting information. Some indicators call for a simple statement or declaration, while other indicators require that quantitative data be presented in graphs or charts.

The City of Markham began using the GRI process in 2011 to improve its ability to demonstrate progress towards its sustainability goals, and last year adopted the latest version, G4 Sustainability Reporting Guidelines. The City has integrated sustainability indicators into this Annual Report, which presents a complete picture of its economic, social and environmental status in a single document.

Materiality Analysis & Stakeholder Engagement

"Materiality" is a yardstick of how important something is to an organization and its stakeholders, and it determines the measures to be included in its reports. Matters of greater importance – greater materiality – are determined by analyzing the organization's own reporting needs and those of its stakeholders. The organization then chooses the Global Reporting Initiative (GRI) standards that best fulfill those needs. This is the foundation of a GRI report.

We have shaped the content of this report based on our materiality analysis, which satisfies the GRI principles for defining report content, sustainability context, completeness and stakeholder inclusiveness. During our materiality analysis, we assessed economic, social and environmental issues that are of most concern to our stakeholders against those that pose risks or present opportunities for the City of Markham (G4-18). Conducting a thorough materiality analysis not only helps us to identify issues that stakeholders want us to cover in our report, but also helps us decide where to focus our internal resources. Areas of potential significance are based on the city's long-term strategic plan, *BMFT* and the *Greenprint* (G4-19). The performance indicators that were chosen were based the city's strategic priorities in these two documents (G4-20).

BMFT was developed to address the issues of most concern to Markham's stakeholders heard through Click with Markham, an on-line survey that asked residents, people who work in Markham, local businesses and other interested parties to share their thoughts on Markham's future direction (G4-26) – in other words, anyone residing, working or owning a business in Markham were invited to be involved (G4-25). More than 5,000 residents and business representatives participated in this stakeholder engagement process (G4-24).

Through the Click with Markham survey, we confirmed seven strategic priorities: growth management; improving transportation; protecting our environment; municipal services; parks, recreation, library and cultural services; public safety; and celebrating diversity (G4-27). These became the foundation of *BMFT* and we have since developed and completed action plans to support those priorities.

The *Greenprint* sets out Markham's vision and priorities for a sustainable future. Input from stakeholders, staff and the community guided the development of the priorities and goals listed in the *Greenprint* (G4-24). This plan has 12 sustainability priorities, of which we are focusing on two: Energy and Climate; and Food Security (G4-27).

Based on our materiality analysis and stakeholder engagement process, we have chosen 22 GRI key performance indicators for measuring our sustainability performance. We self-declare to be in accordance with GRI G4 Core (G4-32).

The City of Markham continually refines its approach to identifying and reporting on its material sustainability issues. To help ensure that our reporting continuously improves and meets our stakeholders' expectations, we will regularly assess which issues are most important to our organization, our stakeholders, and society at large.

Electrical Utility Indicators

Of materiality to the City and its stakeholders is the City's full ownership of Markham District Energy Inc (MDEI) and partial ownership of PowerStream Inc, an electricity distribution and energy services company (G4-17). This is the third year applying the GRI's Electrical Utility indicator to both these businesses (G4-21).

PowerStream delivers a broad array of electricity conservation and demand management programs for its residential, commercial/ institutional and industrial customers. PowerStream reports over 17MW of peak demand and more than 66 GWh of volume savings in 2014 from its customers participating in these programs (G4-DMA).

MDEI delivers heating and cooling from centralized plants via a thermal network that is much more efficient than individual heating and cooling systems in buildings. MDEI works closely with its customers during design, construction, and on-going building operations to optimize energy efficiency.

Both companies have comprehensive health and safety programs in place for employees and contractors, as well as contingency and disaster/emergency management plans and training to ensure continuity of service (G4-DMA).

The Greenprint's Three Pillars of Sustainability

Environmental Health



Protecting or enhancing our ecosystems to ensure biodiversity, clean water, carbon sequestration/oxygen production for the wellbeing of people, animals and plants in our community.

Social and Cultural Well-being



Developing healthy social relationships and partnerships to achieve common goals and meet individual and community needs like health and well-being, nutrition, shelter, education and cultural expression.

Economic Vitality



Promoting opportunities that will provide good quality jobs now and in the future, learning and skills development, re-skilling/training and community development to meet the demands of a low-carbon economy.

GROWTH MANAGEMENT



The Woodbine Corridor

When Markham, the most diverse city in Canada, welcomes the world to the 2015 Pan Am/Parapan Am Games, visitors will see not only the city of today, but also the city of tomorrow.

That's because of work encompassing a whole series of plans over the past several years, all based on our strategic plan, *BMFT*. These include the *Greenprint*, the draft *Official Plan*, and several master plans covering specific areas such as transportation, fire services, and leisure, culture and recreation services. Much of that work entered its final phase in 2014.

The roots of *BMFT* were planted when Markham was designated as a growth municipality under Ontario's 2005 Places to Grow initiative. The plan projects that our population is slated to reach 421,600 by 2031. Markham has accepted the challenge to ensure that growth produces an environmentally and economically sustainable city. We continue to ensure that growth occurs mostly near existing population centres and that our urban infrastructure – our roads and bridges, water, sewer and power utilities, and transportation networks – is capable of handling demands for the foreseeable future.

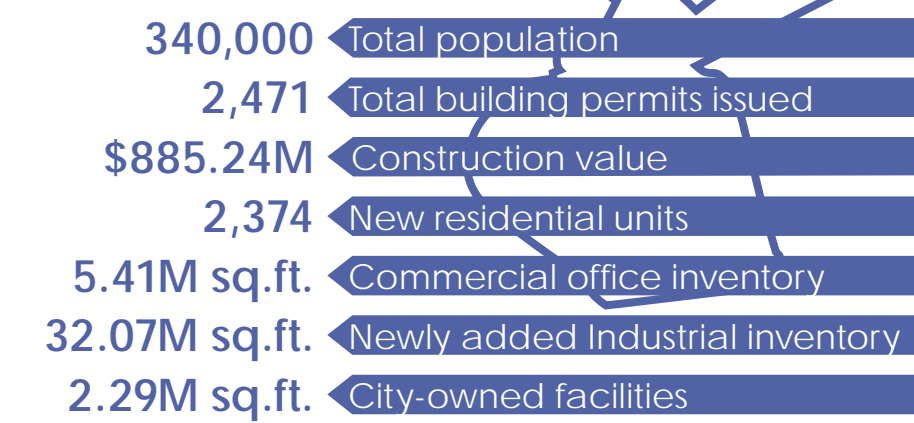
In 2014, we reached several important milestones that support our growth management strategies:

- York Region Council approved our Draft *Official Plan*, the primary document for guiding our city's growth. We developed the plan after extensively consulting stakeholders (G4-SO1).
- To enhance recreation and leisure opportunities, we completed the planning and construction of another six hectares (15 acres) of parkland.
- Following extensive consultations in 2013, Council enacted amendments to the Secondary Plan and Zoning By-law in historic Unionville, allowing restaurants and other complementary usages (G4-SO1). We also restored the historic Stiver Mill, a 1916 tribute to our agricultural heritage.
- Main Street Markham reconstruction was finished in 2014. This historic street offers beautiful pedestrian-friendly features that make this heritage district, with its unique stores and restaurants, a destination for residents and tourists.
- In 2014, our new "Downtown," Markham Centre, progressed significantly. Extending from Highway 7 to Highway 407 and from Kennedy Road to Warden Avenue, this 998-acre site is a model for sustainable development. It will become home to

40,000 new residents and 40,000 new jobs. Its distinctly urban character features higher density development with strong streetscapes complemented by ample green spaces. Housing opportunities will encourage seniors, singles, empty-nesters and families to live and work in our community.

- York University selected Markham Centre as the preferred site for its future campus. In May 2015, the Province announced that Markham was the approved location of a new York University campus. The campus is expected to open in 2018 with 5,000 students, growing to 20,000 in 20 years.

Markham continues to gain widespread recognition at home and abroad. Our carefully planned growth is based on extensive community engagement. The resulting integrated set of plans differentiates Markham from other communities and lays the foundation for sustained economic wellbeing and a great quality of life.



Data valid as of December 31, 2014.

ECONOMIC DEVELOPMENT



Main Street Markham



The New Cineplex in Markham Centre

National and multinational corporations seeking to locate or expand in southern Ontario need look no farther than Markham, where they will find competitive tax rates, a business-friendly environment, modern infrastructure, and municipal services that support their business goals.

Markham's business environment benefits from the lowest commercial and industrial tax rates in the Greater Toronto Area (GTA). Our continuous improvement program has, from 2008 to 2014, resulted in over \$15 million in cost reductions and revenue enhancements. These operational savings avoided what would otherwise have been a 15 per cent tax rate increase over six years. Instead, Markham maintained the lowest cumulative tax rate increase in the GTA over the past six years. Innovation, operational efficiency and leveraging new technologies continue to drive the Corporation's goal of keeping taxes low.

The strategy has proven successful. A number of companies are relocating or expanding their head offices in Markham. There are already more than 1,100 high-tech and life science companies and more than 400 corporate head offices in our city. Major moves made in 2014:

- Aviva Insurance announced it would move its Canadian headquarters and 1,200 jobs to a 365,000 square-foot, 13-storey building now under construction in Markham Centre, opening in 2017.
- Huawei's Markham head office added 75 new sales, marketing and support staff after Huawei announced investments of \$210 million in Ontario over five years.
- Lenovo relocated its Canadian headquarters, with 200 jobs, to Markham.
- York Angel Investors moved its head office into the Markham Convergence Centre.

Other significant developments:

- CenturyLink located its 100,000 square foot data centre, the largest of three Savvis data centres in the Greater Toronto Area, on 14th Avenue.
- Mobis, a division of Korea's Hyundai Corporation, started construction on a 550,000 square-foot distribution centre/warehouse, with completion scheduled for 2015.
- Toshiba established its new Medical Systems Training Centre on Highway 404.
- Shinhan Bank (Korea) and CTCB Bank (Taiwan) opened additional bank branches.

Markham also values the innovation and employment fostered by small businesses. This important economic sector benefits from Markham's Small Business Centre (MSBC), which provides free, confidential business advice and information to entrepreneurs and small business owners. In 2014, MSBC programs included:

- The Summer Company and Starter Company programs which offered micro grants of \$3,000 to \$5,000 to entrepreneurs between 15 and 29 years of age. The programs included training, coaching and mentoring for start-up or existing full-time businesses.
- Weekly training on core start-up early stage business topics, including requirements and regulations, business planning, and, in a recent partnership with the Markham Public Library, market research.

The Markham Convergence Centre houses 22 commercialization organizations such as ventureLAB, a member of Ontario's ONE Network, and provides a creative environment to allow new enterprises to make valuable connections to grow their business.

By leveraging the competitive advantages of an expanding market, an excellent infrastructure, effective transportation links, and a welcoming pro-business attitude, Markham is attracting business investments from across Canada and around the world. In the process, we are extending our employment base and securing our long-term economic future by helping major corporations, start-up companies, and entrepreneurs (G4-EC8).



Data valid as of December 31, 2014.

TRANSPORTATION & TRANSIT



The vivaNext Bus Rapid Transitway

Integrated and efficient transportation and transit systems are important to ensuring Markham remains an attractive destination for business and residents. Our system today and tomorrow depends on the cooperation and funding from our regional, provincial and federal partners, and the support of our residents and business partners.

We started our planning in 2008. Our workshops, seminars, and consultations included a live-streamed forum on transit futures. Feedback clarified the need for Markham to take measures to reduce traffic congestion, improve roads, bridges and highways, extend and improve public transit, and provide alternate forms of transportation.

Since then, working with York Region and Metrolinx, Markham has begun to implement the long-range plan that grew out of those early consultations. In doing so, we've improved our transportation and transit capacity. We've also provided options to promote personal health by encouraging walking and cycling and ensuring environmental sustainability through extended public transit. Our plan spurs on economic development by easing the flow of goods and services.

Among the many examples of intergovernmental collaboration are:

- Enhancing Highway 404 mid-block crossings;
- Improving Steeles Avenue from Markham Road to 9th Line;
- Widening Warden Avenue from 16th Avenue to Major Mackenzie Drive;
- Completing the vivaNext Bus Rapid Transitway on Highway 7;
- Improving the Stouffville GO Rail services; and
- Transforming travel behaviours through public education programs in conjunction with Smart Commute Markham Richmond Hill.

We have created and activated a key component of our transportation strategy – the mobility hub. Mobility hubs offer convenient and efficient transfers across various modes of transportation. The vivaNext Bus Rapid Transitway along Highway 7 is an excellent example. Once completed, it will connect our Markham Centre mobility hub at the Unionville GO station to the future Yonge Street subway extension. In 2014, the transitway was completed east to Warden Avenue.

Other projects, completed after several years of work, are also critical to improving traffic flow (G4-EC7):

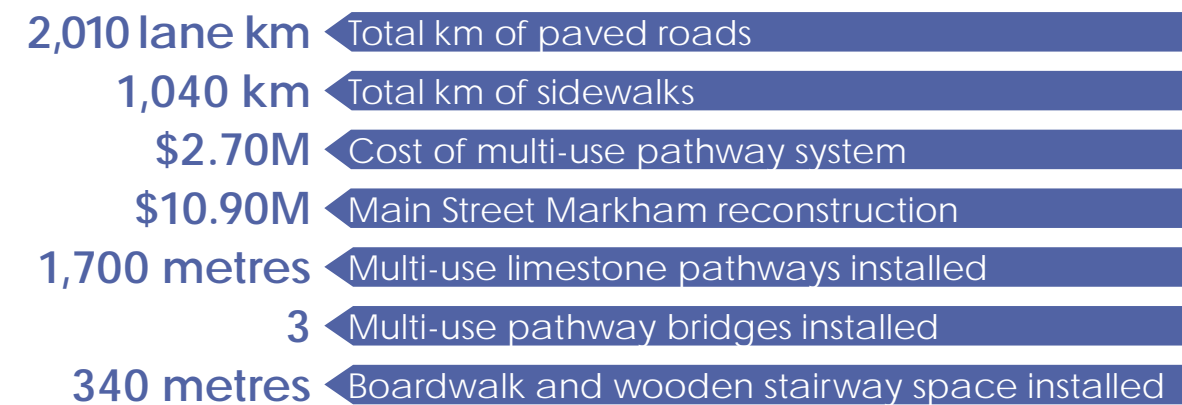
- We completed the reconstruction of Main Street Markham and built a new bridge over the Rouge River on Main Street Markham south.



Widening of Warden Avenue

- The Birchmount Bridge now provides another convenient, efficient road link from Highway 7 to Steeles Avenue, improving mobility for both residents and commerce.
- We completed the North Robinson Creek Bridge.
- We finalized the Markham Road Corridor Transportation Study. One of the cornerstones of planning for Main Street Markham was providing a safe environment for pedestrians and cyclists. That philosophy has extended to all parts of the city. In 2014, we implemented "Share the Road" signage in rural areas, and added to our extensive multi-use pathways system with a path between Toogood and Milne Ponds.

With a substantial portion of transportation work completed in Markham, the city is well on its way to becoming the premier gateway to the Greater Toronto and Hamilton Area (GTHA), and a healthy, attractive and sustainable place to live, work and play.



Data valid as of December 31, 2014.

ENVIRONMENT & SUSTAINABILITY



Cornell Community Garden

Markham leads the way on environmental protection, enhancement and sustainability, while balancing economic prosperity, growth, and the social and cultural health and vibrancy of our communities.

Guided by the *Greenprint*, Markham's Community Sustainability Plan and the specific initiatives that flow from its principles (G4-14), we are well positioned to meet our goals.

To promote energy efficiency in 2014:

- We continued our LED streetlight conversion program of more than 12,000 street lights (60% energy and cost reduction) and retrofitted three arenas with LED lights, resulting in an annual saving of almost \$1 million.
- We used our rooftop solar voltaic system of 1.4 MW, the largest of its kind in any Ontario municipality, to generate almost \$300,000 in revenue.
- Looking ahead, we met the requirements of Ontario Regulation 397/11 by completing our *Corporate Energy Management Plan*, targeting a 5 per cent energy intensity reduction for our facilities by 2019.

Several multi-year projects were completed in 2014, including the *Master Study for City-wide Stream Erosion*, which will guide long-term watercourse restoration and improvements throughout City watersheds. We restored North Robinson Creek. And we also started stormwater construction in West Thornhill as part of phase one of the *Markham Flood Control Program*, a 30-year, city-wide initiative to improve flood control and mitigate risks associated with severe weather events.

In 2014, progress continued towards establishing the Rouge National Urban Park. Along with Parks Canada, the Province and adjacent municipalities, Markham signed an agreement to create the park and eventually contribute 300 acres of City-owned land. We also provided Council-endorsed comments on the *Draft Management Plan*.

Other notable 2014 achievements:

- Established new community gardens at the Markham Fairgrounds and in the Cornell community
- Gained recognition as a founding partner in Toronto Region Conservation Authority's Sustainable Neighbourhood Retrofit Action Plan (SNAP)
- Maintained an 82 per cent curbside waste diversion level, exceeding our "zero waste" target for the second consecutive year
- Expanded Markham District Energy services to the new Markham Pan Am Centre



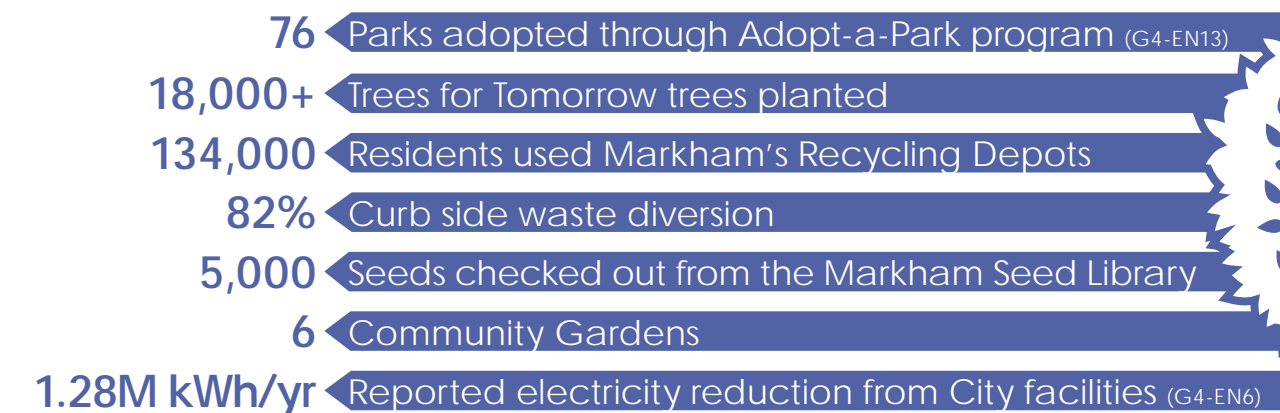
The Evening Earth Walk

We further protected the environment by incorporating changes into the site approval process. These changes recognize the Endangered Species Act, the Migratory Birds Convention Act, and our own award-winning Bird Friendly Guidelines. Along with Council's endorsement of the Guidelines, our amendments earned the City the Provincial OPPI Excellence Award in Planning.

We recognize the importance of working with others to achieve our sustainability goals. Some of our accomplishments in 2014:

- Completed a Green Municipal Funding agreement with the Federation of Canadian Municipalities for a \$4 million low-interest loan and a \$400,000 grant for sustainability improvements to the Cornell Community Centre
- Hosted an Earth Hour walk and concert at Cornell Community Centre and Library
- Secured \$90,000 in provincial funding for the Municipal Energy Plan, and began the stakeholder engagement process

Once again, Markham is using the Global Reporting Initiative (GRI) for Sustainability Reporting. In 2011, we became the first municipality to use the GRI process, a standard used by many Canadian and international corporations. By integrating sustainability indicators into its annual report, the City presents a complete picture of its financial, social and environmental status in a single document, giving residents and other stakeholders one convenient source for important information about their City.



Data valid as of December 31, 2014.

LEISURE, CULTURE, RECREATION AND LIBRARY



Michelle Li Wins Gold at the 2014 Pan American Badminton Championships at the Markham Pan Am Centre



Water Polo at the Markham Pan Am Centre

Markham residents can enjoy healthy, active lifestyles, diverse cultural experiences, quality facilities, and other amenities that sustain our City's social and cultural life, thanks in large part to our 10-year *Integrated Leisure Master Plan*.

As an Official Host City for the 2015 Pan Am/Parapan Am Games, we have been busy getting ready to welcome the world to Markham next July. A "one-year countdown" street festival in Unionville and the official opening of the Markham Pan Am Centre in November attracted thousands of residents. The new centre will host badminton, water polo, table tennis and para table tennis. Angus Glen Golf Club will be the site for golf events; this is the first time golf has been included in the Games, in more than 100 years.

Behind the scenes, we are working hard on several fronts to prepare for the Games. This includes finalizing local area transportation plans for the Markham Pan Am Centre and Angus Glen sites.

We expanded our parks system, completing eleven new parks, including the Roseberry and Civic Mall Parks in Markham Centre. Collaborating with Lake Simcoe Region Conservation Authority (LSRCA) and Toronto and Region Conservation Authority (TRCA), we finished the first phase of the Multi-use Pathway Trail and completed arrangements for attaching that parkland to the Rouge Urban National Park.

Markham's community centres welcomed more than 8 million visitors in 2014 for recreation, leisure and sports activities. All Markham residents have the opportunity to participate in healthy activities, whatever their economic circumstances and wherever they live in the city. To expand those opportunities, Markham:

- joined with York Region and other area municipalities and school boards in the Fair Access Initiative, which provides low cost after school programming in local neighbourhoods;
- provided Swim to Survive programs to Grade 5 students in 23 schools, through a grant program with the Lifesaving Society; and
- hosted the Canadian Women's Hockey League 2014 Clarkson Cup for the third consecutive year.

More than 2.3 million people visited the Markham Public Library in 2014, and we checked out more items per capita than any library system in the GTA. After extensive community engagement, we completed our new strategic plan. To further enhance our services, we are developing strategic partnerships which have resulted in the University and College Fair, Entrepreneurs in Residence speaking

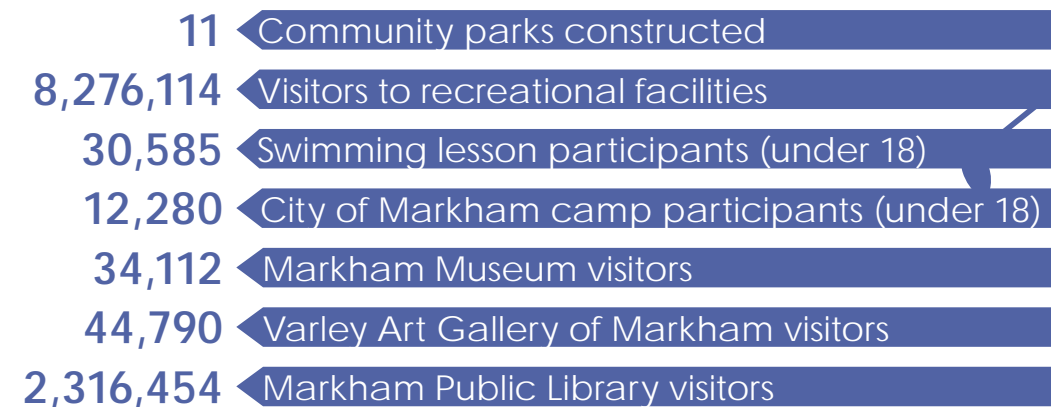
events, PechaKucha Nights, and Orientation to Ontario workshops for newcomers. The library also opened Markham's first public-access digital innovation hub and "media-makerspace" – the CAVE – at the Cornell Library.

We have started to build the South East Community Centre and Library, our eighth library branch. This vibrant facility will improve access for Markham residents, inspiring an informed, literate and engaged community. In addition to library services, the new facilities will include lane, teaching and therapy pools, a triple gymnasium, seniors' and youth spaces, a teaching kitchen, and a fitness area with walking track.

Markham's Flato Markham Theatre, Markham Museum, and Varley Art Gallery provide rich cultural and entertainment experiences for residents through world-renowned exhibitions, artists and entertainers. The Culture Department oversees these facilities and in 2014 launched several initiatives:

- The development of the Corporate Volunteer Management Program;
- The unveiling of public art, including the Henderson Bridge mural and traffic box wraps, through Markham's Public Realm program; and
- The hosting of the ReelWorld Film Festival.

Early in 2014, we launched the Aim to Sustain art competition, challenging Markham residents under the age of 21 to "Share Your Vision of a Sustainable Markham." Contestants were invited to submit their artwork, short story, photograph or poem on the topic, and on Earth Day prizes were awarded in six age categories.



Data valid as of December 31, 2014.

DIVERSITY



Many Faces of Markham

Markham is Canada's most diverse city. Through our City's diversity action plan – Everyone Welcome – we continue to focus on inclusivity. Our goal is to ensure that residents of all ages, backgrounds and abilities are welcomed, valued and engaged.

It all starts with the planning process, and Markham, along with other agencies, made sure accessibility issues were identified and addressed through the full range of services and initiatives.

Our libraries now provide better services for seniors and the print-disabled through the launch of a new digital hub delivered by the Centre for Equitable Library Access (CELA). CELA connects people with learning, physical or visual disabilities to materials in accessible formats. These include books and magazines in audio, e-text and Braille, newspapers in e-text, described videos, and children's picture books with Braille.

Eligible residents may access materials by either downloading them to a computer, smart phone or other device, or by having them delivered directly to their homes.

Markham retrofitted its existing community centres to ensure accessibility. Ongoing capital projects, such as implementing audible signals at street crossings, focus on improving the ability of residents with low vision or blindness to be active in the community. New facilities such as the Markham Pan Am Centre use a variety of innovative accessibility features to ensure ready access and easy viewing for spectators and participants alike. This will equip Markham for the Pan Am/Parapan Am Games and ensure a legacy that can be enjoyed by all in the years to come.

Beginning in 2013, as part of All Access Markham, we were the first municipality to introduce the new eSSENTIAL Accessibility™ software, which, along with the Google Translate, makes our online information instantly available to residents of all ability levels. In 2014, we further upgraded this software along with other features on the web, making them fully compliant with online accessibility standards. We also improved our other internet services by making material on the portal fully accessible to customers with mobile devices, and we enabled customers to create and manage their own profiles, providing them with single-point, personalized access to services and information. More than 60 interactive online services are available anywhere, at any time, and on any device.

In the 2014 municipal election, Markham developed a comprehensive accessibility and diversity plan to reduce barriers to voting. New features such as the expansion of on-line voting to those



Canada Day

using tablets or smart phones provided access to voters anywhere, anytime, and ensured eligible voters with disabilities could vote from the convenience of their home using their own assistive devices.

These programs and services have a single goal – to ensure that Markham not only welcomes the world but does so with inclusivity and without physical or cultural barriers.

Markham celebrates and embraces its diversity and the contribution of residents to our community through its many cultural festivals and activities such as the Many Faces of Markham, Black History Month, the South Asian Festival, Chinese New Year, Taste of Asia, and flag raising ceremonies. Also hosted by the City, annual family events such as Canada Day and the RBC Markham Milliken Children's Festival bring the whole community together to celebrate the diversity that makes Markham great.

- 266 ◀ Items checked out of CELA at Markham Public Libraries
- 23,888 ◀ Large-print materials circulated in Markham Public Libraries
- 10 ◀ Languages, other than English or French, spoken at home
- 58% ◀ Residents who originate outside of Canada
- 33% ◀ Residents who hold post-secondary degrees

Data valid as of December 31, 2014.



MUNICIPAL SERVICES



Roads Yard



Newly Renovated Stiver Mill

Markham understands that its residents expect and deserve excellent municipal services. We use a variety of customer surveys to determine our residents' or clients' expectations, and we strive to continuously improve their service experience.

Last year, by actively engaging staff and residents, we launched a customer service project to develop a new service philosophy, along with the training and tools to implement it. Our goal was to help staff consistently deliver services that would meet or exceed the expectations of our residents and businesses (G4-PR5).

Many notable examples of this commitment to service excellence occurred in 2014. For example, following the 2013 ice storm, City Operations staff worked hard to address the storm damage. Here's what they did:

- Removed 3,100 damaged trees
- Rehabilitated another 10,000 trees
- Developed, as part of the 2014 Budget, a three-year plan for ice storm cleanup and restoration
- Submitted a damage claim for Provincial cost recovery
- Developed an ice storm action plan based on lessons learned

The City also continued its Emerald Ash Borer Management and Response Plan. Based on an inventory and assessing the risk of all tree species across the city, the plan called for removing 6,000 dead ash trees and more than 4,000 stumps. At the same time, our *Trees for Tomorrow* program, which has already planted more than 280,000 trees, last year exceeded our goal for new plantings by more than 50 per cent (G4-EN13).

In 2014, Council approved in principle a Public Realm Strategy and directed staff to seek input from residents. Based on public input, we discovered that residents would like the City to focus on:

- Parks and public places
- Indoor public spaces
- Shopping areas and public events

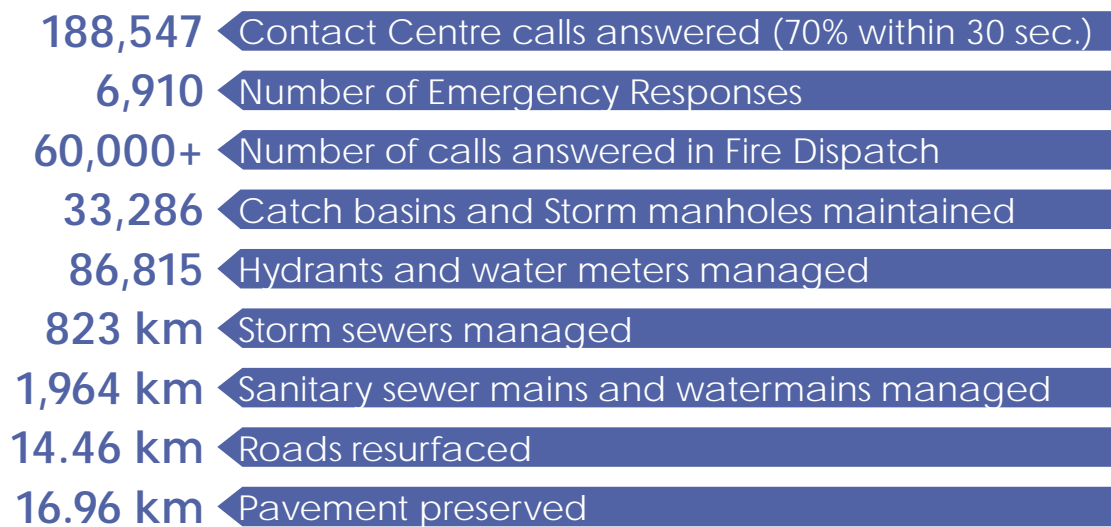
Keeping taxes low requires constant attention to both efficiency and revenue opportunities. For example, in 2014, the City reduced costs to taxpayers by consolidating corporate shredding services into one contract. We generated additional revenue through

the *Waitlist Manual Call Back* – the Personal Touch Program. This program accommodated registrants who may have missed the automated waitlist callback, allowing us to increase registrations in programs that might have otherwise have had unused space. From April to September the additional fees generated about \$70,000 in revenue.

Restoration of two municipal properties, the Daniels Fairy House and Stiver Mill in Unionville, solidified the City's commitment to preserving Markham's heritage.

To strengthen our governance practices, we established a Committee of Adjustment Rules of Procedure By-law and Policy Directives, set into action a Council Code of Conduct, and held a training session for Council with the City's new Integrity Commissioner.

Timely and effective communication is critical to engaging and informing our community about Markham's programs and activities. We extensively use social media, live streaming of important forums and consultations, our mobile app, the award winning web portal, accessible online services, and the quarterly household publication *Markham Life* to create strong connections with the Markham community. We ensure that Markham residents can receive the information they need when and how they choose to access it (G4-SO1).



Data valid as of December 31, 2014.



At the City of Markham, we are very proud of the significant accomplishments achieved this past year. In fact, in 2014, the Mayor and Council, and our community celebrated the completion of year six of Building Markham's Future Together, the strategic plan that has guided the many city-building initiatives that have made Markham prosper.

In 2014, Markham has continued to expand All Access Markham, the suite of online services, and capabilities such as our personalized "single sign-on" on our Portal to provide more seamless service delivery for our customers, 24/7. We have also enhanced our web and social media presence to more actively engage local residents and businesses.

In the 2014 municipal election, enhancements to on-line voting included the ability to vote from electronic devices such as tablets, and smart phones during the online voting period. Markham has offered internet voting since 2003 and the City is considered a global leader in the provision of this voting method. In the 2014 municipal election, enhancements to on-line voting included the ability to vote from electronic devices such as tablets, and smart phones during the online voting period. Voters with disabilities were able to vote independently from home using their personal assistive devices. More than 11,000 eligible voters cast their votes on-line in the 2014 election, an increase over 2010.

We continued our strong focus on fiscal performance. A number of policy-based initiatives have been undertaken to support fiscal sustainability including:

- Development of a robust multi-year budget, which allows a longer range focus on financial forecasting, and investment strategies, while ensuring fiscal stability, to achieve the outcomes required, over time;

- Rigorous procurement planning and ongoing monitoring of capital projects to ensure compliance with policy and timely project delivery;
- Proactive management approach to forecasting of new development and related impacts on municipal tax assessment; and
- Consultation with the non-residential sector regarding the establishment of fees for the city-wide Flood Control Program for non-residential properties.

As Markham grows, staff will continue to actively seek out opportunities to innovate, to leverage technology to achieve efficiencies, and to modernize our services to ensure that residents and businesses receive the best possible value for their tax dollars.

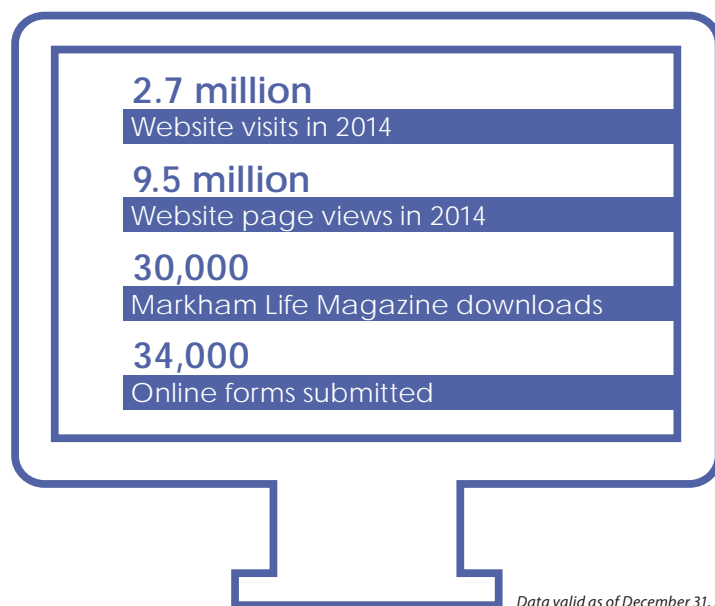
Budget

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

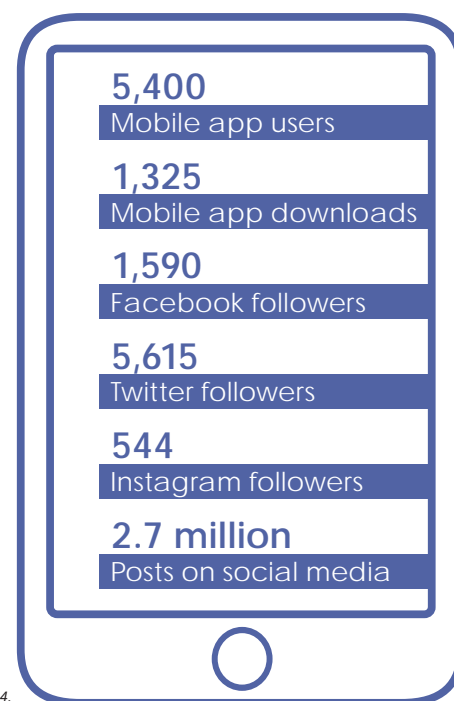
The Budget Committee, which consists of Members of Council, supported by senior staff, encourages input and feedback from stakeholders and uses a management-by-facts approach to ensure taxpayers are receiving value for money.

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

Markham's Digital Reach



Data valid as of December 31, 2014.



Financial Statements

The accompanying Consolidated Financial Statements and all other information included in this report are the responsibility of the management of the City of Markham. Included with the Financial Statements is a report prepared by our external auditor, KPMG LLP.

The auditor has presented an independent opinion that the accompanying Consolidated Financial Statements present fairly, in all material respects, the financial position and operations of Markham.

Markham prepares its financial statements in compliance with the Canadian public sector accounting standards set out in the Public Sector Accounting Board's (PSAB) Handbook of the Chartered Professional Accountants of Canada ("CPA Canada"). It requires Markham's financial statements to provide an accounting of the full nature and extent of the financial affairs and resources for which Markham is responsible.

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. Markham's required measures are included in this report.

Financial Highlights

Markham has conformed to PSAB's accounting standards PS 1100, PS 1200 and PS 3150 since 2009 (G4-15). Under the above accounting standards, the consolidated statement of financial position reflects tangible capital assets as non-financial assets and the residual difference between Markham's assets and debts is reflected as accumulated surplus.

Reporting for Tangible Capital Assets

Tangible capital assets represent a significant investment for Markham and related information is vital for stewardship, accountability and the development of asset management plans. Assets are valued at their historic cost on the date of purchase or construction and are amortized over useful lives.

The residual net book value of these assets represents the value of assets available to serve future generations. The net book value of tangible capital assets at the end of year was \$3,645.3 million (2013 - \$3,556.5 million).

Accumulated Surplus

The accumulated surplus at the year end was \$4,079.5 million (2013 - \$3,992.6 million) which includes Markham's equity interest in Markham Enterprises Corporation \$245.8 million (2013 - \$233.3 million). The following is a summary of the operating surplus and Reserve/Reserve Funds.

Operating Surplus

Revenue from current year's operations was \$366.9 million (2013 - \$379.4 million) while current operating expenses totalled

\$280.0 million (2013 - \$263.8 million) (G4-9). Markham's revenues decreased by \$12.5 million when compared to 2013 mainly due to a reduction in developer contributions and deferred revenues earned. Markham's 2014 year end surplus/(deficit) from operations excluding contributions from developers, revenues relating to tangible capital assets and equity in Markham Enterprises Corporations was \$0.8 million (2013 - (\$4.5 million)).

Reserves and Reserve Funds

As at December 31, 2014, the Reserves and Reserve Funds totalled \$196.1 million (\$238.1 million in 2013). The Reserves and Reserve Funds have been established to fund future operating and capital expenditures, future liabilities, special projects and corporate rate stabilization and working capital requirements.

The net \$42 million reduction to Reserves and Reserve Funds in 2014 can be attributed to capital outflows for major construction projects and changes to funding sources for past land acquisitions for which specific purpose has yet to be determined.

For the past 13 years, our Annual Report has won the Government Finance Officers Association Award for Financial Reporting. We are proud of this accomplishment because it acknowledges our financial data and narrative explanations go well beyond minimum requirements of Generally Accepted Accounting Principles.

I would like to thank Joel Lustig, City Treasurer, and his team for the impressive efforts made to put in place the financial reporting systems that enabled our external auditors to verify Markham's financial statements in a timely manner.

Trinela Cane, Commissioner, Corporate Services
May 2015

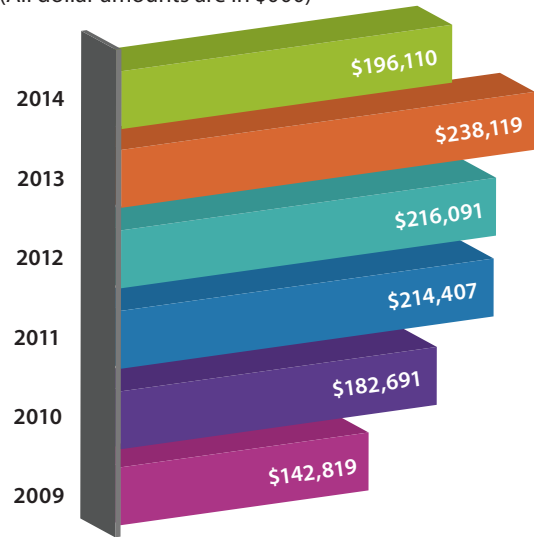
Finance Senior Management Team

- From left to right:**
Mark Visser, Senior Manager, Financial Strategy and Investments
Kishor Soneji, Senior Accountant
Sandra Skelcher, Acting Manager, Financial Reporting and Payroll
Andrea Tang, Manager, Financial Planning
Alex Moore, Senior Manager, Purchasing and Accounts Payable
Joel Lustig, Treasurer
Shane Manson, Senior Manager, Revenues and Property Taxation



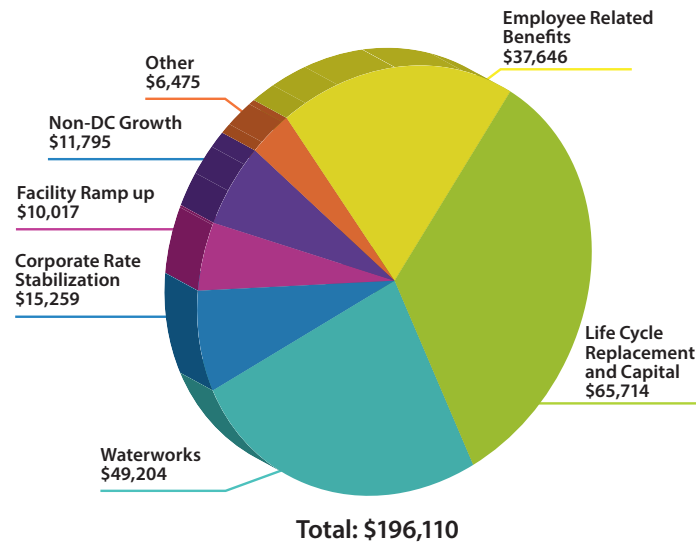
2014 FINANCIAL REPORT AND STATISTICS

Six-Year Reserve and Reserve Fund History
(All dollar amounts are in \$000)

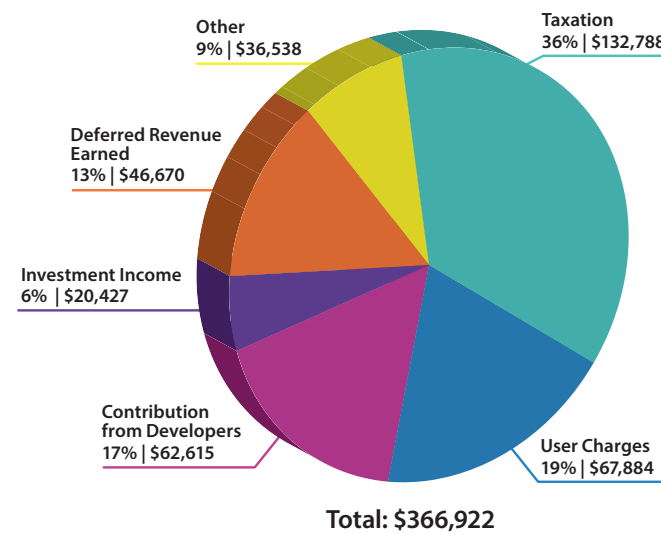


Reserves and Reserve Funds are an allocation of accumulated surplus that is established by Council for a specific purpose. These Funds help the City meet projected capital expenditure needs in upcoming years. In the last six years, from 2009 to 2014, **Markham's Reserves and Reserve Funds have increased by 37.3 per cent.**

Reserve and Reserve Fund Details
(All dollar amounts are in \$000)

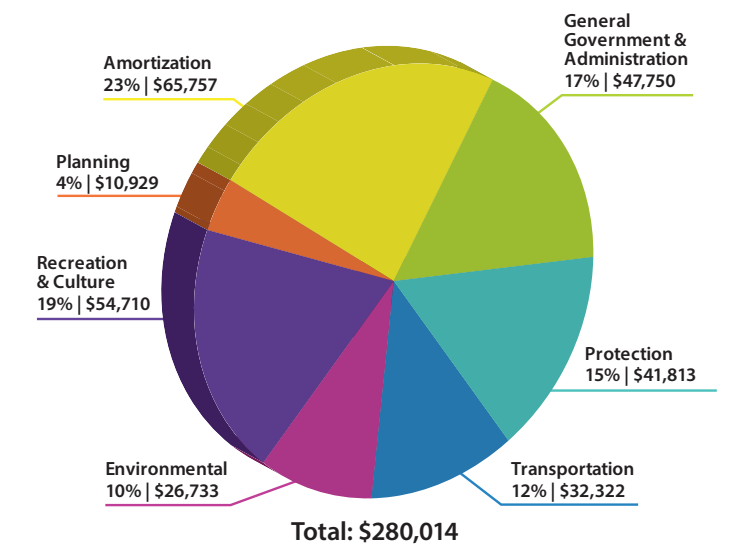


Revenues
(All dollar amounts are in \$000)

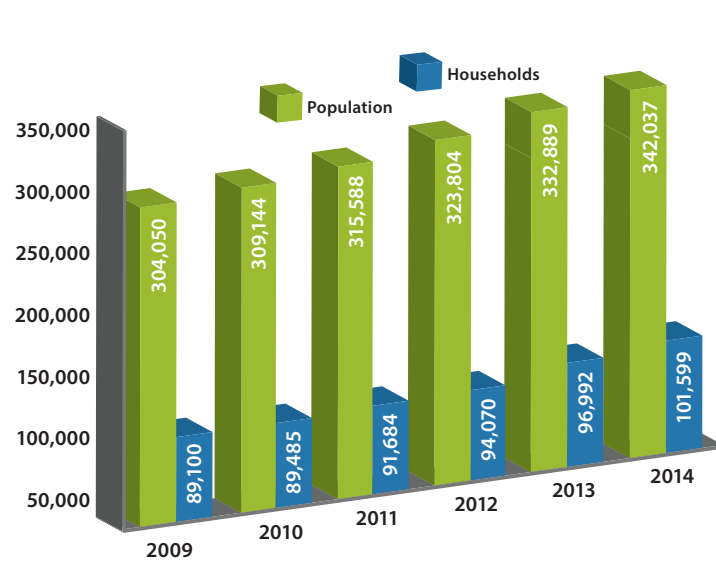


The City's Revenues and Expenses are broken down by distinguishable activity or group of activities (G4-EC1). These segments are considered appropriate for governments who are reporting financial information by type of service.

Expenses
(All dollar amounts are in \$000)

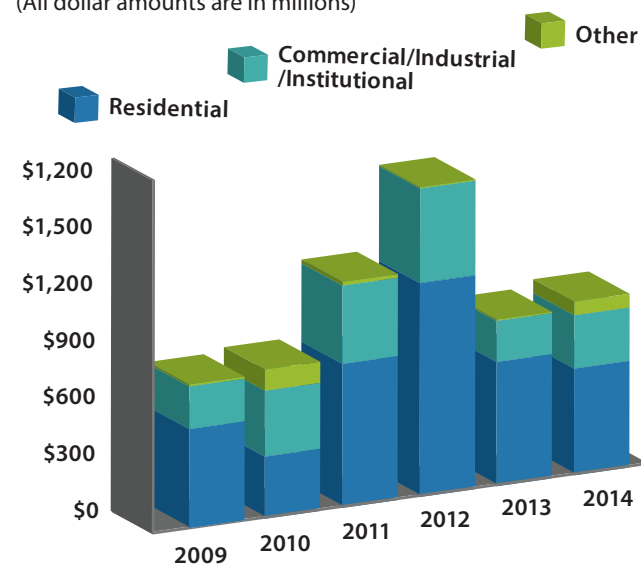


Number of Households and Population



The number of household and population data has been provided by the Office of the CAO for York Region, Long Range Planning Branch, based on Statistics Canada data and Canada Mortgage Housing Corporation information. **In the last six years, from 2009 to 2014, Markham's population increased by 12.5 per cent and the number of households increased by 14.0 per cent.** Our population is expected to grow to 370,000 by 2021.

Value of Construction
(All dollar amounts are in millions)



The construction value being reported is the estimated dollar value of all building permits for new buildings and building additions issued in a calendar year. The dollar value is calculated following a fixed mathematical formula and is determined by the new area in square metres x the multiplier on the Toronto Area Chief Building Officials Committee (TACBOC) Construction Value Standard. The TACBOC Construction Value Standard, first produced for Toronto area municipalities in 1997 and now widely used across the GTA, is a table of average building construction costs in the GTA, and is sourced from several published construction costing guides.

AWARDS & RECOGNITION IN 2014

- The City of Markham was awarded the Canadian Award for Excellence in Financial Reporting from the Government Financial Officers Association (GFOA).
- The City of Markham was awarded the Distinguished Budget Presentation Award from the Government Financial Officers Association (GFOA).
- fDi Magazine awarded the City of Markham the Top 10 Small Cities Award – Best for Business Friendliness.
- Cornell Community Centre & Library was awarded:
 - the International Interior Design Association Award of Excellence;
 - the Association of Registered Interior Designers of Ontario Award of Excellence - Public & Institutional;
 - the Association of Registered Interior Designers of Ontario Award of Merit - Library Millwork;
 - the Park & Recreation Ontario Award of Excellence – Design;
 - the City of Markham Design Excellence Award of Excellence – Building of Significance; and
 - the Athletic Business Conference & Expo Award of Merit.
- The Library Customer Service Revolution Project received the Institute of Public Administration of Canada Award - Gold for Innovative Management.
- The City of Markham Design Excellence Award was awarded to:
 - Stiver Mill in the category of Building of Significance;
 - Markham Pan Am Centre in the categories of Building of Significance, Open Space, Jury and Public Realm; and
 - The Civic Mall in Markham Centre
- Markham's Portal Project – Digital Services for Citizens was the Government Technology Exhibition and Conference (GTEC) Honouree in Service Delivery Excellence
- The WOW (Water on Wheels) Public Outreach Program was awarded the 2014 E.A. Danby Award – Certificate of Merit from the Association of Municipal Managers, Clerks & Treasurers
- In addition to receiving an award for Markham's Zero Waste Program at the Marleigh Retirement, the Recycling Council of Ontario Award also awarded the City of Markham:
 - the Gold award in Waste Diversion for the achievement of 82% Curbside Diversion;
 - the Silver award for Communications of the Markham's Clear Bag Education Program;
 - the Silver award in the category of Municipal Special Program for Markham's Milk Bag Program; and
 - the Bronze award in the category of Municipal Special Project for Markham's Zero Waste for Schools Program.
- Markham's Bird Friendly Guidelines won the Ontario Professional Planners Institute Excellence in Planning Award in the Community Planning and Development Studies/ Reports category.
- Markham received the Federation of Canadian Municipalities - Partners for Climate Protection Milestones 2 and 3 for Markham's Corporate Energy Management Plan that sets GHG reduction targets and the plan to achieve them.
- The City of Markham was awarded the 2014 Job Skills Newcomer Division Award.

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 in to 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 prioritized the distribution of annual operating budget surpluses to various reserves and determined the allocation of revenues from various hydro 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 has eliminated its dependence on balancing its budget by using the prior year's surplus. 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 from which 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 By-law 2004-341

The purpose of the By-law 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 within Markham's Purchasing By-law #2004-341.

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.

INDEPENDENT AUDITORS' REPORT



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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying 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, 2014, the consolidated statement of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the City's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the City of Markham as at December 31, 2014, and its consolidated results of operations and accumulated surplus, 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.

Chartered Professional Accountants, Licensed Public Accountants

April 28, 2015
Toronto, Canada

KPMG LLIP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG Canada provides services to KPMG LLP.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

December 31, 2014, with comparative figures for 2013
(All dollar amounts are in \$000)

	2014	2013
FINANCIAL ASSETS		
Cash and cash equivalents (Note 4)	\$ 310,014	\$ 338,633
Taxes receivable (Note 7)	29,211	30,429
Unbilled user charges	10,472	9,953
Accounts receivable (Note 18)	67,366	57,036
Investment in Markham Enterprises Corporation (Note 19)	245,836	233,349
Other current assets	1,931	2,736
	664,830	672,136
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities (Note 9)	95,301	82,292
Deferred revenues (Note 10)	94,380	117,304
Employee future benefits liabilities (Note 12)	29,687	27,978
Long term liabilities (Note 6)	14,213	10,747
	233,581	238,321
NET FINANCIAL ASSETS	431,249	433,815
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 13)	3,645,299	3,556,532
Inventories of supplies	1,259	869
Inventories of land - heritage estates	94	109
Prepaid expenses	1,581	1,249
	3,648,233	3,558,759
ACCUMULATED SURPLUS (Note 15)	\$ 4,079,482	\$ 3,992,574

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

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

Year ended December 31, 2014, with comparative figures for 2013
(All dollar amounts are in \$000)

	2014 Budget	2014 Actual	2013 Actual
REVENUES			
Taxation	\$ 131,708	\$ 132,788	\$ 125,660
User charges (Note 11)	70,577	67,884	67,790
Government transfers (Note 14)	1,536	17,188	11,702
Contributions from developers and others	-	62,615	64,239
Investment income	19,151	20,427	20,740
Tax penalties	3,500	3,393	3,763
Gain on sale of tangible capital assets	-	42	849
Deferred revenue earned	40,054	46,670	69,151
Equity pick up from Markham Enterprises Corporation (Note 19)	-	5,442	7,648
Interest earned on reserves and reserve funds	-	1,147	1,497
Other	4,223	9,326	6,333
Total Revenues	270,749	366,922	379,372
EXPENSES			
General government	43,189	47,702	33,285
Protection to persons and property	42,327	41,813	41,539
Transportation services	27,057	32,322	35,478
Environmental services	23,729	26,733	28,747
Recreation and cultural services	50,942	54,710	52,674
Planning and development services	6,168	10,929	8,985
Other	38	48	43
Amortization of tangible capital assets	66,675	65,757	63,038
Total Expenses	260,125	280,014	263,789
ANNUAL SURPLUS	10,624	86,908	115,583
ACCUMULATED SURPLUS, BEGINNING OF YEAR	3,992,574	3,992,574	3,876,991
ACCUMULATED SURPLUS, END OF YEAR (Note 15)	\$ 4,003,198	4,079,482	3,992,574

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

(G4-EC1)

CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

Year ended December 31, 2014, with comparative figures for 2013
(All dollar amounts are in \$000)

	2014 Budget	2014 Actual	2013 Actual
ANNUAL SURPLUS	\$ 10,624	\$ 86,908	\$ 115,583
Acquisition of tangible capital assets	(153,124)	(175,143)	(113,251)
Amortization of tangible capital assets	66,675	65,757	63,038
Change in capital work in progress	-	20,549	(41,942)
Disposal/write-down of land and land improvements	-	70	514
	(75,825)	(1,859)	23,942
Acquisition of inventories of supplies	-	(1,259)	(869)
Acquisition prepaid expenses	-	(1,581)	(1,249)
Inventories of land - heritage estates	-	(94)	(109)
Consumption of inventories of supplies	-	869	1,212
Inventories of land - heritage estates	-	109	109
Use of prepaid expenses	-	1,249	1,002
CHANGE IN NET FINANCIAL ASSETS	(75,825)	(2,566)	24,038
NET FINANCIAL ASSETS, BEGINNING OF YEAR	433,815	433,815	409,777
NET FINANCIAL ASSETS, END OF YEAR	\$ 357,990	\$ 431,249	\$ 433,815

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended December 31, 2014, with comparative figures for 2013
(All dollar amounts are in \$000)

	2014	2013
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Annual surplus	\$ 86,908	\$ 115,583
Amortization of tangible capital assets	65,757	63,038
Change in employee future benefits and other liabilities	1,709	1,773
Taxes receivable	1,218	8,721
Accounts receivable	(10,330)	(524)
Unbilled user charges	(519)	(83)
Other current assets	805	331
Accounts payable and accrued liabilities	13,009	(26,203)
Long term liabilities	3,466	(434)
Deferred revenue	(22,924)	(33,923)
Inventories of supplies	(390)	343
Inventories of land - heritage estates	15	-
Prepaid expenses	(332)	(247)
Equity pick up in Markham Enterprises Corporation	(5,442)	(7,648)
Net Change in Cash from Operating Activities	132,950	120,728
CAPITAL ACTIVITIES		
Disposal of tangible capital assets	71	849
Acquisition of tangible capital assets	(154,594)	(155,529)
Net Change in Cash from Capital Activities	(154,523)	(154,680)
INVESTING ACTIVITIES		
Dividend from Markham Enterprises Corporation	5,162	5,585
Increase in share capital of Markham Enterprises Corporation	(12,208)	(3,550)
NET CHANGE IN CASH FROM INVESTING ACTIVITIES	(7,046)	2,035
NET CHANGE IN CASH AND CASH EQUIVALENTS	(28,619)	(31,917)
OPENING CASH AND CASH EQUIVALENTS	338,633	370,550
CLOSING CASH AND CASH EQUIVALENTS	\$ 310,014	\$ 338,633
SUPPLEMENTARY INFORMATION:		
Interest paid	\$ 484	\$ 444
Interest received	\$ 7,154	\$ 7,095

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended December 31, 2014
(All dollar amounts are in \$000)

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:

Reporting Entity

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

Inter-entity transactions and balances are eliminated on consolidation.

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.

Accounting for Region and School Board Transactions

The taxation, 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 financial statements.

Trust Funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the “Trust Funds Statement of Financial Position” and the “Trust Funds Statement of Operations and Fund Balances”.

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.

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.

Deferred Revenue

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

Taxation and Related Revenues

Property tax billings are prepared by the City based on assessment rolls compiled by the Municipal Property Assessment Corporation (“MPAC”). 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 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 taxes. These revenues are recorded in the period the interest and penalties are levied.

The City adopted PS 3510, Tax Revenues that addresses recognition and reporting of tax revenue. This establishes recognition of revenue when they meet the definition of an asset, and are authorized by a legislature or Council when the taxable event occurs.

Employee Future Benefits

The City accounts for its participation in the Ontario Municipal Employee Retirement System (“OMERS”), a multi-employer public sector pension fund, 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 employees 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 employees groups. Unamortized actuarial gains/losses for event-triggered liabilities, such as those determined as claims related to Workers 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. Management, on approval from City Council, has set aside funds specifically for the financing of future costs.

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.

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.

(a) 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 as follows:

<u>Asset</u>	<u>Useful Life - Years</u>
Buildings and building improvements	40
Equipment	5 - 20
Furniture and fixtures	10 - 15
Infrastructure	10 - 100
Library furniture and fixtures	10
Library media collection	7
Parks and pathways	10 - 60
Vehicles	7 - 9
Waterworks equipment	9
Waterworks infrastructure	15 - 100
Waterworks vehicles	7

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.

(b) 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 time of registration.

(c) Works of Art and Cultural and Historic Assets

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

(d) Interest Capitalization

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

(e) Inventories of Supplies

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

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.

Budget Figures

The approved operating and capital budgets for 2014 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.

Segment Disclosure

The City adopted PSAB Standard 2700 for Segment Disclosures. 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 8.

Reporting for Contaminated Sites

The Public Sector Accounting Board (PSAB) Handbook Section PS3260 mandates that for fiscal years beginning on or after April 1, 2014, municipal governments will be required to account for and record liability for contaminated land sites. This section will be applicable to the City in fiscal year 2015.

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:

	2014			2013
	School Boards	Region of York	Total	Total
Taxation	\$ 195,352	\$ 245,193	\$ 440,545	\$ 430,285
Payment in lieu of taxes	234	1,043	1,277	1,294
Supplementary taxes	4,881	6,741	11,622	7,168
Amount requisitioned and transferred	\$ 200,467	\$ 252,977	\$ 453,444	\$ 438,747

3. TRUST FUNDS

Trust funds administered by the City for the benefit of others amounting to \$2,298 (2013 - \$2,282) have not been included in the "Consolidated Statement of Financial Position" nor have their operations been included in the "Consolidated Statement of Operations and Accumulated Surplus". The trust funds have been reported separately on the "Trust Funds Statement of Financial Position" and "Trust Funds Statement of Financial Activities and Fund Balances".

4. CASH AND CASH EQUIVALENTS

	2014	2013
Cash	\$ 75,860	\$ 109,520
Investments	234,154	229,113
	\$ 310,014	\$ 338,633

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 \$245,432 (2013 - \$235,138) at the end of the year. For the year 2014, the average rate of return earned was 4.10% (2013 - 4.35%). Cash balance includes investments in the amount of \$6,000 (2013 - \$54,935) which has a maturity date of less than three months.

5. 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 \$20,274 (2013 - \$19,214) of which \$10,137 (2013 - \$9,607) represented the City's portion (G4-EC3).

Since OMERS is a multi-employer pension plan, the City does not recognize any share of pension plan deficit \$7,078,000 (2013 - \$8,641,000) based on fair market value of the Plan's assets, as this is a joint responsibility of all Ontario municipalities and their employees.

6. LONG TERM LIABILITIES

On July 1, 2010 and April 14, 2014, the City received a loan of \$12,000 from Canada Mortgage Housing Corporation (CMHC) and a \$4,000 low-interest loan from the 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 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% subsidiary of MEC. The loan received on April 14, 2014 was used to fund the cost of Cornell Community Centre.

The loan of \$12,000 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 principle and interest. The first payment was due July 1, 2011. The loan of \$4,000 is to be amortized over a period of 20 years, at an interest rate of 2%. An annual payment to Region of \$244 consists of principal and interest. The first payment was due October 4, 2014.

7. TAXES RECEIVABLE

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

	2014	2013
Current year	\$ 20,919	\$ 21,524
Arrears previous years	9,293	9,906
	30,212	31,430
Less: Allowance for uncollectible taxes	(1,001)	(1,001)
Tax Receivable	\$ 29,211	\$ 30,429

MPAC continues to refine the property assessment based on values updated to 2008 in the City and across the Province. These values were used by the City to compute the 2009 to 2012 property tax bills. In 2012, MPAC re-assessed all properties in Ontario and these values will be used as the basis for 2013 to 2016 property tax bills. However, the property tax revenue and tax receivables of the City are subject to measurement uncertainty as a number of submitted appeals have yet to be heard. As a result, there are remaining outstanding tax appeals retroactive to several years, some of which have not yet been finalized. This additional financial uncertainty continues the need for the allowance established for tax appeals in the amount of \$1,001 (2013 - \$1,001). The provision is required due to a number of different types of tax adjustments, including frozen assessment listing ("FAL") appeals, new construction retroactive appeals, and commercial vacancy rebates. Any supplementary billings adjustments made necessary by the determination of such changes will be recognized in the fiscal year they occur and the effect shared with the Region and School Boards as appropriate.

As part of its 2004 budget, the Ontario Government implemented new provisions through Bill 83 that permitted Ontario municipalities to expand capping provisions for the multi-residential, commercial and industrial classes beginning in the 2005 tax year. The Region adopted these new tax provisions and the effect is to limit annual assessment related tax increases to 10% over the previous year tax level or 5% of previous year full Current Value Assessment ("CVA") taxes. The effect of these policies is to move properties to full CVA taxes sooner. The adjustments caused by this legislation may also impact the amounts of rebates which the area municipalities must issue to certain charitable organizations and the interest and penalties the area municipalities can collect on arrears of taxes where it is subsequently determined that such amounts have been overstated. The Region continues to enforce these provisions.

The program is administered by the Region on behalf of the area municipalities, and therefore, there is no impact on the "Consolidated Statement of Operations and Accumulated Surplus".

8. SEGMENTED INFORMATION (G4-4)

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.

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

General Government:

General government service area includes the Office of Mayor and Members of Council, Chief Administrative Officer, Human Resources, 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.

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.

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 parking.

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.

Recreation and Cultural Services:

The recreation and cultural service area includes Parks Operations, 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 and cultural services, and the administration of libraries.

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.

Other:

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

8. SEGMENTED INFORMATION (continued)

	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Recreation and Cultural Services	Planning and Development Services	Other	2014	2013
REVENUES	\$	\$	\$	\$	\$	\$	\$	\$	\$
Taxation, grants in lieu, assessments	586,232	-	-	-	-	-	-	586,232	564,407
Collection for other authorities	(453,444)	-	-	-	-	-	-	(453,444)	(438,747)
Taxation for City purposes	132,788	-	-	-	-	-	-	132,788	125,660
User charges	2,991	8,347	6,865	26,119	19,903	3,642	17	67,884	67,790
Government transfers	9,840	-	5,599	972	612	165	-	17,188	11,702
Contribution from developers and others	62,615	-	-	-	-	-	-	62,615	64,239
Investment income	20,427	-	-	-	-	-	-	20,427	20,740
Tax penalties	3,393	-	-	-	-	-	-	3,393	3,763
Gain on sale of tangible capital assets	42	-	-	-	-	-	-	42	849
Deferred revenue earned	46,670	-	-	-	-	-	-	46,670	69,151
Equity pick up from Markham Enterprises Corporation	5,442	-	-	-	-	-	-	5,442	7,648
Interest earned on reserves and reserve funds	1,147	-	-	-	-	-	-	1,147	1,497
Other	8,678	16	-	173	454	-	5	9,326	6,333
Total Revenues	294,033	8,363	12,464	27,264	20,969	3,807	22	366,922	379,372
EXPENSES									
Salaries, wages and employee benefits	20,639	40,123	13,108	7,902	36,130	7,345	-	125,247	114,832
Operating materials and supplies	16,513	981	5,240	2,552	10,692	2,988	48	39,014	35,015
Contracted services	11,154	620	13,794	13,892	7,304	(3)	-	46,761	47,768
Rents and financial expenses	(1,377)	89	180	2,387	584	599	-	2,462	2,453
External Transfers to others	289	-	-	-	-	-	-	289	239
Long term debt charges	484	-	-	-	-	-	-	484	444
Amortization of tangible capital assets	3,492	1,282	26,208	20,835	13,940	-	-	65,757	63,038
Total Expenses	51,194	43,095	58,530	47,568	68,650	10,929	48	280,014	263,789
Annual Surplus / (Deficit)	242,839	(34,732)	(46,066)	(20,304)	(47,681)	(7,122)	(26)	86,908	115,583

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

	2014	2013
Trade accounts payable	\$ 46,504	\$ 37,448
Payable to other governments	30,230	22,060
Payroll liabilities	5,490	5,252
Accrued liabilities	13,077	17,532
	\$ 95,301	\$ 82,292

10. DEFERRED REVENUE AND DEPOSITS

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 is the current status of the deferred revenues:

	2014	2013
Development charges	\$ 87,504	\$ 97,926
Parkland cash-in-lieu	(4,349)	286
Federal gas tax	7,156	7,936
Section 37 funds	2,385	4,295
	92,696	110,443
Other deferred revenue and deposits	1,684	6,861
	\$ 94,380	\$ 117,304

11. USER CHARGES

	2014	2013
Water and sewer billings to ratepayers	\$ 90,775	\$ 85,543
Region of York requisitions	(65,735)	(61,845)
City share	25,040	23,698
Building permits	7,098	9,258
Culture venues user charges	2,449	2,418
Engineering fees	1,944	2,583
Facility rentals	7,096	6,896
Licenses	1,474	1,524
Landscaping fees	1,063	697
Parking violations	2,341	2,082
Planning fees	3,637	3,386
Recreation programs	9,827	9,443
Other user charges	5,915	5,805
	\$ 67,884	\$ 67,790

12. EMPLOYEE FUTURE BENEFITS LIABILITIES

	2014	2013
Vacation pay – City	\$ 2,645	\$ 2,767
Vacation pay – Library	131	122
Post-retirement benefits	12,000	11,161
Vested sick leave benefits	6,463	6,406
Long-term disability	6,287	5,688
Workplace Safety & Insurance Board	2,161	1,834
	\$ 29,687	\$ 27,978

Workplace Safety and Insurance Obligations (WSIB)

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 \$2,161 (2013 - \$1,834) and was determined by an actuarial valuation updated December 2013. A Workplace Safety and Insurance Reserve Fund, funded by annual contributions from the Operating Fund, have been established to protect against any unknown future liability.

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 approximately \$6,463 (2013 - \$6,406). The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation.

Post-Retirement Benefits

The City provides for post-retirement benefits (extended health and dental benefits) to eligible retiring employees to age 65. The City recognizes these post-retirement costs as they are earned during the employee's tenure of service. The benefit liability at December 31, 2014 is \$12,000 (2013 - \$11,161). The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation.

Long-Term Disability (LTD)

The City provides long term disability benefits to eligible employees. At the year end, the accrued liability of \$6,287 (2013 - \$5,688) represents the actuarial valuation of benefits to be paid 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 updated December 2014.

Information about the City's defined benefit plans is as follows:

	WSIB	Vested sick-leave	Post-retirement benefits	LTD	2014	2013
Accrued benefit liability, beginning of year	\$ 1,834	\$ 6,406	\$ 11,161	\$ 5,688	\$ 25,089	\$ 23,091
Service cost	233	372	576	1007	2,188	1,989
Interest cost	143	291	689	235	1,358	1,375
Benefit payments	(300)	(632)	(516)	(643)	(2,091)	(1,755)
Amortization of actuarial loss (gain)	251	26	90	-	367	389
Accrued benefit liability, end of year	\$ 2,161	\$ 6,463	\$ 12,000	\$ 6,287	\$ 26,911	\$ 25,089

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 more significant assumptions made:

	WSIB	Vested sick-leave	Post-retirement benefits	LTD
Expected inflation rate	0.00%	N/A	N/A	N/A
Expected level of salary increases	3.00%	3.00%	N/A	N/A
Interest discount rate	4.75%	4.50%	5.50%	4.00%

13. TANGIBLE CAPITAL ASSETS

	Cost				Accumulated amortization				Net Book Value	
	Balance as at Jan. 1, 2014	Additions	Disposals	Balance as at Dec. 31, 2014	Balance as at Jan. 1, 2014	Additions	Disposals	Balance as at Dec. 31, 2014	Balance as at Dec. 31, 2014	Balance as at Dec. 31, 2013
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land and land improvements	1,716,643	25,707	(70)	1,742,280	-	-	-	-	1,742,280	1,716,643
Buildings and building improvements	266,507	77,697	-	344,204	83,418	7,435	-	90,853	253,351	183,089
Equipment	24,753	2,836	(1,224)	26,365	9,636	2,975	(1,224)	11,387	14,978	15,117
Furniture & fixtures	7,418	147	(32)	7,533	3,184	557	(32)	3,709	3,824	4,234
Infrastructure	1,181,871	42,214	(4,593)	1,219,492	367,762	31,657	(4,593)	394,826	824,666	814,109
Library furniture & fixtures	3,301	142	(176)	3,267	1,854	284	(176)	1,962	1,305	1,447
Library media collection	15,099	2,159	(1,247)	16,011	7,148	2,057	(1,247)	7,958	8,053	7,951
Parks and pathways	65,863	9,268	(2,785)	72,346	28,755	3,987	(2,785)	29,957	42,389	37,108
Vehicles	13,289	3,326	(2,404)	14,211	7,070	1,550	(2,404)	6,216	7,995	6,219
Waterworks equipment	1,103	163	(17)	1,249	394	127	(17)	504	745	709
Waterworks infrastructure	971,217	11,426	(261)	982,382	269,381	14,960	(261)	284,080	698,302	701,836
Waterworks vehicles	1,343	58	(54)	1,347	740	168	(54)	854	493	603
Total	4,268,407	175,143	(12,863)	4,430,687	779,342	65,757	(12,793)	832,306	3,598,381	3,489,065
Capital work in progress	67,467	(20,549)		46,918					46,918	67,467
Grand Total	4,335,874	154,594	(12,863)	4,477,605	779,342	65,757	(12,793)	832,306	3,645,299	3,556,532

a) Capital work in progress

Assets under construction having a value of \$46,918 (2013 - \$67,467) 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 contribution assets received during the year is \$44,487 (2013 - \$46,960) comprised of land in the amount of \$19,903 (2013 - \$24,101), roads infrastructure in the amount of \$17,019 (2013 - \$16,767) and water and wastewater infrastructure in the amount of \$7,565 (2013 - \$6,092).

c) Tangible Capital Assets Disclosed at Nominal Values

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value.

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.

14. GOVERNMENT TRANSFERS

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

	2014	2013
Provincial Grant:		
Transportation services	\$ 5,599	\$ -
Environmental services	972	994
Recreation and cultural services	427	421
Planning and development services	165	118
Provincial Total	\$ 7,163	\$ 1,533
Federal Grant:		
General government	\$ 9,840	\$ 9,404
Environmental services	1	10
Recreation and cultural services	184	754
Planning and development services	-	1
Federal Total	\$ 10,025	\$ 10,169
Total	\$ 17,188	\$ 11,702

(G4-EC4)

15. ACCUMULATED SURPLUS

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

	2014	2013
City operating fund surplus (deficit) including library and business improvement areas before year-end accounting adjustments	\$ 3,038	\$ (2,642)
Year-end accounting adjustments	(2,262)	(1,895)
Operating surplus (deficit)	\$ 776	\$ (4,537)
Equity in Markham Enterprises Corporation	245,836	233,349
Invested in tangible capital assets and other	3,636,760	3,525,643
	\$ 3,883,372	\$ 3,754,455
RESERVES SET ASIDE FOR SPECIFIC PURPOSES BY COUNCIL:		
Anti-whistling	318	318
Berczy landscape feature	203	203
Building fee	13,105	14,003
Capital gains	3,680	3,457
Corporate rate stabilization	15,259	17,963
Development fee	(7,966)	(3,503)
Election expenses	150	917
Election rebates	280	210
Facility ramp up	10,017	9,431
Firefighters sick leave benefits	6,463	6,406
Insurance	3,316	3,135
Long-term disability benefits	15,904	14,464
Partnership	16	16
Waste management	28	28
Waterworks	49,204	42,228
Total reserves	\$ 109,977	\$ 109,276
RESERVE FUNDS SET ASIDE FOR SPECIFIC PURPOSES BY COUNCIL:		
Cemetery expenses	111	109
Emerald Ash Borer	1,158	596
Environmental land acquisition	8,433	8,076
Environmental sustainability fund	153	186
Heritage	438	428
Land acquisition	(24,296)	4,218
Library infrastructure	5,855	5,778
Life cycle replacement and capital	65,714	80,024
Museum	61	61
Non-DC growth	11,795	14,396
Post retirement benefits	12,239	11,251
Public art acquisition	451	-
Stormwater fee	(78)	-
Theatre	635	611
Trees for Tomorrow program	239	236
Workplace Safety & Insurance Board (WSIB)	3,040	2,873
WSIB excess compensation	185	-
Total reserve funds	\$ 86,133	\$ 128,843
Total	\$ 4,079,482	\$ 3,992,574

16. LEASE OBLIGATIONS

As at December 31, 2014, the City is committed to minimum annual operating lease payments for premises and equipment as follows:

2015	\$ 497
2016	495
2017	498
2018	500
2019	462
2020 and over	263
Total	\$ 2,715

17. CONTINGENCY

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.

18. ACCOUNTS RECEIVABLE – POWERSTREAM INTEREST

Included in Accounts Receivable is \$7,584 (2013 - \$7,584) being interest @ 5.58% per annum due for the period October 2006 to September 2008 on promissory notes issued by PowerStream. City Council has approved the deferral of this payment and future quarterly interest payments due up to September 2008 for a period of 5 years from September 2008. The City received deferral request from PowerStream for another five years at the interest rate of 4.03% per annum which was approved by City Council in May 2013.

The City receives from PowerStream secondary interest on the deferred interest payments from April 2007 up to October 2013 @5.58% and @4.03% thereafter until October 2018.

19. INVESTMENT IN MARKHAM ENTERPRISES CORPORATION

The City of Markham incorporated corporations under the laws of the Province of Ontario. Markham Enterprises Corporation (Previously Markham Energy Corporation) is wholly owned by the City of Markham. Markham Enterprises Corporation owns 100% of Markham District Energy Inc. (MDE) and 34.185% of PowerStream Holdings Inc. (2013 – 34.185%).

The original entity, PowerStream Inc., reorganized its structure by establishing a corporation as its new parent entity – PowerStream Holdings Inc. on July 24, 2013.

The PowerStream Holding Inc.'s authorized share capital is made up of an unlimited number of common shares, and an unlimited number of Class A non-voting common shares, all of which are without nominal or par value.

Of the total 112,945 (2013 – 100,000) common shares issued by PowerStream Holdings Inc., 51,181 (2013 - 45,315) common shares are registered under Vaughan Holdings Inc., 38,610 (2013 -34,185) common shares are registered under Markham Enterprises Corporation and 23,154 (2013 - 20,500) common shares are registered under Barrie Hydro Holdings Inc.

Of the total 99,997 (2013 – 69,223) Class A common shares issued by PowerStream Holdings Inc., including an issue of 3,918 and 26,856 Class A common shares in January 2014 and November 2014 respectively; 45,313 (2013 – 29,225) Class A common shares are registered under Vaughan Holdings Inc., 34,184 (2013 – 25,003) Class A common shares are registered under Markham Enterprises Corporation and 20,500 (2013 – 14,995) Class A common shares are registered under Barrie Hydro Holdings Inc.

The following consolidated financial statements of Markham Enterprises Corporation include the financial information of its subsidiaries Markham District Energy Inc., and PowerStream Holdings Inc. for the period from January 1, 2014 to December 31, 2014.

INDEPENDENT AUDITORS' REPORT

19. INVESTMENT IN MARKHAM ENTERPRISES CORPORATION (continued)

	2014	2013
ASSETS		
Current	\$ 103,330	\$ 88,438
Capital	481,302	442,749
Goodwill	14,543	14,543
Other	25,443	16,459
Total Assets	\$ 624,618	\$ 562,189
LIABILITIES		
Current	97,515	112,705
Other	110,264	98,321
Long term	171,003	117,814
Total Liabilities	\$ 378,782	\$ 328,840
SHAREHOLDERS' EQUITY		
Common shares	98,280	86,074
Promissory notes payable	79,164	79,164
Retained earnings and contributed surplus	68,392	68,111
Total Shareholders' Equity	\$ 245,836	\$ 233,349
Total Liabilities and Shareholders' Equity	\$ 624,618	\$ 562,189
RESULTS OF OPERATIONS		
Revenues	\$ 399,570	\$ 379,099
Operating expenses	394,128	371,451
NET INCOME	\$ 5,442	\$ 7,648
Equity pick up in Markham Enterprises Corporation	\$ 5,442	\$ 7,648
Increase in share capital	12,208	3,550
Dividend	(5,162)	(5,585)
NET CHANGE IN EQUITY IN MARKHAM ENTERPRISES CORPORATION	\$ 12,488	\$ 5,613

20. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.



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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers
Of the City of Markham

We have audited the accompanying financial statements of the Trust Funds of The Corporation of the City of Markham, which comprise the statement of financial position as at December 31, 2014, the statement of financial activities and fund balances, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Trust Funds of The Corporation of the City of Markham as at December 31, 2014, and its statement of financial activities and fund balances for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants

April 28, 2015
Toronto, Canada

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TRUST FUNDS

STATEMENT OF FINANCIAL POSITION

December 31, 2014
with comparative figures for 2013

	<i>Morgan Park Trust</i>	<i>Varley- McKay Trust</i>	<i>Markham Environmental Advisory Committee Trust</i>	<i>Cemetery Trust</i>	<i>Older Adults In Action Trust</i>	<i>Markham History Research & Publication Trust</i>	Total	Total
							2014	2013
Cash	\$72,678	\$1,302,788	\$8,893	\$821,739	\$9,223	\$86,459	\$2,301,780	\$2,336,545
Payable to Varley-McKay Foundation	-	(3,984)	-	-	-	-	(3,984)	(54,653)
Fund balance	\$72,678	\$1,298,804	\$8,893	\$821,739	\$9,223	\$86,459	\$2,297,796	\$2,281,892

STATEMENT OF FINANCIAL ACTIVITIES AND FUND BALANCES

Year ended December 31, 2014
with comparative figures for 2013

Receipts								
Interest earned	2,666	49,107	361	29,726	333	3,099	85,292	86,618
Sale of plots	-	-	-	12,130	-	-	12,130	20,978
	2,666	49,107	361	41,856	333	3,099	97,422	107,596
Expenses								
Distributed to Foundation	-	(49,107)	-	-	-	-	(49,107)	(50,206)
	-	(49,107)	(2,685)	(29,726)	-	-	(81,518)	(80,596)
Excess/(Shortfall) of receipts over expenses	2,666	-	(2,324)	12,130	333	3,099	15,904	27,000
Fund balance, beginning of year	\$70,012	\$1,298,804	\$11,217	\$809,609	\$8,890	\$83,360	\$2,281,892	\$2,254,892
Fund balance, end of year	\$72,678	\$1,298,804	\$8,893	\$821,739	\$9,223	\$86,459	\$2,297,796	\$2,281,892

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

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF ACCOUNTING

- (a) Revenue Recognition
Receipts, other than interest and letters of credit receipts, are reported on receipt. Interest income and letters of credit receipts are recorded on the accrual basis of accounting.
- (b) The accrual basis of accounting recognizes expenditures as they are incurred and measurable as a result of receipts of goods or services and the creation of legal obligation to pay.

2. TRUST FUNDS

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 which can be used to offset certain maintenance costs of Morgan Park.

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

VARLEY-MCKAY ART FOUNDATION TRUST FUND

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

MARKHAM 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.

CEMETERY TRUST FUNDS

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

OLDER ADULTS IN ACTION TRUST FUND

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

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. This trust is funded from cash and securities received from organizations involved in the creation of the original trust fund - Markham History Book Committee and the Markham District Historical Society and the Museum Advisory Board.

FIVE-YEAR REVIEW (UNAUDITED)

(All dollar amounts are in \$000)

	2014	2013	2012	2011	2009
OPERATIONS					
		(Re-casted)			
Expenses by Function					
General government	\$ 47,702	\$ 33,285	\$ 49,186	\$ 49,535	\$ 42,437
Protection to persons and property	41,813	41,539	40,496	37,378	33,969
Transportation services	32,322	35,478	27,691	27,966	27,523
Environmental services	26,733	28,747	28,012	27,083	25,867
Recreation and cultural services	54,710	52,674	47,306	46,460	40,872
Planning and development services	10,929	8,985	9,701	6,750	6,393
Other	48	43	47	41	32
Write-down of tangible capital assets		-	-	331	989
Amortization of tangible capital assets	65,757	63,038	59,053	55,246	53,636
	\$ 280,014	\$ 263,789	\$ 261,492	\$ 250,790	\$ 231,718
Revenues by Source					
Taxation	\$ 132,788	\$ 125,660	\$ 122,270	\$ 119,934	\$ 112,098
User charges	67,884	67,790	70,268	64,309	58,748
Government transfers	17,188	11,702	10,757	8,750	6,931
Contribution from developers and others	62,615	64,239	141,414	85,367	54,858
Investment income	20,427	20,740	15,697	15,822	14,528
Deferred revenue earned	46,670	69,151	55,508	82,760	40,564
Equity pick up in Markham Enterprises Corporation	5,442	7,648	9,977	6,347	6,926
Other	13,908	12,442	16,244	17,459	11,422
	\$ 366,922	\$ 379,372	\$ 442,135	\$ 400,748	\$ 306,075
Surplus					
Surplus for the year	\$ 86,908	\$ 115,583	\$ 180,643	\$ 149,958	\$ 74,357
Surplus, beginning of Year	3,992,574	3,876,991	3,696,348	3,544,933	3,453,349
Surplus, end of Year	\$ 4,079,482	\$ 3,992,574	\$ 3,876,991	\$ 3,694,891	\$ 3,527,706
<i>Reference: consolidated statement of operations and accumulated surplus</i>					
RESERVES AND RESERVE FUNDS					
Reserves	\$ 109,977	\$ 109,276	\$ 96,930	\$ 80,384	\$ 61,699
Reserve funds - discretionary only	86,133	128,843	119,161	134,023	120,992
	\$ 196,110	\$ 238,119	\$ 216,091	\$ 214,407	\$ 182,691

FIVE-YEAR REVIEW (UNAUDITED)

(All dollar amounts are in \$000)

	2014	2013	2012	2011	2010
NET FINANCIAL ASSETS					
		(Re-casted)			
Financial Assets					
Cash and cash equivalents	\$ 310,014	\$ 338,633	\$ 370,550	\$ 363,848	\$ 335,552
Taxes receivable	29,211	30,429	39,150	31,918	39,141
Unbilled user charges	10,472	9,953	9,870	8,802	7,964
Accounts receivable	67,366	57,036	55,633	53,691	51,222
Investment in Markham Enterprises Corporation	245,836	233,349	227,736	215,132	189,665
Other current assets	1,931	2,736	3,067	4,123	4,644
Total financial assets	\$ 664,830	\$ 672,136	\$ 706,006	\$ 677,514	\$ 628,188
Financial Liabilities					
Accounts payable and accrued liabilities	\$ 95,301	\$ 82,292	\$ 107,616	\$ 113,432	\$ 82,101
Deferred revenues	94,380	117,304	151,227	133,024	147,742
Employee future benefits liabilities	29,687	27,978	26,205	23,879	17,756
Long-term liabilities	14,213	10,747	11,181	11,599	12,000
Total financial liabilities	\$ 235,581	\$ 238,321	\$ 296,229	\$ 281,934	\$ 259,599
	\$ 431,249	\$ 433,815	\$ 409,777	\$ 395,580	\$ 368,589
NET LONG-TERM DEBT					
Net Long-term Liabilities - City of Markham purposes	\$ 14,213	\$ 10,747	\$ 11,181	\$ 11,599	\$ 12,000
Annual debt limit prescribed by province	\$ 70,274	\$ 69,250	\$ 65,013	\$ 58,347	\$ 53,862
Per capita	\$ 0.04	\$ 0.03	\$ 0.03	\$ 0.04	\$ 0.04
Percentage of taxable assessment	0.0240%	0.0198%	0.0226%	0.0252%	0.0282%
Annual charges for net long-term liabilities					
Principal and interest - City of Markham purposes	\$ 1,130	\$ 886	\$ 886	\$ 886	\$ 886
As a percentage of Revenue Fund Expenditures	0.31%	0.23%	0.20%	0.22%	0.29%
Per capita	\$ 0.003	\$ 0.003	\$ 0.003	\$ 0.003	\$ 0.003
Consolidated Expenses by Object					
Salaries, wages & employee benefits	\$ 125,247	\$ 114,832	\$ 120,111	\$ 113,858	\$ 104,066
Operating materials and supplies	39,014	35,015	37,309	30,981	29,490
Contracted services	46,761	47,768	43,798	48,660	42,072
Rents and financial expenses	2,946	2,897	965	1,479	1,237
External transfers to others	289	239	256	235	228
Write-down of tangible capital assets	-	-	-	331	989
Amortization - tangible capital assets	65,757	63,038	59,053	55,246	53,636
Total expenditure by object	\$ 280,014	\$ 263,789	\$ 261,492	\$ 250,790	\$ 231,718

FIVE-YEAR REVIEW (UNAUDITED)

(All dollar amounts are in \$000)

	2014	2013	2012	2011	2010
TAXABLE ASSESSMENT					
Residential, multi-residential and farm	\$49,266,499	\$44,844,305	\$40,455,022	\$37,750,995	\$34,833,624
Commercial - all classes	8,573,193	8,170,344	7,806,727	7,161,784	6,491,769
Industrial - all classes	1,234,547	1,228,192	1,206,825	1,147,875	1,133,147
Pipeline & managed forests	63,342	59,294	55,533	53,189	51,170
	\$59,137,581	\$54,302,135	\$49,524,106	\$46,113,843	\$42,509,710
Commercial, industrial and business as a percentage of taxable assessment	16.58%	17.31%	18.20%	18.02%	17.94%
PROPERTY TAXATION					
Tax Rates/Mill Rates (Refer Note)					
	%	%	%	%	%
Residential - City of Markham	0.211775	0.219600	0.231600	0.237560	0.245313
Region of York	0.416733	0.434762	0.452889	0.463520	0.477021
School Boards (public and separate)	0.203000	0.212000	0.221000	0.231000	0.241000
	0.831508	0.866362	0.905489	0.932080	0.963334
Multi-residential - City of Markham	0.211775	0.219600	0.231600	0.237560	0.245313
Region of York	0.416733	0.434762	0.452889	0.463520	0.477021
School Boards (public and separate)	0.203000	0.212000	0.221000	0.231000	0.241000
	0.831508	0.866362	0.905489	0.932080	0.963334
Commercial - full rate - City of Markham	0.236595	0.245340	0.258740	0.271550	0.289470
Region of York	0.465575	0.485716	0.505968	0.529850	0.562885
School Boards (public and separate)	1.055636	1.094012	1.129617	1.204043	1.289313
	1.757806	1.825068	1.894325	2.005443	2.141668
Commercial - vacant units, excess land percentage of full rate	70	70	70	70	70
Industrial - full rate - City of Markham	0.277934	0.288210	0.303950	0.316070	0.333013
Region of York	0.546921	0.570582	0.594372	0.616713	0.647556
School Boards (public and separate)	1.220000	1.260000	1.301035	1.375265	1.459012
	2.044855	2.118792	2.199357	2.308048	2.439581
Industrial - vacant units, excess land - percentage of full rate	65	65	65	65	65
Taxes Levied					
City of Markham	\$132,788	\$125,660	\$122,270	\$119,934	\$112,098
Region of York	252,977	242,463	231,852	226,370	211,312
School Boards (public and separate)	200,467	196,284	193,725	195,569	181,789
	\$586,232	\$564,407	\$547,847	\$541,873	\$505,199
Total Tax Arrears (Taxes Receivable)					
Per capita	\$85.40	\$91.41	\$120.91	\$101.14	\$126.61
Percentage of current levy	4.98%	5.39%	7.15%	5.89%	7.75%

Note: Average Residential Tax Bill for 2014 was based on Current Value Assessment \$521,000

PERFORMANCE MEASURES REPORT CARD (UNAUDITED)

Year ended December 31, 2014

Building Permit Information			
Total Value of Construction Activity based on permits issued	\$885,243,803		
Review of Complete Building Permit Applications: Median number of working days to review a complete building permit application and issue a permit or not issue a permit, and provide all reasons for refusal:	Median Number of Working Days		
1 : Houses (houses not exceeding 3 storeys/600 square metres)	10		
2 : Small Buildings (small commercial/industrial not exceeding 3 storeys/600 square metres)	16		
3 : Large Buildings (large residential/commercial/industrial/institutional)	20		
4 : Complex Buildings (post disaster buildings, including hospitals, power/water, fire/police/EMS, communications)	27		
Number of Building Permit Applications	Number of Complete Applications	Number of Incomplete Applications	Total Number of Applications
1 : Houses (houses not exceeding 3 storeys/600 square metres)	959	634	1,593
2 : Small Buildings (small commercial/industrial not exceeding 3 storeys/600 square metres)	83	7	90
3 : Large Buildings (large residential/ commercial/ industrial/ institutional)	521	50	571
4 : Complex Buildings (post disaster buildings, including hospitals, power/water, fire/police/EMS, communications)	49	65	114
Total	1,612	756	2,368
Planning and Development			
Land Use Planning (using building permit information)			
Number of residential units in new detached houses	529	529	
Number of residential units in new semi-detached houses	262	262	
Number of residential units in new row houses	444	444	
Number of residential units in new apartments/condo apartments	1,456	1,456	
Total	2,691	2,691	
Land Designated for Agricultural Purposes			
Hectares of land designated for agricultural purposes in the Official Plan as of December 31, 2014	6,200		
Transportation Services			
Roads: Total paved lane kilometres	2,010		
Condition of Roads: Number of paved lane kilometres where the condition is rated as good to very good	1,407		
Roads: Total unpaved lane kilometres	0		
Winter Control: Total lane kilometres maintained in winter	2,144		
Bridges and Culverts: Total square metres of surface area on bridges and culverts	31,550		
Rating of Bridges and Culverts			
Bridges	82		92
Culverts	49		58
Total	131		150
Environmental Services			
Wastewater Main Backups: Total number of backed up wastewater mains	12		
Wastewater Collection/Conveyance: Total kilometres of wastewater mains	913		
Wastewater Treatment and Disposal: Total megalitres of wastewater treated	0		
Wastewater Bypasses Treatment: Estimated megalitres of untreated wastewater	0		
Urban Storm Water Management: Total kilometres of urban drainage system plus (0.005 kilometres times no. of catch basins)	1,001		
Rural Storm Water Management: Total kilometres of rural drainage system plus (0.005 kilometres times no. of catch basins)	106		
Water Treatment: Total megalitres of drinking water treated	0		
Water Main Breaks: Number of water main breaks in a year	30		
Water Distribution/Transmission: Total kilometres of water distribution / transmission pipe	1,060		
Solid Waste Collection: Total tonnes collected from all property classes	71,648		
Solid Waste Disposal: Total tonnes disposed off from all property classes	16,497		
Waste Diversion: Total tonnes diverted from all property classes	55,151		
Recreation Services			
Trails: Total kilometres of trails (owned by municipality and third parties)	163		
Indoor recreation facility space: Square metres of indoor recreation facilities (municipally owned)	128,732		
Outdoor recreation facility space: Square metres of outdoor recreation facility space (municipally owned)	21,420		
Assessment on Exempt Properties	\$1,766,309,775		

GRI CONTENT TABLE 2014

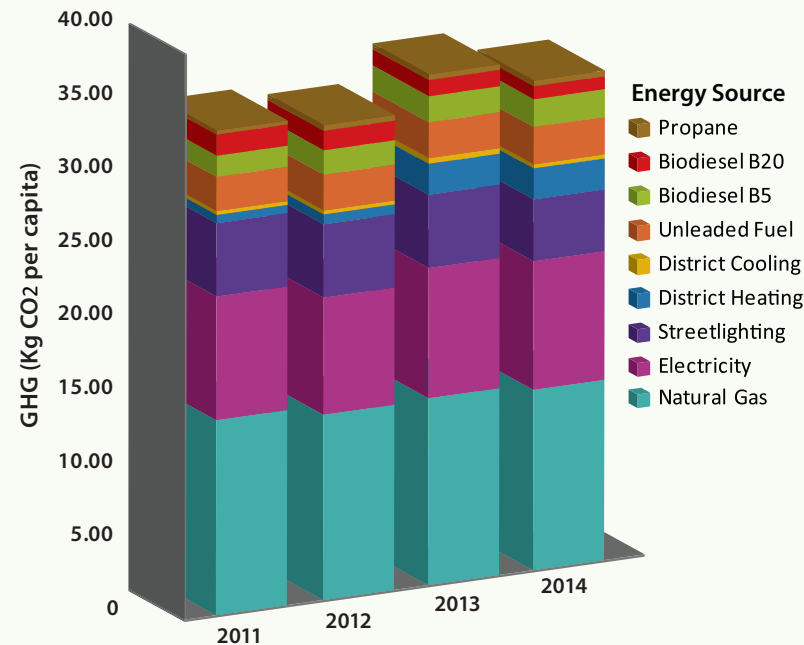
ENVIRONMENTAL PERFORMANCE INDICATORS

Energy Use and Greenhouse Gas Emissions Produced by City-Owned Assets

As a growing municipality, reducing total emissions is challenging. Markham is presenting the total intensity of Greenhouse Gas (GHG) emissions (kg eCO₂/resident) produced by the Corporation's assets (facilities and fleet) in the adjacent graph. Markham's goal is to continually reduce its incremental GHG emissions for each community member and the Corporate Energy Management Plan targets a 5 per cent reduction from 2012 by 2019. From 2013 to 2014, the City achieved a 4.1 per cent GHG per resident intensity reduction due in large part to the early stages of the LED streetlight retrofit and facility energy conservation programs.

Despite increasing the number of facilities using energy within the city to accommodate a growing population, Markham had an overall gross GHG emissions reduction of 1.5 per cent (195 TeCO₂) from 2013 (G4-EN19) - the year the new 129,000 sq.ft. Cornell Community Centre and Library, which is connected to District Energy, opened.

For 2014, the methodology used to calculate the Corporation's GHGs was updated; the City has selected the Federation of Canadian Municipalities Partners for Climate Protection (PCP) on-line GHG calculator for consistency and reliability for all direct energy sources except district heating and district cooling. Markham District Energy has provided actual results of district heating and cooling GHG emissions per unit of energy. The City is re-stating 2013 fleet fuel use and now includes streetlight electricity use back to 2011. These re-statements and the updated GHG calculation methodology result in increases of GHG for 2013, 2012 and 2011 compared to what was reported in those years (G4-22).



Total 2014 Energy Consumption and GHG Emissions

G4-EN3, G4-EN15 and G4-EN16 - Direct energy consumption by primary energy source and resultant direct and indirect GHGs.

Direct Energy Source	2014 Consumption	2013 Consumption	2014 GHG	2013 GHG ¹
Propane (L)	53,220	52,470	82	81
Biodiesel B20 (L)	175,572	201,906 ¹	386	421
Biodiesel B5 (L)	278,362	293,247 ¹	727	688
Unleaded Fuel (L)	447,506	447,827 ¹	1,029	977
District cooling (ekWh) ⁴	1,015,449	1,032,092	58	59
District heating (eM ³) ³	727,804	734,499	833	841
Streetlighting (kWh) ¹	15,393,614	17,536,886	1,693	1,929
Electricity (kWh)	31,618,799	31,320,572	3,478	3,445
Natural gas (M ³)	2,614,232	2,635,392	4,944	4,984
		Total (TeCO ₂) ²	13,231	13,426

¹Re-stated
²Tonnes equivalent Carbon Dioxide (TeCO₂)
³Equivalent M³
⁴Equivalent kWh

Total 2014 Water Consumption

G4-EN8 - Total water withdrawal by source (m³).

2014 is the third year for reporting water consumption from Lake Ontario. The municipality's water is primarily supplied via the City of Toronto to York Region and then to the Corporation's local distribution system. There is a downward trend in water consumption by City-owned facilities from 2012 to 2014. This year, water consumption from our Parks was added.

	2014	2013
City of Markham facilities	258,933	262,887
City of Markham parks	99,961	N/A
Total (m ³)	358,894	

SOCIAL PERFORMANCE INDICATORS

Workforce

G4-10 and G4-LA1 - total workforce by employment type, employment contract, and region, broken down by gender.

The Corporation's work force grew by slightly more than 100 people in non-management roles in Recreation and Environmental Services while close to the same ratio of men and women continued compared to the previous year. Of the Corporation's total workforce, 999 positions were regular full-time positions as of December 31, 2014. The remainder are made up of seasonal and part-time positions.

Number of employees	2014	2013
Male	1,298	1,263
Female	1,161	1,092
Total	2,459	2,355
Management (with direct reporting)	188	188
Non-Management	2,271	2,167

New Hires, Rehires and Turnover

G4-LA1 - total number and rate of new employee hires and employee turnover by age group, gender, and region.

New hires, re-hires and turnover increased by 8%, 19% and 28% respectively in 2014. New hires and rehires increases are consistent with the labour force growth reported above. Re-hires include seasonal staff returning to roles in Parks maintenance, summer camps and other areas. The increase in turnover (including retirements, seasonal staff and contracts) is a result of continuous improvement in payroll data management by the Human Resources department. Of new hires, there was an increase in hires of people aged 50 and under.

	2014	2013
New Hires	776	719
Rehires	572	479
Turnover	1,260	981

Demographic Of New Hires And Turnover

	New Hires		Turnover	
	2014	2013	2014	2013
<30	607	551	935	831
30-50	46	40	129	105
>50	123	128	196	141
Total	776	719	1260	1077

2014 ELECTRICAL UTILITY INDICATORS

INDICATOR	DESCRIPTION	MDEI	POWERSTREAM
G4-EU1	Installed capacity, broken down by primary energy source and by regulatory regime	Installed combined heat and power (CHP) Capacity 15MW(e), Estimated CHP Power Generation 35,319MWh(e), Metered Heat Recovery from CHP Fleet 32,489MWh(th)	Total Installed Capacity: 25.7MWAC Installed Capacity - FIT Regime: 21.6MWAC Installed Capacity - MicroFIT Regime: 4.1MWAC
G4-EU3	Residential (incl. high-rise suites) Institutional/Comercial Customers Industrial Customers Other Customers (Streetlights) Total	4,611 20 - - 4,631	316,765 39,544 2 770 350,253
G4-EU12	Transmission and distribution losses as a percentage of total energy	Not applicable	3.69% of the total energy sales (subject to change). Non-technical losses: 0.52% of the total distribution losses

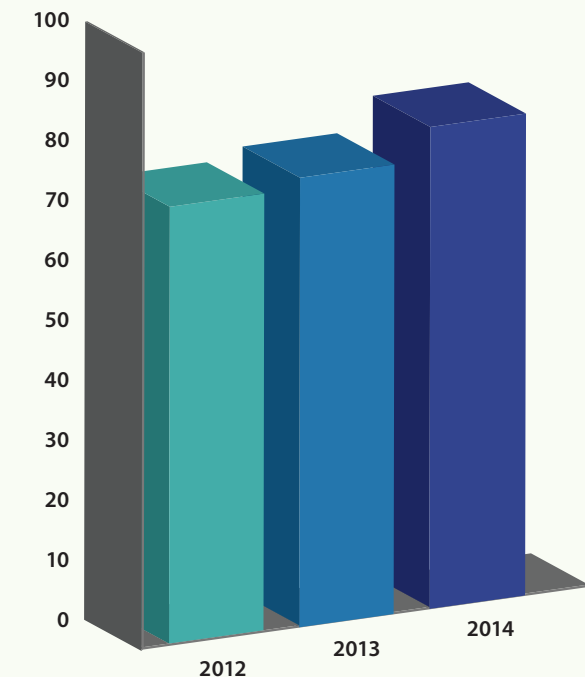
PRODUCT RESPONSIBILITY

Customer Satisfaction Survey Results

G4-PR5 - Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

The City established a formal customer satisfaction survey process in 1998. Each year, surveys are undertaken in various business units. This graph presents the average of all customer satisfaction survey results for 2012 to 2014 and shows an upward trend in satisfaction.

OVERALL SATISFACTION (MEAN AVERAGE) FROM ALL SURVEYS



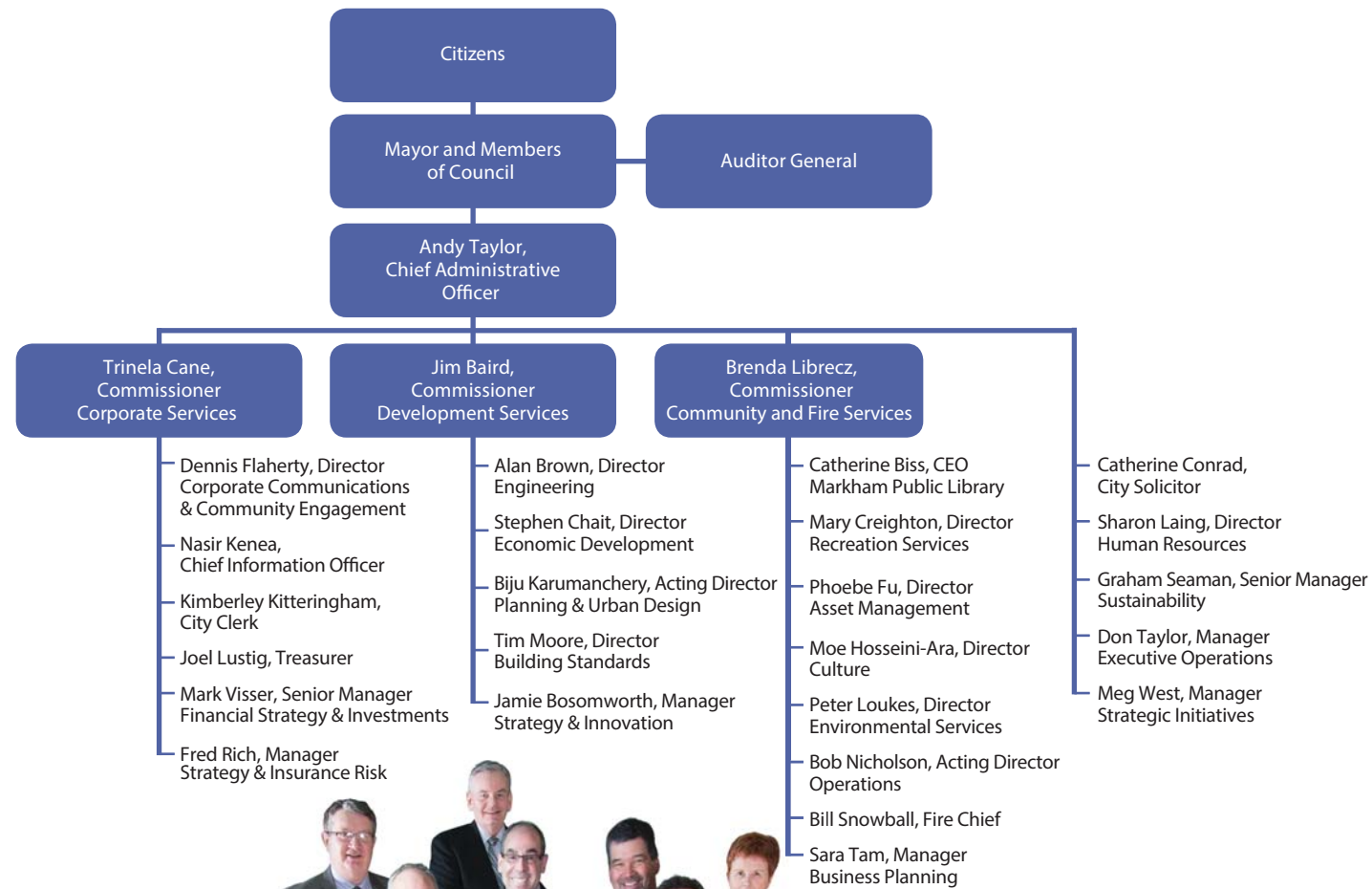
GRI CONTENT TABLE 2014

The following table illustrates how Markham's 2014 ANNUAL REPORT aligns with GRI's G4, Sustainability Reporting Guidelines and specific GRI indicators. The table identifies the location of the selected indicators within the 2014 ANNUAL REPORT. For more information, visit www.globalreporting.org.

Indicator	Description	Page Reference/Comments
<i>STRATEGY AND ANALYSIS</i>		
G4-1	Statement from The Mayor and CAO on sustainability	Page 4 & 6
<i>ORGANIZATIONAL PROFILE</i>		
G4-3	Name of organization	Page 2
G4-4	Primary brands, products, and services	Page 37 (note 8)
G4-5	Location of the organization	Back cover
G4-6	Number of countries where the organization operates	Local Municipal Government
G4-7	Nature of ownership and legal form	Local Municipal Government
G4-8	Markets served	Local Municipal Government
G4-9	Scale of the organization	Page 25
G4-10	Workforce	Page 53
G4-11	Percentage of total employee covered by collective bargaining agreement	25% of total workforce
G4-12	Supply chain	750 suppliers, 98% in Ontario
G4-13	Significant changes during the reporting period	Page 6
G4-14	Precautionary approach	Page 17
G4-15	External charters, principles, or other initiatives	Inside cover & page 25
G4-16	Memberships of associations	Federation of Canadian Municipalities, Association of Municipalities of Ontario, Government Financial Officers Association, Ontario Sustainable Energy Association
<i>IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES</i>		
G4-17	Entities included in the organization's consolidated performance	Page 9
G4-18	Process for defining report content and Aspect boundaries	Page 9
G4-19	Material aspects	Page 9
G4-20	Aspect boundaries within the organization	Page 9
G4-21	Aspect boundaries outside the organization	Page 9
G4-22	Effects of any restatements	Page 52
G4-23	Significant changes from previous reporting period	No significant changes
<i>STAKEHOLDER ENGAGEMENT</i>		
G4-24	Stakeholder groups engaged by the organization	Page 9
G4-25	Basis for identification and selection of stakeholders with whom to engage	Page 3 & 9
G4-26	Approach to stakeholder engagement	Page 9
G4-27	Key topics raised by stakeholders	Page 9
<i>REPORT PROFILE</i>		
G4-28	Reporting period	Cover
G4-29	Date of most recent previous report	Year Ending December 31, 2013
G4-30	Reporting cycle	Annual - January 1 to December 31
G4-31	Contact point for report	Back cover
G4-32	In accordance option chosen	Page 9
G4-33	Assurance	Page 29 & 45 Consolidated Financial Statements and Trust Funds only

Indicator	Description	Page Reference/Comments
<i>GOVERNANCE</i>		
G4-34	Governance structure of organization	Page 3 & 56
G4-35	Process for delegating authority for topics from the highest governance body	Page 3
G4-37	Consultation between stakeholders and the highest governance body	Page 3
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided	Page 3
G4-49	Process for communicating critical concerns to the highest governance body	Page 3
<i>ETHICS AND INTEGRITY</i>		
G4-56	Organizations values principles and norms of behavior	Page 2
<i>ECONOMIC</i>		
G4-EC1	Direct economic value generated and distributed	Page 31
G4-EC3	Defined benefit plan obligations	Page 36
G4-EC4	Government financial assistance	Page 41
G4-EC7	Development of infrastructure investments and services supported	Page 15
G4-EC8	Significant indirect economic impacts, including the extent of the impacts	Page 13
<i>SOCIAL</i>		
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	Page 53
G4-LA2	Benefits provided to full-time employees	Extended Health Care, Dental Coverage, Life Insurance, Accidental Death And Dismemberment Insurance, Disability Coverage (Short/Long Term), OMERS Pension Plan, Employee Assistance Program
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees	100% representation via 6 joint committees
G4-SO1	Operations with implemented local community engagement, impact assessments, and development programs	Page 11 & 23
G4-SO8	Monetary value of significant fines	No fines or sanctions
G4-PR5	Practices related to customer satisfaction	Page 23 & 53
<i>ENVIRONMENT</i>		
G4-EN3	Energy consumption within the organization	Page 52
G4-EN6	Reduction of energy consumption	Page 17
G4-EN8	Total water withdrawal by source (at City of Markham owned facilities)	Page 52
G4-EN13	Habitats protected or restored	Page 23
G4-EN15 & EN16	Direct and indirect greenhouse gas (GHG) emissions	Page 52
G4-EN19	Reduction of greenhouse gas (GHG) emissions	Page 52
<i>ELECTRICAL UTILITY</i>		
G4-EU1	Installed capacity, broken down by primary energy source and by regulatory regime	Page 53
G4-EU3	Number of residential, industrial, institutional and commercial customer accounts	Page 53
G4-EU12	Transmission and distribution losses as a percentage of total energy	Page 53
G4-DMA	Demand-side management programs including residential, commercial, institutional and industrial programs Contingency planning measures, disaster/emergency management plan and training programs, and recovery/restoration plans	Page 9

ORGANIZATIONAL STRUCTURE (G4-34)



Markham information in many languages
905-477-5530

Information Markham en plusieurs langues
ਮਾਰਖਮ ਬਾਰੇ ਕਈ ਭਾਸ਼ਾਵਾਂ ਵਿੱਚ ਜਾਣਕਾਰੀ
Informazioni su Markham in molte lingue
萬錦市以多種語言發佈的信息
اطلاعات مارکھام به زبانهای مختلف
அநேக மொழிகளில் மார்க்கம் செய்தி
بہت ساری زبانوں میں مارکھم کی معلومات

Please contact: **Mayor Frank Scarpitti**

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