



**City of Markham**

# **2024 Annual Report**

For the year ended December 31, 2024

**MARKHAM  
IS MORE**







## Land Acknowledgement

We acknowledge the traditional territories of Indigenous peoples and their commitment to stewardship of the land. We acknowledge the communities in circle. The North, West, South and Eastern directions, and Haudenosaunee, Huron-Wendat, Anishnabeg, Seneca, Chippewa, and the Mississaugas of the Credit peoples. We share the responsibility with the caretakers of this land to ensure the dish is never empty and to restore relationships that are based on peace, friendship, and trust. We are committed to reconciliation, partnership and enhanced understanding.

Top image: Indigenous dancer performing on stage during LNHL event.

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

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

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

The 2024 Annual Report was compiled by:

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



# Mayor's Message



*Frank Scarpitti*

**Frank Scarpitti**  
Mayor, City of Markham

In 2024, the City of Markham demonstrated the depth of what we have to offer. With a commitment to innovation, thriving communities, and a rich diversity of people and places, Markham once again reaffirmed its status as one of Canada's premier municipalities. The City of Markham continues to demonstrate resilience, innovation, and fiscal responsibility, reflecting our dedication to delivering exceptional services. A key highlight of the year was the opening of York University's Markham Campus, where we had the pleasure of welcoming the first cohort of students to this iconic institution.

Markham is recognized by C.D. Howe Institute as the highest ranked municipality in Ontario when it comes to financial

accountability and transparency, scoring an impressive A- rating placing our city at the very top of the list of Ontario municipalities. In 2024 Markham was once again named a top employer by Forbes, recognizing the City's strong commitment to our employees and creating a culture of accountability and innovation.

Markham is proud to be Canada's most diverse city, home to residents representing a vast array of cultures and ethnicities from across the globe. Our community comes together to celebrate those cultures and their stories. One notable accomplishment was the Markham Museum's **Standing in the Doorway: Lived Histories and Experiences of the Chinese Community** exhibit,



First cohort of students at York University's Markham Campus celebrate their first day of school with Mayor Frank Scarpitti and President Rhonda Lenton.



which, in partnership with York Region District School Board, has received numerous accolades, including the Governor General's History Award for Excellence in Community Programming. This exhibit masterfully showcases the history of the Chinese-Canadian community.

Our commitment to Truth and Reconciliation remains unwavering, as we continue our strong partnership with the Eabametoong First Nation. In 2024, the City proudly hosted the 50th Little Native Hockey League (LNHL) Tournament, which saw over 5,000 young Indigenous athletes participate. This event not only celebrated youth sports but also had a positive \$8 million impact to Markham's economy. Building on its success, the City has signed a three-year agreement with LNHL to continue hosting this event.

Markham is dedicated to working closely with our federal and provincial partners, as well as the development industry, to streamline the housing approval process. In 2024, we issued a record 4,216 building permits. We remain steadfast in our commitment to meeting the housing targets set by the Province of Ontario, ensuring a diverse range of housing options for all residents.

As Mayor, I have been a strong advocate for changes to provincial legislation that had



Markham signed 3-year agreement with LNHL to host annual hockey tournament. Front row (left to right): Mayor Frank Scarpitti, Chico Ralf, President LNHL, Ward 5 Councillor & Chair, Destination Markham Board of Directors, Andrew Keyes. Back row (left to right): Chief Ted Williams, Mmijkaning (Rama) First Nation, Chief Donna Big Canoe, The Chippewas of Georgina Island First Nation, Marcel Monague, Councillor, Beausoleil First Nation.

significant financial implications for municipalities. After months of engagement with the provincial government, we were pleased the Province reversed key aspects of legislation in June 2024, reducing the potential financial impact on Markham's budget by \$56 million.

With the advanced progress of our flood control and stormwater enhancement program in Thornhill, we have expanded the program to Markham Village. Our focus on creating complete communities with parks and trails remains a top priority. In 2024, we completed the Markham Centre Trail, linking Warden Avenue and Enterprise Boulevard to Verclaire Gate. The next phase,

now in the design stage, will extend the trail from Highway 7 north to Apple Creek Boulevard and west to McIntosh Drive.

Our 230<sup>th</sup> anniversary as a community coincided with the 100th anniversary of The Knabenkapelle Nördlingen Orchestra Band culminating in a special commemorative concert with our Markham Concert Band. For 230 years, we have upheld our City's motto — *leading while remembering*. Markham continues to be an exceptional place to live, work, and raise a family. Every week, I witness the pride people take in calling Markham their home. Markham is more, and that is thanks to each and every one of you.

# Introduction

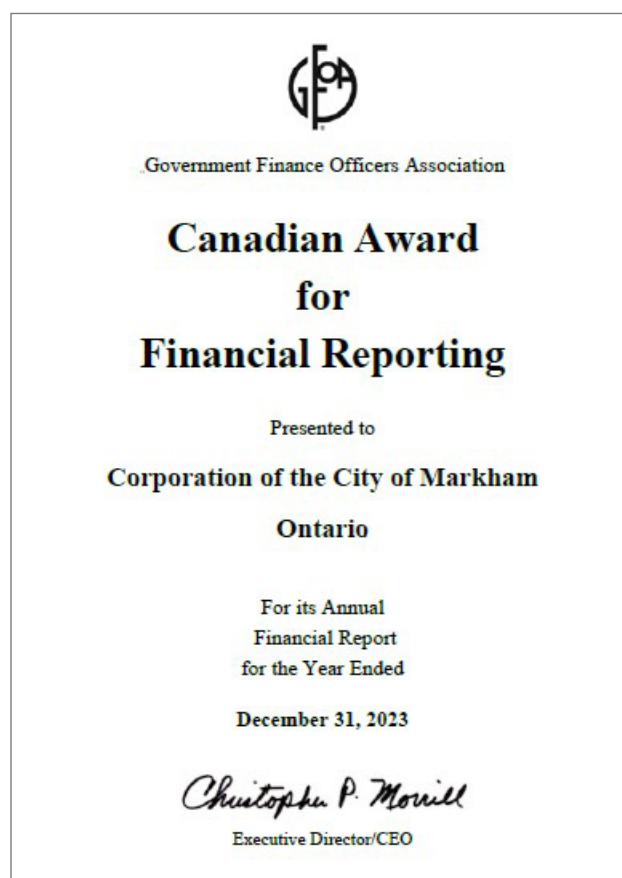
**W**e are pleased to present, on behalf of Markham Council and staff, the 2024 Annual Report for The Corporation of the City of Markham. This year's report is Markham's sixth digital-only Report and includes the City's Consolidated Financial Statements.

Markham's decision-making is guided by *Building Markham's Future Together: 2020-2026 Strategic Plan* and, master plans help ensure our work is aligned with our four goals: Exceptional Services by Exceptional People; Engaged, Diverse, Thriving and Vibrant City; Safe, Sustainable and Complete Community; and Stewardship of Money and Resources.

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

Markham continues to be recognized as a municipal leader and has received the Government Finance Officers Association Award for its annual reports consecutively since 2001. Thank you to everyone who contributed to our outstanding successes in 2024.

  
**Frank Scarpitti**  
 Mayor



## General Committee

Mayor **Frank Scarpitti**

Deputy Mayor **Michael Chan**

Regional Councillor **Jim Jones**

Regional Councillor **Joe Li**

Regional Councillor **Alan Ho**

Ward 1 Councillor **Keith Irish**

Ward 2 Councillor **Ritch Lau**

Ward 3 Councillor **Reid McAlpine**

Ward 4 Councillor **Karen Rea**

Ward 5 Councillor **Andrew Keyes**

Ward 6 Councillor **Amanda Yeung Collucci**

Ward 7 Councillor **Juanita Nathan**

Ward 8 Councillor **Isa Lee**



# Markham City Council (2022-2026)



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

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

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

# Governance

## Markham City Council

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

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

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

## Chief Administrative Officer

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

## Committees

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

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

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

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

## Governance Framework

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

## Accountability and Transparency

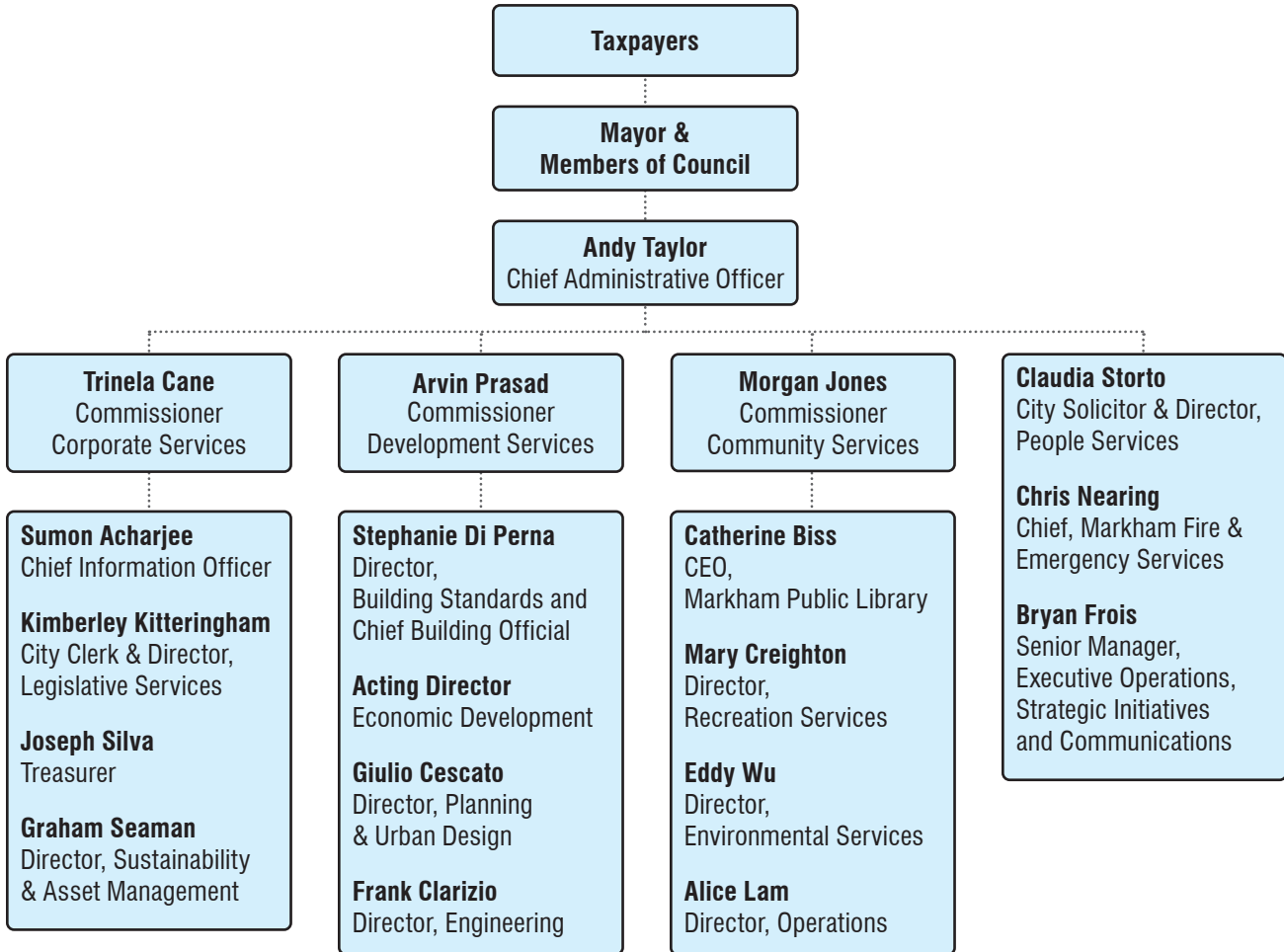
To assure Markham stakeholders that Council is acting with integrity and transparency, the City has appointed three independent, external bodies to monitor its activities and investigate complaints.

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

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



# Organizational Structure



City of Markham Executive Leadership Team at Markham Museum, September 11, 2024. From left to right: Bryan Frois, Chris Nearing, Claudia Storto, Andy Taylor, Trinela Cane, Arvin Prasad and Morgan Jones.

# The City's Budget Process

## Fiscal prudence

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

- Prohibit the use of one-time funding to balance the Operating Budget
- Prohibit the use of prior year surpluses to balance the Operating Budget
- Allocate additional funding to the Capital Budget Program

## Budget framework

Council meets every four years to set the City's goals and priorities. For 2024, Council's strategic priorities address the initiatives defined in the 2022 - 2026 Council term that are detailed under section 2 - Corporate Strategic Plan:

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

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

## Multi-year financial planning

The City's Strategic Plan, Building Markham's Future Together, is the foundation for the City's annual budget process. The strategic objectives and associated action plans listed under Markham's Strategic Plan are incorporated and considered during the development of every budget the City produces.

In order to align funding plans with Council's long-term goals and objectives, the City undertakes multi-year planning to support its annual budget process. As part of multi-year planning, the City undertakes a rolling 25-year asset lifecycle study to inform the capital budget. The study updates the City's lifecycle reserve model, incorporating such elements as revised economic assumptions, updated pricing using latest contract awards, and values of assets acquired during the year. To inform the operating budget, the City tracks and considers future cost drivers, such as, for example, multi-year impacts of service contracts and cost of living adjustments from minimum wage changes and labour settlements.

This multi-year planning approach supports the Strategic Plan goal "Stewardship of Money and Resources" and allows the City to prudently manage funds and resources, balancing current priorities with longer-term considerations. This assists in identifying future opportunities and challenges; therefore, the City can be more proactive in capitalizing on opportunities, and mitigating challenges. A better understanding of the financial implications of decisions is also highlighted by taking a longer-term view.

## Budget process

In July 2023, staff began working on the 2024 BP for each Business Unit. Each Business Unit filled out a BP that served as a single reference for identifying its unit's 2024 proposed objectives in alignment to the corporate goals and Council priorities. Within each BP, Business Units included a proposed 2024 Operating Budget and Capital Project Budget that form the Business Unit's Budget.



The Corporate Business Planning process establishes and reinforces the relationship between corporate goals and objectives with operational plans and resources. The City of Markham Business Plan identifies the “Stewardship of Money and Resources” as a key corporate goal with the accompanying goal statement:

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

Fiscally prudent policies combined with a rigorous budgetary process allow the City to deliver services efficiently and effectively to the community, while mitigating the need for significant tax rate increases.

Also in July 2023, the introduction of Strong Mayor Powers from the Provincial government changed the manner in which the 2024 Budget was reviewed and approved. Historically, City Council would strike a Budget Committee to review and recommend a budget to Council for approval. Under the new Strong Mayor Powers (as per O. Reg. 530/22: Part VI.1 of the Municipal Act, 2001) the head of Council is required to prepare and present the Budget for Council adoption by no later than February 1, 2024. After receiving the proposed budget, Council can amend the proposed budget by passing a resolution within a 30-day review period. The head of Council has 10 days from the end of the Council review period to veto any Council amendment. Council has an opportunity to override the head of Council’s veto with a two-thirds majority vote, within a 15-day period. Once this process is completed, the Budget is deemed to be adopted by the City.

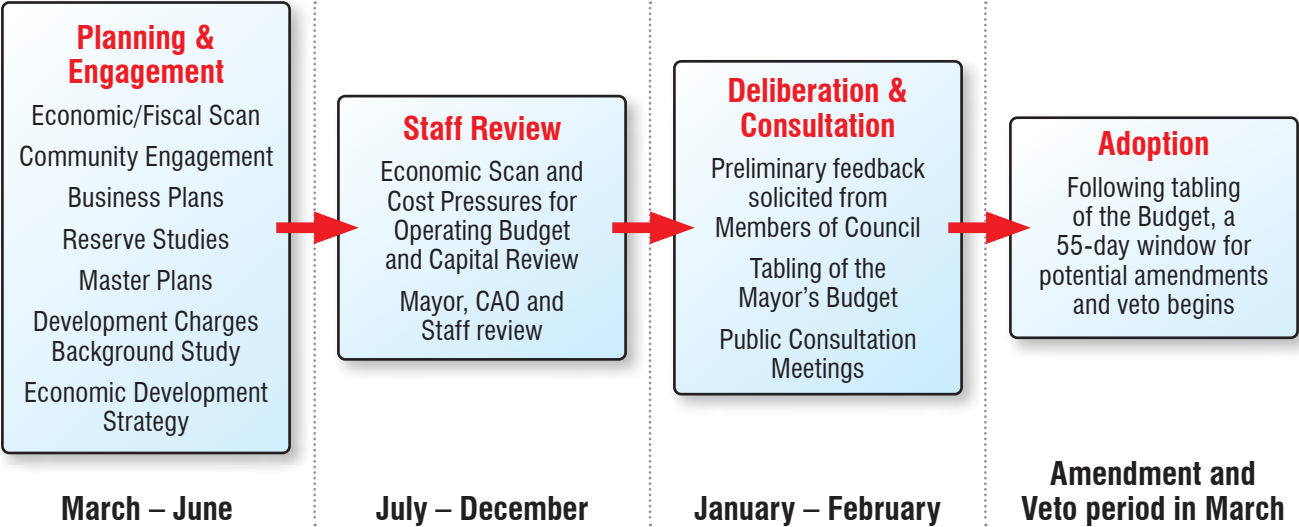
Staff reviewed the 2024 Budget requirements with the Mayor to develop the 2024 plan, the Mayor tabled the 2024 Budget with Council on January 29, 2024, consisting of the Capital and Primary Operating Budgets as well as the Planning & Design, Engineering, Building Standards, and Waterworks Operating Budgets for 2024.



Mayor Frank Scarpitti (centre) photographed alongside staff members on January 29, 2024.

A Public Meeting was subsequently held on February 15, 2024, followed by a Special Council meeting to consider potential amendments to the Mayor’s 2024 Budget. As there were no amendments to be considered, the 2024 Budget was deemed to be adopted on February 28, 2024. The 2024 Budget aligns with the Council approved strategic priorities which address social, economic and environmental considerations. The Budget includes service level enhancements while providing Markham residents’ value for their money, and it achieves fiscal sustainability to balance the Budget, including a previously approved annual payback instalment to the Corporate Rate Stabilization Reserve in the amount of \$1.58M.

2024 Budget Process



Reconciliation of City’s budget to audited financial statements

The City’s annual budget is prepared on a cash basis for the purpose of calculating the property tax levy whereas the audited financial statements are prepared on an accrual basis of accounting. The audited financial statements are prepared in accordance with generally accepted accounting principles (GAAP) for local governments as recommended, from time to time, by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPAC). There are certain budgeted revenues and expenses within the financial statements that need to be eliminated (such as transfers between funds, debt principal repayments, and dividend receipts) for financial reporting purposes. There are a few other non-budgeted adjustments included to help align with actual numbers. Some of these non-budgeted adjustments include BIA consolidations, amortization of capital assets and Reserve Fund interest. The chart below helps break down the reconciliation between the City’s budget and the audited financial statements. Please refer to Notes 19 and 20 in the audited financial statements for budgets and actuals.



	Approved Budget		In-year approved capital budget	Adjustments	Adjusted budget as per financial statements	Actual 2024 as per financial statements
	Operating	Capital				
<b>Revenues</b>	\$	\$	\$	\$	\$	\$
Property taxes	187,742	-	-	-	187,742	192,366
User charges	231,504	-	-	-	231,504	231,050
Government transfers	4,221	10,063	379	-	14,663	19,362
Contributions from developers and others	-	7,077	-	-	7,077	612,277
Investment income	18,517	-	-	-	18,517	39,671
Tax penalties	5,301	-	-	-	5,301	7,312
Deferred revenue earned	-	42,930	2,095	-	45,025	39,817
Equity income from Markham Enterprises Corporation	14,821	-	-	-	14,821	28,421
Other	7,327	58,193	7,458	(65,651)	7,327	21,994
	<b>469,433</b>	<b>118,263</b>	<b>9,932</b>	<b>(65,651)</b>	<b>531,977</b>	<b>1,192,270</b>
<b>Expenses</b>						
General government	55,765	16,616	50	1,674	74,105	72,708
Protection to persons and property	61,292	855	-	834	62,981	61,188
Transportation services	44,210	11,055	3,836	19,460	78,561	70,319
Environmental services	150,263	22,374	-	7,128	179,765	177,191
Recreation and cultural services	75,151	18,474	2,115	4,332	100,072	102,879
Planning and development services	19,065	48,889	3,931	(46,653)	25,232	19,856
Transfer to own funds	63,648	-	-	(63,648)	-	-
Other	39	-	-	-	39	17
	<b>469,433</b>	<b>118,263</b>	<b>9,932</b>	<b>(76,873)</b>	<b>520,755</b>	<b>504,158</b>
<b>Net Surplus</b>	-	-	-	<b>11,222</b>	<b>11,222</b>	<b>688,112</b>

# 2024 Financial Statements Review

The Corporation of the City of Markham is pleased to present the 2024 Consolidated Financial Statements. The annual financial statements are the responsibility of Management and are prepared in accordance with generally accepted accounting principles (GAAP) for local governments as recommended, from time to time, by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPAC). The statements include the financial results of the City of Markham, the Markham Public Library Board, Community Boards and Business Improvement Areas (BIAs), Destination Markham Corporation, as well as the City's wholly owned investment in Markham Enterprises Corporation (MEC), including MEC's shares in Alectra Inc. of 15.00 (2023 – 15.00) per cent and in Markham District Energy Inc. (MDE) of 100 per cent.

The audited statements are a report card on the financial position, health and strength of the City. The 2024 financial results continue to demonstrate Markham's strong leadership and excellence in financial planning and fiscal prudence.

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

The City continues to strive for its financial performance and strategies to address growth and increased demand for services through *Excellence through Efficiency & Effectiveness (E3)* initiatives. Without E3 there would have been a need for a property tax increase of approximately 28.12 per cent. The increase would have been paid out year after year by Markham taxpayers on a cumulative basis.

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**The E3 program has generated \$36.8 million of cumulative savings since 2009, through revenue enhancements and expenditure reductions**

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

### Annual (Current Year) Surplus:

The Annual Surplus is shown on the Statement of Operations and Accumulated Surplus, and is the mathematical result of total revenues for the year less total expenses. The current year surplus is \$688,112, an increase of \$403,980 from the surplus reported for 2023. As the 2024 budget projected a surplus of \$11,222, the actual surplus result represents a favourable difference of \$676,890 in comparison.

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

- Contributions from Developers consist mostly of assets that have been constructed by developers, and are transferred to and recorded in City financials at the time the City accepts responsibility for the maintenance of the municipal services. These include assets such as roads, sidewalks water delivery systems, and etc. The transfer of ownership usually occurs within four years from the date of registration of a subdivision agreement, although it may be longer depending on the development. Contributed land is recorded earlier in the process at the time of plan registration. The value of contributed assets differs from year to year, based on the number of plans registered, timing of subdivision assumptions and the infrastructure assets constructed within each subdivision. These factors make it extremely difficult to predict (or budget) for these revenues. This is evidenced by the actual Contributions from Developers in 2024 of \$612,277 vs. the budget of only \$7,077.

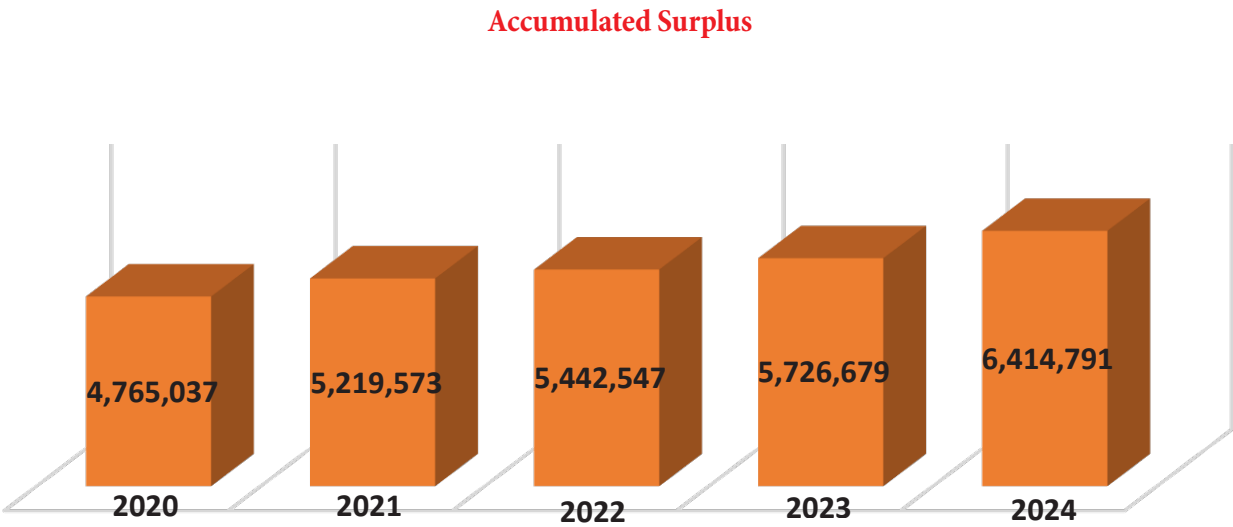


- Deferred Revenues Earned refers to monies that were received and set aside in prior years but used for their intended purpose (earned), within the current year. During the year \$39,817 was earned, having been used to construct assets such as the works yard, parks improvements, and various other infrastructure assets. Again, the annual progress of the projects (spending of deferred revenues) is very difficult to predict.

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

**Accumulated Surplus:**

The Accumulated Surplus is derived by adding the current year Annual Surplus to the Accumulated Surplus of the prior year. The 2024 Accumulated Surplus of \$6,414,791 includes the total operating surplus, the City’s equity in MEC, investment in tangible capital assets as well as reserve and reserve fund balances. As illustrated in the following table, the Accumulated Surplus continues to grow, and has increased by an average of \$329,951 per year over the past five years.



**Markham’s Accumulated Surplus has grown by 21.9% over the past five years, at an average of \$329,951 per year**

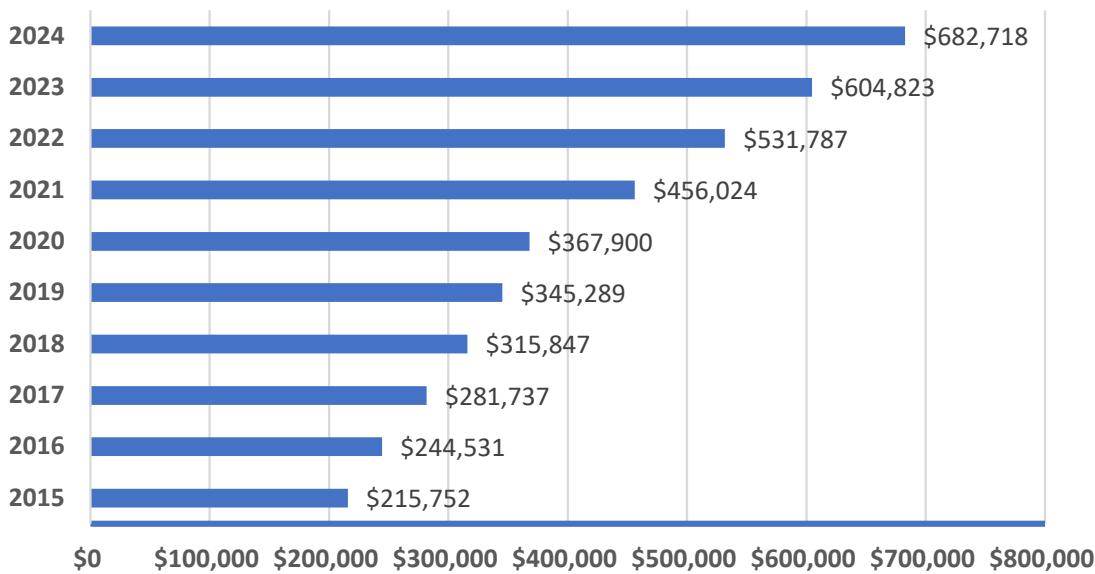
## Reserves and Reserve Funds:

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

The Reserves and Reserve Funds totaled \$284,096 at the end of 2024 (\$682,718 excluding the Land Acquisition Reserve Fund). Markham’s Reserves and Reserve Funds (excluding the Land Acquisition Reserve Fund) have seen an overall increase of 216.4 per cent from 2015 to 2024.

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

Ten-Year Reserve and Reserve Fund History



Reserves and Reserve Funds have increased by 216.4 per cent since 2015



## Investment in MEC:

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

	2024	2023	Incr. / (Decr.)
Equity in MEC, January 1, 2024	\$407,946	\$398,438	9,508
Equity in income for the year	28,721	25,291	3,430
Decrease in share capital	(1,012)	(962)	(50)
Return of promissory note	(67,866)	-	(67,866)
Dividend paid by MEC to City	(11,967)	(14,821)	2,854
<b>Equity in MEC, December 31, 2024</b>	<b>\$355,822</b>	<b>\$407,946</b>	<b>(52,124)</b>

## 2. Financial Statement Discussion (All dollar amounts are in \$000)

### Statement of Financial Position (Balance Sheet)

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

#### Financial Assets

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

The City ended the year with financial assets totaling \$1,116,733, an increase of \$102,106 (10.1 per cent) over 2023.

- Cash & cash equivalent and investments increased in 2024 from \$480,266 to \$622,572 (\$142,306, 29.6%). The increase in cash inflows was driven by higher development charges collection in 2024 compared to 2023 (\$92,870); refund of promissory note by Alectra Inc. (\$67,866); receipt of grants, higher investment income and the impact of remeasurement of gains on principal protected notes and share of changes to other comprehensive income (\$54,126); an increase in deposits and other revenues (\$19,537). These are offset by a decrease in spending on operating and capital projects in 2024 compared to 2023 (\$17,821) and by acquisition of real properties (\$112,889). The average rate of return on investments in the general portfolio in 2024 was 7.6% (2023 – 6.2%).
- Property taxes receivable increased from \$43,530 to \$50,766 (\$7,236, 16.6%) due to an increase in property tax levies for new properties levied towards the end of year with a due date in the subsequent year.
- Accounts receivable increased from \$82,885 to \$87,573 (\$4,688, 5.7%) in 2024 mainly due to an increase in receivables for cash-in-lieu and receivable from developers due to timing.
- Investment in MEC decreased by \$52,124 (12.8%) in 2024. This decrease in investment includes the 2024 equity in income of \$28,721. This was offset by a return of a promissory note of \$67,866, a dividend payment of \$11,967 and a reduction in share capital of \$1,012. This decrease is detailed in the "Investment in MEC" section above.

## Financial Liabilities

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

Financial liabilities were \$536,410, an increase of \$29,809 (5.9%) compared to 2023.

- Accounts payable and accrued liabilities increased in 2024 from \$160,936 to \$186,429 (\$25,493, 15.8%) mainly due to an increase in amounts payable to vendors for construction projects (\$17,197) due to timing, and an increase in accrued liabilities related to employment (\$8,296).
- Notes payable decreased by \$94,000 in 2024 due to payment made to the vendor in January 2024 as per the terms of the contractual obligations.
- Deferred revenues are considered liabilities until the funds are spent or used for their intended purpose. The major deferred revenues include development charges, parkland cash-in-lieu, Canada Community Building Fund (Federal Gas Tax), community benefit charge and Section 37 Funds. The deferred revenues totaled \$278,873, an increase of \$97,651 over 2023. The increase was mainly due to higher development charges, & other external funds for capital projects (\$100,047) due to timing offset by higher usage of Canada Community Building Fund (\$2,396).
- Employee future benefits include liabilities that are based on actuarial valuations for vested sick leave benefits for fire fighters, long-term disability (LTD) benefits, Workplace Safety and Insurance Board (WSIB) obligations, and post-employment benefits. The City has set aside funds in specific purpose reserves and reserve funds for the financing of these anticipated future costs. These liabilities totaled \$44,799, an increase of \$1,535 or 3.5% over 2023 which included an increase as per actuarial valuations for the current year end for WSIB, LTD, post-employment and sick leave benefits.
- Long-term liabilities totaled \$6,738, a decrease of \$870 from 2023 as the City met loan repayment obligations to the Canada Mortgage and Housing Corporation (CMHC) and the Federation of Canadian Municipalities (FCM).

## Non-Financial Assets

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

Non-financial assets totaled \$5,869,980, an increase of \$641,004 over 2023. The change was almost entirely due to the addition of TCA, such as land, parks, pathways and various infrastructure assets offset by decrease in salt & sand inventory and prepaid expenses.

Financial Position	2024	2023	Incr. / (Decr.)
Financial Assets	\$1,116,733	\$1,014,627	\$102,106
Less: Financial Liabilities	(536,410)	(506,601)	(29,809)
Plus: Non-financial assets	5,869,980	5,228,976	641,004
	<b>\$6,450,303</b>	<b>\$5,737,002</b>	<b>\$713,301</b>
Accumulated surplus	\$6,414,791	\$5,726,679	\$688,112
Accumulated remeasurement of gains	35,512	10,323	25,189
	<b>\$6,450,303</b>	<b>\$5,737,002</b>	<b>\$713,301</b>



# Statement of Operations and Accumulated Surplus (Income Statement)

## Revenues by Source

Total revenues in 2024 were \$1,192,270, an increase of \$423,550 from 2023. The year-over-year increase in revenues was driven by an increase in contribution from developers (\$382,004), investment income (\$12,056), user charges (\$11,967), deferred revenue earned (\$7,384) equity income from MEC (\$2,980), property tax levies (\$7,949) offset by government transfer (-\$2,205).

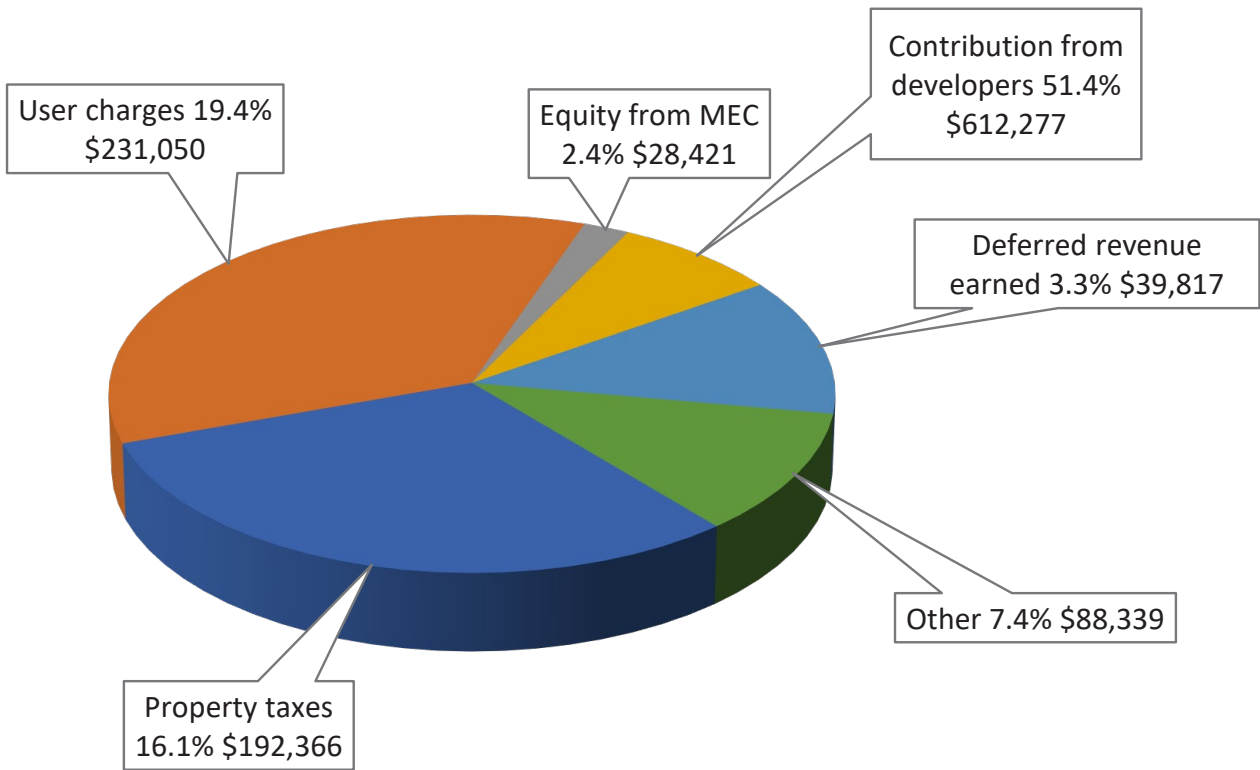
User Charges were \$231,050, 19.4 per cent of the total revenues in 2024. These include such things as planning and engineering fees, water and sewer billing, building permits and recreation and culture program registration and facility rental fees.

Contributions from developers totaled \$612,277, 51.4 per cent of 2024 revenues, as the City assumed ownership of land and other assets constructed in new development areas.

Deferred revenue earned (spent) totaled \$39,817 or 3.3 per cent of the 2024 revenues. Deferred revenue earned increased during 2024 when compared to 2023 mainly due to increase in capital spending funded by development charges, cash in lieu and section 37 funding.

Equity income of MEC also represented 2.4 per cent of the total revenues in 2024. In 2024, the equity income increased by \$2,980 due to Alectra's higher income.

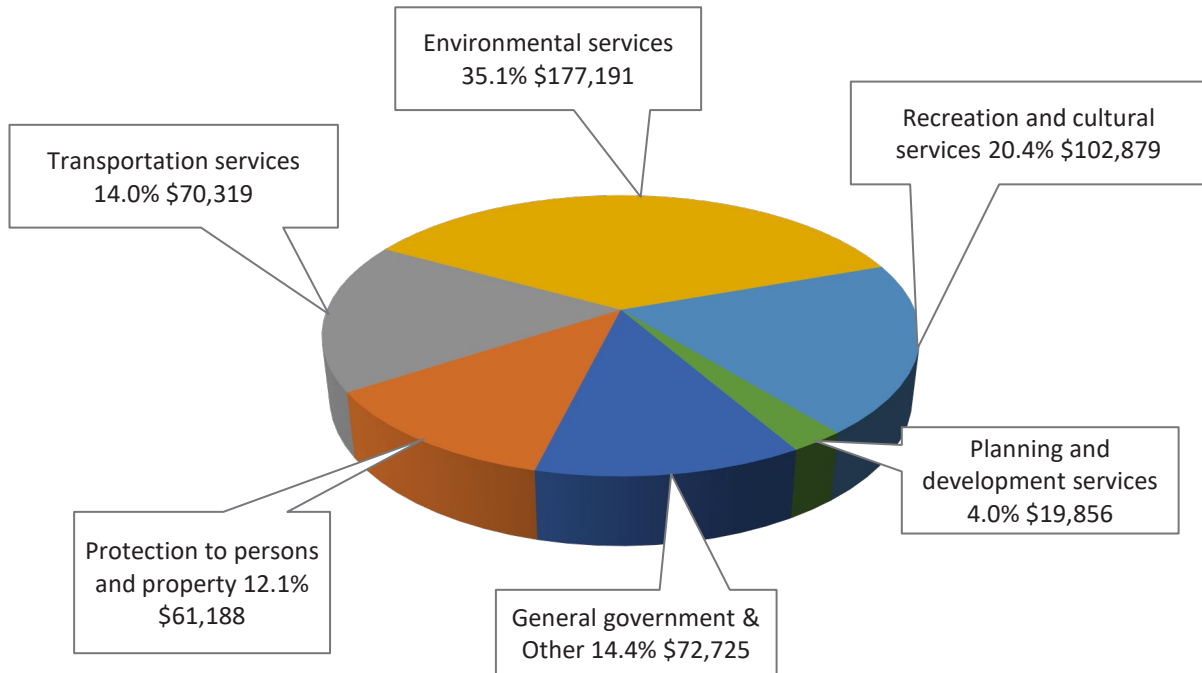
### 2024 Revenues by Source – Total: \$1,192,270



## Expenses by Function

Total expenses in 2024 were \$504,158, an increase of \$19,570 over 2023 due to higher salaries, wages and benefits, operating material & supplies and contracted services. Expenses are presented by the various functional groups of the City. For example, General Government includes the administrative and shared services expenses of the City, and protection to persons and property includes Fire and Emergency Services and Building Standards.

### 2024 Expenses by Function – Total: \$504,158



- The Annual Surplus for the year (total revenues less total expenses) was \$688,112, an increase of \$403,980 from 2023.

## Reporting and Accountability

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

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

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

Joseph Silva  
Treasurer  
April 22, 2025

# Financial Policies

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

## Basis of Accounting

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

## Reserves/Reserve Funds Policy

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

## Use of Assessment Growth

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

## Use of Prior Year's Surplus/Deficit

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

## Capital Budget Control Policy

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

## Investment Policy

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

## Development Charges Credit Policy

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

## Purchasing Policy Under Bylaw 2017-8

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

## Expenditure Control Policy

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

## Payment Acceptance Policy

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



**KPMG LLP**

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## INDEPENDENT AUDITOR'S REPORT

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

**Opinion**

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

- the consolidated statement of financial position as at December 31, 2024
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of remeasurement of gains and losses for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2024, and its consolidated results of operations, its consolidated change in net financial assets, its consolidated remeasurement of gains and losses and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

**Basis for Opinion**

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

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

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

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



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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 22, 2025



# Consolidated Statement of Financial Position

December 31, 2024 with comparative figures for 2023  
(All dollar amounts are in \$000's)

	Note	2024	2023
<b>Financial assets</b>			
Cash and cash equivalents	5	\$268,276	\$214,766
Investments	5	354,296	265,500
Property taxes receivable	6	50,766	43,530
Accounts receivable		87,573	82,885
Investment in Markham Enterprises Corporation	7	355,822	407,946
		<b>\$1,116,733</b>	<b>\$1,014,627</b>
<b>Financial liabilities</b>			
Accounts payable and accrued liabilities	8	\$186,429	\$160,936
Liability for asset retirement obligation		19,571	19,571
Notes payable	9	-	94,000
Deferred revenues	10	278,873	181,222
Employee future benefits liabilities	11	44,799	43,264
Long-term liabilities	12	6,738	7,608
		<b>\$536,410</b>	<b>\$506,601</b>
<b>Net financial assets</b>		<b>\$580,323</b>	<b>\$508,026</b>
<b>Non-financial assets</b>			
Tangible capital assets	13	\$5,862,749	5,221,595
Inventories		3,068	3,588
Prepaid expenses		4,163	3,793
		<b>\$5,869,980</b>	<b>5,228,976</b>
Commitments	17		
Contingencies	18		
Contractual rights	22		
<b>Accumulated surplus</b>	<b>16</b>	<b>6,414,791</b>	<b>5,726,679</b>
<b>Accumulated remeasurement of gains (losses)</b>		<b>35,512</b>	<b>10,323</b>
		<b>\$6,450,303</b>	<b>\$5,737,002</b>

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

# Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2024 with comparative figures for 2023  
(All dollar amounts are in \$000's)

	Note	2024		2023
		Budget (note 20)	Actual	Actual
<b>Revenues</b>				
Property taxes		\$187,742	\$192,366	\$184,417
User charges	14	231,504	231,050	219,083
Government transfers	15	14,663	19,362	21,567
Contributions from developers and others		7,077	612,277	230,273
Investment income		18,517	39,671	27,615
Tax penalties		5,301	7,312	6,300
Gain on sale of tangible capital assets		-	-	267
Deferred revenue earned		45,025	39,817	32,433
Equity income from Markham Enterprises Corporation	7	14,821	28,421	25,441
Other		7,327	21,994	21,324
<b>Total revenues</b>		<b>\$531,977</b>	<b>\$1,192,270</b>	<b>\$768,720</b>
<b>Expenses</b>	19			
General government		74,105	\$72,708	\$66,710
Protection to persons and property		62,981	61,188	59,569
Transportation services		78,561	70,319	71,952
Environmental services		179,765	177,191	170,987
Recreation and cultural services		100,072	102,879	98,028
Planning and development services		25,232	19,856	17,312
Other		39	17	30
<b>Total expenses</b>		<b>520,755</b>	<b>\$504,158</b>	<b>\$484,588</b>
<b>Annual surplus</b>		<b>\$11,222</b>	<b>\$688,112</b>	<b>\$284,132</b>
Accumulated surplus, beginning of year		5,726,679	5,726,679	5,442,547
<b>Accumulated surplus, end of year</b>	16	<b>\$5,737,901</b>	<b>\$6,414,791</b>	<b>\$5,726,679</b>

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

## Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2024 with comparative figures for 2023  
(All dollar amounts are in \$000's)

	Note	2024		2023
		Budget	Actual	Actual
<b>Annual surplus</b>		<b>\$11,222</b>	<b>\$688,112</b>	<b>\$284,132</b>
Acquisition of tangible capital assets		(158,697)	(115,423)	(181,417)
Contributed tangible capital assets	13		(612,277)	(230,273)
Amortization of tangible capital assets		84,830	85,432	84,121
Asset retirement obligation incurred in year		-	-	(1,316)
Loss (gain) on disposal of tangible capital assets		-	731	(267)
Proceeds from disposal of tangible capital assets		-	383	267
		<b>(\$62,645)</b>	<b>\$46,958</b>	<b>(\$44,753)</b>
Acquisition of inventories		-	(3,068)	(3,588)
Acquisition prepaid expenses		-	(4,163)	(3,793)
Consumption of inventories		-	3,588	3,757
Use of prepaid expenses		-	3,793	4,569
<b>Change in net financial assets excluding net remeasurement gains</b>		<b>(\$62,645)</b>	<b>\$47,108</b>	<b>(\$43,808)</b>
Net remeasurement of gains for the year		-	25,189	10,323
<b>Net change in net financial assets</b>		<b>(62,645)</b>	<b>72,297</b>	<b>(33,485)</b>
<b>Net financial assets, beginning of year</b>		<b>508,026</b>	<b>508,026</b>	<b>541,511</b>
<b>Net financial assets, end of year</b>		<b>\$445,381</b>	<b>\$580,323</b>	<b>508,026</b>

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



## Consolidated Statement of Remeasurement of Gains and Losses

For the year ended December 31, 2024 with comparative figures for 2023  
(All dollar amounts are in \$000's)

	2024	2023
<b>Accumulated remeasurement gains, beginning of year</b>	<b>\$10,323</b>	<b>\$-</b>
Realized amounts reclassified to Consolidated Statement of Operations	(2,002)	-
Unrealized gains in the current year attributable to portfolio investments	26,891	10,473
Share of other comprehensive gain (loss) from Markham Enterprises Corporation	300	(150)
<b>Accumulated remeasurement gains, end of year</b>	<b>\$35,512</b>	<b>\$10,323</b>

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

# Consolidated Statement of Cash Flows

For the year ended December 31, 2024 with comparative figures for 2023  
(All dollar amounts are in \$000's)

	2024	2023
<b>Cash provided by (used in):</b>		
<b>Operating activities</b>		
<b>Annual surplus</b>	<b>\$688,112</b>	<b>\$284,132</b>
Add (deduct) items not involving cash		
Amortization of tangible capital assets	85,432	84,121
Loss (gain) on disposal of tangible capital assets	731	(267)
Change in employee future benefits and other liabilities	1,535	2,970
Equity in income of Markham Enterprises Corporation	(28,421)	(25,291)
Contributed tangible capital assets	(612,277)	(230,273)
Change in non-cash assets and liabilities		
Property taxes receivable	(7,236)	(8,738)
Accounts receivable	(4,688)	5,147
Accounts payable and accrued liabilities	25,493	3,771
Notes payable	(94,000)	94,000
Long term liabilities	(870)	(840)
Deferred revenue	97,651	10,106
Inventories	520	169
Prepaid expenses	(370)	776
<b>Net change in cash from operating activities</b>	<b>\$151,612</b>	<b>\$219,783</b>
<b>Capital investment activities</b>		
Acquisition of tangible capital assets	(115,423)	(181,417)
Proceeds from disposal of tangible capital assets	383	267
Net of purchase of investments and proceeds	(63,907)	7,715
<b>Net change in cash from capital investment activities</b>	<b>\$(178,947)</b>	<b>\$(173,435)</b>
<b>Financing activities</b>		
Dividend from Markham Enterprises Corporation	11,966	14,821
Proceeds from the refund of promissory note from Alectra	67,867	-
Return of capital	1,012	962
<b>Net change in cash from financing activities</b>	<b>\$80,845</b>	<b>\$15,783</b>
<b>Net change in cash &amp; cash equivalents</b>	<b>\$53,510</b>	<b>\$62,131</b>
<b>Opening cash &amp; cash equivalents</b>	<b>214,766</b>	<b>152,635</b>
<b>Closing cash &amp; cash equivalents</b>	<b>\$268,276</b>	<b>\$214,766</b>
<b>Supplementary information:</b>		
Interest paid	245	275
Interest received	13,422	16,654

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

# Notes to the Consolidated Financial Statements

For the year ended December 31, 2024 with comparative figures for 2023  
(All dollar amounts are in \$000's)

## 1. Significant Accounting Policies

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

Significant accounting policies adopted by the City are as follows:

### a) Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all organizations, local boards and committees accountable for the administration of their financial affairs and resources, to the City, and which are owned or controlled by the City, including the following:

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

Inter-entity transactions and balances are eliminated on consolidation.

### b) Investment in Markham Enterprises Corporation

Markham Enterprises Corporation (MEC) and its subsidiaries are accounted for on a modified equity basis, consistent with the Canadian public sector accounting standards as recommended by PSAB for government business enterprises. Under the modified equity basis of accounting, the business enterprise's accounting principles are not adjusted to conform to those of the City, and inter-organizational transactions and balances are not eliminated. The City recognizes its equity interest in the annual income or loss of MEC in its consolidated statement of operations and accumulated surplus with a corresponding increase or decrease in its investment asset account. The share of other comprehensive income or loss in MEC is recognized in City's consolidated statement of remeasurement of gains and losses. Any dividends that the City may receive from MEC are reflected as reductions in the investment asset account.

### c) Accounting for Region and School Board Transactions

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

### d) Trust Funds

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

### e) Basis of Accounting

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

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



## **f) Financial Instruments**

PS 3450 Financial Instruments establishes standards on the recognition and measurement of different categories of financial instruments, including derivatives.

The City's investments in Principal Protected Notes (PPNs) meet the criteria of a financial instrument with an embedded derivative. The standards permit financial instruments containing one or more embedded derivatives to be designated as a hybrid (combined) instrument and carried at fair value. This designation is irrevocable. The City has elected to record the PPNs at fair value. The cumulative change in fair value of these financial instruments is recorded in accumulated surplus as remeasurement gain and losses and is included in the value of the investments presented in the consolidated statements of financial position. Upon disposition of the PPNs, the cumulative remeasurement gains and losses are reclassified to the consolidated statement of operations and accumulated surplus, and all other gains and losses related to the disposition of the PPNs are directly recorded in the consolidated statement of operations and accumulated surplus.

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

## **g) Government Transfers**

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

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

## **h) Deferred Revenues**

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

## **i) Property Taxes and Related Revenues**

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

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

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

## j) Employee Future Benefits Liabilities

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

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

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

## k) Investment Income

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

## l) Non-Financial Assets

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

## m) Tangible Capital Assets

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

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

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

**(i) Contributions of Tangible Capital Assets**

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

**(ii) Works of Art and Cultural and Historic Assets**

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

**(iii) Interest Capitalization**

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

**n) Assets**

The assets standard provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events and from which future economic benefits are to be obtained. For the year ended December 31, 2024, all the material assets have been reported.

**o) Inventories**

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

**p) Use of Estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenditures during the period. Actual results could differ from these estimates.

**q) Budget Figures**

The approved operating and capital budgets for 2024 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 report on a project-oriented basis, the costs of which may be carried over one or multiple years and, therefore, may not be comparable with the current year actual amounts. The budget presented in these financial statements has been reconciled to the approved budgets to reflect the accrual basis of accounting in note 20. As a result of changes to the Municipal Act, 2001 (Part VI Special Powers and Duties of the Head of Council) that affected the City's Budget process, City Council approved in-year additions to the 2024 capital budget plan resulting in a change to the 2024 capital budget from \$118,263 as originally approved to \$128,195.

**r) Segment Disclosure**

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The City has provided definitions of the segments used and presented financial information in segmented format in note 19.



### s) Contaminated Sites

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

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

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

### t) Asset Retirement Obligations

PS 3280 Asset Retirement Obligations (ARO) is recognized when, as at the financial reporting date, all of the following criteria are met:

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The substantial portion of ARO liability for the City stems from the removal of asbestos in several of the buildings owned by the City. The ARO liability for removal of asbestos has been based on actual demolition cost of a building containing asbestos. The City has also identified associated costs related to the asbestos disposal and calculated a cost per square foot, which was applied to the remaining buildings built before 1990. Where renovations had taken place, the gross area of the structure was pro-rated to account for partial abatement. Assumptions used in the calculations are revised on an annual basis. However, there is no change in assumptions for the period ended December 31, 2024.

The City elected not to apply present value technique to measuring asset retirement obligation liability and as a result does not recognize any accretion expenses in the consolidated financial statements.

### u) Adoption of new accounting standards

City adopted the following new public sector accounting standards ("PS") for the year ended December 31, 2024. The adoption of these new accounting standards did not have a significant impact on the financial statements of the City.

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

### v) Future accounting pronouncements

These following standards and amendments were not yet effective for the year ended December 31, 2024, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of these accounting standards updates on future financial statements.

Standards applicable for fiscal years beginning on or after April 1, 2026 (the City's December 31, 2027 year-end):

- The Conceptual Framework for Financial Reporting in the Public Sector, the revised framework defines and elaborates on the characteristics of public sector entities and financial reporting objectives. The revised conceptual framework will replace the existing conceptual framework, which consists of Section PS 1000, Financial Statement Concepts, and Section PS 1100, Financial Statement Objectives. The conceptual framework is to be applied prospectively.
- PS 1202 – Financial Statement Presentation: this new reporting model will be built upon the existing Section PS 1201 of the same name to better respond to the need for understandable financial statements.
- PS 3251 - Employee Benefits will replace the current section PS 3250 and PS 3255. The proposed section is currently undergoing discussions where further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

### w) Contractual Rights and Obligations

Contractual rights reflect future rights to economic resources arising from contracts and/or agreements that will result in both an asset and revenue in future fiscal periods. Contractual rights for the year ended on December 31, 2024, are disclosed in note 22.

Contractual obligations represent obligations, that will result in liabilities upon the completion of agreed upon terms specified in contracts and/or agreements in future fiscal periods. For further details regarding the City's contractual obligations, including the nature, extent and timing of these types of transactions, please refer to note 17.

### x) Contingent Assets and Liabilities

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

For the year ended December 31, 2024, the City is not aware of any contingent asset. However, disclosure regarding the City's contingent liabilities, including the nature, extent, and basis of estimates (if available), can be found in note 18.

### y) Related Party Transactions

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

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

### z) Reserves and Reserve Funds

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

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

## 2. Adoption of New Accounting Standards

During the current year, the City adopted the following new accounting standards that came into effect as at January 1, 2024. The adoption of these new accounting standards did not have a significant impact on the consolidated financial statements of the City.

### a) PS 3160 Public Private Partnerships:

On January 1, 2024, the City adopted Canadian public sector accounting standard PS 3160 Public Private Partnership. The standards were adopted prospectively from the date of adoption. The new accounting standards provide standards for accounting and reporting infrastructure assets and liabilities arising from public-private partnership (P3) arrangements in the public sector. It applies to arrangements where a public sector entity collaborates with a private sector partner to design, build, acquire, or improve infrastructure; finance the project beyond its readiness for use; and operate and/or maintain the infrastructure. The standard requires recognition of the infrastructure asset and a corresponding liability when the public sector entity controls the asset's purpose, use, and residual interest, and expects to benefit from its service potential while being exposed to related risks. The asset is initially measured at cost, representing its fair value at the recognition date, and subsequently amortized over its useful life. The liability is measured based on the nature of consideration provided to the private partner, following either the financial liability model or the user-pay model.

### b) PS 3400 Revenue:

On January 1, 2024, the City adopted Canadian public sector accounting standard PS 3400 Revenue. The standards were adopted prospectively from the date of adoption. The new accounting standards provide a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement. It distinguishes between exchange transactions (with performance obligations) and non-exchange transactions (without performance obligations). Revenue from exchange transactions is recognized when performance obligations are satisfied, while revenue from non-exchange transactions is recognized when the public sector entity has the authority to claim or retain the resources and a past event has occurred. The standard also provides guidance on measuring revenue, including considerations for variable consideration and non-cash transactions.

### c) Public Sector Guideline 8 (PSG-8) Purchased Intangibles:

On January 1, 2024, the City adopted PSG-8 Purchased Intangibles. The guideline provides guidance on recognizing and accounting for purchased intangible assets in the public sector. It defines purchased intangibles as identifiable non-monetary economic resources acquired through an arm's length transaction. The guideline requires recognition when the asset meets the criteria under PS 1000 Financial Statement Concepts and PS 3210 Assets. However, it does not prescribe detailed accounting treatment, instead directing entities to existing Public Sector Accounting Standards. PSG-8 does not apply to intangibles acquired through transfers, public-private partnerships, or inter-entity transactions. City adopted PSG-8 prospectively.

## 3. Operations of School Boards and the Region of York

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

	School Boards	Region of York	2024	2023
Taxation	\$254,721	\$401,003	\$655,724	\$633,034
Payment in lieu of taxes	312	1,184	1,496	1,455
Supplementary taxes	3,318	6,682	10,000	9,434
<b>Amount requisitioned and transferred</b>	<b>\$258,351</b>	<b>\$408,869</b>	<b>\$667,220</b>	<b>\$643,923</b>

## 4. 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 \$27,938 (2023 - \$27,592) of which \$13,969 (2023 - \$13,796) represented the City's portion and \$13,969 (2023 - \$13,796) represented employees' portion. Since OMERS is a multi-employer pension plan, the City does not recognize any share of the pension plan deficit of \$2.9 billion as of 2024 (2023 - \$4.2 billion) based on the fair market value of the Plan's assets, as this is a joint responsibility of all Ontario municipalities and their employees.

## 5. Cash & Cash Equivalent and Investments

	2024	2023
Cash & cash equivalents	\$268,276	\$214,766
Investments	354,296	265,500
	<b>\$622,572</b>	<b>\$480,266</b>

Cash balance includes investments in the amount of \$3,848 (2023 - \$9,499) which have a maturity date of less than three months. Investments consist of authorized investments pursuant to the provisions of the Municipal Act and include short-term instruments of various financial institutions, government bonds, and Treasury Bills. Investments, which are reported at cost and amortized cost, had a market value of \$146,177 (2023 - \$148,027) at the end of the year. Investments also include PPN of \$159,752 (2023 - \$117,473) which are reported at fair market value and include \$35,512 (2023 - \$10,473) attributable to unrealized gain.

## 6. Property Taxes Receivable

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

	2024	2023
Current year	\$40,560	\$33,743
Arrears prior years	13,157	12,738
	53,717	46,481
Less: Allowance for uncollectible taxes	(2,951)	(2,951)
	<b>\$50,766</b>	<b>\$43,530</b>

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

The most recent province-wide property assessment was made in 2016 which continues to be the basis for property assessments for property tax determination.

The City's property tax revenue and property tax receivables rely on the stability of the assessment roll, which is subject to annual assessment appeals that create an amount of uncertainty related to the amount of property tax receivables. Based on the current tax assessments, the City has provided a provision allowance in the amount of \$2,951 (2023 - \$2,951).



## 7. Investment in Markham Enterprises Corporation

Markham Enterprises Corporation (MEC) is wholly owned by the City. MEC owns 100% (2023 – 100%) of Markham District Energy Inc. (MDE) and 15% of Alectra Inc. (Alectra) (2023 – 15%).

The following consolidated financial statements of MEC include the financial information of its subsidiaries MDE and Alectra for the period from January 1, 2024 to December 31, 2024.

	2024	2023
<b>Assets</b>		
Current	\$21,203	\$22,098
Capital assets	168,875	151,186
Investment in Alectra Inc.	328,725	316,252
Other	1,828	1,979
<b>Total Assets</b>	<b>\$520,631</b>	<b>\$491,515</b>
<b>Liabilities</b>		
Current	47,472	43,423
Other	117,337	40,146
<b>Total Liabilities</b>	<b>\$164,809</b>	<b>\$83,569</b>
<b>Shareholder's Equity</b>		
Common shares	89,848	90,860
Promissory notes payable	11,317	79,184
Retained earnings and contributed Surplus	254,657	237,902
<b>Total shareholder's equity</b>	<b>\$355,822</b>	<b>\$407,946</b>
<b>Total liabilities and shareholder's equity</b>	<b>\$520,631</b>	<b>\$491,515</b>
<b>Results of operations</b>		
Revenues	\$60,330	\$55,337
Operating expenses	31,909	29,896
<b>Net Income</b>	<b>28,421</b>	<b>25,441</b>
<b>Share of other comprehensive income (loss)</b>	<b>300</b>	<b>(150)</b>
<b>City's share of net income in MEC</b>	<b>28,721</b>	<b>25,291</b>
<b>Opening balance, beginning of year</b>	<b>\$407,946</b>	<b>\$398,438</b>
City's share of net income in MEC	28,721	25,291
Dividend received	(11,966)	(14,821)
Proceeds from the refund of promissory note from Alectra	(67,867)	-
Return of capital	(1,012)	(962)
<b>Closing balance, end of year</b>	<b>\$355,822</b>	<b>\$407,946</b>

## 8. Accounts Payable and Accrued Liabilities

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

	2024	2023
Payable to other governments	\$61,959	\$62,651
Trade accounts payable	86,612	82,812
Accrued liabilities	26,066	11,977
Payroll liabilities	11,792	3,496
	<b>\$186,429</b>	<b>\$160,936</b>

## 9. Notes Payable

In 2023, the City has entered into an agreement with a vendor for acquisition of real property and provided a promissory note in the amount of \$94,000. During 2024, the promissory note was fully repaid.

## 10. Deferred Revenues

Deferred revenue – obligatory reserve funds constitutes funds received that have been set aside for specific purposes as outlined in provincial legislation (such as Community Benefit Charge and Section 37 funds), City by-laws and third party agreements. Deferred revenue – general includes cash received for user charges and security deposits. These amounts will be recognized as revenues in the fiscal year the services are performed or eligible expenses are incurred. The following represents the activity and year end balances for deferred revenue.

	Opening balance	Receipts	Revenues earned	Closing balance
<b>Obligatory reserve funds:</b>				
Development charges	\$123,810	\$113,540	\$32,268	\$205,082
Canada community building fund	19,353	11,744	14,140	16,957
Section 37 funds	8,241	1,095	131	9,205
Community benefit charge	-	2,572	299	2,273
Other	3	-	-	3
	<b>\$151,407</b>	<b>\$128,951</b>	<b>\$46,838</b>	<b>\$233,520</b>
<b>General:</b>				
Deferred revenue and deposits	29,815	70,083	54,445	45,353
	<b>\$181,222</b>	<b>\$199,034</b>	<b>\$101,383</b>	<b>\$278,873</b>

## 11. Employee Future Benefits Liabilities

	2024	2023
Long-term disability benefits	\$6,405	\$6,155
Post-employment benefits	19,169	18,808
Vested sick leave benefits	7,260	7,161
Workplace Safety & Insurance Board obligations	7,570	6,950
	<b>\$40,404</b>	<b>\$39,074</b>
Vacation pay - City	4,208	4,009
Vacation pay - Library	187	181
	<b>\$44,799</b>	<b>\$43,264</b>

### a) Long-Term Disability Benefits (LTD)

The City provides long-term disability benefits to eligible employees. At year end, the accrued liability of \$6,405 (2023 – \$6,155) represents the actuarial valuation of benefits to be paid, based on the history of claims with employees. The City has established a long-term disability reserve to reduce the future impact of these obligations. The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation for December 2023 and projected to December 2024.

### b) Post-Employment Benefits

The City provides for post-employment benefits (extended health and dental benefits) to eligible retiring employees to age 65. The City recognizes these post-employment costs as they are earned during the employee's tenure of service. The post-employment benefit liability at December 31, 2024 is \$19,169 (2023 – \$18,808). The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation for December 2021 and projected to December 2024.

### c) Vested Sick-Leave Benefits

Under the sick-leave benefit plan, which is available only to the City's Firefighters, employees can accumulate unused sick leave and may become entitled to a cash payment when they leave the City's employment. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to \$7,260 (2023 – \$7,161). The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation for December 2021 and projected to December 2024.

#### d) Workplace Safety and Insurance Board (WSIB) Obligations

Effective January 1, 1999, the City 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 the WSIB claims amounted to \$7,570 (2023 - \$6,950) and was determined by an actuarial valuation. A Workplace Safety and Insurance Reserve Fund, funded by annual contributions from the Operating Fund, has been established to protect against any unknown future liability. The accrued benefit liability and the net benefit cost for the fiscal year were determined by an actuarial valuation for December 2022 and projected to December 2024.

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

	LTD benefits	Post- employment benefits	Vested sick- leave	WSIB obligations	2024	2023
Accrued benefit liability, beginning of year	\$6,155	\$18,808	\$7,161	\$6,950	\$39,074	\$36,511
Service cost	1084	996	632	916	3,628	3,401
Interest cost	287	753	294	416	1,750	1,487
Increase due to plan amendment	-	-	-	-	-	1,454
Benefit payments	(1,180)	(1,324)	(917)	(969)	(4,390)	(4,054)
Amortization of actuarial loss(gain)	59	(64)	90	257	342	275
<b>Accrued benefit liability, end of year</b>	<b>\$6,405</b>	<b>\$19,169</b>	<b>\$7,260</b>	<b>\$7,570</b>	<b>\$40,404</b>	<b>\$39,074</b>
Unamortized actuarial (gain) loss	232	(253)	(255)	(2,078)	(2,354)	(\$2,663)
<b>Accrued benefit obligation, end of year</b>	<b>\$6,637</b>	<b>\$18,916</b>	<b>\$7,005</b>	<b>\$5,492</b>	<b>\$38,050</b>	<b>\$36,411</b>

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

	LTD	Post-employment benefits	Vested sick- leave	WSIB
Expected inflation rate	N/A	1.75%	1.75%	2.50%
Expected level of salary increase	N/A	2.75%	2.75%	3.00%
Interest discount rate	4.50%	4.00%	4.00%	4.50%
Expected average remaining service life in years	N/A	13	13	11



## 12. Long-Term Liabilities

As a lower-tier municipality the City does not have the ability to borrow long-term funds, and as such the borrowing is done through the Region. The long-term liabilities issued and outstanding are as follows:

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

Principal payments are repayable annually as follows:

2025	\$901
2026	933
2027	967
2028	1,002
2029	1,038
2030 and thereafter	1,897
<b>Total</b>	<b>\$6,738</b>

## 13. Tangible Capital Assets

### a) Assets under construction

Assets under construction having a value of \$51,249 (2023 - \$39,904) have not been amortized. Amortization of these assets will commence when the asset is put into service.

### b) Contributed Tangible Capital Assets

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$612,277 (2023 - \$230,273) comprised of land in the amount of \$576,098 (2023 - \$210,723), infrastructure in the amount of \$7,197 (2023 - \$14,135) and waterworks equipment and infrastructure in the amount of \$26,562 (2023 - \$5,415).

### c) Tangible Capital Assets Disclosed at Nominal Values

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

### d) Works of Art and Historical Treasures

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

### e) Asset retirement obligations

The cost of tangible capital assets and accumulated depreciation for buildings and infrastructure includes \$19,571 (2023 - \$19,571) and \$19,250 (2023 - \$19,156) respectively, attributable to asset retirement costs. As at December 31, 2024, these buildings and infrastructure assets remained in productive use, thus the carrying value of the liability for the asset retirement obligation remained consistent with the values reported in 2023.

	Cost				Accumulated Depreciation			Net Book Value	
	Dec. 31, 2023	Additions/ transfers	Disposals & Adjustments	Dec 31, 2024	Dec. 31, 2023	For the year	Disposals & Adjustments	2024	2023
Land	3,065,384	604,090	(1,163)	3,668,311	-	-	-	3,668,311	3,065,384
Buildings	484,461	7,087	-	491,548	196,889	11,082	(48)	283,625	287,572
Equipment	44,665	11,102	(2,306)	53,461	20,503	5,407	(2,306)	29,857	24,162
Furniture & Fixtures	3,372	64	(932)	2,504	2,555	169	(932)	712	817
Infrastructure	1,616,225	36,004	(9,174)	1,643,055	629,035	40,506	(9,175)	982,689	987,190
Library materials, furniture & fixtures	16,526	2,016	(1,870)	16,672	10,488	1,899	(1,870)	6,155	6,038
Parks & Pathways	120,209	15,888	(3,454)	132,643	47,512	6,551	(3,454)	82,034	72,697
Vehicles	16,864	8,812	(3,481)	22,195	9,992	2,027	(3,481)	13,657	6,872
Waterworks equipment & infrastructure	1,150,406	31,292	(1,651)	1,180,047	419,447	17,791	(1,651)	744,460	730,959
<b>Total</b>	<b>6,518,112</b>	<b>716,355</b>	<b>(24,031)</b>	<b>7,210,436</b>	<b>1,336,421</b>	<b>85,432</b>	<b>(22,917)</b>	<b>5,811,500</b>	<b>5,181,691</b>
Capital Work in progress	39,904	11,345	-	51,249	-	-	-	51,249	39,904
<b>Grand Total</b>	<b>6,558,016</b>	<b>727,700</b>	<b>(24,031)</b>	<b>7,261,685</b>	<b>1,336,421</b>	<b>85,432</b>	<b>(22,917)</b>	<b>5,862,749</b>	<b>5,221,595</b>

## 14. User Charges

	2024	2023
Water and sewer billing to ratepayers	\$148,995	\$143,876
Recreation programs	16,280	12,751
Building permits	14,242	10,590
Facility rentals	13,057	10,874
Engineering	12,800	13,387
Planning & landscaping	10,752	13,746
Other	5,379	5,576
Culture venues	3,872	3,381
Parking violations	3,358	3,073
Licenses	2,315	1,829
<b>Total</b>	<b>\$231,050</b>	<b>\$219,083</b>

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

## 15. Government transfers

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

	2024	2023
<b>Provincial Grant:</b>		
General government	\$100	\$0
Environmental services	2,464	2,173
Recreation and cultural services	407	397
Planning and development services	770	587
	<b>\$3,741</b>	<b>\$3,157</b>
<b>Federal Grant:</b>		
General government	14,184	14,559
Environmental services	1,295	3,491
Recreation and cultural services	130	348
Planning and development services	12	12
	<b>\$15,621</b>	<b>\$18,410</b>
	<b>\$19,362</b>	<b>\$21,567</b>

## 16. Accumulated Surplus

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

	2024	2023
City operating fund surplus including library, community boards, Destination Markham Corporation and business improvement areas	\$18,498	\$13,889
Less: transferred to reserve and reserve funds	(14,141)	(9,650)
	<b>\$4,357</b>	<b>\$4,239</b>
Equity in Markham Enterprises Corporation	355,822	407,946
Invested in tangible capital assets	5,862,749	5,221,595
Adjustment for real property acquisition due to timing	-	(94,000)
Other	(92,233)	(58,368)
	<b>\$6,130,695</b>	<b>\$5,481,412</b>
<b>Reserves set aside for specific purposes by council</b>		
Berczy landscape feature	203	203
Building fee	18,401	15,164
Capital gains	22,352	12,492
Corporate rate stabilization	30,046	30,056
COVID	-	2,996
Development fee	62,238	59,604
Election expenses	540	240
Election rebates	658	605
Facility ramp up	42,636	38,982
Firefighters sick leave benefits	7,760	7,260
Insurance	5,651	4,586
Long-term disability benefits	25,685	25,685
Waterworks	124,538	102,253
<b>Total reserves</b>	<b>340,708</b>	<b>300,126</b>
<b>Reserve funds set aside for specific purposes by council</b>		
Cemetery expenses	139	133
Emerald Ash Borer	192	192
Environmental land acquisition	13,969	13,058
Environmental sustainability fund	62	70
Heritage	485	490
Heritage land acquisition	863	888
Land acquisition	(398,622)	(359,556)
Library infrastructure	7,374	7,024
Life cycle replacement and capital	254,836	227,069
Non-DC growth	23,536	17,843
Post-retirement benefits	21,086	20,087
Public art acquisition	9,068	6,934
Stormwater fee	(2,387)	(1,324)
Theatre	1,147	1,046
Trees for Tomorrow program	439	517
Workplace Safety & Insurance Board (WSIB)	8,037	7,656
WSIB excess compensation	3,164	3,014
<b>Total reserves fund</b>	<b>(56,612)</b>	<b>(54,859)</b>
<b>Total</b>	<b>6,414,791</b>	<b>5,726,679</b>



## 17. Commitments

As at December 31, 2024, the City is committed to minimum annual operating lease payments for premises and equipment as follows:

<b>2025</b>	<b>\$114</b>
<b>2026</b>	<b>114</b>
<b>2027</b>	<b>100</b>
<b>2028</b>	<b>52</b>
<b>Total</b>	<b>\$380</b>

## 18. Contingencies

### Unsettled Legal Claims and Potential Other Claims

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

## 19. Segmented Information

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

The segmented information of revenues and expenses with a brief description of the service area, is as follows:

### a) General Government

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

### b) Protection to Persons and Property

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

### c) Transportation Services

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

### d) Environmental Services

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

### e) Recreation and Cultural Services

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

### f) Planning and Development Services

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

### g) Other

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

	General government	Protection to persons and property	Transportation services	Environmental services	Recreation and cultural services	Planning and development	Other	2024	2023
Revenues	\$	\$	\$	\$	\$	\$	\$	\$	\$
Property taxes	192,366	-	-	-	-	-	-	192,366	184,417
User charges	4,891	17,115	16,571	150,714	31,006	10,753	-	231,050	219,083
Government transfers	12,088	-	-	5,955	537	782	-	19,362	21,567
Contribution from developers and others	612,277	-	-	-	-	-	-	612,277	230,273
Investment income	39,671	-	-	-	-	-	-	39,671	27,615
Tax penalties	7,312	-	-	-	-	-	-	7,312	6,300
Gain on sale of tangible assets	-	-	-	-	-	-	-	-	267
Deferred revenue earned	39,817	-	-	-	-	-	-	39,817	32,433
Equity in income from Markham Enterprises Corporation	28,421	-	-	-	-	-	-	28,421	25,441
Other	17,184	560	2,091	1,211	900	44	4	21,994	21,324
<b>Total revenues</b>	<b>954,027</b>	<b>17,675</b>	<b>18,662</b>	<b>157,880</b>	<b>32,443</b>	<b>11,579</b>	<b>4</b>	<b>1,192,270</b>	<b>768,720</b>
Expenses									
Salaries, wages and employee benefits	43,181	55,352	18,161	8,448	54,289	11,225	-	190,656	174,373
Operating materials and supplies	13,733	2,006	4,973	2,003	14,214	1,036	17	37,982	38,995
Contracted services	12,875	1,712	13,545	138,062	13,418	7,436	-	187,048	184,382
Rents and financial expenses	(2,220)	190	284	3,052	960	159	-	2,425	2,171
External transfers to others	370	-	-	-	-	-	-	370	271
Long term debt charges	245	-	-	-	-	-	-	245	275
Amortization of tangible capital assets	4,524	1,928	33,356	25,626	19,998	-	-	85,432	84,121
<b>Total expenses</b>	<b>72,708</b>	<b>61,188</b>	<b>70,319</b>	<b>177,191</b>	<b>102,879</b>	<b>19,856</b>	<b>17</b>	<b>504,158</b>	<b>484,588</b>
<b>Annual surplus/(deficit)</b>	<b>881,319</b>	<b>(43,513)</b>	<b>(51,657)</b>	<b>(19,311)</b>	<b>(70,436)</b>	<b>(8,277)</b>	<b>(13)</b>	<b>688,112</b>	<b>284,132</b>

## 20. Budget Figures

The budget figures presented in these consolidated financial statements are based on the Council approved 2024 budget (inclusive of in-year additions to the capital budget due to change in Municipal Act, 2001 – note 1(q)). The following table reconciles the approved budget figures as presented in these consolidated financial statements using the accrual basis of accounting.

	2024	2023
<b>Revenues</b>		
Approved operating budget	\$469,433	\$444,715
Approved capital budget	128,195	262,645
Transfer from reserve funds	(65,651)	(118,495)
<b>Total revenues</b>	<b>\$531,977</b>	<b>\$588,865</b>
<b>Expenses</b>		
Approved operating budget	469,433	444,715
Transfer to reserve funds	(64,371)	(62,879)
Expenses not capitalized	30,502	50,230
Post-employment benefit expenses	361	875
Amortization	84,830	83,836
<b>Total expenses</b>	<b>520,755</b>	<b>516,777</b>
<b>Annual surplus</b>	<b>\$11,222</b>	<b>\$72,088</b>

## 21. Trust Funds

Trust funds administered by the City for the benefit of others amounting to \$2,461 (2023 - \$2,455) have not been included in the Consolidated Statement of Financial Position of the City nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus of the City. The details of the trust funds are as follows:

### a) Morgan Park Trust Fund

The T. & G. Morgan Memorial Fund in Markham Village was established in 1918 as a result of the last Will and Testament of George Morgan to hold funds, the interest earned on which can be used to offset certain maintenance costs of Morgan Park. As at December 31, 2024 the trust fund balance was \$94 (2023 - \$91).

### b) Varley-McKay Art Foundation Trust Fund

The Varley-McKay Art Foundation Trust Fund was established by Council Resolution on December 11, 2001. This trust is funded by the amount received from the Estate of Kathleen G. McKay. Interest earned on these funds is available to the Varley-McKay Art Foundation of Markham to fund art appreciation and development. As at December 31, 2024 the trust fund balance was \$1,299 (2023 - \$1,299).

### c) Markham Environmental Advisory Committee Trust Fund

The Markham Environmental Advisory Committee (previously the Markham Conservation Committee) Trust Fund was established by Council Resolution on April 15, 1992 to receive donations, grants, subsidies, and other amounts, to be used to cover costs associated with conservation and naturalization programs and projects undertaken by the Markham Environmental Advisory Committee. As at December 31, 2024 the trust fund balance was nil (2023 - \$nil).

### d) Cemetery Trust Fund

The Cemetery Trust Fund was established under the Regulations of the Cemeteries Act to accumulate certain funds from the sale or transfer of an interment right to a purchaser in accordance with the Regulations. These funds are to be held in trust for the care and maintenance of the cemetery. Interest earned on amounts held by the Fund is used towards the maintenance, security and preservation of the cemetery, its grounds, buildings, equipment and markers in accordance with the Regulations. As at December 31, 2024 the trust fund balance was \$945 (2023 - \$945).

### e) Older Adults In Action Trust Fund

Council Resolution established the Older Adults in Action Trust Fund on March 10, 1998 to collect donations for the Club and Older Adult Centre. As at December 31, 2024 the trust fund balance was \$12 (2023 - \$12).

### f) Markham History - Research and Publication Trust Fund

The Markham History – Research and Publication Trust Fund was established by Council Resolution on June 1, 2004 to plan and monitor the implementation of research, writing, digitizing and production of historical media that illuminates various themes in Markham's history. As at December 31, 2024 the trust fund balance was \$112 (2023 - \$109).

## 22. Contractual Rights

City revenues to be generated in the future, in relation to existing lease agreements are approximately \$24,972. The City has also entered into Provincial funding agreements, whereby the estimated future funding is \$45,230.

Year	Lease agreements	Provincial funding agreements
2025	4,972	11,086
2026	3,837	11,086
2027	3,704	11,529
2028	3,640	11,529
2029	3,330	-
2030 and thereafter	5,489	-
<b>Total</b>	<b>24,972</b>	<b>45,230</b>

## 23. Financial Instruments

### a) Fair value measurement hierarchy:

All financial instruments must be classified in accordance with the significance of the inputs used in making fair value measurements. The fair value hierarchy prioritizes the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable:

- Level 1: when valuation can be based on quoted prices in active markets for identical assets and liabilities;
- Level 2: when they are valued using quoted prices for similar assets and liabilities, quoted prices in markets that are not active, or models using inputs that are observable; and
- Level 3: when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

Fair value inputs are taken from observable markets where possible, but if they are unavailable, judgement is required in establishing fair value. The City's fair value hierarchy is classified as Level 2 for PPN. The classification for disclosure purposes has been determined in accordance with generally accepted pricing models, based on discounted cash flow analysis, with the most significant inputs being the contractual terms of the instrument and the market discount rates that reflect the credit risk of counterparties.

2024	Level 1	Level 2	Level 3	2024
<b>Financial Assets:</b>				
Cash and cash equivalents	268,276	-	-	268,276
Investments	194,544	159,752	-	354,296
Property taxes receivable	50,766	-	-	50,766
Accounts receivable	87,573	-	-	87,573
<b>Financial Liabilities:</b>				
Accounts payable and accrued liabilities	186,429	-	-	186,429
Long-term liabilities	6,738	-	-	6,738

2023	Level 1	Level 2	Level 3	2023
<b>Financial Assets:</b>				
Cash and cash equivalents	214,766	-	-	214,766
Investments	148,027	117,473	-	265,500
Property taxes receivable	43,530	-	-	43,530
Accounts receivable	82,885	-	-	82,885
<b>Financial Liabilities:</b>				
Accounts payable and accrued liabilities	160,936	-	-	160,936
Notes payable	94,000	-	-	94,000
Long-term liabilities	7,608	-	-	7,608



The carrying amount of cash & cash equivalents, investments excluding those as disclosed in note 5, property tax receivables, accounts receivable, investment in Markham Enterprises Corporation, liability for sub-division development, customer deposits, accounts payable and accrued liabilities, employee future benefits liabilities, long-term liabilities, and contract holdbacks approximate their fair value due to the short-term maturity of these financial instruments.

The carrying value and fair value of the City's other financial instruments are as follows:

Description	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
	\$	\$	\$	\$
<b>Assets:</b>				
<b>Investments</b>				
Principal protected notes	125,400	159,752	107,000	117,473
Bonds	151,212	146,177	103,027	104,623
GICs	45,000	45,000	45,000	45,000
	<b>321,612</b>	<b>350,929</b>	<b>255,027</b>	<b>267,096</b>

#### b) Credit Risk:

Credit risk is the risk of a financial loss to the City if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the City consisting of accounts receivables.

As at December 31, 2024 there were no significant balances of accounts receivable due from any single customer. There was nil (2023 - \$nil) of write-offs during the year except for the write offs of \$636 (2023 - \$785) related to section 354 of the Municipal Act, 2001 which was approved by the City Council . The City actively monitors accounts receivable and has the right to enforce payment as per the contract.

### c) Liquidity Risk:

Liquidity risk is the risk that the City will not be able to meet its obligations as they become due. The City's objective is to have sufficient liquidity to meet these liabilities when due. The City monitors its cash balance and cash flows generated from operations to meet its liquidity requirements.

<b>2024</b>	<b>Contractual cash flows</b>				
<b>Description</b>	<b>Carrying value</b>	<b>Within 1 year</b>	<b>1-5 years</b>	<b>&gt;5 years</b>	<b>Total</b>
Accounts payable and accrued liabilities	186,429	186,429	-	-	186,429
Liability for asset retirement obligation	19,571	-	-	19,571	19,571
Long term liabilities	6,738	901	5,015	822	6,738
	<b>212,738</b>	<b>187,330</b>	<b>5,015</b>	<b>20,393</b>	<b>212,738</b>

<b>2023</b>	<b>Contractual cash flows</b>				
<b>Description</b>	<b>Carrying value</b>	<b>Within 1 year</b>	<b>1-5 years</b>	<b>&gt;5 years</b>	<b>Total</b>
Accounts payable and accrued liabilities	160,936	160,936	-	-	160,936
Liability for asset retirement obligation	19,571	-	-	19,571	19,571
Notes payable	94,000	94,000	-	-	94,000
Long term liabilities	7,608	870	5,698	1,040	7,608
	<b>282,115</b>	<b>255,806</b>	<b>5,698</b>	<b>20,611</b>	<b>282,115</b>

### d) Market Risk:

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and other price risks, will affect the City's net results of operations or the fair value of its holdings of financial instruments.

- Foreign currency risk – the City is not exposed to any significant currency risk due to limited foreign currency transactions.
- Interest rate risk – the City limits its exposure to interest rate risk by issuing long-term fixed rate debt in the form of debentures, and promissory notes. At December 31, 2024, the City did not hold financial assets or financial liabilities that expose it to significant variation in cash flow due to fluctuations in interest rates.
- Other price risk – other price risk arises when the fair value of equity funds changes due to a decrease in a stock market index or other risk variables. The City's exposure to this type of risk is limited to investments in PPN.

# Five-Year Review (Unaudited)

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

	2024	2023	2022	2021	2020
<b>Operations</b>					
<b>Expenses by Function</b>					
General government	\$72,708	\$66,710	\$63,533	\$48,676	\$46,714
Protection to persons and property	61,188	59,569	57,958	55,182	51,704
Transportation services	70,319	71,952	67,708	60,243	64,260
Environmental services	177,191	170,987	166,816	162,625	159,650
Recreation and cultural services	102,879	98,028	82,872	61,810	73,195
Planning and development services	19,856	17,312	18,095	13,328	13,033
Other	17	30	20	22	29
	<b>\$504,158</b>	<b>\$484,588</b>	<b>\$457,002</b>	<b>\$401,886</b>	<b>\$408,585</b>
<b>Revenues by Source</b>					
Taxation (includes supplementary & payments In lieu)	\$192,366	\$184,417	\$174,977	\$168,375	\$167,013
User Charges	231,050	219,083	216,661	201,156	183,161
Government Transfers	19,362	21,567	29,443	27,348	20,112
Contribution from developers	612,277	230,273	86,041	362,369	53,025
Investment income	39,671	27,615	18,911	12,101	14,201
Deferred revenue earned	39,817	32,433	133,302	40,101	14,365
Equity pick up in Markham Enterprises Corporation	28,421	25,441	12,086	20,121	15,486
Other revenue	29,305	27,890	26,074	24,851	7,397
	<b>\$1,192,270</b>	<b>\$768,720</b>	<b>\$697,495</b>	<b>\$856,422</b>	<b>\$474,759</b>
<b>Accumulated Surplus and remeasurement of gains (losses)</b>					
Surplus for the year	\$688,112	\$284,132	\$240,493	\$454,536	\$66,174
Accumulated Surplus, beginning of Year	5,726,679	5,442,547	5,202,054	4,765,037	4,698,863
Accumulated Surplus, end of Year	\$6,414,791	\$5,726,679	\$5,442,547	\$5,219,573	\$4,765,037
Remeasurement of gains (losses)	35,512	10,323	-	-	-
	<b>\$6,450,303</b>	<b>\$5,737,002</b>	<b>\$5,442,547</b>	<b>\$5,219,573</b>	<b>\$4,765,037</b>
<b>Reserves and reserve funds</b>					
Reserves	\$340,708	\$300,126	\$268,402	\$243,539	\$183,962
Reserve Funds	(56,612)	(54,859)	(72,036)	(58,435)	(59,117)
	<b>\$284,096</b>	<b>\$245,267</b>	<b>\$196,366</b>	<b>\$185,104</b>	<b>\$124,845</b>

	2024	2023	2022	2021	2020
<b>Net financial assets</b>					
<b>Financial Assets</b>					
Cash & cash equivalents and Investments	\$622,572	\$480,266	\$415,527	\$516,645	\$371,353
Property taxes receivable	50,766	43,530	34,792	34,147	37,506
Accounts receivable	87,573	82,885	88,032	62,791	59,477
Investment in Markham Enterprises Corporation	355,822	407,946	398,438	394,816	384,983
<b>Total financial assets</b>	<b>\$1,116,733</b>	<b>\$1,014,627</b>	<b>\$936,789</b>	<b>\$1,008,399</b>	<b>\$853,319</b>
<b>Financial Liabilities</b>					
Accounts payable and accrued liabilities	\$186,429	\$160,936	\$157,165	\$191,655	\$140,962
Liability for asset retirement obligation	19,571	19,571	18,255	-	-
Notes payable	0	94,000	-	-	-
Deferred revenue	278,873	181,222	171,116	221,530	173,584
Employee future benefits liabilities	44,799	43,264	40,294	34,433	34,305
Long term liabilities	6,738	7,608	8,448	9,260	10,043
<b>Total financial liabilities</b>	<b>\$536,410</b>	<b>\$506,601</b>	<b>\$395,278</b>	<b>\$456,878</b>	<b>\$358,894</b>
<b>Net financial assets</b>	<b>\$580,323</b>	<b>\$508,026</b>	<b>\$541,511</b>	<b>\$551,521</b>	<b>\$494,425</b>
<b>Net long term debt</b>					
Net long-term liabilities - City of Markham Purposes	6,738	7,608	8,448	9,260	10,043
Annual debt repayment limit prescribed by province	\$103,032	\$95,894	\$90,337	\$93,810	\$91,331
Per capita	\$0.28	\$0.26	\$0.25	\$0.27	\$0.26
Percentage of taxable assessment	0.0001%	0.0001%	0.0001%	0.0001%	0.0001%
<b>Annual charges for net long-term liabilities</b>					
Principal & Interest - City of Markham Purposes	\$1,130	\$1,130	\$1,130	\$1,130	\$1,130
As a percentage of Revenue	0.09%	0.15%	0.16%	0.13%	0.21%
Per Capita	\$0.003	\$0.003	\$0.003	\$0.003	\$0.003
<b>Consolidated expenses by object</b>					
Salaries, wages & employee benefits	\$190,656	\$174,373	\$161,757	\$130,871	\$134,247
Operating materials and supplies	37,982	38,995	34,303	29,431	28,778
Contracted services	187,048	184,382	177,701	159,169	164,040
Rents and financial expenses	2,670	2,446	1,875	1,854	1,805
External transfers to others	370	271	163	447	457
Amortization - tangible capital assets	85,432	84,121	81,203	80,114	79,258
<b>Total expenditure by object</b>	<b>\$504,158</b>	<b>\$484,588</b>	<b>\$457,002</b>	<b>\$401,886</b>	<b>\$408,585</b>
<b>Number of employees</b>					
Full time	1,208	1,189	1,143	1,139	1,139
Part-time/seasonal	2,873	2,436	2,149	980	183
<b>Total</b>	<b>4,081</b>	<b>3,625</b>	<b>3,292</b>	<b>2,119</b>	<b>1,322</b>

		2024	2023	2022	2021	2020
<b>Taxable assessment</b>						
Residential, multi-residential and farm		94,110,340	92,772,697	91,564,975	90,321,301	89,144,793
Commercial - all classes		11,331,587	11,319,871	11,273,397	11,300,973	11,339,344
Industrial - all classes		1,399,427	1,396,997	1,432,932	1,431,201	1,413,400
Pipeline & managed Forests		97,005	96,775	96,012	95,885	95,621
		<b>\$106,938,360</b>	<b>\$105,586,340</b>	<b>\$104,367,314</b>	<b>\$103,149,360</b>	<b>\$101,993,158</b>
<b>Commercial and Industrial as a percentage of taxable assessment</b>		<b>11.91%</b>	<b>12.04%</b>	<b>12.17%</b>	<b>12.34%</b>	<b>12.50%</b>
<b>Property taxation</b>						
<b>Tax Rates/Mill Rates (Note 1)</b>		%	%	%	%	%
Residential	City of Markham	0.165611	0.156059	0.156059	0.153483	0.153572
	Region of York	0.361852	0.335958	0.335958	0.326425	0.321619
	School Boards (Public and Separate)	0.153000	0.153000	0.153000	0.153000	0.153000
		0.680463	0.645017	0.645017	0.632908	0.628191
Multi-residential	City of Markham	0.165611	0.160816	0.156059	0.153483	0.153572
	Region of York	0.361852	0.348892	0.335958	0.326425	0.321619
	School Boards (Public and Separate)	0.153000	0.153000	0.153000	0.153000	0.153000
		0.680463	0.662708	0.645017	0.632908	0.628191
Commercial - full rate	City of Markham	0.220610	0.214223	0.207887	0.204455	0.204573
	Region of York	0.482023	0.464759	0.447530	0.434831	0.428429
	School Boards (Public and Separate)	0.880000	0.880000	0.880000	0.880000	0.896686
		1.582633	1.558982	1.535417	1.519286	1.529688
Commercial - vacant units, excess land percentage of full rate		70	70	70	70	70
Industrial - full rate	City of Markham	0.272131	0.264253	0.256437	0.252203	0.252350
	Region of York	0.594595	0.573299	0.552046	0.536382	0.528484
	School Boards (Public and Separate)	0.880000	0.880000	0.880000	0.880000	0.980000
		1.746726	1.717552	1.688483	1.668585	1.760834
Industrial - vacant units, excess land - percentage of full rate		65	63	65	65	65
<b>Taxes levied</b>						
City of Markham		\$189,942	\$182,122	\$173,328	\$168,375	\$167,013
Region of York		408,869	389,371	365,295	351,824	343,801
School Boards (Public and Separate)		258,351	254,553	247,227	246,384	250,425
		\$857,162	\$826,045	\$785,850	\$766,583	\$761,239
<b>Taxes collected</b>		<b>\$849,926</b>	<b>\$817,307</b>	<b>\$785,205</b>	<b>\$727,123</b>	<b>\$749,324</b>
<b>Total tax arrears (taxes receivable)</b>		<b>\$50,766</b>	<b>\$43,530</b>	<b>\$34,792</b>	<b>\$34,147</b>	<b>\$37,506</b>
Per capita		\$139.07	\$120.10	\$97.71	\$96.47	\$106.78
Population		365,051	362,445	356,060	353,982	351,251
Percentage of current levy		5.92%	5.27%	4.43%	4.93%	3.61%

Note: (1) Average Residential Tax Bill for 2024 was based on Current Value Assessment \$831,500.



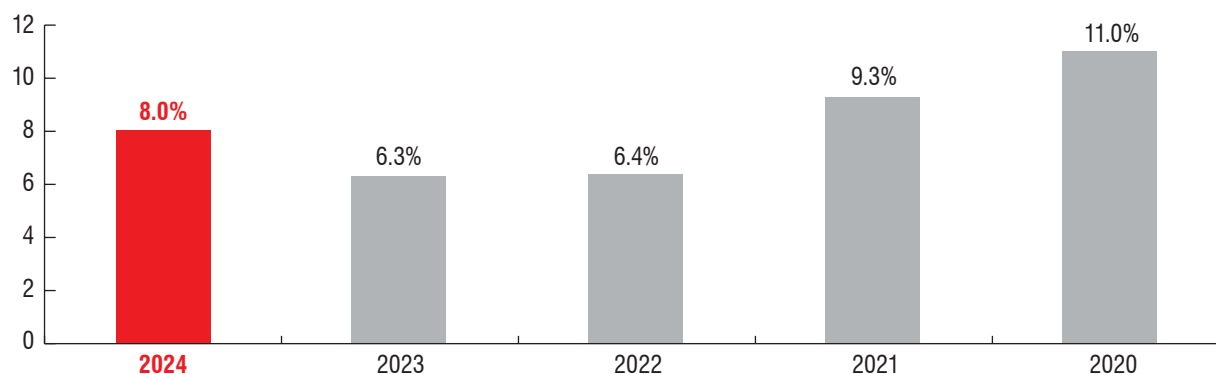
## Ten Largest Corporate Property Taxpayers

	Owner	Assessment Value \$
1	CF Markville Nominee Inc.	476,976,000
2	Ruland Properties Inc.	473,481,700
3	Nearnsby Investment Inc.	334,410,009
4	Mon Sheong Foundation	223,942,000
5	MM Nominee Corp.	150,928,000
6	Metropia Minto (Sixteenth) Holding Inc.	145,394,000
7	TDI 3600 Steeles Ave East Inc	143,500,000
8	Berczy Warden Holdings Inc.	137,228,500
9	ACC Complex Inc.	135,993,000
10	Veyron/HAL QO Leasing ULC	127,863,000
<b>Top Ten - Assessment Total</b>		<b>2,349,716,209</b>

## Top 10 Employers (By Number of Employees)

1	IBM Canada Ltd.
2	TD Financial Group
3	AMD Technologies Inc.
4	CGI Information Systems
5	Aviva Canada
6	Homelife Landmark Realty
7	Saint Elizabeth Health Care
8	Limen Group
9	Allstate Insurance Company of Canada
10	Camp Green Acres

## Five Years Unemployment Rate



# Awards in 2024

## Distinguished Budget Presentation Award

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

## Canadian Award for Financial Reporting

- Government Finance Officers Association (GFOA) consecutively since 2001

## City of Markham

- Forbes Best Employers

## Ontario Public Works Association

- Project of the Year Award for Enterprise Asset Management – Data Model
- Technology Showcase Award for CityROVER Artificial Intelligence in road maintenance

## Economic Developers Council of Ontario

- Community Economic Development Award for OVIN Demonstration Zone

## World Council on City Data

- Platinum-Level ISO Data Certification for fifth consecutive year

## Festivals and Events Ontario

- Top Municipality 2024
- Top 100 Events Award
  - Canada Day
  - Markham-Milliken Children's Festival
  - AppleFest



Left: Forbes Best Employers Award 2024. Right: Presentation of the World Council on City Data (WCCD), ISO 37120 Platinum Certification to the City of Markham in Council Chambers at Markham Civic Centre, December 18, 2024.



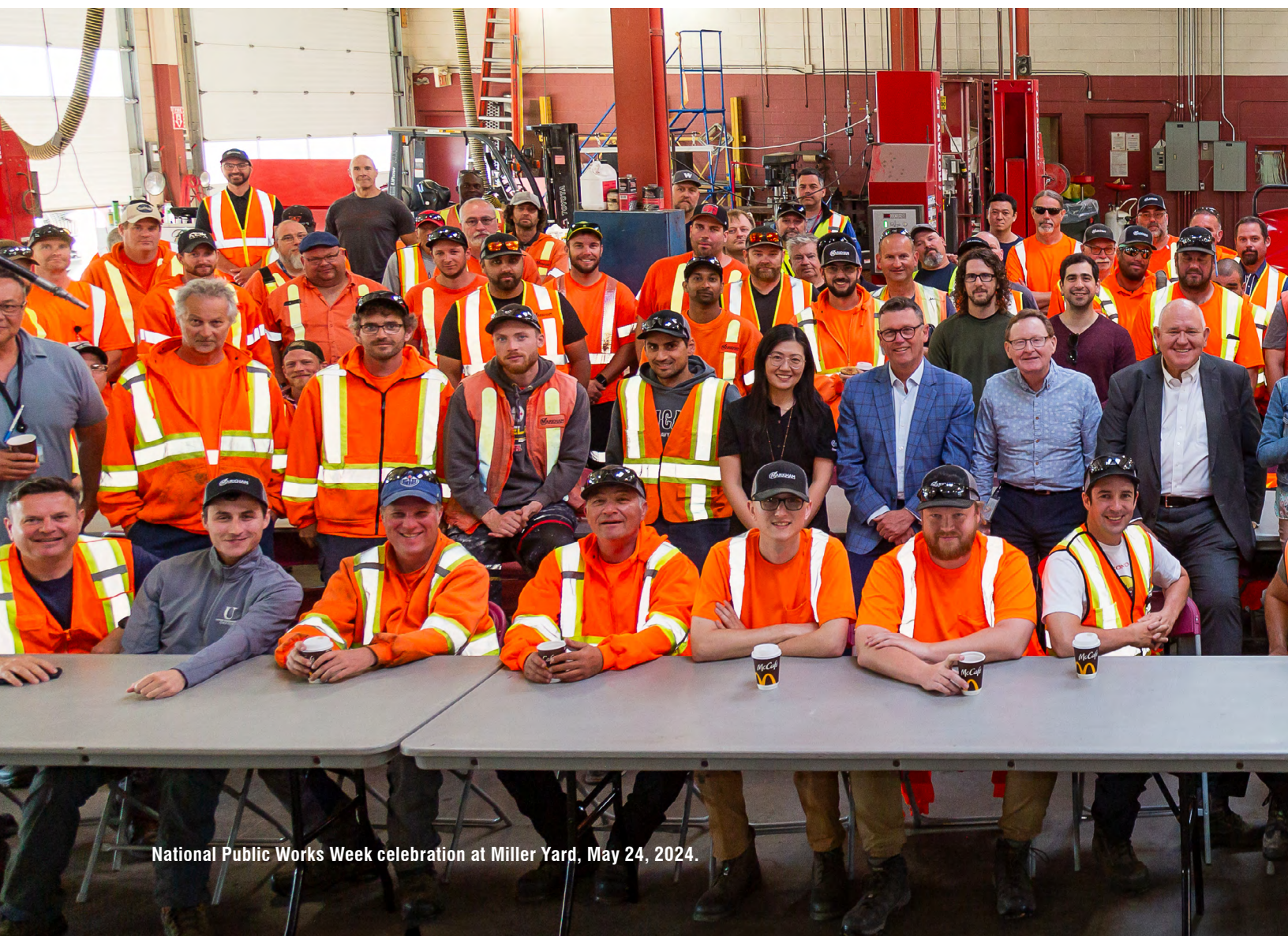


# Our Mission Statement

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

# Our Vision

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



National Public Works Week celebration at Miller Yard, May 24, 2024.



# Our Values

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





Bird's-eye view of Celebration Park.



**Mayor Frank Scarpitti**

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