

*Markham: Adding Value in the New Economy*



2008 Annual Report  
Year ended December 31, 2008

# Contents



## 2008 Awards presented to the Town of Markham

- Canadian Association of Municipal Administrators Award  
Click With Markham
- Lieutenant Governor's Ontario Heritage Award  
for Community Leadership
- Distinguished Budget Presentation Award  
Government Finance Offices Association
- Economic Developers Association of Canada Marketing Award  
China Business Mission
- Economic Developers Council of Ontario Award  
Markham 2020 Economic Development Plan
- Recycling Council of Canada Gold Award  
Markham Waste Diversion Program
- Recycling Council of Canada Bronze Award  
Portable Event Recycling Bins
- Ontario Professional Planners Institute  
Small Streams Study
- Canadian Society of Landscape Architects  
Small Streams Study
- Crystal Vision Animated Video Gold Award  
Green Print Youth Video
- Hermes International Video Platinum Award  
Green Print Youth Video

## Introduction

|                              |    |
|------------------------------|----|
| Mayor's Message              | 2  |
| Mayor and Members of Council | 4  |
| Governance                   | 5  |
| Organizational Structure     | 5  |
| CAO's Message                | 6  |
| 2008 Accomplishments         | 7  |
| Markham Profile              | 8  |
| Looking Forward              | 9  |
| Commissioner's Report        | 10 |
| Financial Policies           | 13 |

## Financial Statements

### Town Financial Statements

|  |    |
|--|----|
| Auditors' Report   | 14 |
| Consolidated Statement of Financial Position                   | 15 |
| Consolidated Statement of Financial Activities                 | 16 |
| Consolidated Statement of Changes in Financial Position        | 17 |
| Notes to the Consolidated Financial Statements                 | 18 |
| Consolidated Schedule of Operating Fund Activities             | 28 |
| Consolidated Schedule of Capital Fund Activities               | 29 |
| Consolidated Schedule of Reserves and Reserve Funds Activities | 30 |

### Trust Funds

|  |    |
|--|----|
| Auditors' Report   | 31 |
| Statement of Financial Position and<br>Statement of Financial Activities and Fund Balances | 32 |
| Notes to the Financial Statements  | 33 |

## Statistical Information

|                                  |    |
|----------------------------------|----|
| Five Year Review (Unaudited)     | 34 |
| Performance Measures Report Card | 37 |

The cover and theme for the 2008 Annual Report, **Markham: Adding Value in the New Economy**, presents Markham's response to changes in the global economy through strong fiscal management, continuous quality improvement, and our strategic direction – **Building Markham's Future Together**.

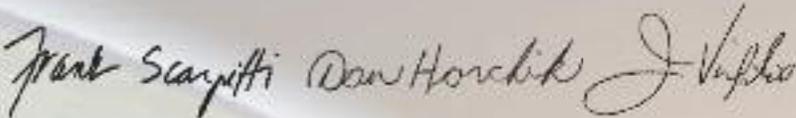
The 2008 Annual Report has been prepared by the Office of the Chief Administrative Officer and the Corporate Services Commission.

# Markham: Adding Value in the New Economy

We are pleased to present the 2008 Annual Report for the Corporation of the Town of Markham. Council and staff review Markham's services through our budget process to ensure we are delivering value for municipal tax dollars. Strong fiscal management and stewardship remains one of our priorities as we balance the need to deliver services to changing demographic needs, the pressures of the economy and minimizing tax increases.

Markham also remains committed to our strategic direction – Building Markham's Future Together and the advancement of Green Print, our long-term Community Sustainability Plan.

On behalf of Council and staff, we present our 2008 Annual Report and thank all those that have contributed to our outstanding success.



**Frank Scarpitti**  
Mayor

**Dan Horchik**  
Councillor, Ward 6  
Chair, Budget Committee

**Joseph Virgilio**  
Councillor, Ward 3  
Chair, Finance and  
Administrative  
Committee

## **General Committee 2008**

### **Chair – Finance and Administrative Issues**

**Joseph Virgilio**, Councillor, Ward 3

### **Members**

**Frank Scarpitti**, Mayor, Ex Officio  
**Jack Heath**, Deputy Mayor, Ex Officio  
**Jim Jones**, Regional Councillor  
**Tony C. Wong**, Regional Councillor  
**Gordon Landon**, Regional Councillor  
**Valerie Burke**, Councillor, Ward 1  
**Erin Shapero**, Councillor, Ward 2  
**Carolina Moretti**, Councillor, Ward 4  
**John Webster**, Councillor, Ward 5  
**Dan Horchik**, Councillor, Ward 6  
**Logan Kanapathi**, Councillor, Ward 7  
**Alex Chiu**, Councillor, Ward 8

## **Budget Committee 2008**

### **Chair**

**Dan Horchik**, Councillor, Ward 6

### **Members**

**Frank Scarpitti**, Mayor, Ex Officio  
**Jack Heath**, Deputy Mayor, Ex Officio  
**Tony C. Wong**, Regional Councillor  
**Valerie Burke**, Councillor, Ward 1  
**Erin Shapero**, Councillor, Ward 2  
**John Webster**, Councillor, Ward 5  
**Logan Kanapathi**, Councillor, Ward 7  
**Alex Chiu**, Councillor, Ward 8

## Meeting Today's Needs – Planning for Tomorrow



### **Fiscal Responsibility**

Markham showed leadership on a number of fronts in 2008, especially in our effort to help offset the impacts of the economy. As early as 2007 Markham determined the economy was faltering and we needed to take appropriate action. In early 2008, it was clear that the economy was worsening, and Council,

senior management and all staff began work to accelerate our continuous improvement program. This program – E3 or Excellence through Efficiency and Effectiveness – engaged Council members and staff at all levels to look for efficiencies and cost savings. I'm very pleased that our efforts resulted in \$4.5 million in operational savings. It also meant that Markham was able to bring in a 2009 budget with no tax rate increase along with no reduction in municipal services. We were the only large urban municipality in the Greater Toronto Area to achieve a zero per cent tax rate increase. Markham Council, our budget sub-committee, senior management and staff are to be congratulated for this achievement and ensuring our taxpayers continue to receive good value for their tax dollars.

### **International Relations and Economic Development**

The new economy that is unfolding has few borders and limitations and municipalities cannot isolate themselves from these influences, nor the opportunity it presents. As a result, we remained focused on investing in international partnerships to broaden our economic development opportunities – fostering relations in countries such as the U.S. and China. Our successful China Business Mission in April 2008 is a great example. In partnership with Markham businesses we forged important relationships with China and brought business back home to Markham.

Direct foreign investment is just one part of Markham's Economic Development Strategy – Markham 2020 – we released in 2008. While Markham's economic success is already evident in an outstanding cluster of high-technology businesses, our business community has gone global and is underscored by the emergence of a new knowledge-based economy. Markham 2020 has been described by Richard Florida, author of *Who's Your City*, as a landmark document for Ontario and North America. Markham 2020 is a strategic blueprint for Markham to leverage our existing strengths and to progress in key sectors such as finance, insurance, information and communications technology, life sciences, culture and entertainment.

### **Building Markham's Future Together**

In 2008 we made substantial progress on our overall strategic direction – Building Markham's Future Together (BMFT). The BMFT plan is focused on six strategic priorities: Managing Growth; Transportation/Transit; Environment; Municipal Services; Integrated Leisure Master Plan; and Diversity. Together, the thirty-one action plans associated with BMFT serve as the foundation for Markham's long-term Community Sustainability Plan. It's a comprehensive strategy that will reinforce Markham's leadership in community planning – a plan that will represent a progressive approach to balancing the economic, social, cultural and environmental prerequisites for a sustainable community. This year we built on the highly successful Click With Markham online public consultation program through extensive public consultation, information meetings, focus groups and community-based research. We also used new and innovative methods to engage the community such as real-time, interactive webcasts and interactive audience polling at our community meetings.

As part of our environment action plans we launched our Green Print website and a multi-award winning YouTube video to engage Markham's youth. The youth contest, *Quest For The Best*, received over 2000 individual entries and hundreds of

unique and powerful suggestions – many of which are already being implemented. Markham Council also took leadership on two important bylaws – a ban on the sale and use of pesticides, and a bylaw to ensure preservation of Markham’s mature trees. I am also pleased to announce that Markham’s Trees for Tomorrow program, an initiative I announced in my inaugural address, has now resulted in the planting of over 60,000 trees, well on the way to our goal of planting 75,000 trees during this term of Council – or one tree for every Markham household.

### **Managing Growth and Designing a Sustainable Community**

Managing Markham’s growth is a high priority for Council and this past year we made substantial progress on both our Growth Management and Transportation Strategic Master Plans. We continued to work closely with the community and all three levels of government to ensure our growth plans are integrated with York Region and the Greater Toronto Area. To this end, Markham hosted a major transportation and transit summit – Gridlock, Rapid Transit and You in November 2008. This two-day summit, featuring international transit experts and urban planners, provided a forum for our community to better understand transit best practices from around the world and to provide feedback on the province’s Metrolinx transit and transportation plan.

Markham is officially Canada’s most diverse community and continues to represent the whole range of human experience, from all stages of life, abilities and ethno-cultural backgrounds. Markham’s goal is to foster a greater understanding of inclusivity in our community through partnership and collaboration and to find ways to make Markham’s services more accessible. Markham Council is also focused on enriching community life and keeping our communities vibrant. Our cultural infrastructure has, and will continue to play, an important role in Markham’s growth and prosperity to attract and retain people of all ages and backgrounds to live and work here. As a result, I am pleased that Markham has made substantial progress on its Diversity and Integrated Leisure Master Plans. These plans will ensure a visionary framework is in place for safe neighborhoods and our parks, recreation, culture and library programs.

In all, 2008 was an extraordinary year for Markham. Despite the pressures of the economy we demonstrated fiscal leadership. We continued on our course with Building Markham’s Future Together, and we engaged our residents in new and innovative ways to help us develop a shared vision for a more sustainable Markham. More importantly, we began to demonstrate the



powerful connections among the economic, social, cultural and environmental features of our community, and the necessity of a holistic approach to community planning.

In presenting the 2008 Annual Report, I want to thank all Council, staff, residents and businesses for their dedication and commitment to our community. As the new economy unfolds, we’re building a great future for Markham.

**Frank Scarpitti**  
Mayor  
May 2009

# Mayor and Members of Council



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# Governance

## Council

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

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

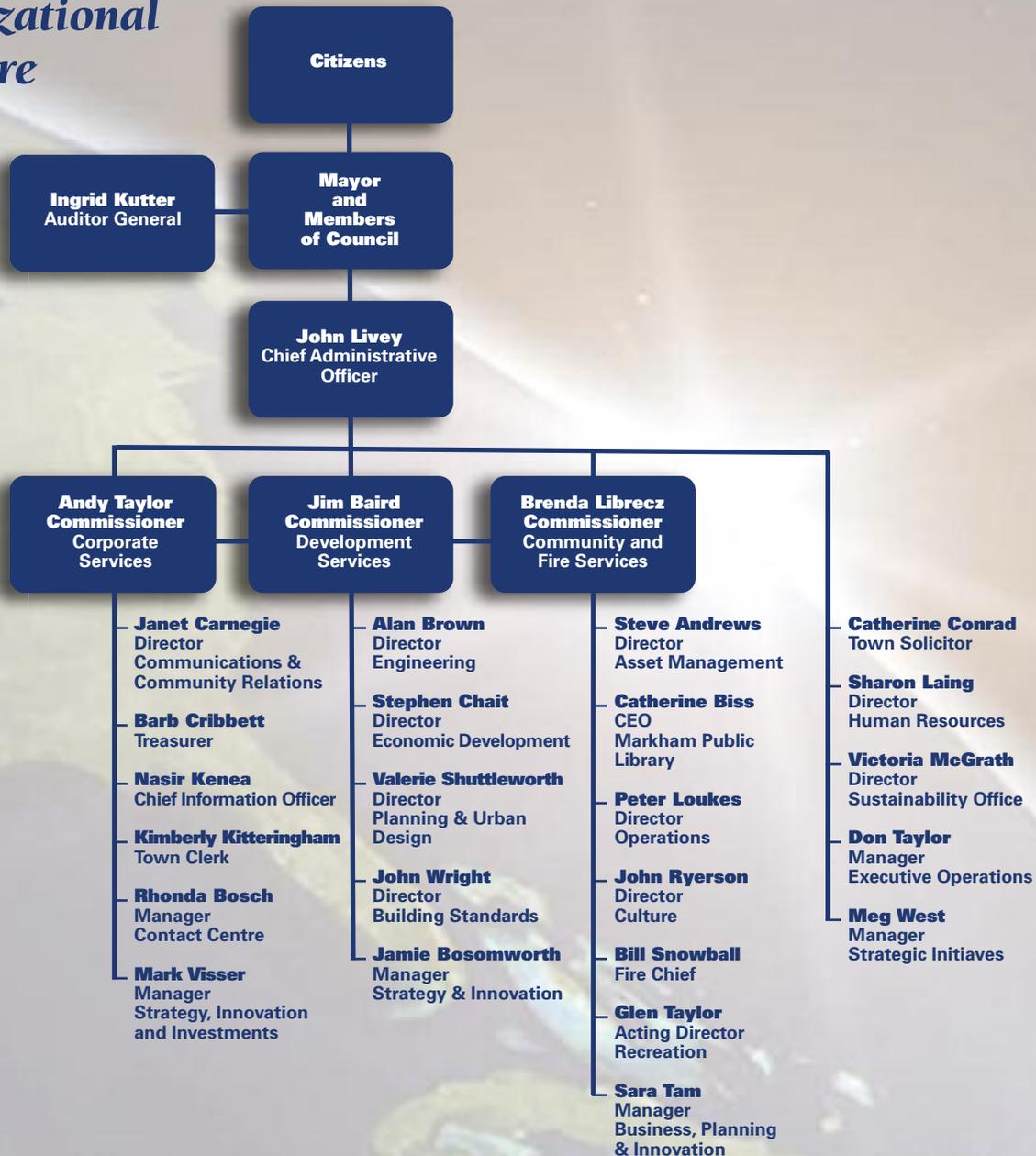
## Committees

General Committee and Development Services Committee. Other sub-committees may be set up as needed and report to Council through one of the Standing Committees.

## Chief Administrative Officer

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

# Organizational Structure



## Developing a Culture of Quality



Early in 2008, there were a number of indications that we were entering a new phase in the North American and world economy. This led us to give careful consideration to measures to ensure we could continue to provide excellent municipal services while containing costs.

We engaged our entire management team and front-line staff in identifying steps to help us achieve continued excellence even more effectively and efficiently than in previous years. Building on our achievement of the National Quality Institute Progressive Excellence and Healthy Workplace Program Level II certification, we looked at ways to improve key processes. We re-structured parts of the organization and sought feedback from customers and employees to determine how we could make things work better. The catalyst for our efforts in 2008 was E3 – Excellence through Efficiency and Effectiveness. E3 involved senior management and staff at all levels, and resulted in \$1.6M in revenue enhancements and \$2.9M in expenditure savings through innovation and creative approaches to our work processes and organization structure.

In the Development Services Commission, the “Make It Happen Task Force”, a cross-section of developers and our planning staff, tackled a number of issues that were impacting developers’ efficiencies. They worked together to make adjustments and refinements that are now helping to keep projects moving smoothly. We introduced our new economic competitiveness strategy, Markham 2020, based on broad consultation with our business community and economic leaders. The strategy builds

on our leadership position in the high technology and life sciences sectors, and on our unique position as Canada’s most diverse community to build strong global relationships. In the emerging new economy, Markham is well-positioned to bring significant investment into Markham and to provide Markham-based businesses with global opportunities.

The appointment of our new Commissioner of Community and Fire Services, Brenda Librecz provided an excellent opportunity to re-examine our overall organizational structure. This exercise resulted in forming a number of centres of excellence with similar functions joining together for new synergies and improved operational effectiveness. Business and process reviews in key business areas – Recreation, Culture, the Markham Public Library, Fire and Emergency Services, and Operations – resulted in a number of refinements and service enhancements that are enriching the quality of life in Markham.

The Corporate Services Commission introduced a number of new technology solutions to improve efficiency across the organization. The Clerks and customer service functions continued to provide outstanding support for residents needing our services. Finance worked hard on a number of new initiatives associated with legislative changes, while Communications and Community Relations kept residents and staff up to speed on important news, events and local activities as they occurred.

In 2008, Markham continued to demonstrate leadership in a number of ways. We won awards for environmental leadership with our goal of zero waste and our aggressive tree planting initiative and for the protection of our heritage. We received the prestigious Canadian Association of Municipal Administrators Willis Award for Innovation for our highly successful “Click with Markham” – a program that helped form our strategic direction “Building Markham’s Future Together”. We were among the first of Ontario municipalities to introduce a Tree Preservation Bylaw and a ban on pesticides.

In summary, it was a year for us to intensify our focus on efficiency and effectiveness to ensure we provide outstanding value for every tax dollar.

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

**John Livey**  
Chief Administrative Officer  
May 2009

# 2008 Accomplishments

In 2008 Markham made substantial progress on the action plans associated with the Town's strategic direction, Building Markham's Future Together and advanced this work through continuing public consultation, information and awareness activities. The following is a summary of Markham's 2008 accomplishments outlined according to the six strategic priorities of Building Markham's Future Together.

## **Growth Management**

- Commenced the development of the "Made in Markham" Growth Strategy
- Launched Markham's ten-year economic development plan – Markham 2020
- Partnered with Markham business associations in a successful business mission to China
- Hosted business breakfast sessions with Consul Generals of United States, U.K. and China.

## **Environment**

- Passed a Tree Preservation Bylaw to protect mature trees
- Successfully engaged youth in the Quest for the Best Markham online contest and received over 2000 responses from youth on how Markham can become a sustainable community
- Developed a video for use in social media to drive youth participation to the Green Print website
- First Canadian municipality to adopt local food procurement policy for municipal food services and requiring Local Food Producers certified food products.
- Planted 60,000 trees by year-end 2008 for Markham Trees For Tomorrow program as part of total goal of 75,000 trees by 2010.

## **Parks, Recreation, Culture and Public Safety (Integrated Leisure Master Plan)**

- Expanded wireless Internet access to Thornhill, Milliken and Unionville libraries
- Launched the new Customer Centred Classification system (C3) to improve customer service and efficiency
- Launched the Integrated Leisure Master Plan process
- Commenced implementation of the Cycling Master Plan – a 400 km road and pathway system
- Completed site layout and concept designs for East Markham Community Centre and Library
- Approved a \$2.6M expansion of the Varley Art Gallery
- Completed major retrofit of Markham Theatre
- Approved expansion of Markham Museum for heritage displays in a new Collections Building.

## **Transportation and Transit**

- Hosted two-day transportation and transit summit involving residents, stakeholders and urban planning experts
- Reconstructed and improved John Street Bridge to meet heritage guidelines
- Partnered with Metrolinx and Region of York on Master Transportation Plans
- Commenced construction of the Woodbine By-pass at Victoria Square
- Commenced the development of the Markham Transportation Master Plan and updated 2001 plan.

## **Municipal Services**

- Completed Class Environmental Study for West Thornhill Stormwater Flood Remediation
- Constructed new sanitary sewer installation in the Box Grove and Glenbourne Communities
- Constructed new watermain and sanitary sewer installation at Carolwood Community
- Opened new 19th Avenue Bridge
- Achieved a 70 per cent waste diversion
- Completed Downspout Disconnection pilot testing program
- Implemented the Backflow Prevention/Cross Connection Control program
- Purchased land and began planning new Cornell Fire Station
- Civic Center adopted Zero Waste practices and banned polystyrene.

## **Diversity**

- Partnered with the Ontario Ministry of Citizenship and Immigration Canada to provide Newcomer Information Services at Milliken and Thornhill libraries
- Installed fully accessible washrooms at the Markham and Unionville libraries
- Conducted Senior Services Customer Satisfaction survey and focus groups
- Provided six months of work experience for four professionals through Career Bridge and similar work experience for a professional with a disability through Ability Edge
- Continued Celebrate Markham grants to fund community events including: Black History Month, Chinese New Year Celebration, Seniors Hall of Fame Awards, Taste of Asia and Canada Day.

# Markham Profile

## Government Structure

Municipalities derive their powers largely from the Province of Ontario. Municipal elections are held every four years; the most recent election was 2006. Markham has an elected Council of thirteen. Eight Ward Councillors serve constituents in eight wards. The Mayor and four Regional Councillors represent Markham's interests Town-wide and on the York Regional Council. The Region's responsibilities include planning approvals, regional roads, transit, water, recycling and solid waste disposal, police services, public health and welfare programs.

The Town of Markham is the local level of government and provides services that include parks construction and maintenance, recreation facilities and programming, library service, fire and emergency services, the local road network, storm water management, community planning and tax collection.

## Markham Today

Markham, strategically located in the heart of the Greater Toronto Area, is one of the fastest growing municipalities in Ontario with over 300,000 people. Markham is home to Seneca College, more than 400 corporate head offices and 900 high technology and life science companies. The two main economic sectors generate a total employment of over 31,000, or almost a quarter of Markham's total employment of 137,100. High quality facilities, a highly educated and diverse workforce, and a pro-business environment signify the many attributes that continue to attract world renowned corporations to Markham. More recently, Markham has intensified its effort to maintain economic momentum with the release of its economic strategy for the next decade – Markham 2020.

However, Markham's strong heritage and natural environment features continue to be a hallmark of the community. Markham supports its cultural life through the Markham Museum, Varley Art Gallery, Markham Public Library and the Markham Theatre. With a history that began in 1791, Markham continues to place a priority on its heritage, indicative of the Town's motto – *Leading While Remembering*. Markham is now officially the most diverse community in Canada. With cultures from around the world who have chosen to make Markham their home, the Town celebrates this rich cultural fabric through Celebrate Markham events such as Black History Month, Taste of Asia, Chinese New Year, and Canada Day.

## Educational Attainment

### 2006 Census

|  |     |
|--|-----|
| University degree                        | 37% |
| Trade, College or non-university diploma | 19% |
| High School certificate                  | 26% |
| Less than High School                    | 18% |

### Recreation and Culture

|                                  |     |
|----------------------------------|-----|
| Total land area (sq. km)         | 212 |
| Number of parks                  | 160 |
| Trails/pathway system (km)       | 120 |
| Public libraries                 | 5   |
| Community centres and facilities | 18  |
| Golf courses                     | 12  |

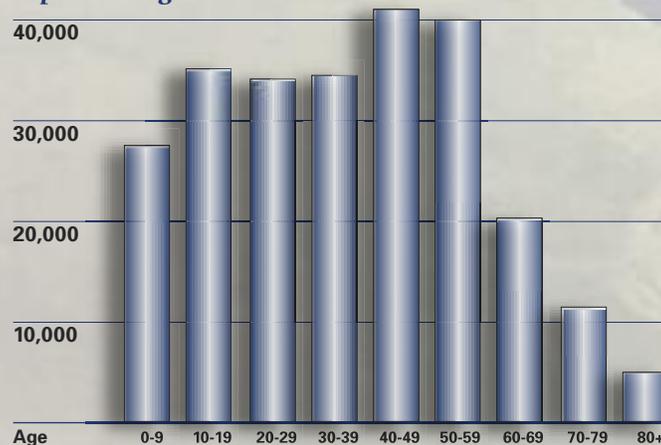
#### Culture facilities

- Markham Theatre for Performing Arts
- Markham Museum
- Varley Art Gallery

#### Heritage areas

- Thornhill
- Unionville
- Markham Village
- Buttonville

## Population Age Characteristics



Source: Statistics Canada 2006

## Population Projections

| Year | Projection |
|------|------------|
| 2011 | 306,709    |
| 2021 | 386,202    |
| 2031 | 444,058    |

# Looking Forward

Markham will continue to use innovation and creativity as it moves forward with its social, cultural, environmental and economic plans through its strategic direction – Building Markham's Future Together.

## **Environmental Leadership**

In 2009 the Town will build on its strong environmental leadership through a number of new initiatives designed to move towards a greener economy. New solar and solar thermal initiatives will be installed at some community centres and our Civic Centre offices. Markham District Energy will launch its new 5 megawatt combined heating and cooling facility, a facility that displaces the equivalent of 17,000 tons of CO<sub>2</sub> emissions and provides enough energy for 5,000 homes. Markham's Civic Centre offices will be retrofitted for heating from the Markham District Heating and Cooling facility. The Markham Trees For Tomorrow program, which has now seen the planting of 60,000 trees in two years, will move forward in 2009 to reach its goal of 75,000 trees by 2010. Markham will also continue to enhance its award winning waste management program to further increase our 71 per cent waste diversion rate and implement other programs to move us closer to a zero waste community.

Markham will also be undertaking substantial work on its Green Print Community Sustainability Plan. This work will build on the action plans associated with Building Markham's Future Together.

## **Transportation, Transit and Municipal Infrastructure**

As Markham grows and continues to serve as a major centre in the Greater Toronto Area, an integrated and user-friendly transportation and transit system is essential. As a result, Markham will complete its Transportation Master Plan in 2009. In the near term, a number of rapid transit infrastructure improvements will occur in 2009. Road, bridge, watermain and streetscape work will be designed for Main Street South Unionville; the pathways, trails and bike path program will be expanded; new 404 ramp extensions will be designed at Elgin Mills/Highway 7/Major Mackenzie; and a new bypass will be constructed for Woodbine Avenue. Road extensions will also be completed on Rodick Road and Enterprise Drive.

## **Markham's Top 10 Employers**

| <b>Company</b>                                      | <b>Number of Employees</b> |
|---|----------------------------|
| IBM Canada Ltd.                                     | <b>8,574</b>               |
| AMEX  | <b>4,100</b>               |
| CGI Information System & Management Consultants Inc | <b>1,976</b>               |
| Markham Stouffville Hospital                        | <b>1,760</b>               |
| AMD   | <b>1,750</b>               |
| TD Bank Financial Group, Home & Insurance           | <b>1,650</b>               |
| The Miller Group                                    | <b>1,350</b>               |
| Town of Markham – Municipal Offices                 | <b>941</b>                 |
| A.C.Neilson Company of Canada Ltd.                  | <b>662</b>                 |
| Allstate Insurance Company of Canada                | <b>634</b>                 |

## **Managing Growth – Building a Liveable Community**

Markham will continue to enhance its infrastructure in 2009. Construction of new parks such as Angus Glen, Berczy, Leithcroft Times Galleria, South East Community Park, Box Grove and South Village Neighbourhood Park will begin. Construction will also commence on the new Cathedral Fire Station, as well as design work for another fire station in Cornell. Our community centres will also receive attention in a number of key areas. We will be retrofitting facilities for increased accessibility, resurfacing public tennis courts, replacing the Milliken Soccer Dome field, and opening a new cricket pitch. Markham also continues to aggressively pursue a major sports and entertainment complex as the Town continues to become one of the new urban areas in the Greater Toronto Area.

Markham's Growth Management Strategy will be completed in 2009 and it will form the basis for a long term vision and plan for sustainable community growth. Coincident with this is a plan to deliver the additional infrastructure and services needed to support the new communities, and a financial strategy for implementation.

Markham will also create its Integrated Leisure Master Plan in 2009 – a plan designed to create investments in the health, wellness and lifelong learning programs in our community parks, recreation, culture and library programs, and in our service delivery systems. Construction will begin in 2009 on the Varley Art Gallery expansion and design work will continue on the new East Markham Community Centre and Library.

In all, Markham is allocating \$117.6M for capital programs in 2009 – programs that will see new roads and bridges, new parks, improvements to our community centres, expansion of our cultural facilities, and critical watermain and stormwater management improvements. Despite fiscal pressures from the current economy, Markham is working to ensure that residents continue to receive good value for their tax dollars and excellent municipal services in 2009. Markham was the only municipality in the Greater Toronto Area to develop a budget with no tax rate increase – and did so with no reduction in services for 2009.

# The 2008 Financial Report for the Town of Markham



Markham has enjoyed the advantage of being one of the Greater Toronto Area's most successful communities for many years – and 2008 was no exception. Markham continues to be a recognized leader on many fronts and is setting the pace for innovation and leadership among municipalities.

A key initiative in 2008 was our E3 – Excellence through Efficiency and Effectiveness program. E3 helped us identify innovative ways to add new value for every tax dollar, and to consider how we could maintain existing levels of customer service while conserving our resources.

Our E3 formula includes six factors for success. We are:

1. focusing on the six key strategic priorities of Building Markham's Future Together to build a more sustainable community
2. seeking innovation
3. investing for future savings
4. developing organizational synergies
5. measuring results through key performance indicators, customer satisfaction and staff satisfaction
6. looking for ways to maximize revenue.

By engaging staff, we gleaned over 400 ideas representing \$4.5 million in overall savings. Some were simple but effective steps to streamline a process.

Other ideas were more complex, requiring the investment of time to implement and realize their full benefit. There were ideas that gave us substantial one-time savings and ideas that will pay dividends for many years ahead. An example is our substantial investment in developing an Internet portal that will provide new opportunities for our residents and businesses to conduct business with us electronically – on a 24/7 basis. We will start seeing the benefits of this investment early in 2010. Over the following years, we will reap even greater benefits as the entire project is completed. The result will be easier, more effective interaction with the Town.

Our systematic approach to increasing organizational efficiency and effectiveness in 2008 gave us the opportunity to deliver a 2009 budget that represented a zero per cent tax rate increase for our residents – a great achievement in an increasingly challenging economic environment.

During these difficult economic times I wish to acknowledge the financial support Markham has received from the governments of Ontario and Canada through their infrastructure grant programs. This partnership approach and financial support has helped Markham with a number of important infrastructure improvements.

## **Reporting for Tangible Capital Assets**

The Public Sector Accounting Board (PSAB) Handbook Section PS 3150 mandates that effective January 1, 2009, municipal governments will be required to account for and record tangible capital assets. In 2008, a cross-commission team identified all assets owned by the Town and determined their historic cost. The useful life of each asset, or asset class, will be determined and amortization must then be calculated from the time the asset was put into service. As a result, the traditional method followed by municipalities for Capital Budgeting will undergo change. Future capital budgets will only include projects that meet the criteria for tangible capital assets.

## **Budget**

Each year the business units produce business plans that present their accomplishments of the previous year, and detail their growth requirements and new initiatives for the coming year. Out of this process, the budget is prepared to ensure it aligns with and supports the goals and strategic priorities of the Corporation. The Budget Committee, which consists of members of Council, supported by senior staff, encourages input and feedback from stakeholders and uses a "management-by-facts" approach to ensure taxpayers are receiving value for money.

Budget guidelines and priorities are set early in the process and budget requests are submitted to the Commissioners and CAO for rigorous review, resulting in a budget recommendation for the Budget Committee and Council. For the past eight years, the Town submitted its budget document to the Government Finance Officers Association and each year we have been honoured with the Distinguished Budget Presentation Award.

## **General Committee**

General Committee – Finance and Administrative Issues, assists Council in the provision of effective municipal government. Responsibilities include monitoring the Town's revenues and expenditures, to report and make recommendations on matters of policy pertaining to financial management, collection of taxes, purchasing and tendering, records management, general policies and procedures, and administrative bylaws.

### **Financial Statements**

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

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

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

### **Financial Highlights**

I would like to thank Barb Cribbett, Treasurer, and Joel Lustig, Director, Financial and Client Services, for the impressive efforts our team made to put in place the financial reporting systems that enabled our external auditors to verify Markham's Financial Statements within 90 days of year-end. Municipalities account for expenditures by fund. Three funds historically make up the Town's Financial Statements: Operating Fund, Capital Fund and Reserves/Reserve Funds. For 2008, these three funds totalled \$174.7M (2007 – \$151.5M). In addition, Markham's equity interest in the Markham Enterprises Corporation is part of its Fund Balances. For 2008, the equity in Markham Enterprises Corporation was \$193.8M (2007 – \$186.3M), bringing the total fund balances to \$368.5M. The following is a summary of each fund.

### **Operating Fund**

Revenues from the current year's operations were \$178.8M (2007 – \$175.7M) while the current operating expenditures totalled \$150.7M (2007 – \$140.0M). The Town's 2008 year-end surplus from operations yielded a surplus of \$0.5M. After accounting for transfers to reserves and reserve funds the deficit was \$3.2M.

### **Capital Fund**

Markham fully funds capital projects once approved by Council. As a result, the phasing and completion of the projects affect the Capital Fund balance. The Capital Fund balance of \$51.1M (2007 – \$24.0M) represents unexpended capital funding at year-end. Capital expenditures in 2008 totalled \$62.2M (2007 – \$76.2M) and included such projects as road rehabilitation, Woodbine bypass, artificial turf at Bill Crothers Secondary School and a cricket pitch at the Villages of Fairtree community park.

The Development Charges Act does not provide funding for such items as cultural venues, information technology and administrative space. As a result the requirement to fund significant growth-related costs through non-development charge sources will continue to create challenges for Markham, given its remarkable growth. To ensure Markham's existing infrastructure is maintained, the initial \$500,000 of tax revenue from new assessment each year is transferred to the Capital Fund. In 2008, \$17.3M (2007 – \$16.8M) was transferred to the Capital Fund from the tax rate.

### **Reserves/Reserve Funds and Deferred Revenue**

As at December 31, 2008, the Reserves/Reserve Funds totalled \$126.9M (2007 – \$127.1M) and Deferred Revenue totalled \$165.6M (2007 – \$159.6M). The Reserves and Reserve Funds have been established to fund future operating and capital expenditures, long-term liabilities, special projects and potential corporate tax-rate stabilization and working capital requirements. Development Charges revenue and developer contributions for parkland are now reclassified as Deferred Revenue under Public Sector Accounting Board recommendations. They are no longer included within the Reserves and Reserve Funds.

The Reserve balances that have been established will give the Town added stability and flexibility to deal with the increasing demands placed on a growing community. Building on our tradition of leadership and strategic planning, we will continue to meet the challenges and opportunities of the road ahead.

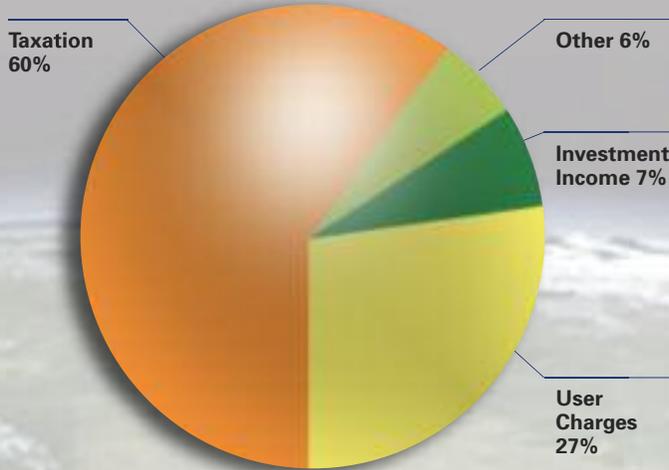
For the past seven years, our Annual Report has won the Government Finance Officers Association Award for Financial Reporting. We are proud of these significant accomplishments because they acknowledge that our financial data and narrative explanations go well beyond minimum requirements of generally accepted accounting principles.



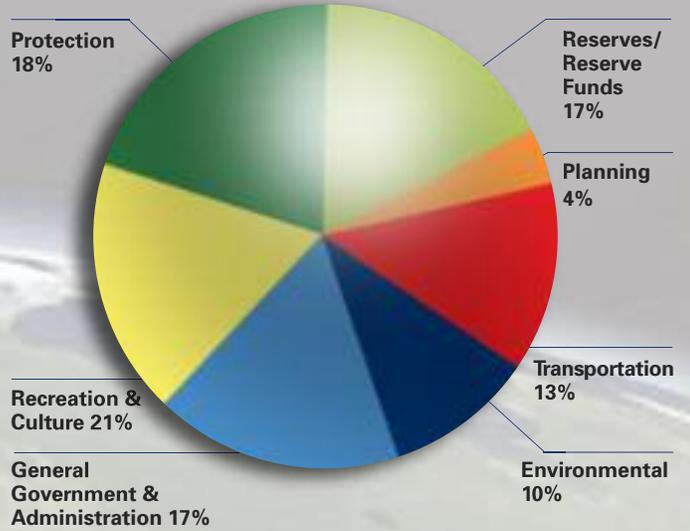
**Andy Taylor, C.A.**  
*Commissioner, Corporate Services*  
May 2009

# The 2008 Financial Report for the Town of Markham

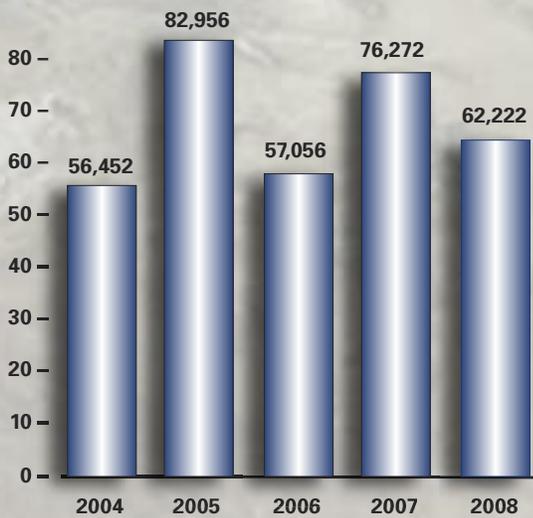
2008 Revenues



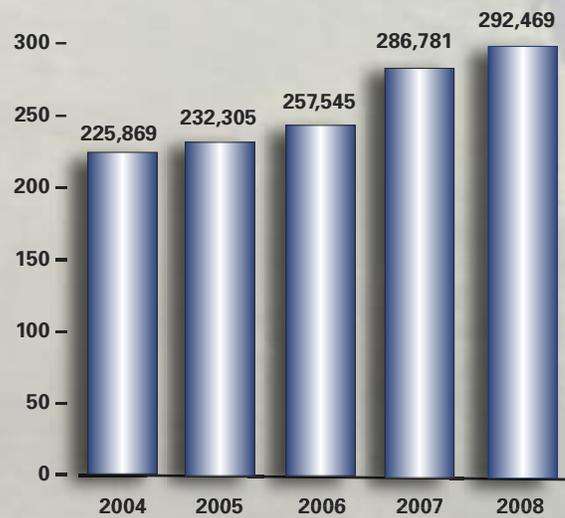
2008 Expenditures



Capital Spending \$000



Reserves/Reserve Funds and Deferred Revenue Balances \$000



## **Financial Policies**

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

### ***Basis of Accounting***

The Town recognizes sources of revenues 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***

The first phase of a comprehensive Reserves/Reserve Funds Study was approved by Council in 2004. The Town's discretionary Reserves and Reserve Funds were consolidated and grouped into two main categories: Working Funds/Stabilization Reserves and Capital Reserves. The second phase, approved by Council in March 2005, established targets for stabilization reserves based on best practices and capital reserves based on a review of life cycle replacement requirements for major Town facilities and infrastructure. In addition, the policy prioritized the distribution of annual operating budget surpluses to various reserves and determined the allocation of revenues from various hydro companies owned by the Town.

### ***Use of One-Time Revenues***

For most local governments, revenue is recurring and sustainable, funding ongoing operating expenditures year after year. However, some types of revenue may occur only once, or intermittently. The Town's policy on this revenue is to use it to fund one-time expenditures. Unallocated one-time revenue is transferred as a component of the annual operating surplus, in accordance with the Reserves/Reserve Funds Policy.

### ***Use of Assessment Growth***

The Town will transfer up to 25 per cent of tax revenue from the net annualized growth in assessment to the Capital Fund to maintain and refurbish our existing infrastructure.

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

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

### ***Capital Budget***

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.

### ***Debt Issuance***

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

### ***Investment Policy***

The policy provides a framework from which to make investment decisions within acceptable risk levels. The Town 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 applications for administration and issuance of development charge credits to developers(s). This is implemented through formal agreements with the Town.

# **Auditors' Report**



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

We have audited the consolidated statement of financial position of The Corporation of The Town of Markham as at December 31, 2008 and the consolidated statement of financial activities and changes in financial position for the year then ended. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2008 and the results of its operations and the changes in its financial position for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The current year's supplementary information included in the schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

Chartered Accountants, Licensed Public Accountants  
Toronto, Canada  
April 17, 2009

# Consolidated Statement of Financial Position

December 31, 2008

(All dollar amounts are in \$000)

|   | 2008              | 2007              |
|---|-------------------|-------------------|
| <b>ASSETS</b>   |                   |                   |
| <b>Financial Assets</b>                                 |                   |                   |
| Cash and cash equivalents (Note 4)                      | \$ 339,566        | \$ 319,226        |
| Taxes receivable (Note 7)                               | 37,670            | 30,033            |
| Unbilled user charges                                   | 5,930             | 5,914             |
| Accounts receivable (Note 17)                           | 26,448            | 28,511            |
| Investment in Markham Enterprises Corporation (Note 18) | 193,768           | 186,304           |
| Other current assets                                    | 5,578             | 6,105             |
|   | <b>608,960</b>    | <b>576,093</b>    |
| <b>LIABILITIES</b>                                      |                   |                   |
| Accounts payable and accrued liabilities (Note 9)       | 65,368            | 69,967            |
| Deferred revenues (Note 10)                             | 165,609           | 159,649           |
| Employee future benefits liabilities (Note 12)          | 15,522            | 14,112            |
|   | <b>246,499</b>    | <b>243,728</b>    |
| <b>NET FINANCIAL ASSETS</b>                             | <b>\$ 362,461</b> | <b>\$ 332,365</b> |
| <b>MUNICIPAL POSITION</b>                               |                   |                   |
| <b>Fund Balances</b>                                    |                   |                   |
| Operating fund (Note 14)                                | \$ (3,208)        | \$ 432            |
| Capital fund (Note 14)                                  | 51,053            | 23,963            |
| Reserves and reserve funds (Note 14)                    | 126,860           | 127,132           |
| Equity in Markham Enterprises Corporation (Note 18)     | 193,768           | 186,304           |
| <b>Fund Balances</b>                                    | <b>368,473</b>    | <b>337,831</b>    |
| <b>Amounts to be Recovered</b> (Note 6)                 |                   |                   |
| From reserves and reserve funds on hand                 | (6,012)           | (5,466)           |
| <b>MUNICIPAL POSITION</b>                               | <b>\$ 362,461</b> | <b>\$ 332,365</b> |

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

# Consolidated Statement of Financial Activities

Year ended December 31, 2008  
(All dollar amounts are in \$000)

|   | 2008<br>Budget     | 2008<br>Actual   | 2007<br>Actual   |
|---|--------------------|------------------|------------------|
| <b>REVENUES</b>   |                    |                  |                  |
| Taxation  | \$ 106,686         | \$ 106,856       | \$ 100,552       |
| User charges (Note 11)                                      | 56,712             | 48,855           | 53,134           |
| Grants  | 2,246              | 21,215           | 3,565            |
| Contributions from developers                               | 73,549             | 30,966           | 47,512           |
| Investment income   | 11,635             | 16,175           | 15,556           |
| Tax penalties   | 3,375              | 4,005            | 3,375            |
| Other   | 5,589              | 6,234            | 9,078            |
| <b>TOTAL REVENUES</b>                                       | <b>259,792</b>     | <b>234,306</b>   | <b>232,772</b>   |
| <b>EXPENDITURES</b>   |                    |                  |                  |
| <b>Operating</b>  |                    |                  |                  |
| General government  | 31,108             | 30,364           | 29,682           |
| Protection to persons and property                          | 32,216             | 32,594           | 30,879           |
| Transportation services                                     | 20,294             | 24,054           | 19,963           |
| Environmental services                                      | 23,994             | 18,744           | 17,261           |
| Recreation and cultural services                            | 37,158             | 38,178           | 36,004           |
| Planning and development                                    | 7,066              | 6,721            | 6,143            |
| Other   | 32                 | 577              | 499              |
| Subtotal  | 151,868            | 151,232          | 140,431          |
| <b>Capital</b>  |                    |                  |                  |
| General government  | 15,412             | 7,952            | 5,330            |
| Protection to persons and property                          | 575                | 1,022            | 1,425            |
| Transportation services                                     | 40,956             | 27,889           | 39,790           |
| Environmental services                                      | 8,528              | 9,128            | 8,976            |
| Recreation and cultural services                            | 58,718             | 10,024           | 12,978           |
| Planning and development                                    | 6,862              | 6,207            | 7,773            |
| Subtotal  | 131,051            | 62,222           | 76,272           |
| <b>TOTAL EXPENDITURES</b>                                   | <b>282,919</b>     | <b>213,454</b>   | <b>216,703</b>   |
|   | (23,127)           | 20,852           | 16,069           |
| Equity pick up in Markham Enterprises Corporation (Note 18) | -                  | 9,244            | 11,833           |
| <b>INCREASE IN NET FINANCIAL ASSETS</b>                     | <b>(23,127)</b>    | <b>30,096</b>    | <b>27,902</b>    |
| <b>INCREASE IN AMOUNTS TO BE RECOVERED</b>                  | <b>-</b>           | <b>546</b>       | <b>469</b>       |
| <b>CHANGE IN FUND BALANCE</b>                               | <b>\$ (23,127)</b> | <b>\$ 30,642</b> | <b>\$ 28,371</b> |

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

## Consolidated Statement of Changes in Financial Position

Year ended December 31, 2008  
(All dollar amounts are in \$000)

|  | 2008              | 2007              |
|--|-------------------|-------------------|
| <b>OPERATING ACTIVITIES</b>                          |                   |                   |
| Increase in Net Financial Assets                     | \$ 30,096         | \$ 27,902         |
| Subtotal   | 30,096            | 27,902            |
| <b>Uses</b>  |                   |                   |
| Increase in taxes receivable                         | (7,637)           | –                 |
| Increase in accounts receivable                      | –                 | (7,857)           |
| Increase in unbilled user charges                    | (16)              | (723)             |
| Increase in other current assets                     | –                 | (5,880)           |
| Decrease in accounts payable and accrued liabilities | (4,599)           | –                 |
| Subtotal   | (12,252)          | (14,460)          |
| <b>Sources</b>                                       |                   |                   |
| Decrease in accounts receivables                     | 2,063             | –                 |
| Decrease in taxes receivables                        | –                 | 809               |
| Decrease in other current assets                     | 527               | –                 |
| Increase in accounts payable and accrued liabilities | –                 | 16,508            |
| Increase in deferred revenue                         | 5,960             | 7,282             |
| Increase in employee benefits liabilities            | 1,410             | 1,331             |
| Subtotal   | 9,960             | 25,930            |
| Net increase/(decrease) from operating activities    | 27,804            | 39,372            |
| <b>INVESTING ACTIVITIES</b>                          |                   |                   |
| Dividend from Markham Enterprises Corporation        | 1,780             | –                 |
| Equity pick up in Markham Enterprises Corporation    | (9,244)           | (11,833)          |
| Net increase/(decrease) from investing activities    | (7,464)           | (11,833)          |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>       | <b>20,340</b>     | <b>27,539</b>     |
| <b>OPENING CASH AND CASH EQUIVALENTS</b>             | <b>319,226</b>    | <b>291,687</b>    |
| <b>CLOSING CASH AND CASH EQUIVALENTS</b>             | <b>\$ 339,566</b> | <b>\$ 319,226</b> |

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

# Notes to the Consolidated Financial Statements

December 31, 2008

(All dollar amounts are in \$000)

## 1. SIGNIFICANT ACCOUNTING POLICIES

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

### **Reporting Entity**

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

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

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

### **Investments in Markham Enterprises Corporation**

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

### **Accounting for Region and School Board Transactions**

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

### **Trust Funds**

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

### **Basis of Accounting**

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

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

### **Tangible Capital Assets**

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

### **Government Transfers**

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

### **Deferred Revenue**

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

### ***Taxation and Related Revenues***

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

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

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

### ***Employee Future Benefits***

The Town accounts for its participation in the Ontario Municipal Employee Retirement System (OMERS), a multi-employer public sector pension fund, as a defined contribution 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 Town's employ. Other post-employment 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. 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.

### ***Investment Income***

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

### ***Use of Estimates***

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

### ***Budget Figures***

The approved operating and capital budgets for 2008 are reflected on the Consolidated Schedules of Operating Fund Activities, Capital Fund Activities and Statement of Financial Activities. The budgets established for the capital fund operations are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with the current year actual amounts. As well, the municipality does not budget for activity within Reserve Funds, with the exception being those transactions which affect either the operating or capital funds. The budget figures are unaudited.

### ***Segment Disclosure***

As per Public Sector Accounting Board (PSAB) Standard 2700 on Segment Disclosures, a new requirement for Municipal Governments is effective for fiscal years beginning on or after April 1, 2007. 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 Town has provided definitions of the segments used and presented financial information in segmented format in note 8.

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

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

|                                      | 2008          |                | 2007      |
|--------------------------------------|---------------|----------------|-----------|
|                                      | School Boards | Region of York | Total     |
| Taxation                             | \$168,647     | \$191,886      | \$360,533 |
| Payment in lieu of taxes             | 218           | 956            | \$1,174   |
| Supplementary taxes                  | 3,419         | 4,688          | \$8,107   |
| Amount requisitioned and transferred | \$172,284     | \$197,530      | \$369,814 |
|                                      |               |                | Total     |
|                                      |               |                | \$350,042 |
|                                      |               |                | 1,205     |
|                                      |               |                | 6,669     |
|                                      |               |                | \$357,916 |

## 3. TRUST FUNDS

Trust funds administered by the municipality for the benefit of others amounting to \$1,714 (2007 – \$1,674) have not been included in the “Consolidated Statement of Financial Position” nor have their operations been included in the “Consolidated Statement of Financial Activities”. The trust funds have been reported separately on the “Trust Funds Statement of Financial Position” and “Trust Funds Statement of Financial Activities and Fund Balances”.

## 4. CASH AND CASH EQUIVALENTS

|             | 2008      | 2007      |
|-------------|-----------|-----------|
| Cash        | \$ 6,043  | \$ 17,560 |
| Investments | 333,523   | 301,666   |
|             | \$339,566 | \$319,226 |

Investments, which are reported at cost for money market and face value for bonds, had a market value of \$333,736 (2007 – \$301,413) at the end of the year. Investments consist of authorized investments pursuant to the provisions of the Municipal Act and include short-term instruments of various financial institutions, Government bonds, and Treasury Bills. For the year 2008, the average rate of return earned was 4.38% (2007 – 4.41%).

## 5. PENSION AGREEMENTS

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

The amount contributed to OMERS for 2008 was \$5,452 (2007 – \$4,844).

## 6. AMOUNTS TO BE RECOVERED

|   | 2008     | 2007     |
|---|----------|----------|
| Sick leave                                  | \$ 5,100 | \$ 4,751 |
| Workplace Safety and Insurance Board (WSIB) | 912      | 715      |
|   | \$ 6,012 | \$ 5,466 |

## 7. TAXES RECEIVABLE

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

|   | 2008             | 2007      |
|---|------------------|-----------|
| Current year                            | \$ 22,045        | \$ 19,891 |
| Arrears previous years                  | 16,932           | 11,866    |
|   | <b>38,977</b>    | 31,757    |
| Less: Allowance for uncollectable taxes | (1,307)          | (1,724)   |
|   | <b>\$ 37,670</b> | \$ 30,033 |

MPAC continues to refine the property assessment based on values established in 2005 in the Town and across the Province. These values were used by the Town to compute the 2008 property tax bills. However, the property tax revenue and tax receivables of the Town are subject to measurement uncertainty as a number of submitted appeals have yet to be heard. However, remaining outstanding tax appeals retroactive to 1998, many of which have not yet been finalized. This additional financial uncertainty continues the need for the allowance established for tax appeals in the amount of \$1,307 (2007 – \$1,724). The provision is required due to a number of different types of tax adjustments, including Frozen Assessment Listing (FAL) appeals, new construction retroactive appeals, and commercial vacancy rebates. Any supplementary billings adjustments made necessary by the determination of such changes will be recognized in the fiscal year they occur and the effect shared with the regional government and school boards as appropriate.

As part of its 2004 budget, the Ontario Government implemented new provisions through Bill 83 that permitted Ontario municipalities to expand capping provisions for the multi-residential, commercial and industrial classes beginning with the 2005 tax year. The Region of York adopted these new tax policies and the effect is to limit annual assessment – related tax increases to 10% over the previous year tax level or 5% of previous year full Current Value Assessment (CVA) taxes. The effect of these policies is to move properties to full CVA taxes sooner. The adjustments caused by this legislation may also impact the amounts of rebates which the municipality must issue to certain charitable organizations and the interest and penalties the municipality can collect on arrears of taxes where it is subsequently determined that such amounts have been overstated. These policies continued in the Region of York in 2008.

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

## 8. SEGMENTED INFORMATION

The Town provides a wide range of services to its citizens including general government services, protection services, parks, recreation and culture services, transportation services, environmental services, and planning and development services. Service areas disclosed in the segmented information along with the services they provide are as follows:

**General Government Services:** (includes Office of Mayor and Councillors, Chief Administrative Officer, Auditor General, Human Resources, Financial Services, and Information Technology) The departments within General Government Services are responsible for general governance and corporate management.

**Protection Services:** (includes Fire and Building Standards) The mandate of the departments is to perform fire prevention and protection, fire alarm, and other auxiliary services.

**Transportation Services:** (includes Roads, Parking Control and Asset Management) The departments are responsible for road maintenance, hard top and loose top maintenance, winter patrol, salt, sanding, snow removal, street lighting, and administration of parking.

**Environmental Services:** (includes Waterworks and Waste Management) The mandate of the departments is to administer sanitary and storm sewer system, distribute water, administration of waste collection and waste recycling.

**Recreation and Culture Services:** (includes Parks, Recreation, Culture and Public Library) The departments are responsible for providing, facilitating the development of and maintenance of high quality parks, recreation services, cultural services and administration of libraries.

**Planning and Development Services:** (includes Planning and Engineering) The departments are responsible for administration of land use plans, policies for sustainable development of the Town.

**Other:** (includes cemeteries) The department is responsible for administration of cemetery maintenance.

8. SEGMENTED INFORMATION (continued)

|  | General<br>Government | Protection to<br>Persons and<br>Property | Transportation<br>Services | Environmental<br>Services | Recreation and<br>Cultural<br>Services | Planning and<br>Development<br>Other | Reserves And<br>Reserve Funds | Consolidated<br>2008 | 2007      |
|--|-----------------------|--|----------------------------|---------------------------|--|--------------------------------------|-------------------------------|----------------------|-----------|
| <b>REVENUES</b>                                      |                       |  |                            |                           |  |                                      |                               |                      |           |
| Taxation, grants in lieu, assessments                | \$476,670             | \$ -                                     | \$ -                       | \$ -                      | \$ -                                   | \$ -                                 | \$ -                          | \$476,670            | \$458,468 |
| Collection for other authorities                     | (369,814)             | -  | -                          | -                         | -                                      | -                                    | -                             | (369,814)            | (357,916) |
| Taxation for Town purposes                           | 106,856               | -  | -                          | -                         | -                                      | -                                    | -                             | 106,856              | 100,552   |
| User charges   | 1,585                 | 7,115                                    | 5,171                      | 16,323                    | 15,201                                 | 3,405                                | 55                            | 48,855               | 53,134    |
| Grants   | 19,708                | -  | 319                        | 676                       | 372                                    | 140                                  | -                             | 21,215               | 3,565     |
| Contribution from developers                         | 30,079                | -  | -                          | -                         | -                                      | -                                    | 887                           | 30,966               | 47,512    |
| Investment income                                    | 13,185                | -  | 1                          | -                         | -                                      | -                                    | 4 2,985                       | 16,175               | 15,556    |
| Tax penalties  | 4,005                 | -  | -                          | -                         | -                                      | -                                    | -                             | 4,005                | 3,375     |
| Other  | 4,242                 | 304                                      | 371                        | 389                       | 843                                    | 85                                   | -                             | 6,234                | 9,078     |
| Total  | 179,660               | 7,419                                    | 5,862                      | 17,388                    | 16,416                                 | 3,630                                | 59 3,872                      | 234,306              | 232,772   |
| <b>EXPENDITURES</b>                                  |                       |  |                            |                           |  |                                      |                               |                      |           |
| Salaries, wages and<br>employee benefits             | 21,276                | 29,192                                   | 9,508                      | 5,269                     | 25,813                                 | 4,320                                | -                             | 95,378               | 87,699    |
| Operating materials and supplies                     | 9,042                 | 896                                      | 4,913                      | 1,753                     | 9,862                                  | 1,880                                | 31                            | 28,377               | 25,580    |
| Contracted services                                  | (490)                 | 2,438                                    | 9,519                      | 11,693                    | 2,081                                  | 476                                  | -                             | 25,717               | 25,194    |
| Rents and financial expenses                         | 322                   | 69                                       | 114                        | 29                        | 421                                    | 45                                   | -                             | 1,000                | 1,280     |
| External transfers to others                         | 214                   | -  | -                          | -                         | -                                      | -                                    | -                             | 214                  | 209       |
| Capital assets                                       | 7,952                 | 1,022                                    | 27,889                     | 9,128                     | 10,024                                 | 6,207                                | -                             | 62,222               | 76,272    |
| Amounts to be recovered                              | 546                   | -  | -                          | -                         | -                                      | -                                    | -                             | 546                  | 469       |
| Total Expenditures                                   | 38,862                | 33,617                                   | 51,943                     | 27,872                    | 48,201                                 | 12,928                               | 31                            | 213,454              | 216,703   |
| Excess/(deficit) of revenue<br>over expenditure      | 140,798               | (26,198)                                 | (46,081)                   | (10,484)                  | (31,785)                               | (9,298)                              | 28 3,872                      | 20,852               | 16,069    |
| Equity pick up in Markham<br>Enterprises Corporation | 9,244                 | -  | -                          | -                         | -                                      | -                                    | -                             | 9,244                | 11,833    |
| Increase/(decrease) in<br>net financial assets       | 150,042               | (26,198)                                 | (46,081)                   | (10,484)                  | (31,785)                               | (9,298)                              | 28 3,872                      | 30,096               | 27,902    |
| Increase in amounts<br>to be recovered               | 546                   | -  | -                          | -                         | -                                      | -                                    | -                             | 546                  | 469       |
| Change in fund balance                               | \$150,588             | \$(26,198)                               | \$(46,081)                 | \$(10,484)                | \$(31,785)                             | \$(9,298)                            | \$28 \$3,872                  | \$ 30,642            | \$ 28,371 |

## 9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

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

|                              | 2008             | 2007             |
|------------------------------|------------------|------------------|
| Trade accounts payable       | \$ 30,828        | \$ 30,770        |
| Payable to other governments | 17,912           | 27,913           |
| Payroll liabilities          | 5,122            | 4,984            |
| Accrued liabilities          | 11,506           | 6,300            |
|                              | <b>\$ 65,368</b> | <b>\$ 69,967</b> |

## 10. DEFERRED REVENUE

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

|                            | 2008              | 2007              |
|----------------------------|-------------------|-------------------|
| Obligatory Reserve Funds   |                   |                   |
| Development charges        | \$ 152,886        | \$ 146,598        |
| Parkland                   | 8,656             | 9,366             |
| Other                      | 484               | 745               |
| Deferred revenue – general | 3,583             | 2,940             |
|                            | <b>\$ 165,609</b> | <b>\$ 159,649</b> |

## 11. USER CHARGES

|  | 2008             | 2007             |
|--|------------------|------------------|
| Water and sewer billings to ratepayers | \$ 53,692        | \$ 51,309        |
| Region of York requisitions            | (38,163)         | (37,477)         |
| Town share                             | 15,529           | 13,832           |
| Building permits                       | 5,928            | 7,936            |
| Parking violations                     | 1,647            | 1,727            |
| Facility rentals                       | 5,564            | 5,669            |
| Recreational programs                  | 7,378            | 7,199            |
| Parks construction and maintenance     | 246              | 262              |
| Cultural services                      | 1,515            | 1,659            |
| Engineering fees                       | 2,917            | 5,064            |
| Planning processing fees               | 2,541            | 3,734            |
| Compliance letters/certificates        | 185              | 229              |
| Other user charges                     | 5,405            | 5,823            |
|  | <b>\$ 48,855</b> | <b>\$ 53,134</b> |

## 12. EMPLOYEE FUTURE BENEFITS LIABILITIES

|                                      | 2008             | 2007             |
|--------------------------------------|------------------|------------------|
| Vacation pay – Town                  | \$ 1,960         | \$ 2,051         |
| Vacation pay – Library               | 108              | 80               |
| Employee future benefits             | 7,442            | 6,516            |
| Vested sick leave benefits           | 5,100            | 4,750            |
| Workplace Safety and Insurance Board | 912              | 715              |
|                                      | <b>\$ 15,522</b> | <b>\$ 14,112</b> |

### Post Retirement Non-Pension Benefits

The Town pays certain health and dental benefits on behalf of its retired employees. The Town recognizes these post retirement non-pension benefit costs in the period in which the employee rendered services. The projected benefit liability at December 31, 2008 is \$7,442 (2007 – \$6,516). The liability recorded by the Town has been determined by an actuarial study completed December 2008. Information about the Town's defined benefit plans is below:

|  | 2008          |                   |                          | 2007             |                  |
|--|---------------|-------------------|--------------------------|------------------|------------------|
|  | WSIB          | Vested Sick Leave | Employee Future Benefits | Total            | Total            |
| Accrued benefit liability, beginning of year | \$ 715        | \$ 4,750          | \$ 6,516                 | \$ 11,981        | \$ 10,640        |
| Service cost                                 | 329           | 185               | 466                      | 980              | 809              |
| Interest cost                                | 91            | 278               | 539                      | 908              | 800              |
| Benefit payments                             | (223)         | (134)             | (296)                    | (653)            | (506)            |
| Amortization of actuarial loss (gain)        | –             | 21                | 217                      | 238              | 238              |
| Accrued benefit liability, end of year       | <b>\$ 912</b> | <b>\$ 5,100</b>   | <b>\$ 7,442</b>          | <b>\$ 13,454</b> | <b>\$ 11,981</b> |

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

|                                    | WSIB  | Sick Leave | Early Retirement |
|------------------------------------|-------|------------|------------------|
| Expected inflation rate            | 0.00% | N/A        | N/A              |
| Expected level of salary increases | 3.00% | 3.50%      | N/A              |
| Interest discount rate             | 5.00% | 6.25%      | 5.50%            |

### Vested Sick Leave Benefits

Under the sick leave benefit plan, which is available only to the Town's firefighters, employees can accumulate unused sick leave and may become entitled to a cash payment when they leave the municipality's employment. The liability for these accumulated days, to the extent that they have vested and could be taken in cash by an employee on termination, amounted to approximately \$5,100 (2007 – \$4,750). The accrued benefit liability and the net periodic benefit cost were determined by an actuarial valuation updated December 2008.

### Workplace Safety and Insurance Obligations

Effective January 1, 1999, the Corporation of the Town of Markham became a Schedule II employer under the Workplace Safety and Insurance Act and follows a policy of self insurance for all its employees. The Town remits payments to the WSIB as required to fund disability payments. The estimated future liability relating to WSIB amounted to \$912 (2007 – \$715) and was determined by an actuarial evaluation completed December 2004 and updated December 2008. A Workplace Safety and Insurance Reserve Fund, funded by annual contributions from the Operating Fund, has also been established to protect against any unknown future liability.

The Town also maintains an insurance policy, which protects the Corporation against single claims in excess of \$1,000.

### 13. COMPARATIVE FIGURES

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

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

#### (a) Operating fund balance

|   | 2008              | 2007     |
|---|-------------------|----------|
| Available for reduction and/or increase of future taxation                        |                   |          |
| Town operating fund surplus including library fund and business improvement areas | \$ 508            | \$ 2,673 |
| Year end accounting accruals and transfers to reserves and reserve funds          | (3,716)           | (2,241)  |
|   | <b>\$ (3,208)</b> | \$ 432   |

#### (b) Capital fund balance

|  | 2008             | 2007      |
|--|------------------|-----------|
| Funds available for the acquisition of tangible capital assets | <b>\$ 51,053</b> | \$ 23,963 |

#### (c) Reserves and Reserve Funds

|  | 2008             | 2007      |
|--|------------------|-----------|
| Reserves set aside for specific purposes by Council: |                  |           |
| Waste management process                             | \$ 28            | \$ 26     |
| Waterworks purposes                                  | 10,815           | 8,668     |
| Firefighters sick leave benefits                     | 5,100            | 4,751     |
| Corporate rate stabilization                         | 15,051           | 14,899    |
| Facility ramp up                                     | 3,696            | 2,402     |
| Partnership  | 16               | 15        |
| Long Term Disability Benefit                         | 6,811            | 6,032     |
| Development fee                                      | (1,716)          | 1,528     |
| Election expenses                                    | 600              | 300       |
| Election rebate                                      | 137              | 70        |
| Building fee   | 2,412            | 3,571     |
| Total reserves                                       | <b>\$ 42,950</b> | \$ 42,262 |

Reserve Funds set aside for specific purposes by Council:

|   |                   |                   |
|---|-------------------|-------------------|
| Theatre                                 | \$ 381            | \$ 394            |
| Museum                                  | 5                 | 3                 |
| Heritage                                | 452               | 510               |
| Environmental land acquisition          | 6,212             | 5,007             |
| Environmental sustainability fund       | 117               | 69                |
| Library                                 | 3,449             | 2,825             |
| Workplace Safety and Insurance Board    | 2,711             | 2,618             |
| Life cycle replacement and capital      | 63,524            | 67,809            |
| Land acquisition                        | 2,157             | 1,590             |
| Trees for Tomorrow                      | 223               | -                 |
| 10% Non-DC Growth                       | 4,679             | 4,045             |
| Total reserve funds                     | <b>\$ 83,910</b>  | \$ 84,870         |
| <b>Total Reserves and Reserve Funds</b> | <b>\$ 126,860</b> | <b>\$ 127,132</b> |

### 15. LEASE OBLIGATIONS

(a) As at December 31, 2008, the Town is committed to minimum annual operating lease payments for premises and equipment as follows:

|      |              |
|------|--------------|
| 2009 | \$88         |
| 2010 | 25           |
| 2011 | 20           |
| 2012 | 20           |
| 2013 | 21           |
|      | <b>\$174</b> |

## **15. LEASE OBLIGATIONS (continued)**

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

## **16. CONTINGENCY**

### ***Unsettled Legal Claims and Potential Other Claims***

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

### ***Markham Enterprises Corporation***

A class action claiming \$500,000 in restitutionary payments plus interest was served on November 18, 1998. This action has been brought under the Class Proceedings Act, 1992. The plaintiff class seeks \$500,000 in restitution for amounts paid to Toronto Hydro and to other Ontario Local Distribution Companies (LDCs) who received late payment penalties which constitute interest at an effective rate in excess of 60% per year, contrary to section 347 of Criminal Code. Pleadings have closed in this action. The action has not yet been certified as a class action and no disclosures have been held, as the parties were awaiting the outcome of a similar proceedings brought against Enbridge Gas Distribution Inc. (formerly Consumers Gas).

On April 22, 2004, the Supreme Court of Canada released a decision in the Consumers Gas case rejecting all of the defenses which had been raised by Enbridge, although the Court did not permit the Plaintiff class to recover damages for any period prior to the issuance of the statement of Claim in 1994 challenging the validity of late payment penalties. The Supreme Court remitted the matter back to the Ontario Superior Court of Justice for determination of the damages. At the end of 2006, remediation process resulted in the settlement of the damages payable by Enbridge and that settlement was approved by the Ontario Superior Court.

At this time it is not possible to determine the effect, if any, on the financial position of Markham Enterprises Corporation and on that of the Town of Markham.

## **17. ACCOUNTS RECEIVABLE – POWERSTREAM INTEREST**

Included in Accounts Receivable is \$7,584 (2007 – \$4,742) being the 5.58% per annum interest due for the period October to December 2006 to December 2008 on promissory notes issued by PowerStream. Council has approved the deferral of this payment and future quarterly interest payments due up to September 2008 for a period of 5 years from September 2008. The Town will receive full repayment of the accumulated interest due on October 31, 2013.

The Town will receive from PowerStream secondary interest on the deferred interest payments from April 2007 up to October 2013.

## **18. INVESTMENT IN MARKHAM ENTERPRISES CORPORATION**

The Town of Markham incorporated corporations under the laws of the Province of Ontario. Markham Enterprises Corporation (previously Markham Energy Corporation) is wholly owned by the Town of Markham. Markham Enterprises Corporation owns 100% of Markham District Energy Inc. and 43% (2007 – 43%) of PowerStream Inc.

At year end, of the total 1,035.0877 common shares issued, by PowerStream Inc., 445.0877 (2007 – 445.0877) common shares were registered under Markham Enterprises Corporation.

The Shareholder's Agreement, consistent with the original intent of the shareholders, provides the Town of Markham, through its wholly owned subsidiary Markham Enterprises Corporation, with "substantive participating rights" that establish joint control with the City of Vaughan, through its wholly-owned subsidiary Vaughan Holding Inc., over the strategic, operating, investing and financing policies of PowerStream.

## 18. INVESTMENT IN MARKHAM ENTERPRISES CORPORATION (continued)

The following consolidated financial statements of Markham Enterprises Corporation include the financial information of its subsidiaries Markham District Energy Inc., and PowerStream Inc. for the period from January 1, 2008 to December 31, 2008.

|  | 2008       | 2007       |
|--|------------|------------|
| <b>Assets</b>  |            |            |
| Current  | \$ 91,262  | \$ 77,994  |
| Capital  | 243,623    | 222,627    |
| Goodwill   | 14,185     | 14,185     |
| Other  | 5,234      | 5,024      |
| Total Assets   | \$ 354,304 | \$ 319,830 |
| <b>Liabilities</b>   |            |            |
| Current  | \$ 51,587  | \$ 64,279  |
| Other  | 17,485     | 14,889     |
| Long term  | 91,464     | 54,358     |
| Total Liabilities  | \$ 160,536 | \$ 133,526 |
| <b>Shareholders' Equity</b>  |            |            |
| Common shares  | \$ 66,727  | \$ 66,727  |
| Promissory notes payable   | 86,645     | 84,013     |
| Retained earnings and contributed surplus                                    | 40,396     | 35,564     |
| Total shareholders' equity   | \$ 193,768 | \$ 186,304 |
| Total liabilities and shareholders' equity                                   | \$ 354,304 | \$ 319,830 |
| <b>Results of Operations</b>   |            |            |
| Revenues   | \$ 265,770 | \$ 267,462 |
| Operating expenses   | 259,158    | 259,371    |
| <b>Net Income</b>  | \$ 6,612   | \$ 8,091   |
| Adjustment due to proportionate increase in retained earnings in PowerStream | –          | 237        |
| Proportionate share of increase in notes payable in PowerStream              | 2,632      | 3,505      |
| Equity pick up in Markham Enterprises Corporation                            | \$ 9,244   | \$ 11,833  |
| Dividend paid to Town of Markham   | 1,780      | –          |
| <b>Change in equity in Markham Enterprises Corporation</b>                   | \$ 7,464   | \$ 11,833  |

## 19. TANGIBLE CAPITAL ASSETS

In June 2006, Public Sector Accounting Board (PSAB), approved the revisions to Section 3150 of the Public Sector Accounting Handbook – Tangible Capital Assets stating that effective January 1, 2009 all municipal governments will be required to capitalize Tangible Capital Assets (TCA) at historic cost and amortize these assets over their useful life. Public Sector Guideline 7 (PSG – 7) of the Public Sector Accounting Handbook of the Canadian Institute of Chartered Accountants provides transitional guidance on presenting information related to tangible capital assets by way of a note to the financial statements until Section 3150 – Tangible Capital Assets comes into effect on January 1, 2009.

In order to be fully compliant with the above new requirements, the Town of Markham has completed the process of inventorying its assets, as at December 31, 2008. Changes to the TCA inventory in 2008 will be compiled and valued in the first half of 2009.

The valuation of assets, at their historic costs, is currently underway and is anticipated to be complete in the first half of 2009. Where historical accounting records are not available, the Town will apply a consistent method in estimating the historic cost. Upon completion of the valuation, amortization, using the straight line method, will be calculated on all assets.

Effective January 1, 2009 the Town's Capital Budget will include only projects which meet the criteria for a TCA. All other expenditures will be included in the Operating Budget and be expensed in the period in which they occur.

## 20. SUBSEQUENT EVENT

On January 1, 2009, the shareholders of PowerStream Inc. and Barrie Hydro Distribution Inc. agreed to amalgamate Powerstream and Barrie Hydro Distribution Inc. The amalgamated corporation retained the PowerStream Inc. corporate name and issued shares to its shareholders namely – Vaughan Holding Inc., Markham Enterprises Corporation and Barrie Hydro Holdings Inc. Upon amalgamation the shares held by Markham Enterprises Corporation will be 34,185 (i.e. 34.185% of the shares issued by PowerStream Inc.).

# Consolidated Schedule of Operating Fund Activities

## Schedule 1

Year ended December 31, 2008  
 (All dollar amounts are in \$000)

|  | 2008<br>Budget  | 2008<br>Actual    | 2007<br>Actual |
|--|-----------------|-------------------|----------------|
| <b>REVENUES</b>                        |                 |                   |                |
| Taxation – all classes                 | \$ 106,686      | \$ 106,856        | \$ 100,552     |
| User charges (Note 11)                 | 56,712          | 48,855            | 53,134         |
| Grants                                 | 916             | 1,507             | 1,322          |
| Investment income                      | 11,635          | 13,190            | 11,893         |
| Tax penalties                          | 3,375           | 4,005             | 3,375          |
| Other                                  | 4,327           | 4,382             | 5,470          |
| <b>Total Revenues</b>                  | <b>183,651</b>  | <b>178,795</b>    | 175,746        |
| <b>EXPENDITURES</b>                    |                 |                   |                |
| General government                     | 31,108          | 30,364            | 29,682         |
| Protection to persons and property     | 32,216          | 32,594            | 30,879         |
| Transportation services                | 20,294          | 24,054            | 19,963         |
| Environmental services                 | 23,994          | 18,744            | 17,261         |
| Recreation and cultural services       | 37,158          | 38,178            | 36,004         |
| Planning and development               | 7,066           | 6,721             | 6,143          |
| Other                                  | 32              | 31                | 30             |
| <b>Total Expenditures</b>              | <b>151,868</b>  | <b>150,686</b>    | 139,962        |
| <b>NET REVENUES</b>                    | <b>31,783</b>   | <b>28,109</b>     | 35,784         |
| <b>FINANCING AND TRANSFERS</b>         |                 |                   |                |
| Transfer to capital funds              | (4,397)         | (4,613)           | (258)          |
| Transfer to reserves and reserve funds | (27,386)        | (27,136)          | (38,908)       |
| <b>Net Financing and Transfers</b>     | <b>(31,783)</b> | <b>(31,749)</b>   | (39,166)       |
| <b>CHANGE IN OPERATING FUND</b>        | <b>–</b>        | <b>(3,640)</b>    | (3,382)        |
| <b>SURPLUS, BEGINNING OF YEAR</b>      | <b>–</b>        | <b>432</b>        | 3,814          |
| <b>SURPLUS/(DEFICIT), END OF YEAR</b>  | <b>\$ –</b>     | <b>\$ (3,208)</b> | \$ 432         |

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

# Consolidated Schedule of Capital Fund Activities

## Schedule 2

Year ended December 31, 2008

(All dollar amounts are in \$000)

|  | 2008<br>Budget  | 2008<br>Actual   | 2007<br>Actual   |
|--|-----------------|------------------|------------------|
| <b>REVENUES</b>                          |                 |                  |                  |
| Government of Canada grants              | \$ 1,251        | \$ 2,487         | \$ 2,208         |
| Province of Ontario grants               | 79              | 17,221           | 35               |
| Contributions from developers            | 8,058           | 7,577            | 5,380            |
| Developers revenue earned                | 65,491          | 22,502           | 33,370           |
| Other                                    | 1,262           | 1,852            | 3,608            |
| <b>Total Revenues</b>                    | <b>76,141</b>   | <b>51,639</b>    | <b>44,601</b>    |
| <b>EXPENDITURES</b>                      |                 |                  |                  |
| General government                       | 15,412          | 7,952            | 5,330            |
| Protection to persons and property       | 575             | 1,022            | 1,425            |
| Transportation services                  | 40,956          | 27,889           | 39,790           |
| Environmental services                   | 8,528           | 9,128            | 8,976            |
| Recreation and cultural services         | 58,718          | 10,024           | 12,978           |
| Planning and development                 | 6,862           | 6,207            | 7,773            |
| <b>Total Expenditures</b>                | <b>131,051</b>  | <b>62,222</b>    | <b>76,272</b>    |
| <b>NET EXPENDITURES</b>                  | <b>(54,910)</b> | <b>(10,583)</b>  | <b>(31,671)</b>  |
| <b>FINANCING AND TRANSFERS</b>           |                 |                  |                  |
| Transfer from reserves and reserve funds | 50,513          | 33,060           | 29,379           |
| Transfer from operating funds            | 4,397           | 4,613            | 258              |
| <b>Net Financing and Transfers</b>       | <b>54,910</b>   | <b>37,673</b>    | <b>29,637</b>    |
| <b>CHANGE IN CAPITAL FUND</b>            | <b>–</b>        | <b>27,090</b>    | <b>(2,034)</b>   |
| <b>OPENING CAPITAL FUND</b>              | <b>–</b>        | <b>23,963</b>    | <b>25,997</b>    |
| <b>CLOSING CAPITAL FUND</b>              | <b>\$ –</b>     | <b>\$ 51,053</b> | <b>\$ 23,963</b> |

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

# Consolidated Schedule of Reserves and Reserve Funds Activities

## Schedule 3

Year ended December 31, 2008

(All dollar amounts are in \$000)

|  | 2008              | 2007              |
|--|-------------------|-------------------|
| <b>REVENUES</b>                                    |                   |                   |
| Investment income                                  | \$ 2,985          | \$ 3,663          |
| Developers revenue and others                      | 887               | 8,762             |
| <b>Total revenues</b>                              | <b>3,872</b>      | <b>12,425</b>     |
| <b>FINANCING/NET TRANSFERS FROM/TO OTHER FUNDS</b> |                   |                   |
| Dividend from Markham Enterprises Corporation      | 1,780             | -                 |
| Transfer from operating funds                      | 27,136            | 38,908            |
| Transfer to capital funds                          | (33,060)          | (29,379)          |
| <b>Total net transfers</b>                         | <b>(4,144)</b>    | <b>9,529</b>      |
| <b>CHANGE IN RESERVES AND RESERVE FUNDS</b>        | <b>(272)</b>      | <b>21,954</b>     |
| <b>OPENING BALANCE</b>                             | <b>127,132</b>    | <b>105,178</b>    |
| <b>CLOSING BALANCE</b>                             | <b>\$ 126,860</b> | <b>\$ 127,132</b> |

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

# **Auditors' Report**



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

We have audited the balance sheet of the Trust Funds of The Corporation of The Town of Markham as at December 31, 2008 and the statement of continuity of Trust Funds for the year then ended. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Town as at December 31, 2008 and the continuity of the Trust Funds for the year then ended in accordance with the accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Accountants, Licensed Public Accountants  
Toronto, Canada  
April 17, 2009

The Corporation of The Town of Markham  
**Trust Funds**

**Statement of Financial Position**

December 31, 2008 with comparative figures for 2007

|  | 2008                    |                          |   |                               |                   |                                       |  | 2007         |             |
|--|-------------------------|--------------------------|---|-------------------------------|-------------------|---------------------------------------|--|--------------|-------------|
|  | Morgan<br>Park<br>Trust | Varley<br>McKay<br>Trust | Markham<br>Conservation<br>Committee<br>Trust | Elections<br>Surplus<br>Trust | Cemetery<br>Trust | Older<br>Adults<br>In Action<br>Trust | Markham<br>History<br>Res. & Pub.<br>Trust | Total        | Total       |
| Bank balance                           | \$ 59,309               | \$1,322,467              | \$ 11,623                                     | \$ 108,710                    | \$ 157,478        | \$ 7,531                              | \$ 70,611                                  | \$1,737,729  | \$1,862,396 |
| Payable to Varley-<br>McKay Foundation | -                       | (23,663)                 | -   | -                             | -                 | -                                     | -  | (23,663)     | (188,363)   |
| Fund balance                           | \$ 59,309               | \$1,298,804              | \$ 11,623                                     | \$ 108,710                    | \$ 157,478        | \$ 7,531                              | \$ 70,611                                  | \$ 1,714,066 | \$1,674,033 |

**Statement of Financial Activities and Fund Balances**

Year Ended December 31, 2008 with comparative figures for 2007

|                                       |           |             |           |            |            |          |           |              |             |
|---------------------------------------|-----------|-------------|-----------|------------|------------|----------|-----------|--------------|-------------|
| Fund balance,<br>beginning<br>of year | \$ 57,502 | \$1,298,804 | \$ 11,670 | \$ 105,398 | \$ 124,898 | \$ 7,301 | \$ 68,460 | \$1,674,033  | \$1,551,191 |
| Receipts                              |           |             |           |            |            |          |           |              |             |
| Interest earned                       | 1,807     | 68,747      | 360       | 3,312      | 4,270      | 230      | 2,151     | 80,877       | 77,478      |
| Sale of plots                         | -         | -           | -         | -          | 32,580     | -        | -         | 32,580       | 13,610      |
| Deposit from<br>candidates            | -         | -           | -         | -          | -          | -        | -         | -            | 101,973     |
|                                       | 59,309    | 1,367,551   | 12,030    | 108,710    | 161,748    | 7,531    | 70,611    | 1,787,490    | 1,744,252   |
| Expenditures                          | -         | -           | (407)     | -          | (4,270)    | -        | -         | (4,677)      | (7,013)     |
| Distributable to<br>Foundation        | -         | (68,747)    | -         | -          | -          | -        | -         | (68,747)     | (63,206)    |
| Fund balance,<br>end of year          | \$ 59,309 | \$1,298,804 | \$ 11,623 | \$ 108,710 | \$ 157,478 | \$ 7,531 | \$ 70,611 | \$ 1,714,066 | \$1,674,033 |

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

# **Trust Funds**

## **Notes to the Financial Statements**

December 31, 2008

### **1. SIGNIFICANT ACCOUNTING POLICIES**

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

#### **BASIS OF ACCOUNTING**

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

### **2. TRUST FUNDS**

#### **MORGAN PARK TRUST FUND**

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

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

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

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

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

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

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

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

#### **CEMETERY TRUST FUNDS**

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

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

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

#### **MARKHAM HISTORY – RESEARCH AND PUBLICATION TRUST FUND**

The Markham History – Research and Publication Trust Fund was established by Council Resolution on June 1, 2004 to plan and monitor the implementation of research, writing, digitizing and production of historical media that illuminates various themes in Markham's history. This trust is funded from cash and securities received from organizations involved in the creation of the original trust fund – Markham History Book Committee, the Markham District Historical Society and the Museum Advisory Board.

The Corporation of The Town of Markham  
**Five Year Review (Unaudited)**

|  | 2008              | 2007              | 2006              | 2005              | 2004              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>REVENUE FUND OPERATIONS</b>                                       |                   |                   |                   |                   |                   |
| <i>(All dollar amounts are in \$000)</i>                             |                   |                   |                   |                   |                   |
| <b>Expenditures by Function</b>                                      |                   |                   |                   |                   |                   |
| General government   | \$ 30,364         | \$ 29,682         | \$ 27,191         | \$ 25,419         | \$ 25,873         |
| Protection to persons and property                                   | 32,594            | 30,879            | 29,229            | 26,233            | 22,789            |
| Transportation services  | 24,054            | 19,963            | 16,413            | 17,099            | 15,711            |
| Environmental services   | 18,744            | 17,261            | 16,278            | 14,571            | 11,826            |
| Recreation and cultural services                                     | 38,178            | 36,004            | 34,603            | 32,920            | 28,813            |
| Planning and development   | 6,721             | 6,143             | 5,878             | 5,816             | 5,620             |
| Other  | 31                | 30                | 25                | 22                | 21                |
| Financing repayment and transfers                                    | 31,749            | 39,166            | 35,059            | 45,843            | 31,402            |
|  | <b>\$ 182,435</b> | <b>\$ 179,128</b> | <b>\$ 164,676</b> | <b>\$ 167,923</b> | <b>\$ 142,055</b> |
| <b>Revenues by Source</b>  |                   |                   |                   |                   |                   |
| Taxation <i>(includes Supplementary &amp; Payments In Lieu)</i>      | \$ 106,856        | \$ 100,552        | \$ 94,357         | \$ 88,036         | \$ 81,846         |
| Province of Ontario – Grants/Subsidies                               | 1,507             | 1,322             | 1,200             | 1,410             | 1,393             |
| Other grants – for example, Canada                                   | 0                 | 0                 | 0                 | 0                 | 0                 |
| Fees and service charges   | 48,855            | 53,134            | 48,672            | 46,830            | 39,783            |
| Investment income  | 13,190            | 11,893            | 11,738            | 11,762            | 11,775            |
| Other revenue  | 8,387             | 8,845             | 8,667             | 10,192            | 17,980            |
|  | <b>\$ 178,795</b> | <b>\$ 175,746</b> | <b>\$ 164,634</b> | <b>\$ 158,230</b> | <b>\$ 152,777</b> |
| Accumulated net revenue at the end of the year                       | \$ (3,640)        | \$ (3,382)        | \$ (42)           | \$ (9,693)        | \$ 10,722         |
| Surplus, beginning of year   | 432               | 3,814             | 3,856             | 13,549            | 2,827             |
| Surplus, end of year   | <b>\$ (3,208)</b> | <b>\$ 432</b>     | <b>\$ 3,814</b>   | <b>\$ 3,856</b>   | <b>\$ 13,549</b>  |
| <i>Reference: Consolidated Schedule of Operating Fund Activities</i> |                   |                   |                   |                   |                   |
| <b>CAPITAL OPERATIONS</b>  |                   |                   |                   |                   |                   |
| <b>Capital Expenditures</b>  | <b>\$ 62,222</b>  | <b>\$ 76,272</b>  | <b>\$ 57,056</b>  | <b>\$ 82,956</b>  | <b>\$ 56,452</b>  |
| <b>Financing by Source</b>   |                   |                   |                   |                   |                   |
| Transfers from own funds   | \$ 37,673         | \$ 29,637         | \$ 34,730         | \$ 40,152         | \$ 22,839         |
| Grants/Subsidies – Federal/Provincial                                | 19,709            | 2,243             | 3,070             | 459               | 1,799             |
| Other  | 31,930            | 42,358            | 22,055            | 41,289            | 32,850            |
|  | <b>\$ 89,312</b>  | <b>\$ 74,238</b>  | <b>\$ 59,855</b>  | <b>\$ 81,900</b>  | <b>\$ 57,488</b>  |
| Change in capital fund   | \$ 27,090         | \$ (2,034)        | \$ 2,799          | \$ (1,056)        | \$ 1,036          |
| Opening capital fund   | 23,963            | 25,997            | 23,198            | 24,254            | 23,218            |
| Closing capital fund   | <b>\$ 51,053</b>  | <b>\$ 23,963</b>  | <b>\$ 25,997</b>  | <b>\$ 23,198</b>  | <b>\$ 24,254</b>  |
| <i>Reference: Consolidated Schedule of Capital Activities</i>        |                   |                   |                   |                   |                   |
| <b>RESERVES AND RESERVE FUNDS</b>                                    |                   |                   |                   |                   |                   |
| Reserves   | \$ 42,950         | \$ 42,262         | \$ 31,898         | \$ 29,562         | \$ 83,603         |
| Reserve funds – discretionary only                                   | 83,910            | 84,870            | 73,280            | 69,145            | 6,911             |
| Deferred revenue   | 165,609           | 159,649           | 152,367           | 133,598           | 135,355           |
|  | <b>\$ 292,469</b> | <b>\$ 286,781</b> | <b>\$ 257,545</b> | <b>\$ 230,305</b> | <b>\$ 225,869</b> |
| <b>NET LONG-TERM DEBT</b>  |                   |                   |                   |                   |                   |
| <b>Net Long-term Liabilities</b>                                     |                   |                   |                   |                   |                   |
| Town of Markham purposes   | \$ 0              | \$ 0              | \$ 0              | \$ 0              | \$ 0              |
| Limit prescribed by Province   | \$ 48,762         | \$ 46,387         | \$ 44,171         | \$ 39,691         | \$ 37,382         |
| Per capita   | \$ 0.00           | \$ 0.00           | \$ 0.00           | \$ 0.00           | \$ 0.00           |
| Percentage of taxable assessment                                     | 0.0000%           | 0.0000%           | 0.0000%           | 0.0000%           | 0.0000%           |
| <b>Annual charges for net long-term liabilities</b>                  |                   |                   |                   |                   |                   |
| Principal and interest – Town of Markham purposes                    | \$ 0              | \$ 0              | \$ 0              | \$ 0              | \$ 0              |
| As a percentage of revenue fund expenditures                         | 0.00%             | 0.00%             | 0.00%             | 0.00%             | 0.00%             |
| Per capita   | \$ 0.00           | \$ 0.00           | \$ 0.00           | \$ 0.00           | \$ 0.00           |

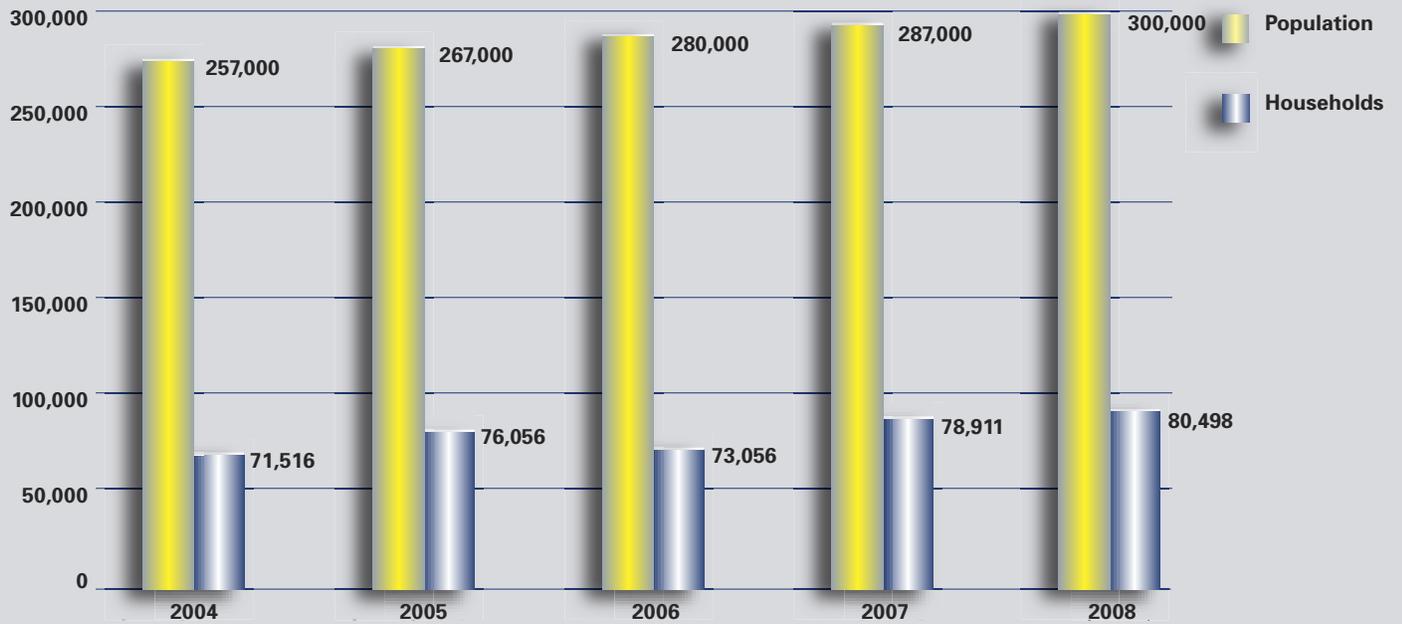
The Corporation of The Town of Markham  
**Five Year Review (Unaudited)**

|   | 2008                                | 2007          | 2006          | 2005          | 2004          |            |
|---|-------------------------------------|---------------|---------------|---------------|---------------|------------|
| <b>CONSOLIDATED EXPENDITURES</b>  |                                     |               |               |               |               |            |
| <i>(All dollar amounts are in \$000)</i>                                  |                                     |               |               |               |               |            |
| <b>Expenditures by Object</b>   |                                     |               |               |               |               |            |
| Salaries, wages and employee benefits                                     | \$ 95,925                           | \$ 91,989     | \$ 85,459     | \$ 78,825     | \$ 71,514     |            |
| Operating materials and supplies  | 28,377                              | 25,580        | 23,999        | 21,692        | 20,022        |            |
| Contracted services   | 25,716                              | 21,373        | 19,249        | 20,359        | 17,922        |            |
| Rents and financial expenses  | 1,000                               | 1,280         | 1,305         | 1,521         | 1,345         |            |
| External transfers to others  | 214                                 | 209           | 202           | 180           | 169           |            |
| Tangible capital assets   | 62,222                              | 76,272        | 57,056        | 82,956        | 56,452        |            |
| Debt service  | 0                                   | 0             | 0             | 0             | 0             |            |
| Total expenditure by object   | \$ 213,454                          | \$ 216,703    | \$ 187,270    | \$ 205,533    | \$ 167,424    |            |
| <b>TAXABLE ASSESSMENT</b>   |                                     |               |               |               |               |            |
| Residential, multi-residential and farm                                   | \$ 30,416,481                       | \$ 29,658,866 | \$ 28,725,676 | \$ 25,375,905 | \$ 23,805,663 |            |
| Commercial – all classes  | 5,174,149                           | 5,107,994     | 5,032,293     | 4,437,343     | 4,424,242     |            |
| Industrial – all classes  | 985,494                             | 999,599       | 942,125       | 805,232       | 766,641       |            |
| Pipeline and managed forests  | 47,828                              | 43,838        | 42,362        | 41,792        | 40,187        |            |
|   | \$ 36,623,952                       | \$ 35,810,298 | \$ 34,742,457 | \$ 30,660,272 | \$ 29,036,733 |            |
| Commercial, industrial and business as a percentage of taxable assessment | 16.82%                              | 17.06%        | 17.20%        | 17.10%        | 17.88%        |            |
| <b>PROPERTY TAXATION</b>  |                                     |               |               |               |               |            |
| <b>Tax Rates/Mill Rates (Note 1)</b>                                      |                                     |               |               |               |               |            |
| Residential   | Town of Markham                     | 0.270413%     | 0.260687%     | 0.250717%     | 0.261018%     | 0.251221%  |
|   | Region of York                      | 0.515464      | 0.495729      | 0.473336      | 0.510942      | 0.485717   |
|   | School Boards (Public and Separate) | 0.264000      | 0.264000      | 0.264000      | 0.296000      | 0.296000   |
|   |                                     | 1.049877%     | 1.020416%     | 0.988053%     | 1.067960%     | 1.032938%  |
| Multi-residential   | Town of Markham                     | 0.270413%     | 0.260687%     | 0.250717%     | 0.261018%     | 0.251221%  |
|   | Region of York                      | 0.515464      | 0.495729      | 0.473336      | 0.510942      | 0.485717   |
|   | School Boards (Public and Separate) | 0.264000      | 0.264000      | 0.264000      | 0.296000      | 0.296000   |
|   |                                     | 1.049877%     | 1.020416%     | 0.988053%     | 1.067960%     | 1.032938%  |
| Commercial – Full rate  | Town of Markham                     | 0.326389%     | 0.314649%     | 0.302616%     | 0.315049%     | 0.303224%  |
|   | Region of York                      | 0.622165      | 0.598345      | 0.571316      | 0.616707      | 0.586260   |
|   | School Boards (Public and Separate) | 1.492897      | 1.492897      | 1.492897      | 1.683154      | 1.683154   |
|   |                                     | 2.441451%     | 2.405891%     | 2.366829%     | 2.614910%     | 2.572638%  |
| Commercial – Vacant units, excess land – % of Full Rate                   |                                     | 70%           | 70%           | 70%           | 70%           | 70%        |
| Industrial –  | Town of Markham                     | 0.371467%     | 0.358105%     | 0.344410%     | 0.358561%     | 0.345103%  |
|   | Region of York                      | 0.708093      | 0.680983      | 0.650221      | 0.701881      | 0.667229   |
|   | School Boards (Public and Separate) | 1.656911      | 1.658072      | 1.871896      | 1.878960      | 1.871896   |
|   |                                     | 2.736471%     | 2.697160%     | 2.866527%     | 2.939402%     | 2.884228%  |
| Industrial – Vacant units, excess land – % of Full Rate                   |                                     | 65%           | 65%           | 65%           | 65%           | 65%        |
| Taxes levied  | Town of Markham                     | \$ 106,856    | \$ 100,552    | \$ 94,357     | \$ 88,036     | \$ 81,846  |
|   | Region of York                      | 197,530       | 186,243       | 175,264       | 169,175       | 154,846    |
|   | School Boards (Public and Separate) | 172,284       | 171,673       | 169,525       | 166,810       | 166,884    |
|   |                                     | \$ 476,670    | \$ 458,468    | \$ 439,146    | \$ 424,021    | \$ 403,576 |
| Total tax arrears (Taxes receivable)                                      | \$ 37,670                           | \$ 30,033     | \$ 30,842     | \$ 33,540     | \$ 28,076     |            |
| Per capita  | \$ 125.57                           | \$ 104.64     | \$ 110.19     | \$ 109.37     | \$ 109.25     |            |
| Percentage of current levy  | 7.90%                               | 6.55%         | 7.02%         | 7.91%         | 6.96%         |            |

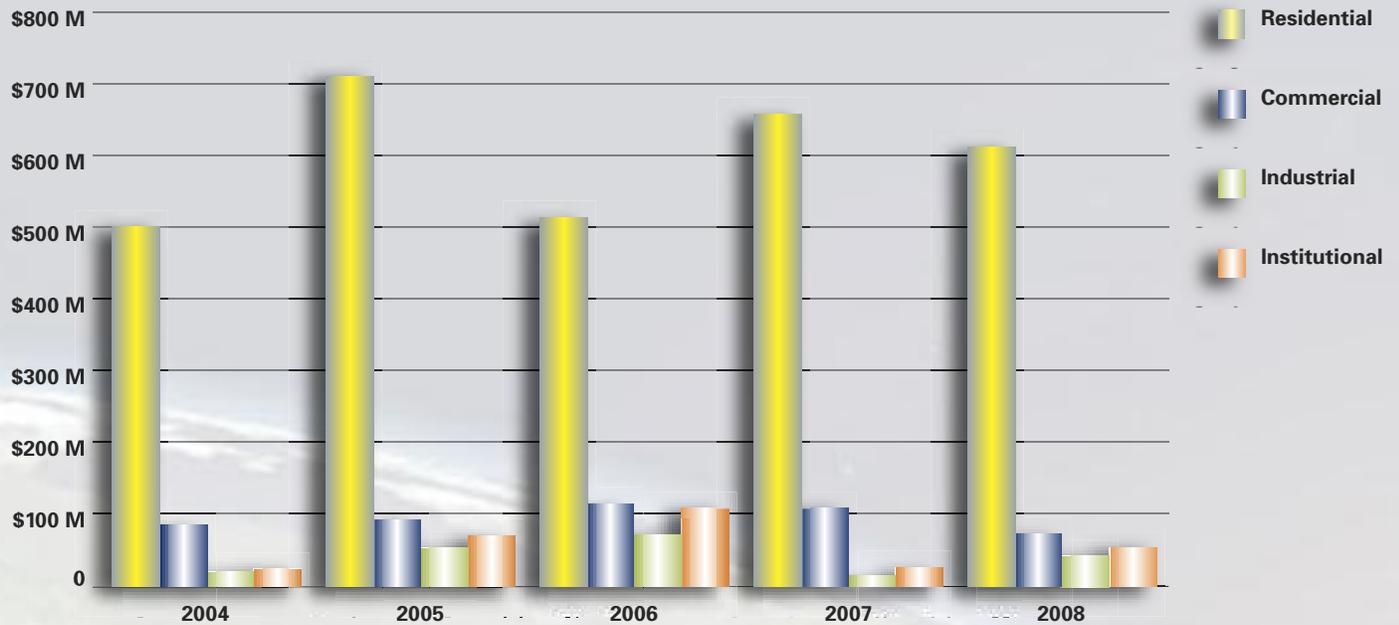
**Note 1:** Average Residential Tax bill for 2008 and 2007 was based on Current Value Assessment of \$403,000 for both years

The Corporation of The Town of Markham  
**Five Year Review**

**Number of Households and Population**



**Value of Construction**



# Performance Measures Report Card

Year ended December 31, 2008

| <b>Measure</b>   | <b>2008 Results</b> |
|--|---------------------|
| <b>Local Government</b>  |                     |
| Operating costs for governance and corporate management as a percentage of total municipal operating costs   | 7.00%               |
| <b>Fire</b>  |                     |
| Operating costs for fire services per \$1,000 of assessment  | \$ 0.69             |
| <b>Roads</b>   |                     |
| Operating costs for paved (hard top) roads per lane kilometre  | \$ 698.69           |
| Operating costs for unpaved (loose top) roads per lane kilometre   | \$ 6,443.00         |
| Operating costs for winter control maintenance of roadways per lane kilometre maintained in winter   | \$ 5,500.78         |
| Percentage of paved lane kilometres where the condition is rated as good to very good  | 76.00%              |
| Percentage of winter events where the response met or exceeded locally determined road maintenance standards   | 100.00%             |
| <b>Wastewater (Sewage)</b>   |                     |
| Operating costs for collection of wastewater per kilometre of wastewater main  | \$ 4,613.87         |
| Operating costs for the treatment and disposal of wastewater per mega litre  | \$ 580.77           |
| Operating costs for collection, treatment and disposal of wastewater per mega litre (integrated)   | \$ 675.46           |
| Number of wastewater main backups per 100 kilometres of wastewater main in the year  | 1.407               |
| Percentage of wastewater estimated to have by-passed treatment   | N/A                 |
| <b>Water</b>   |                     |
| Operating costs for the treatment of drinking water per mega litre   | \$ 520.71           |
| Operating costs for the distribution of drinking water per kilometre of water distribution pipe  | \$ 12,517.32        |
| Operating costs for the treatment and distribution of drinking water per mega litre (integrated)   | \$ 867.91           |
| Number of water main breaks per 100 kilometres of water distribution pipe in a year  | 2.81                |
| Weighted number of days when a boil water advisory issued by the Medical Officer of Health, applicable to a municipal water supply   | 0.000               |
| <b>Solid Waste Management (Garbage)</b>  |                     |
| Operating costs for solid waste collection per tonne   | \$ 26.56            |
| Operating costs for solid waste disposal per tonne   | \$ -                |
| Operating costs for solid waste diversion (recycling) per tonne  | \$ 107.86           |
| Average operating costs for solid waste management per tonne (integrated)  | \$ 102.03           |
| Number of days per year when a Ministry of Environment compliance order for remediation concerning an air or groundwater standard was in effect for a municipally owned Solid Waste Facility | 0.00                |
| <b>Management facility</b>   |                     |
| Total number of solid waste management facilities owned by Municipality  | 0.00                |
| Number of complaints received in a year concerning the collection of garbage and recycled materials per 1,000 households   | 46.64               |
| Percentage of residential solid waste diverted for recycling   | 70.00%              |
| <b>Parks and Recreation</b>  |                     |
| Operating costs for parks per person   | \$ 23.11            |
| Operating costs for recreation programs per person   | \$ 20.01            |
| Operating costs for recreation facilities per person   | \$ 46.70            |
| Operating costs for parks, recreation programs and recreation facilities per person  | \$ 89.82            |
| Hectares of open space per 1,000 persons (municipally owned)   | 3.53                |
| Total kilometres of trails per 1,000 persons   | 0.237               |
| Total hours for special events   | 3,741,432           |
| Total hours for registered programs  | 1,062,541           |
| Total hours for drop-in programs   | 27,599              |
| Total hours for permitted programs   | 3,935,191           |
| Total participant hours  | 5,025,331           |
| Total participant hours for recreation programs (registered, drop-in and permitted programs) per 1,000 persons   | 16,751.103          |
| Square metres of indoor recreation facilities (municipally owned)  | 90,037              |
| Square metres of outdoor recreation facility space with controlled access and electrical or mechanical functions (municipally owned)   | 31,383              |
| Total square metres recreation facility space (municipally owned)  | 121,420             |
| Square metres of indoor recreation facilities per 1,000 persons (municipally owned)  | 300.123             |
| Square metres of outdoor recreation facility space with controlled access per 1,000 persons (municipally owned)  | 104.610             |
| <b>Library Services</b>  |                     |
| Operating costs for library services per person  | \$ 35.33            |
| Operating costs for library services per use   | \$ 0.97             |
| Total library uses for municipality only   | 10,906,266          |
| Total population   | 300,000             |
| Library uses per person  | 36.354              |
| Electronic library uses as a percentage of total library uses  | 26.40%              |
| Non-electronic library uses as a percentage of total library uses  | 73.60%              |
| <b>Land-Use Planning</b>   |                     |
| Percentage of new residential units located within settlement areas  | 100.00%             |
| Percentage of land designated for agricultural purposes which was not re-designated for other uses during the reporting year   | 100.00%             |
| Percentage of land designated for agricultural purposes which was not re-designated for other uses relative to the base year of 2000   | 88.00%              |

Find out more at [www.markham.ca](http://www.markham.ca)

Markham information in many languages

**905-477-5530**

Information Markham en plusieurs langues

ਮਾਰਕਮ ਬਾਰੇ ਕਈ ਭਾਸ਼ਾਵਾਂ ਵਿੱਚ ਜਾਣਕਾਰੀ

Informazioni su Markham in molte lingue

萬錦市以多種語言發佈的信息

اطلاعات مارکھام بہ زبانہای مختلف

அநேக மொழிகளில் மார்க்கம் செய்தி

بہت ساری زبانوں میں مارکھم کی معلومات



Please contact:

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Town of Markham

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