



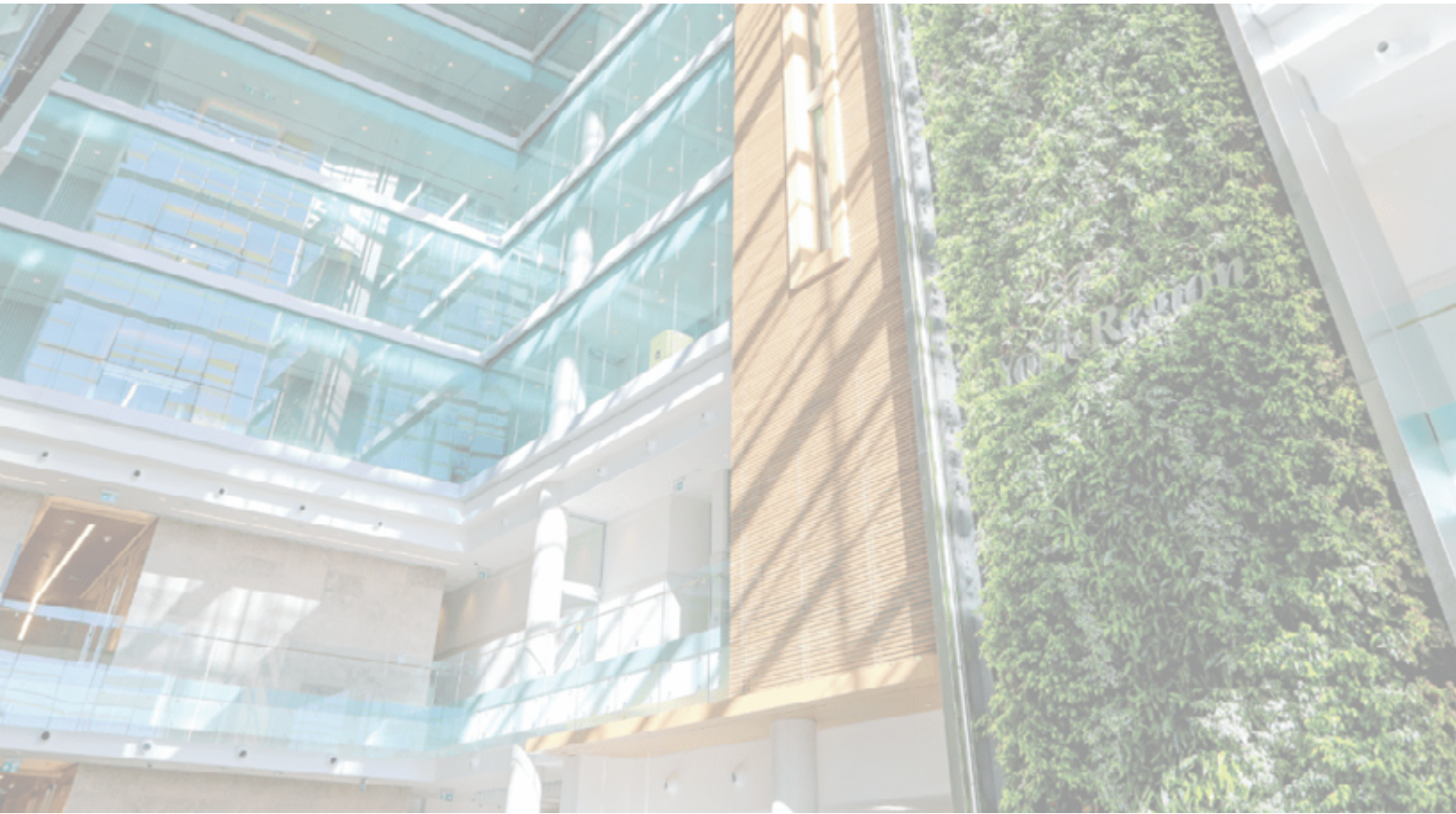
2021 COMMUNITY REPORT

For the year ended December 31, 2021
The Regional Municipality of York
Ontario, Canada

york.ca



York Region



2021 COMMUNITY REPORT

For the year ended December 31, 2021
The Regional Municipality of York
Ontario, Canada

Prepared by Corporate Services and Finance

york.ca




York Region

OUR VISION

Strong, Caring, Safe Communities

OUR MISSION

Working together to serve our thriving communities – today and tomorrow

OUR VALUES

Integrity

Commitment

Accountability

Respect

Excellence

LAND ACKNOWLEDGMENT

We acknowledge the land we meet upon is located on the traditional territory of many Indigenous peoples such as the Anishinaabeg, Haudenosaunee, Huron-Wendat and Métis peoples and the treaty territories of the Haudenosaunee, Mississaugas of the Credit First Nation and Williams Treaties First Nations. This land is now home to many diverse Indigenous Peoples. York Region is located within the boundaries of the Nanfan Treaty, Treaty 13 and the Williams Treaties. There are also other land claims and treaty rights involving portions of York Region that have not been resolved. The Chippewas of Georgina Island First Nation is a Williams Treaty First Nation and the closest First Nation community to York Region.

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Chairman & CEO
Wayne Emmerson



Mayor
Tom Mrakas
Town of Aurora



Mayor
Virginia Hackson
Town of East Gwillimbury



Mayor
Margaret Quirk
Town of Georgina



Regional Councillor
Robert Grossi
Town of Georgina



Mayor
Steve Pellegrini
Township of King



Mayor
Frank Scarpitti
City of Markham



Regional Councillor
Don Hamilton
City of Markham



Regional Councillor
Jack Heath
City of Markham



Regional Councillor
Joe Li
City of Markham



Regional Councillor
Jim Jones
City of Markham



Mayor
John Taylor
Town of Newmarket



Regional Councillor
Tom Vegh
Town of Newmarket



Mayor
David West
City of Richmond Hill



Regional Councillor
Joe DiPaola
City of Richmond Hill



Regional Councillor
Carmine Perrelli
City of Richmond Hill



Mayor
Maurizio Bevilacqua
City of Vaughan



Regional Councillor
Mario Ferri
City of Vaughan



Regional Councillor
Gino Rosati
City of Vaughan



Regional Councillor
Linda Jackson
City of Vaughan



Mayor
Iain Lovatt
Township of Whitchurch-Stouffville

REGIONAL COUNCIL

One of six regional governments in Ontario, The Regional Municipality of York (York Region) is an upper-tier municipal government that provides common programs and services to residents and businesses in nine cities and towns. The area municipalities are represented by Mayors and Regional Councillors on York Regional Council.

York Region Chairman and Chief Executive Officer

The York Region Chairman and Chief Executive Officer (CEO) is the head of Council. The Chairman and CEO is elected by the members of Regional Council at the first meeting of each term and serves a four-year term.

The 21-member Council sets policies, direction and budgets for York Region through Committee of the Whole and Council meetings that include the following reports:

- Audit
- Community and Health Services
- Environmental Services
- Finance and Administration
- Planning and Economic Development
- Transportation Services

During Committee of the Whole, Council members receive public input, review policies, consider staff reports and have discussions prior to making recommendations to be considered at Regional Council meetings.

The following boards and corporations oversee and operate with varying degrees of Council oversight:

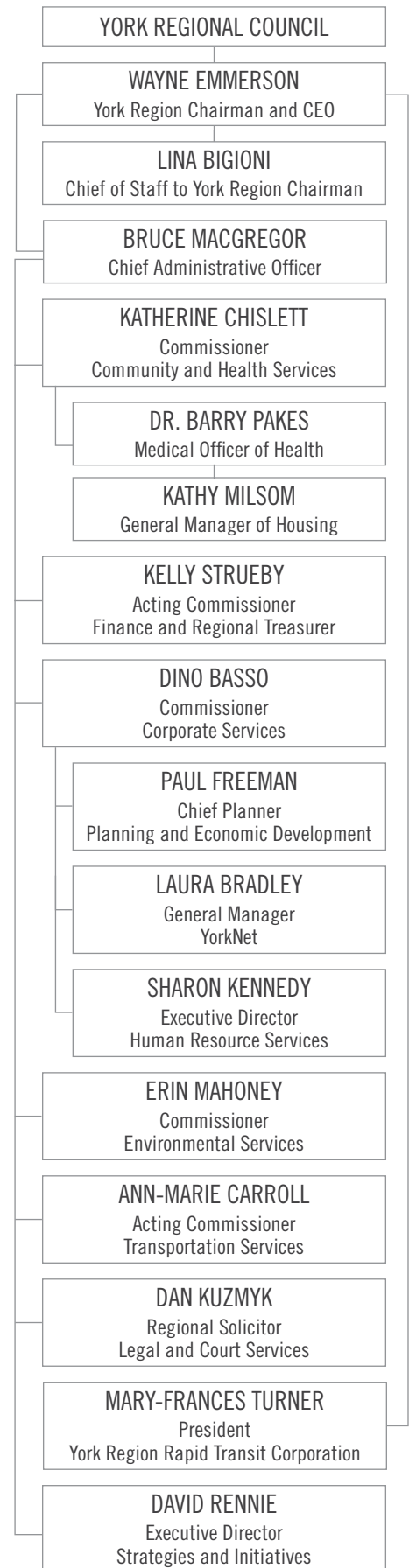
- York Region Rapid Transit Board of Directors
- York Regional Police Services Board
- Housing York Inc. Board of Directors
- YorkNet Board of Directors

Chief Administrative Officer

The Chief Administrative Officer (CAO) oversees the Senior Management Team responsible for providing programs and services to residents and businesses in addition to providing financial, technical, property, legal, administrative and human resource services. The following positions include the Region’s senior management team and senior staff responsible for advising Council and/or its Boards:

- Commissioner of Community and Health Services
- Commissioner of Finance and Regional Treasurer
- Commissioner of Corporate Services
- Commissioner of Environmental Services
- Commissioner of Transportation Services
- Regional Solicitor
- Executive Director of Strategies and Initiatives
- Executive Director of Human Resources
- Medical Officer of Health
- Chief Planner
- President of York Region Rapid Transit Corporation
- General Manager of Housing Services
- General Manager of York Telecom Network

YORK REGION ORGANIZATIONAL STRUCTURE





Wayne Emmerson, Chairman and CEO

A MESSAGE FROM THE YORK REGION CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The 2021 Community Report highlights the collective efforts of York Regional Council, York Region staff and community partners, spotlighting our collaborative efforts to protect our residents and make our communities strong, caring and safe places to live, work and raise a family.

This report also highlights York Region's critical response to the COVID-19 global pandemic and efforts to equitably balance the health and safety of residents with both the economic interests of local businesses and the social well-being of our communities. The accomplishments of 2021 set the foundation for the future health and prosperity of our communities and will help build a York Region which future generations will want to call home.

In 2021, York Regional Council approved a \$3.3 billion budget, which included \$763 million for capital investments and \$2.6 billion to support core Regional services. In 2021, funding from senior levels of government included \$17 million in transit funding and \$21 million in Safe Restart funding, which allowed Regional Council to reduce the net tax

levy to 1.54% while responding to the financial pressures associated with COVID-19. The 1.54% tax levy will be directed to Regional capital reserves, designated to support the Region's robust 10-year capital plan which includes funding of new infrastructure to support growth, as well as funding to maintain and replace the Region's existing assets.

Year after year, residents have told us that access to safe and reliable transportation options along with broadband connectivity rank among their top priorities. In 2021, Regional Council welcomed two historic federal investments to support these priorities and boost the post-pandemic recovery of our communities.

In May 2021, the Government of Canada committed to 40% of the capital funding costs of the Yonge North Subway Extension, paving the way for York Region to move forward on our top transit priority. This was followed by a second investment of up to \$63 million to support the expansion of broadband connectivity to more than 5,000 underserved homes and businesses by 2025. Through these two significant investments, York Region can continue building the infrastructure required to connect our residents to high-value jobs, community services and high-quality education.

Beyond the pandemic response and working towards Council's key priorities, York Region also celebrated the 50th anniversary of our organization. On January 1, 1971, Bill 102, *An Act to Establish the Regional Municipality of York*, came into

effect, consolidating the 14 former municipalities of York County into nine local municipalities known as York Region. Throughout the year, Regional Council, staff and the broader community celebrated the Region's many accomplishments in advancing high-quality, cost-effective services, while also looking forward to the possibilities and future achievements of the next 50 years.

2021 was another fast-moving and challenging year for staff, residents and businesses alike. The challenges of COVID-19, paired with the rollout of mass vaccinations, dominated much of the work of Regional Council, York Region and our municipal and community partners. At the same time, many of the Region's critical infrastructure projects continued to move forward, allowing York Region to support the future growth of our communities.

Together, York Region, the local business community and our more than 1.2 million residents have demonstrated our collective strength and weathered the COVID-19 storm. As we learn to live with this virus, Regional Council looks to move forward on the priorities of residents to ensure York Region remains the best place to live, work and raise a family.

Wayne Emmerson
Chairman and CEO
The Regional Municipality of York



Bruce Macgregor, CAO

A MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

2021 marked the second year of York Region's COVID-19 pandemic response, with the bulk of efforts focusing on the health and safety of residents, case and contact management, enforcement and the mass administration of COVID-19 vaccines.

Through partnerships with municipal and community partners, mass vaccination, pop-up, school and community hub vaccination clinics were set up across all nine cities and towns and collective efforts to protect the health and safety of York Region residents resulted in the administration of more than 1.9 million COVID-19 vaccine doses.

Since the start of the pandemic York Region has taken bold steps to protect residents and staff from COVID-19, including the implementation and enforcement of significant health and safety measures in our workplace and communities. As an additional layer of protection and to ensure the continuation of essential programs and services, York Region introduced a mandatory staff vaccination policy in September 2021. By year end, more than 96% of all York Region employees had reported receiving their COVID-19 vaccination, demonstrating York Region's commitment to protecting our residents and communities.

While a number of non-essential offerings continued to be temporarily interrupted throughout 2021, many of the programs and services residents rely on every day continued. I am proud to report 74% of the Region's key Strategic Plan performance measures are trending in the desired direction. The complete list of all 31 performance measures is available on pages 9 and 10 of this report.

The Treasurer's Report and Financial Statements found in the second portion of this report assure accountability in achieving our highlighted priorities.

The programs and services featured through this report represent the dedication and commitment of York Regional Council, staff, municipal partners and community stakeholders in responding to the pandemic, while also maintaining the quality of life we have all come to expect in York Region.

As we learn to live with COVID-19 and work towards the recovery of our economy and communities, we will continue to collaborate with all levels of government, residents, the business community and external stakeholders to continue building a strong, caring, safe York Region for all.

On behalf of York Region's Senior Management Team and the 4,900 committed staff who work diligently to deliver our core services across York Region's nine cities and towns, I am pleased to share The Regional Municipality of York's 2021 Community Report.

This report combines our Year Three reporting of the 2019 to 2023 Strategic Plan and the 2021 Budget. The four-year cycle for planning and budgeting coincides with the four-year term of Regional Council. It also allows us to align the goals of the Region's long-term outlook, Vision.

The priority areas outlined in the *2019 to 2023 Strategic Plan* are the foundation of this report and have been used to organize and highlight achievements in four community results areas:

- Economic Vitality
- Healthy Communities
- Sustainable Environment
- Good Government

A handwritten signature in blue ink, appearing to read 'Bruce Macgregor', with a long horizontal line extending to the right.

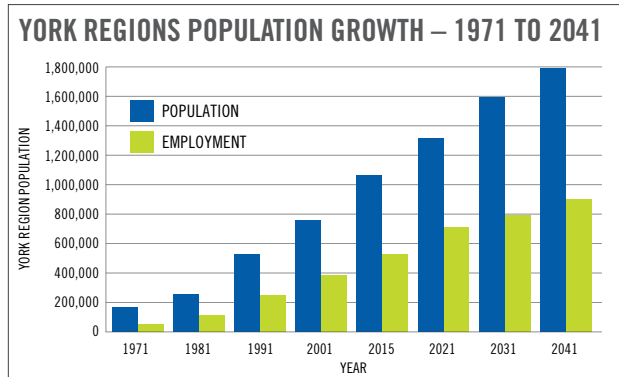
Bruce Macgregor
Chief Administrative Officer
The Regional Municipality of York

YORK REGION. WHO ARE WE?

We are growing

During 2021, York Region grew by approximately 14,600 people, accounting for a 1.2% increase in total growth.

The Provincial Growth Plan calls for York Region's population to grow from 1.2 million in 2021 to 2.03 million in 2051 and employment to grow from 660,000 in 2021 to 990,000 in 2051.



We are educated

With over 70% of York Region's residents with a post secondary education, York Region ranks as the most educated population among Canada's large municipalities.*

* 2021 Census data on education will be released November 2022.

We work hard

York Region is home to approximately 54,000 businesses and more than 600,000 jobs. It is the third largest business centre in Ontario and the destination of choice for more than 4,500 Information, Communication and Technology (ICT) businesses. This makes York Region the second largest ICT cluster in Canada. According to 2016 Census data, the average household income is \$101,000, ranking York Region the second highest among all Ontario municipalities.*

*2021 Census data on income profiles will be released July 2022.

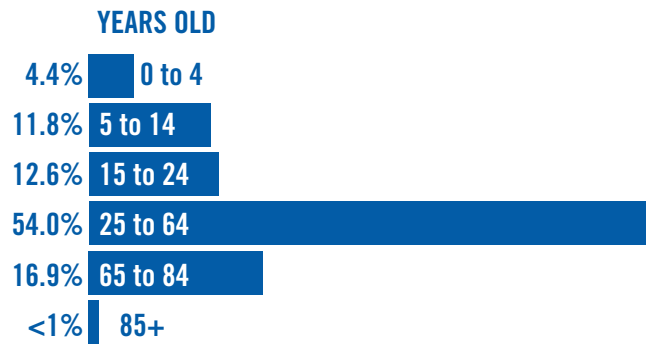
We are fiscally responsible

The 2021 the York Region budget was \$3.3 billion and included \$2.6 billion to maintain and operate York Region services and \$763 million in capital project funding. With 2021 being the third year in the four-year budget cycle, it aligns with the current term of York Regional Council and the *2019 to 2023 Strategic Plan*.

We are diverse*

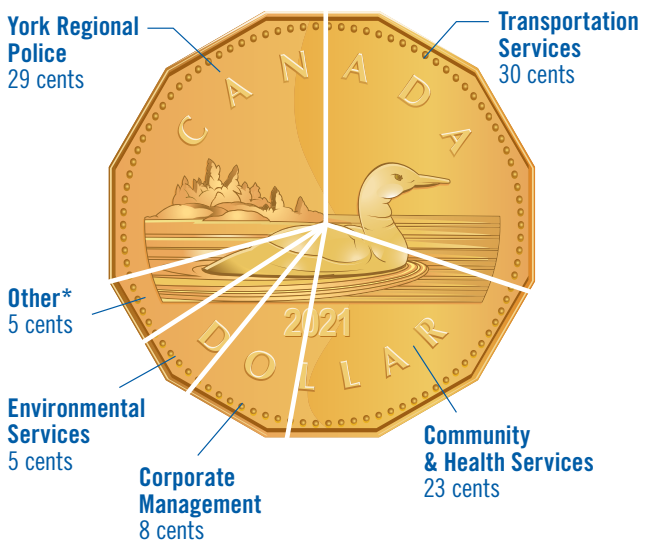
If York Region were a village of 100 people:

- 52** villagers would be born in Canada
- 1** villager would be a non-permanent resident
- 47** villagers would be born outside of Canada, of these:
 - 30** would be born in Asia
 - 11** would be born in Europe
 - 4** would be born in the Americas (including North, South and Central)
 - 2** would be born in Africa



2021 Census data on citizenship, immigration and ethnocultural will be released October 2022.

TAX LEVY FUNDING



* Other includes: Financial Initiatives, External Partners, York Region Rapid Transit Corporation, YorkNet and Court Services

We are committed to delivering quality services

- Children's Services
- Court Services
- Economic Development
- Forestry
- Housing Services
- Long-Term Care
- Paramedic Services
- Planning
- Police Services
- Public Health
- Regional Roads
- Social Assistance
- Transit
- Waste Management
- Water

Core Services: Legislated services provided directly to the public to help maintain a high quality of life for York Region residents.

TOWNSHIP OF KING
POP. 28,028

CITY OF VAUGHAN
POP. 341,961

TOWN OF GEORGINA
POP. 49,392

TOWN OF EAST GWILLIMBURY
POP. 36,195

TOWN OF NEWMARKET
POP. 90,880

TOWN OF AURORA
POP. 63,933

CITY OF RICHMOND HILL
POP. 212,798

TOWN OF WHITCHURCH-STOUFFVILLE
POP. 51,011

CITY OF MARKHAM
POP. 353,982

Comprised of
9
Municipalities

Total population estimate
1,228,180
(as of December 31, 2021)

Source: York Region, Corporate Services, Long Range Planning Branch, based on Statistics Canada data and CMHC Housing completion data.

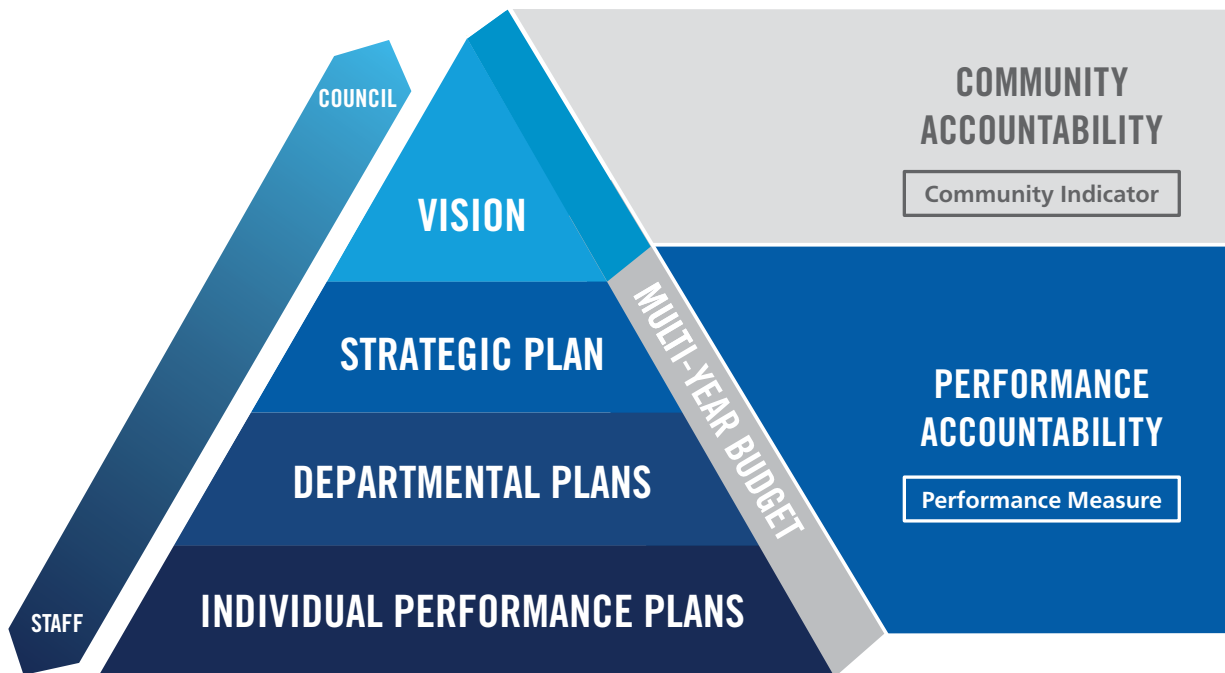
THE REGIONAL MUNICIPALITY OF YORK STRATEGIC PLANNING FRAMEWORK

York Region's strategic planning framework focuses on documenting and reporting on accountability at every level of the organization.

The framework identifies two levels of accountability which consider the collective contribution and the York Region specific contribution to the well-being of our communities:

Community accountability assesses community well-being using community indicators. Community indicator results cannot be achieved by York Region alone, and involve multiple community partners. Meaningful community indicators are identified in York Region's Vision and are reported on each term of Council.

Performance accountability assesses the performance of York Region's policies and programs using performance measures to track progress in achieving corporate priorities and objectives set out in the Strategic Plan, departmental plans and individual performance plans. These plans are developed in alignment with York Region's multi-year budget to ensure resources are allocated according to Council-approved priorities.



YORK REGION HAS A NUMBER OF PLANS CONTRIBUTING TO ITS VISION OF **STRONG, CARING, SAFE COMMUNITIES**



VISION

In November 2021, York Region released its renewed Vision, reaffirming Regional Council's commitment to building strong, caring, safe communities. Vision serves as the guiding star for the Region's corporate planning activities and ensures all York Region staff are working in the same direction, regardless of their role or function within the organization. Vision outlines aspirations for our community and measures of success towards achieving this vision.



STRATEGIC PLAN

The Strategic Plan is a four-year administrative plan that guides York Region toward Regional Council's Vision. In February 2019, York Region released its *2019 to 2023 Strategic Plan*, capturing the Region under four priorities:

- Increase economic prosperity
- Support community health, safety and well-being
- Build sustainable communities and protect the environment
- Deliver trusted and efficient services

This plan coincides with the Region's multi-year budgeting process and aligns with this term of Council to ensure it continues to make progress on serving our communities. Progress on the Strategic Plan is reported to Council annually.

MULTI-YEAR BUDGET

York Region's **multi-year budget** is the financial framework to achieve the community results outlined in the Strategic Plan and Departmental Plans. Multi-year budgeting aligns with the four-year term of Regional Council and provides the overall financial direction for York Region, while offering flexibility to make changes as conditions warrant.

DEPARTMENTAL PLANS

Each of York Region's six department areas develops business planning documents that focus on the specific service areas within the Region. Department-led plans are informed by the Regional Official Plan, master plans, Council direction, provincial and federal directives and regulatory and legislative requirements.

INDIVIDUAL PERFORMANCE PLANS

Organization-wide, individual staff complete annual performance plans to identify goals and activities in alignment with departmental and organizational plans.

2019 TO 2023 STRATEGIC PLAN YEAR 3 (2021) PROGRESS REPORT



SUMMARY: 23 of 31 = 74% of Performance Measures Trending in the Desired Direction

Result Area	Performance Measure	Historical Data		YEAR 1 2019	YEAR 2 2020	YEAR 3 2021	Baseline Trend
		2017	2018				
Economic Vitality	Increase % of business engagements resulting in business retention, expansion and attraction	45%	37%	53%	61%	52%	●
	Maintain # of transit ridership per capita	20.8	20	19.8	9.5	8.9	● **
	Increase # of kilometres of bus rapidways	12.30	12.30	27.30	33.70	33.70	●
	Increase # of people and employment within 500 metres of transit	Data not available for reporting	241,000	257,000	265,000	272,300	●
	Maintain % of on-time performance on all transit routes	94.14%	91.45%	91.48%	94.74%	95.64%	●
	Increase # of road lane kilometres	4,229.70	4,265.12	4,293.00	4,318.00	4,382.00	●
Healthy Communities	Maintain % of residents that rate York Region as a safe place to live	96%	94%	95%	96%	95%	●
	Maintain police emergency (Priority 1) response time in minutes	7:06	7:00	6:50	6:44	6:52	●
	Maintain % of municipal drinking water samples meeting Ontario Drinking Water Standards	99.93%	99.89%	100.00%	99.98%	100.00%	●
	Increase % of regional roads with sidewalks and/or dedicated bike lanes in urban areas	Data not available for reporting	88%	84%	85%	86%	●
	Increase % of 17-year-old students in compliance with Immunization of School Pupils Act	86.43%	91.83%	92.00%	Data not available for reporting		▲ **
	Increase % of food service premises with a certified food handler at all times	52%	68%	77%	Data not available for reporting		▲ **
	Increase % of York Region clients receiving help to improve their housing stability	Data not available for reporting					▲
	Maintain paramedic response time for emergency response services to meet Council approved targets	78%	76%	76%	76%	75%	●
	Increase # of advocacy activities related to long-term care beds	Data not available for reporting	3	13	10	21	●
	Decrease # of days to determine York Region residents' eligibility for social assistance	9	8	8	3	5	●
	Decrease # of children with an immediate need waiting for subsidized childcare	1,258	1,575	2,152	1,855	421	●
	Increase % of individuals and families remaining stably housed after six months who were homeless or at risk of homelessness	Data not available for reporting		83%	81%	74%	● **



Result Area	Performance Measure	Historical Data		YEAR 1 2019	YEAR 2 2020	YEAR 3 2021	Baseline Trend
		2017	2018				
Sustainable Environment	Maintain % of wastewater receiving treatment	99.97%	99.99%	100.00%	99.97%	99.99%	●
	Maintain % of residential solid waste diverted from landfill	93%	94%	94%	93%	92%	●
	Decrease # of megalitres of treated water consumed per 100,000 population	9,605	9,855	10,004	10,368	10,245	●
	Decrease # of per capita greenhouse gas emissions across Regional operations in tonnes	64.80	65.20	65.40	55.50	53.70	●
	Increase % of growth occurring within the built-up areas	46.9%	59.3%	75.0%	59.0%	58.0%	●
	Increase % of development applications meeting timeline commitments	Data not available for reporting		100%	100%	100%	●
	Maintain # of trees and shrubs planted annually through the Regional Greening Strategy Program	85,464	101,122	102,332	60,539	92,154	●
Good Government	Maintain / Improve comparative \$ of operating cost per unit of service*	0.91	1.00	1.01	0.95	1.04	●
	Increase % of public-facing transactions that can be completed online or with a mobile device	Data not available for reporting	60%	73%	75%	75%	●
	Increase % of reserve-to-debt ratio	86%	99%	111%	126%	147%	●
	Maintain % of regional assets with a condition assessment rating of fair or better condition	91%	90%	87%	86%	86%	●
	Maintain % of York Region residents that are satisfied with Regional government	78%	75%	81%	87%	80%	●
	Increase # of open data sets	177	214	228	228	228	●

*NOTE: 2018 as baseline year and considered trending in the right direction compared to inflation. 2021 data may be subject to change based on finalized FIR data.

LEGEND	● = Trending in the desired direction	● = Not trending in the desired direction	▲ = Data Not Available for Reporting
	**Performance measures negatively impacted due to the COVID-19 pandemic.		

For more information visit york.ca/stratplan

Responding to the COVID-19 Global Pandemic



Approximately **1.9 million** COVID-19 vaccine doses administered



Responded to **43,428** confirmed cases of COVID-19, with sadly **426 fatalities**



Operated **181** static, pop-up, school and community COVID-19 vaccination clinics



Responded to **338,579** support calls through Access York, Health Protection and Health Connection



Completed **3,761** COVID-19 outbreak investigation and supported institutional, child care, camp, school and workplace outbreaks



46,533 workplace inspections, resulting in **14,330** COVID-19 education activities and **861** non-compliance charges



61 million visits to **york.ca** COVID-19 related web pages



Responded to more than **5,400 media requests** related to COVID-19



Opened **13 emergency child care centres** to support **482 children** of essential workers

Throughout 2021, York Region's top priority remained the health and safety of residents and the primary focus of operations remained on the organizational response to the COVID-19 global pandemic.

Efforts in early 2021 concentrated on continued COVID-19 case and contact management and expanded to vaccination administration with senior level health approval of COVID-19 vaccines in February. Through collaboration with municipal and community partners, York Region moved quickly to operationalize mass vaccination clinic sites across all nine cities and towns and supplemented these efforts with smaller pop-up, mobile, school and community-based vaccination sites. By year end, more than 1.9 million COVID-19 vaccine doses were administered to eligible residents.

Communication efforts throughout the year largely focused on building awareness of vaccine availability by educating residents around vaccine safety, eligibility and booking, while also informing on changing public health measures, lockdowns, reopenings and variants of the COVID-19 virus. Further efforts to slow community transmission included wide-scale enforcement and education activities. Through collaboration with York Regional Police, York Region Transit and municipal bylaw officers, more than 46,000 workplace inspections were undertaken to ensure compliance with public health measures. Collectively, these efforts resulted in 14,330 education activities and the issuance of 861 non-compliance charges.

With the introduction of COVID-19 vaccines and evolving public health measures, the dedicated web pages at york.ca/COVID19 remained the trusted source of COVID-19 and vaccine information in York Region throughout 2021. Residents across all nine cities and towns relied on York Region to provide timely and accurate pandemic related information and this was achieved through extensive social media engagement across Twitter, Facebook and Instagram, weekly video updates from York Region's Medical Officer of Health and Associate Medical Officers of Health. York Region's long-standing and respectful relationship with local, regional and national media partners also led to record numbers of media engagements. Together, these coordinated efforts in response to the pandemic ensured communication to residents was timely, consistent and transparent.

To support vulnerable populations throughout the pandemic and to reduce the burden on the local health care system, York Region continued to provide supports in the areas of housing, children's services, income supports and homelessness. This included increased funding for housing stability and homelessness prevention programs, establishing additional no-cost emergency child care centres for children of essential workers, continuation of a voluntary isolation centre for residents infected with COVID-19 who were unable to safely self-isolate and helping Ontario Works customers easily access financial supports. Additional supports and measures introduced in 2021 included updates to the Cold Weather Response Plan to ensure safe spaces for residents experiencing homelessness during the cold weather season, the launch of the COVID-19 Arrears Benefit to support eligible Ontario Works and Ontario Disability Support Program households who were unable to pay rent or utility expenses or who were at risk of eviction and the launch of the Digital Access Benefit to help low income households stay connected to resources and supports during the pandemic.

In collaboration with economic development stakeholders, economic development teams from the nine cities and towns, the Workforce Planning Board of York Region and industry leaders, the York Region Business Recovery Partnership continued to support local businesses. Post-pandemic recovery initiatives that focused on economic vitality and sustainability supported businesses in the supply chain, advisory services, agriculture and agri-food, tourism and the arts and culture sectors. This group also focused significant efforts on keeping the local business community informed of ever-changing public health measures, regulations and guidance, including masking requirements and capacity limits.

Over the course of the year, Regional Council continued to be a strong advocate for York Region residents and businesses, calling on senior levels of government to consider responsible, fair and equitable public health measures that balanced the health and safety of residents with the economic interests of local businesses.

As outlined in the Treasurer's Report, COVID-19 has had, and continues to have, a significant financial impact on the Region. As a result of higher public health costs, specifically those related to the administration of COVID-19 vaccinations, social program spending and below-forecasted revenue from services such as transit, courts and development, the overall financial impact of COVID-19 in 2021 was \$268 million. Funding from senior levels of government offset approximately three-quarters, or \$184 million, of the financial impacts for 2021. The remainder of these financial impacts, approximately \$84 million, was offset by the Region's mitigation efforts which included repurposing existing resources, managing reduced revenue streams and other cost savings and efficiencies.

With the emergence of the highly transmissible Omicron variant in December 2021 and further expansion of fourth dose vaccinations, York Region's continued response to the COVID-19 pandemic is expected to continue throughout 2022, with focus shifting from response to recovery.

2021 was another challenging and quickly changing year for York Region and the communities we serve. The response to COVID-19 and the rollout of mass vaccinations has been monumental in scope and impact and has affected each and every one of York Region's more than 1.2 million residents. Thanks to the significantly large number of residents who have rolled up their sleeves for a COVID-19 vaccine and followed the recommended health and safety measures, we have slowed the spread of this virus and look ahead to the post-pandemic recovery of our communities.

Increasing Economic Prosperity



40% capital funding commitment from the federal government for the Yonge North Subway Extension



6,399 housing completions



21.1% increase in average housing prices



10,787 new residential building unit permits issued, an **85% increase** over 2020



1.2% growth in population



6% unemployment rate, significantly lower than Canada's high of 14.8% in 2021



81,107 sq. ft. of new retail space



\$5.2 billion construction value for total industrial, commercial and institutional building permits



YorkNet broadband network expanded by **86.2 kilometres**



43,580 new jobs

The impact of the COVID-19 pandemic has been challenging for residents, businesses and our communities. However, thanks to a diverse mix of businesses, a skilled labour force and significant infrastructure and transportation investments, York Region's economy has proven resilient throughout the pandemic.

Home to 54,000 businesses that provide more than 600,000 jobs, business and job growth are fundamental to York Region's economic vitality and our residents' quality of life. Attracting and retaining a variety of high-quality jobs across a broad range of sectors promotes economic resilience and helps ensure residents have the opportunity to work and thrive where they live.

To support sustained economic growth, Regional Council remains committed to building communities that offer robust employment, housing and transportation options for residents at all ages and stages. It is also a fundamental cornerstone to the economic growth and vitality of York Region.

In early 2020, the COVID-19 global pandemic led to a broad shutdown of economic activity in York Region, Ontario and Canada. The pandemic continued to dominate the economic development landscape in 2021 as a result of additional shutdowns, workplace outbreaks and public health measures directed at businesses. In the second half of 2021, York Region's economy rebounded, with unemployment nearing pre-pandemic levels. However, there continues to be labour challenges in some sectors, specifically those with lower paying jobs.

Through the Economic Development Action Plan, York Region focused not just on responding to the pandemic, but also on recovery and resilience. Through the Business Recovery Support Partnership, York Region continued to collaborate with various partners and stakeholders on COVID-19 related business supports, including business advisory, innovation and talent support services. Additionally, through the Accelerated Business Recovery Hub, more than \$460,000 in provincial funding was leveraged to benefit 350 local businesses and entrepreneurs.

Despite economic impacts of the COVID-19 pandemic, York Region continues to be a significant contributor to the national and provincial economies, with a GDP of \$64.7 billion. Connecting residents to high-value jobs remains a driving force behind economic vitality and well-being. Thanks in part to business and talent attraction and retention activities, York Region ranks as Canada's largest auto parts manufacturing cluster, Ontario's second largest financial and professional services sector, Canada's second

largest ICT cluster and the third largest business hub in Ontario. Supporting a diversified economy with high-level jobs remains a key objective in increasing economic prosperity and provides opportunity for growth and innovation in a variety of sectors.

As a community where talent and opportunity intersect, York Region continues to be a destination for people to do business and to live. In 2021, residential building permits increased by 85%, the largest growth rate in the Greater Golden Horseshoe area. At the same time, total construction values across York Region increased by 97.6%. With a value of \$5.2 billion, this is the highest ever value of building permit construction recorded in York Region, ranking the fourth highest across Canada.

Attracting businesses, high-value jobs and people is fundamental to the economic success of York Region. However, building complete communities that include a variety of housing options and connect residents to transportation, jobs and opportunities is vital to the Region's long-term competitiveness and fiscal sustainability. To continue the efficient movement of people and goods through our communities and the Greater Toronto and Hamilton Area (GTHA), Regional Council has made historic investments in road and transit system improvements, including a 10-year, \$3.46 billion investment in transportation infrastructure.

In 2021, the Government of Ontario opened a 10-kilometre expansion of Highway 427 from Finch Avenue to Major Mackenzie Drive to help improve traffic flow, reduce congestion and move people and goods safely. Expansion of Highway 427, which serves as a heavily used commuter route to the City of Vaughan and neighbouring communities, is expected to save commuters up to 25 minutes of total travel time for a two-way trip during peak periods.

Regional Council also welcomed a historic federal investment in the Yonge North Subway Extension, with the Government of Canada committing funding for 40% of the project's capital costs. The Yonge North Subway Extension is a critical part of York Region's transportation system and the transit network of the GTHA. The 40% federal commitment, combined with previous funding commitments from both York Region and the provincial government, will continue to advance

this vital infrastructure project. When complete, the Yonge North Subway Extension will deliver five new subway stations that allow easy and seamless connections between all GTHA regions and will have far-reaching and lasting benefits for residents and businesses in York Region. An infrastructure project of this magnitude will bring thousands of jobs and additional housing options for more than 85,000 residents. At the same time, it will continue to support the economic recovery of our communities and residents who continue to be impacted by the COVID-19 global pandemic.

Looking to the future, Regional Council recognizes innovation as a fundamental driver of economic growth and prosperity, regardless of the economic climate. As residents and businesses continued to conduct business and learn remotely throughout 2021, expanding access to broadband connectivity remained an essential priority. In 2021, provincial and federal governments announced the allocation of up to \$63.3 million to help York Region bring reliable, high-speed internet to homes and businesses across our communities. Benefiting nearly 53,000 households, this funding will allow YorkNet to expand its dark fibre network by more than 500 kilometres and target more than 5,000 underserved homes and commercial or industrial properties by 2025.

To further support economic vitality, York Region continues to improve access to high-quality education. Construction on York University's Markham Centre Campus continued throughout 2021. When doors open in 2023, the new campus will bring 4,200 new student spaces to York Region, strengthening opportunities for students and businesses.

Through collaboration with senior governments, remaining engaged with the business community and making significant investments in housing, transportation and connectivity, York Region continues to support the economic recovery of our communities, while creating new opportunities for growth and economic prosperity in the future.

Protecting Community Health, Safety and Well-being



Responded to the **COVID-19**
global pandemic



444,802 customer interactions
through Access York



Opened **two** new paramedic
response stations



Recognized **National Day for Truth
and Reconciliation**



Distributed **2,113 naloxone kits** to
clients, community partners and services



Completed construction of the
Public Health Dental clinic at 17150
Yonge Street



Began construction of **26 new**
transitional housing units



Engaged more than **700 stakeholders
and residents** on the Community
Safety and Well-being Plan for
York Region



Completed the 2021 York Region
Homeless Count



Refreshed the York Region
Seniors Strategy

Supporting community health, safety and well-being is a vital part of building strong, caring, safe communities. Regional Council's support of healthy communities helps residents engage in community life and contribute to the economy by protecting health and safety, strengthening human services, creating welcoming and inclusive communities and improving access to affordable housing and social supports.

Throughout 2021, York Region worked to support the health, safety and well-being of our communities through the wide-scale public health response to COVID-19. This involved the continuation of a range of public health measures to manage the spread of the virus, including case and contact management, outbreak management, infection protection and control measures, the operation of mass vaccination sites and the rollout of COVID-19 vaccines.

The impacts of COVID-19 on vulnerable populations, along with an increased reliance on human and social services supports, continued in 2021 – with those with limited financial resources, the homeless and precariously housed, individuals at risk of domestic violence, older people and newcomers being at higher risk. To support the health and safety of these vulnerable populations, York Region continued to take a lead role in addressing many of the social and human services challenges related to the pandemic. This included setting up emergency child care for health care and other essential workers, delivering income supports to low-income households, managing the self-isolation shelter and providing emergency housing partners support to meet public health requirements and respond to increasing client demands.

Beyond the Region's significant and historic response to COVID-19, Regional Council remained committed to building healthy, safe, welcoming and inclusive communities where all residents can thrive and live to their full potential.

Following the tragic discovery of unmarked and undocumented graves near the grounds of former residential schools, Regional Council acknowledged the systemic racism, discrimination and injustice faced by Indigenous Peoples and reaffirmed their commitment to working with Indigenous partners to learn from past mistakes and to do more to create lasting change. On September 30, 2021, York Region joined Canadians across the country in recognizing Canada's first National Day for Truth and Reconciliation by honouring the lost children and survivors of Canada's residential schools, their families and communities.

In March of 2021, York Region acknowledged and denounced systemic anti-Black racism and committed to be a champion for change through the implementation of a corporate framework for action to address anti-Black racism, including developing supports for Black staff and engaging with the local Black community on achievable actions as identified through the work of the Inclusion Charter for York Region.

Addressing gaps in our communities is another fundamental part of supporting community health, safety and well-being. In October 2021, Regional Council approved a strengthened Community Investment Fund program to better support community agencies and other partners through funding initiatives that target gaps in human services, compliment or enhance Regional programs and deliver on policy priorities. Through the York Region Local Immigration Partnership, York Region continued to promote the social and economic integration of newcomers in our communities. In 2021, the Region facilitated Opening Doors to Newcomers workshops to help improve awareness of available supports and programs and developed the York Region Newcomer Guide to help individuals and families successfully settle in York Region.

As services slowly began to resume in 2021, Public Health and Paramedic Services partnered to reduce stigma and barriers for community access to naloxone and harm reduction supplies. Through this partnership 2,113 naloxone kits were distributed to clients and community partners, and through satellite Needle Syringe Programs, more than 89,000 used syringes with needles were received for safe disposal. Public Health clinics also expanded virtual enhanced service delivery options to further expand access to sexual health and dental care clinics and conduct virtual visits with high-risk families as part of the Healthy Babies Healthy Children program.

In 2021, York Region Ontario Works (OW) was an early adopter of the new OW centralized intake process and worked closely with the province to resolve issues, identify changes and train other municipalities ahead of the province-wide rollout. York Region also adopted the Routines-Based Model of early intervention that supports children with special needs, their families and educated through collaborative partnerships and strategies incorporated into the daily routines of children.

In November 2020, York Region launched a two-year automated speed enforcement pilot to

help improve safety through enforcing speed limits in 12 community safety zones. Throughout 2021, average speed compliance increased by approximately 25% and created a safer environment for students walking to and from school on Regional roads.

Recognizing that community health, safety and well-being are not attainable without an accessible housing market that includes a full mix of housing options and affordability, Regional Council initiated the Housing Affordability Task Force to address the housing crisis in York Region. Through the Task Force, Regional Council endorsed a suite of innovative approaches and policies to increase housing options. These strategies look beyond traditional housing designs and single-family units and aim to encourage timely delivery of more affordable housing and increase partnerships with other levels of government, developers, financial institutions and non-profit housing providers.

To further support Regional Council's vision of complete communities that ensure affordable housing options for all residents, York Region began prioritizing and fast-tracking approvals of development applications for rental and affordable housing units that abide by regulatory requirements.

Addressing the housing crisis requires long-term planning, and Regional Council continues to work with key stakeholders, including local municipalities and the development industry, to find affordable housing options for current and future residents. Council will continue to update housing-related policies through the Municipal Comprehensive Review.

While much of 2021 was dedicated to the Region's response to COVID-19 and the mass vaccination of residents, a number of non-essential programs and services were resumed to support the health, safety and well-being of all York Region residents. As the Region looks to the post pandemic recovery of our communities, Regional Council will continue to support safe communities, deliver affordable housing options and improve access to health and social services for all residents.

Building Sustainable Communities and Protecting the Environment



Top scores in water quality, with **100% of water samples** meeting provincial standards



Achieved **100%** in Chief Drinking Water Inspector's Annual Report Card



Delivered **124 billion litres** of clean and safe drinking water



142-hectare expansion of the York Regional Forest



92,154 trees and shrubs planted



Diverted **92%** of waste from landfill



Optimized lighting energy consumption emissions and utility costs by **50%**



Engaged more than **8,000** residents through **19** virtual outreach events



Launched **six** additional electric buses

York Region is home to an abundance of natural resources. As the community grows, Regional Council remains committed to delivering environmentally sustainable services, encouraging growth in the Region's designated city centres, reducing greenhouse gas emissions, preserving green space and supporting a clean environment. To achieve these goals, Regional Council has made significant investments in enhancing green space, clean technology, sustainable infrastructure and water and wastewater innovation to protect both the health of our environment and our residents.

In 2021, York Region continued to be a key partner in the innovative COVID-19 Wastewater Surveillance Project, which was developed to understand the COVID-19 viral signal in wastewater and help public health monitor and manage COVID-19 in the community.

The COVID-19 pandemic continued to impact Regional Council's initiatives to build sustainable communities and protect the environment in 2021. Regional Council's decision to further defer the planned water and wastewater rate increase initially intended for April 1, 2020, resulted in a \$43.8 million reduction in user rate revenues. At the same time, increased processing costs resulting from higher tonnage of residential waste and blue box contamination contributed to a \$2 million cost pressure for the year.

Despite pandemic-related pressures, many programs and services related to sustainable communities and environmental protection continued uninterrupted throughout the year.

In 2021, York Region continued to provide residents with safe and reliable drinking water, achieving a score of 100% for water samples meeting Ontario's drinking water quality standards and an overall average inspection and sample score of 100% in the Chief Drinking Water Inspector's Annual Report.

Drinking water in York Region originates from three sources: Lake Ontario, Lake Simcoe and groundwater wells within our communities. As part of the provincial Source Water Protection Program, York Region takes significant steps to protect municipal drinking water sources from contamination and overuse. Through this program, Regional Council remains committed to protecting drinking water sources now and for future generations.

To ensure future resilience in the Region's wastewater system, Regional Council undertook several initiatives over the past year to improve the reliability of the sewage system. In 2021, York Region developed an

Inflow and Infiltration Standard for Sewers Servicing New Developments. This standard ensures sanitary sewers are watertight, enhancing system resilience to climate change, freeing up capacity taken by excess water and reducing the risk of overflows.

In 2021, York Region also completed the York Durham Sewer System Forcemain Twinning project in the Town of Newmarket. Completed six months ahead of schedule, this project creates further resilience of the sewage system and allows for future maintenance on the existing forcemain without service disruptions.

In 2021, York Region was accepted into the Canadian Circular Cities and Regions Initiative pilot, advancing circular economy knowledge sharing and capacity in municipal governments. Through the launch of the Circular Economy Initiatives Fund, York Region funded six innovative non-profit and community driven projects that help to reduce residential waste and enhance education and awareness projects aimed at behavioural change. These projects included the Circular Innovation Council's Share, Reuse and Repair Hub, Free Geek Technology Reuse project, Furniture Bank's Furniture and Home Goods Reuse Education and Awareness campaign, Impact Zero's Circular Business Directory, the Willowgrove Take Root Farm project and greening of the Stouffville Strawberry Festival.

In 2021, York Region experienced a significant invasive outbreak of *Lymantria dispar* (LDD)/spongy moth, resulting in heavy-to-severe tree defoliation. Together with local cities, towns and conservation authorities, York Region continues to take action to mitigate impacts to street and park trees and public owned forests using an integrated pest management approach. This approach includes egg mass scraping, treatment of select high value trees with pesticides and burlap banding. While landowners are responsible for protecting trees on their property, several cities and towns provided free burlap banding kits to residents during the spring and summer of 2021 to capture spongy moth caterpillars. York Region, local cities and towns and conservation authorities are committed to continuing this integrated pest management approach and support for residents in 2022.

As part of York Region's Greening Strategy and to further combat climate change, Regional Council took steps in 2021 to expand the York Regional Forest through the purchase of a 142-hectare property in the

Town of East Gwillimbury. About 82 hectares of the land will be reforested with 40% of land purchase and reforestation funding provided through the federal Disaster Mitigation and Adaptation Fund.

In 2021, York Region purchased six additional electric buses to reach a fleet compliment of 12 electric buses. The electric buses began operating on transit routes throughout York Region in the second half of the year, helping the Region move closer to Regional Council's goal of net zero greenhouse gas emissions by 2051. In addition to new electric buses, six in-depot chargers were installed at 18110 Yonge Street with one additional charger scheduled in 2022. Additional electric bus charging equipment has been included as part of the expansion of 55 Orlando Avenue and is being designed at 8300 Keele Street, with installations currently scheduled for completion in 2023.

In March 2021, \$175,000 was received from the Canadian Urban Transit Research and Innovation Consortium and the Ministry of Economic Development, Job Creation and Trade. This funding will support analysis of connected and autonomous vehicle potential in the Region and further support the electrification of the York Region Transit Fleet through additional analysis of electric bus performance. This funding is in addition to Regional Council's five-year, \$14 million commitment to energy conservation initiatives, which includes strategies to reduce corporate emissions that focus on transit, buildings, non-transit fleets and water and wastewater processes.

The pandemic has highlighted the important role the natural environment plays in the health and well-being of our communities and residents. York Region's natural environment provides a range of recreational, environmental and health benefits that contribute to healthy communities and a high quality of life. Looking forward, Regional Council's efforts to build sustainable communities and protect the natural environment will continue to meet the goals laid out in Vision and will be fundamental in the Region's post-pandemic recovery.

Delivering Trusted and Efficient Services



Named a **Forbes Best Employer** in Canada



1.42% tax levy decrease from the 2020 approved budget outlook



7.19 million people reached through 3,000 media articles



72.1 million people reached through York Region's digital channels



1.2 million homes reached through three editions of York Region Matters



147,151 subscribers to York Region social channels



22.7 million visits to york.ca



York Region Mobile app used **116,800** times, a **33%** increase over 2020



149% increase in viewership of Regional Council and Committee of the Whole meetings



261% increase in public deputations at Regional Council and Committee of the Whole meetings



26.8 tonnes of greenhouse gas emission prevented through the adoption of electronic Council and Committee meeting agendas

Ensuring reliable, responsive, effective, efficient and fiscally responsible programs and services is fundamental to good government. Corporate management of the core program and service areas continued to play a central role in York Region's continued COVID-19 response activities, including the rollout and administration of COVID-19 vaccines and post-pandemic recovery activities.

Throughout 2021, every area of the organization continued to work together to provide frontline, community-based and broad support for the corporate response to COVID-19. This included environmental services, transit, communications, data analytics, IT services, human resources, finance, paramedic services, public health, property services, emergency management, children's services and social services. Support entailed strategic communications, procurement of Personal Protection Equipment, coordination and operation of mass vaccination sites, mobilization of staff, management and operations of a voluntary isolation centre and emergency child care centres, analysis of critical data (including wastewater surveillance), introduction of mandatory staff vaccination policies and critical supports for businesses and community partners.

York Region also continued to monitor the fiscal impacts of COVID-19 and led advocacy efforts to secure senior government funding. Legal Services analyzed the implications of numerous provincial directives and public health measures, and along with risk management professionals, provided advice on the implications of the pandemic and helped facilitate the Regional response.

In September 2021, Dr. Karim Kurji retired from his role as York Region Medical Officer of Health. As the face of York Region's COVID-19 response, Dr. Kurji's professionalism, dedication and commitment to supporting the health and well-being of York Region's more than 1.2 million residents positioned York Region as the trusted source of COVID-19 and vaccine related information in the community and garnered attention and respect from public health officials and top news outlets across Ontario and Canada. In November, Regional Council appointed Dr. Barry Pakes as the new York Region Medical Officer of Health. Since his appointment, Dr. Pakes' leadership has continued to deliver on the high-quality public health care our residents both deserve and expect.

Since the beginning of the pandemic, the health and well-being of our communities has been Regional Council's number one priority. Throughout 2021, at the advice of Dr. Kurji and Dr. Pakes, Regional Council advocated to senior levels of government on a range of pandemic related issues, including the fair and equitable distribution of vaccines, the re-opening of schools, public health measures that balanced resident health and safety with the economic interests of businesses, financial support to maintain essential services and broader measures to slow the spread of COVID-19.

At the same time, a number of activities not related to the pandemic response continued.

In 2021, York Region Court Services introduced digital booking options to York Region's Provincial Offences Courts front-counter services, including fine payments, trial requests, appeal information, time extension applications and general inquiries. Digital booking options provide clients the choice to book appointments online or over the phone, with approximately 80% of Court Services' client bookings taking place through digital services. Additionally, to ensure continued provision of timely access to justice, traditional in-person courtrooms were transformed to remote hearings. This enabled resident to attend court remotely and extend the reach of the court system. In 2021, defendants from more than a dozen countries participated in matters remotely, resolving matters that might never have been resolved in person.

Despite a full calendar year of remote work and the unexpected challenges of a global pandemic, York Region staff continued to show their local love in 2021 through York Region's partnership with the United Way Greater Toronto and the annual staff fundraising campaign. Through payroll pledge and several virtual events, staff continued to show their support beyond the day-to-day business of York Region by supporting vulnerable residents in the community. Over 27 years, the York Region staff campaign has raised more than \$7 million to help those in our communities who need it most.

2021 also marked the 50th anniversary of The Regional Municipality of York. Although "York County" held its first Council meeting in 1850, it wasn't until June 26, 1970, that the provincial legislature passed *Bill 102, An Act to Establish the Regional Municipality of York*, which came into effect on January 1, 1971. Throughout the year, York Region and York Regional Council celebrated the Region's 50-year history, including a population that has grown from 170,000 and 48,000 jobs in 1971 to more than 1.2 million people and 600,000 jobs today.

Over the past five decades, York Region has remained committed to increasing economic prosperity, supporting community health, safety and well-being, building sustainable communities, protecting the environment and delivering trusted and efficient services. Having made great strides over the past 50 years, York Region looks forward to the next 50 as a time to grow, learn and improve on the ways we serve and support the community and support our employees. To achieve this, Regional Council approved a refreshed Vision in November 2021 that renews York Region's commitment to strong, caring, safe communities through four key areas of focus, including economic vitality, healthy communities, sustainable environment and good government.

Vision belongs to each and every one of York Region's more than 1.2 million residents. York Regional Council will continue to deliver trusted and efficient programs and services, while working with residents, businesses and government partners to build the types of communities future generations want to call home.

AWARDS AND HIGHLIGHTS



ECONOMIC VITALITY

MarCom

Platinum Award

for the YRRTC Annual report

Professional Engineers Ontario

Engineering Project of the Year Award

for the Yonge Street rapid transit project

Professional Engineers Ontario

Large Project Awards

for the Highway 7 West and Bathurst
and Centre rapidway projects



SUSTAINABLE ENVIRONMENT

Tree City of the World Designation

from Arbour Day Foundation and the
United Nations Food and Agriculture Organization

Ontario Public Works Association

Public Works Leader of the Year Award, Project of the Year Award and Management Innovation Award

Ontario Waterworks Association

2021 Award of Excellence

2021 ACEC Ontario Engineering

Project Award of Merit

for the Forcemain Twinning project

ClimateWise 2021

Municipal Energy Strategy Award



HEALTHY COMMUNITIES

Child and Family Health recognized with

Best Practice Spotlight Organization designation

OMSSA Local Municipal Champion Award

for York Region's Homelessness
COVID-19 response

York Region paramedic recognized with

Ontario Award for Paramedic Bravery

Ontario Local Municipal Champion Award

for the Ontario Works Transformation



GOOD GOVERNMENT

Named to Forbes list of

Canada's Top Employers

S&P Global **AAA Rating**

Government Finance Officers

Distinguished Budget Presentation Award

AVA Digital

Gold Award

for the '2019 Annual Report' and the
'Yonge Street Fall Project Newsletter'

AVA Digital

Honourable Mentions

for the Yonge North Subway Extension
'The Demand is Here' video,
'Connections through Rapid Transit' video
and YRRTC blogs

Hermes Creative

Platinum Award

for Incident Management Protocol

Hermes Creative

Gold Awards

for the Connections Through Rapid Transit video
and Support Local campaign

Public Works Association of Canada 2021

Municipal Engineers Award



TREASURER'S REPORT

Reflecting The Regional Municipality of York's longstanding commitment to fiscal prudence, results for the year ended December 31, 2021, show continued strengthening of the Region's balance sheet despite the impacts of the COVID-19 global pandemic.

In 2021, the Region was able to offset higher public health costs and reduced transit fare revenues largely through savings in other areas. Non-essential hiring was delayed and activities that were not needed or not possible because of public health restrictions were curtailed. In addition, pressure on the budget was eased by pandemic-related funding from senior governments. These factors allowed the Region to stay within its original budget for 2021 and prepare for the expected continuing pressures in 2022 relating to COVID-19.

The 2021 Regional budget as approved by Council was presented in a way that showed how cash inflows, including the property tax levy, were balanced against all expected cash outflows. On this basis, the Region recorded an operating surplus of \$81.0 million in 2021.

The financial results in this report are presented on the full accrual basis of accounting, which differs from the budget presentation. For comparability with this report, the 2021 budget book provided expected revenues, spending and annual surplus on a full accrual basis. This report compares 2021 results to the budget as presented on the full accrual basis.

On the full accrual basis of accounting, the Region's revenues exceed expenses, resulting in an annual surplus of \$670.8 million from operations over the year. This was \$98.4 million higher than expected in the 2021 budget on the full accrual basis, owing mainly to expenses that were lower than anticipated.



Kelly Strueby,
Acting Commissioner of Finance
and Regional Treasurer

With the addition of the 2021 annual surplus, the Region's accumulated surplus reached \$9.3 billion at the end of 2021, up from \$8.6 billion at the end of 2020. The Region's financial assets, including cash, cash equivalents and investments, rose by \$504.4 million.

The discussion and analysis that follows, as well as the financial statements themselves, represent key parts of our accountability to residents and businesses.



OVERVIEW OF TREASURER'S REPORT, FINANCIAL STATEMENTS AND STATISTICAL REVIEW

TREASURER'S REPORT

The Treasurer's report expands on the information provided in the Region's financial statements by:

- Outlining the strategic framework guiding the Region's financial management
- Giving highlights of the Region's financial performance in 2021
- Discussing financial results for 2021 compared to 2020 and the 2021 budget, focusing on the Consolidated Statement of Financial Position and the Consolidated Statement of Operations
- Explaining the framework for planning and reporting on financial activities and the Region's responsibilities for managing its finances and safeguarding assets
- Looking at possible risks to the Region's long-term financial sustainability and how they are managed

YORK REGION FINANCIAL STATEMENTS

The Region's financial statements follow this Treasurer's report. The financial statements describe the Region's financial position at the end of the year and show how it changed from the previous year. The notes that follow the financial statement are an integral part of the Region's financial reporting.

Consolidated Statement of Financial Position

This statement is the Region's balance sheet, listing its assets, liabilities and accumulated surplus as of December 31, 2021.

Consolidated Statement of Operations

This statement reports the Region's revenues and expenses for the year. The net difference is either an annual surplus or annual deficit. Revenues exceeded expenses in the year ended December 31, 2021, resulting in an annual surplus.

Consolidated Statement of Change in Net Financial Asset / (Debt)

This statement reconciles the change in net financial assets/debt for the current and prior year. Under public sector financial reporting in Canada, "net debt" is defined as the difference between a reporting entity's financial assets and its liabilities. (This differs from how the Region uses the term "net debt" in other documents to mean its issued debt, excluding borrowings on behalf of local municipalities and net of sinking fund assets.) By year-end 2021, the Region's financial assets were greater than its liabilities. Instead of presenting a negative number representing net debt, the difference is now recorded as a net financial asset.

Consolidated Statement of Cash Flows

This statement outlines the Region's sources of cash, shows how they were applied to meet cash needs and gives the resulting change in cash and cash equivalents by year-end.

STATISTICAL REVIEW

The financial statements and notes are followed by a statistical review of key financial and non-financial figures over the past five years.

ADDITIONAL FINANCIAL STATEMENTS

This document includes additional sets of financial statements for:

- The sinking fund, which is held and reported on separately from other Regional assets. The fund's purpose is to allow the Region to meet the repayment requirements of its sinking fund debt. Sinking-fund debt requires that funds equivalent to a share of the debt be set aside on a prearranged schedule before the maturity date. The *Municipal Act, 2001*, requires sinking funds to be audited annually.
- Funds held in trust by the Region for residents of Newmarket Health Centre and Maple Health Centre, the Region's two long-term care homes, and donations to those facilities. The Region invests these funds on behalf of the residents and interest earned is credited to the funds.

STRATEGIC FRAMEWORK

For the 2021 fiscal year, the main elements guiding the Region’s financial management were:

- Vision and the 2019-2023 Strategic Plan
- The 2021 Budget
- The Regional Fiscal Strategy

VISION AND THE 2019-2023 STRATEGIC PLAN

The 2021 budget was developed with long-term direction set out in Vision 2051, the Region’s long-term blueprint.

Every four years, to coincide with the new term of Council, the Region develops a four-year Strategic Plan with the purpose of turning the Region’s long-term vision and goals into day-to-day activities. The priorities of the 2019-2023 Strategic Plan are economic vitality, a sustainable environment, healthy communities and good government.

The diagram below provides further details.



2021 BUDGET

The Regional budget provides the financial framework to accomplish the Strategic Plan and ultimately support the Region’s long-term vision.

Multi-year budgeting is a vital aspect of the financial framework. At the start of the current council term, Regional Council reviewed a four-year plan consisting of the proposed budget for the first year and an outlook for the remaining three years. In each of the following three years, the outlook was reduced by one year.

While a four-year framework gives overall direction, Council has the flexibility to make changes each year as conditions warrant.

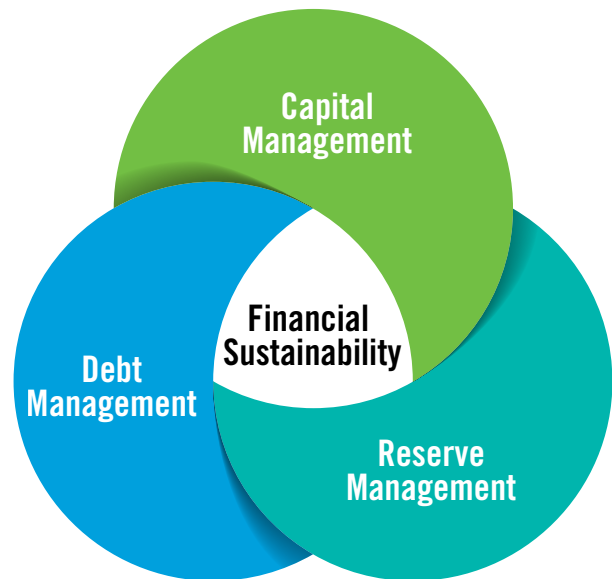
The Region’s budget shows major cash inflows and outflows and determines the tax levy needed to achieve the balance between these. It gives decision-makers and other readers a clear picture of where cash resources are expected to come from and how they will be applied to all activities, including capital and operations, to meet current and future needs.

This annual report provides a set of statements on the full accrual basis that together give a full picture of financial activities and results for the year. This aligns with the recommendations of the Public Sector Accounting Board, which develops accounting standards for governments in Canada.

For consistency with financial reporting, the annual budget book includes a section entitled “Accrual Budget Presentation” in which figures for expected revenue, expense and annual surplus are provided on the same basis as in the annual report. This report compares results for 2021 to the accrual-based budget.

REGIONAL FISCAL STRATEGY

The purpose of the Regional Fiscal Strategy, adopted in 2013 and updated annually, is to help the Region achieve long-term financial sustainability in an equitable way over time. It brings together three related elements, as shown in the diagram below.



The strategy recognizes the importance of fairness over time (intergenerational equity): no generation is left worse off through the actions of another. This works in both directions — today’s residents should not be unduly burdened to pay for projects that will largely benefit later residents and future residents should not be unduly burdened with the costs of projects that largely benefited past residents.

Capital management is important because the Region must often build major infrastructure like roads, transit and water and wastewater systems in advance of the expected population and employment growth they will serve. Although most of the growth-related costs are expected to be covered by development charges when growth occurs, debt is often used to bridge the timing gap. Making investments at the best possible time, based on realistic forecasts, helps to reduce debt levels and debt service costs.

Reserves are funds that are built up and accessed over time for specific purposes, including paying capital-related costs to avoid issuing debt. Under the strategy, the Region has significantly increased the level of reserves dedicated to asset renewal and replacement. A corporate-wide asset management plan, endorsed by Regional Council in 2018, provides guidance on the size and timing of the needed investments. The strategy also saw the creation of a debt reduction reserve. Funded from the tax levy, it is mainly used to cover growth-related capital costs that are not eligible for development charge funding.

The Region’s long-term **debt management plan** considers borrowing needs over the following 10 years, complies with Regional and provincial policies and considers risks to the plan and ways of mitigating them.

2021 HIGHLIGHTS

In 2021, as in 2020, the Region faced major pandemic-related pressures. These included lower transit and court revenues and higher spending in several areas than before the pandemic. The 2021 budget included additional savings and support from senior governments to help offset these impacts.

York Region Transit continued to operate as an essential service with ridership remaining below 2019 levels. Senior government funding earmarked for transit provided an offset, as did adjustments to match service levels to demand. Court Services revenue, which fell by half in 2020 from what had been budgeted before the pandemic, began to recover late that year as new technology enabled virtual scheduling and appearances, and gradual recovery continued through 2021.

As well as higher staffing and other costs in Community and Health Services, which was responsible for pandemic response and support for mass immunization, Regional government faced higher expenses for personal protective equipment and other health and safety measures, as well as information technology needs related to remote work and online service.

By year end, revenues on the full accrual basis of accounting were \$2.97 billion, down \$27.7 million from the expected \$3.0 billion. Revenues included pandemic-related transfer payments of \$184.5 million from senior levels of government.

The revenue decrease was more than offset by a reduction of \$126.1 million in spending from the expected \$2.4 billion. The Region paused or temporarily reduced some programs, redeployed staff to Public Health and other areas to help with the pandemic response, maintained reduced service on many transit routes, offered more on-demand services to replace scheduled bus routes and found new organization-wide savings, including deferring non-essential hiring in the year.

By year-end York Region had:

- Increased its financial assets, including cash, cash equivalents by \$504.4 million, to bring the total to \$5.7 billion
- Moved from having net debt of \$191.4 million to net financial assets of \$301.4 million as defined for public sector reporting purposes, a positive change of \$492.8 million in total
- Seen an increase of \$670.8 million in its accumulated surplus

CHANGES IN FINANCIAL POSITION

The Consolidated Statement of Financial Position gives a picture of the Region’s balance sheet at December 31, 2021. The table below provides a summary.

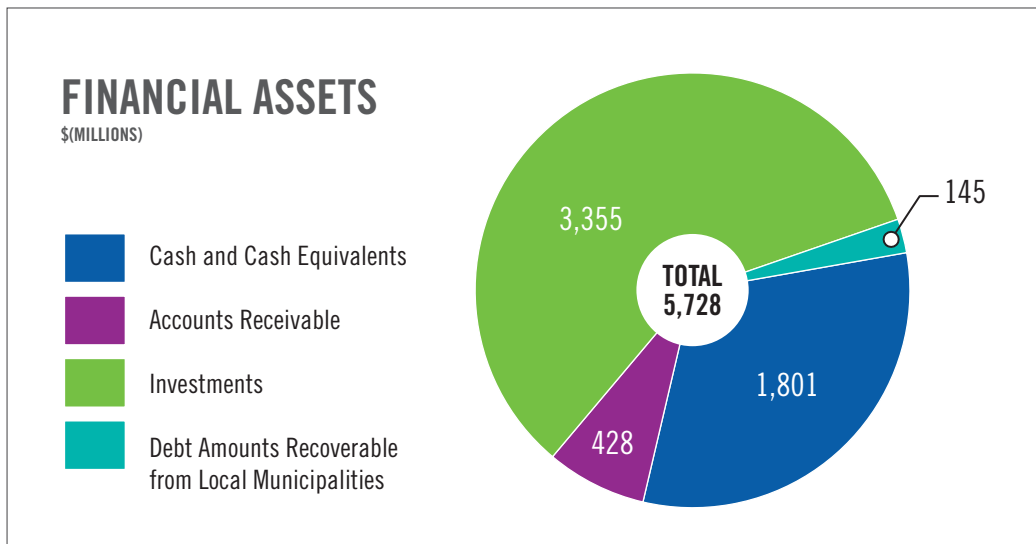
Consolidated Statement of Financial Position				
(\$ Millions)	2021 Actual	2020 Actual	Variance	% Change
Items				
Financial Assets	5,728.4	5,224.0	504.4	9.7%
Liabilities	5,427.0	5,415.3	11.6	0.2%
Net Financial Assets / (Net Debt)	301.4	(191.4)	492.8	(257.5%)
Tangible Capital Assets	8,972.4	8,797.8	174.6	2.0%
Other Non-Financial Assets	25.8	22.4	3.4	15.2%
Accumulated Surplus	9,299.6	8,628.8	670.8	7.8%

Note: numbers may not add due to rounding

The Statement of Financial Position reports the financial and non-financial assets, including tangible capital assets, available to the Region. It also lists obligations in the form of liabilities, including debt. Because the Region’s total assets are greater than its liabilities, the statement shows an accumulated surplus.

FINANCIAL ASSETS RISE BY 9.7%

The Region’s financial assets include cash and cash equivalents, investments and amounts owed to the Region by third parties, including debt issued by the Region on behalf of local municipalities. The pie chart below shows the breakdown:



Note: numbers may not add due to rounding

These assets totalled \$5.7 billion at the end of 2021, up by \$504.4 million or 9.7% from the previous year, largely reflecting the Region's operating surplus for the year and its commitment to building reserves through the Regional Fiscal Strategy. Within this category, the major changes were an increase of \$590.5 million in cash and cash equivalents and a decrease of \$81.0 million in longer-term investments. The discussion of major sources and uses of cash that appears below provides further details.

TANGIBLE CAPITAL ASSETS

The approved 2021 budget included a capital plan for the year of \$763.2 million. Under Public Sector Accounting Standards, which are used to prepare the financial statements and accrual-based budget, \$617.9 million of the plan was classified as spending on tangible capital assets for financial reporting purposes, with the balance allocated to capital-related operating expense.

Of the total \$617.9 million plan, \$441.2 million was for growth-related projects, while the balance was to go to renewing and/or replacing existing assets. The growth-related portion was largely funded by development charges and \$138.7 million in new borrowings, the latter largely to benefit from historically low interest rates. The cost of renewals and replacements was covered from asset replacement reserves.

By year end, \$492.6 million or 79.7% of the accrual-based budget was spent. The share of spending against plan was slightly higher than in recent years. Underspending was largely due to:

- project deferrals, delays in property acquisition, shortage of materials due to supply-chain issues and delays due to third parties for transportation projects
- cost savings from re-tendering in water and wastewater rehabilitation projects
- delays in construction on housing projects

Financial reporting makes a distinction between assets under construction and assets in use. As an asset is completed and goes into service, the cost to build or acquire it moves from assets under construction into the appropriate category of assets in use. Note 14 to the consolidated financial statements shows these categories and their value at year-end.

Assets under construction totalled \$1.4 billion at year end. The table below lists the five largest additions to the assets under construction account, with a comparison to the originally budgeted amount.

2021 Top 5 Capital Spend \$(Millions)			
Project	Department	Additions	Capital Budget (1)
Road Asset Renewal and Replacement	Transportation Services	45.7	46.7
Southwest Satellite Yard	Transportation Services	35.6 (2)	34.1
Major Mackenzie Drive - Canadian Pacific Railway to Highway 27	Transportation Services	26.7 (2)	25.6
#1 District HQ	York Regional Police	14.9	17.9
York Durham Sewage System Forcemain Twinning	Environmental Services	14.5 (2)	13.5

(1) Capital budget is based on the 2021 budget approved by Council on March 25, 2021 and in-year reallocations.

(2) Additional spending was within overall Capital Spending Authority.

Several projects were completed and put into use in 2021. The table below lists the five largest completions and the year that work first began on the project.

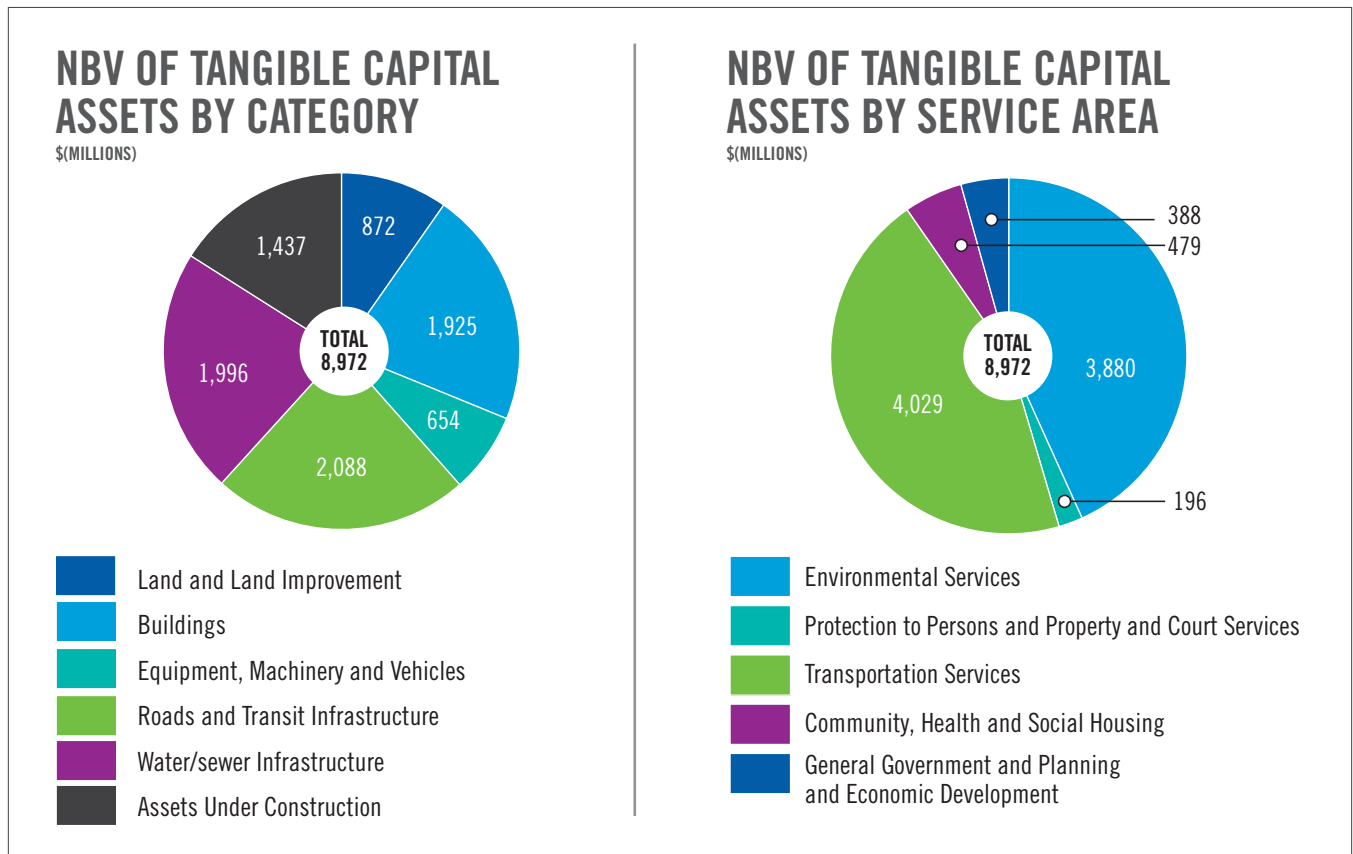
2021 Top 5 Additions to Assets in Use \$(Millions)

Project	Department	Additions	Project Start Date
Road Asset Renewal and Replacement	Transportation Services	41.2	2021
Leslie Street - Elgin Mills Road to 19th Avenue	Transportation Services	16.2	2015
Major Mackenzie Drive- Highway 50 to Canadian Pacific Railway	Transportation Services	10.4	2016
Conventional Bus Major Structural Refurbishing & Mechanical Overhaul	Transportation Services	8.9	2021
King Road and Weston Road	Transportation Services	8.2	2013

In addition to projects in York Region’s 10-year capital plan, the Region also delivers construction of rapidways and associated infrastructure that make up the Viva bus rapid transit network. The first phase of rapidways, largely completed by the end of 2020, was fully funded by the provincial Metrolinx agency. Any resulting improvement to assets owned by the Region, such as a repaved roadway where rapidways were built, was added to the Region’s tangible capital assets portfolio as work was completed.

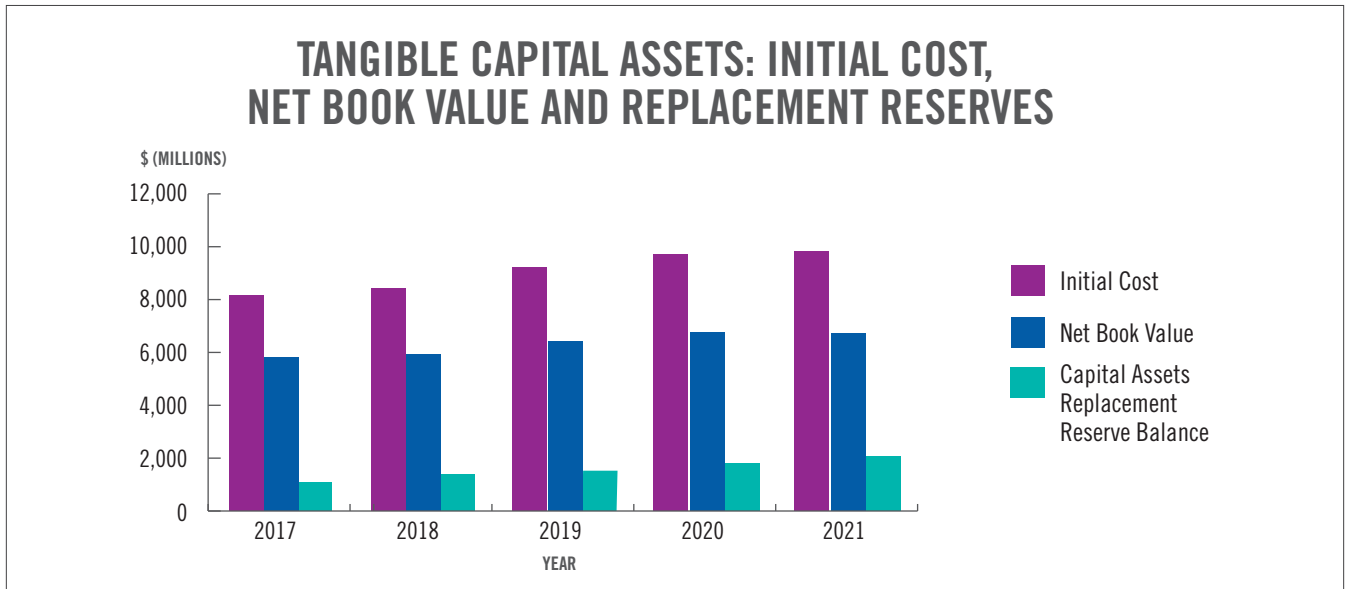
Net book value as reported on the Consolidated Statement of Financial Position is the historical cost of an asset less its accumulated amortization. After taking into account additions of capital assets, amortization expense of \$324.1 million and the disposal of assets during the year, the net book value of the Region’s assets rose by \$174.6 million, taking the total to \$9.0 billion at the end of 2021.

The following graphs show the breakdown in the net book value (NBV) of assets by category and service area:



Five-year trend in net book value and asset condition

The net book value of the Region’s assets as measured in the graph below steadily increased from 2017 to 2020 and saw a slight dip in 2021. The asset base has grown largely as a result of major investments in roads, transit and water and wastewater infrastructure. In 2021, growth in accumulated amortization was slightly greater than growth in the asset base, resulting in the decline in net book value.



Note: The Region’s asset replacement reserves exclude land, land improvements, and assets under construction. For comparability, these items have also been excluded from capital assets in the graph above.

One measure of the Region’s potential financial vulnerability is the ratio of the net book value of assets to their initial cost. This ratio provides an estimate of the time remaining in which of assets are available to provide services, with a low ratio suggesting that assets are being used up and not replaced. The ratio for the Region has held fairly steady over the past five years at between 68.0% and 72.0%, and the 2021 result of 68.0% falls within that range.

This means the Region is consistently adding or replacing assets, which helps to offset the decline in the net book value of existing assets. In 2021, net book value decreased in the graph largely because it excludes assets under construction. Net book value as presented in the financial statements, which includes assets under construction, grew because of a larger growth-related capital program.

Another measure of whether a government is prepared for asset-related needs is the amount of dedicated reserves available for asset management and whether the level of reserves reflects the expected need.

The Region’s asset management planning has progressed significantly in recent years, and provincial requirements have become more specific. The Region’s first Corporate Asset Management Plan, formalizing asset management planning practices across all departments, was approved by Regional Council in June 2018. Estimates of asset replacement values in the plan were based to the extent possible on actual asset condition, which is considered a more accurate measure of investment need than age, as used in the financial statements.

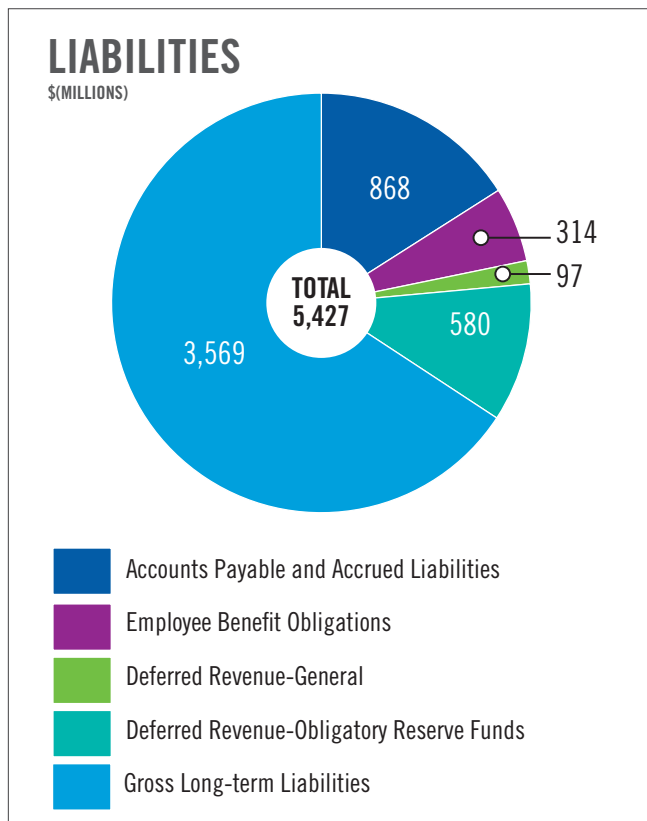
The 2018 plan represented a major step in developing a long-term financial plan to maintain, rehabilitate and eventually replace assets so that the Region can continue providing quality programs and services now and into the future.

Current asset replacement reserves balances are lower than accumulated amortization of the existing asset base. Accumulated amortization is one way to assess how much of the Region’s asset value that has been consumed. With reserve balances below this measure, it is necessary to continue focusing on contributions to asset replacement reserves.

Annual contributions to capital reserves provide the funding needed to fully deliver the Region’s 10-year capital plan. The goal is to reach a level of contributions that meets the full needs while also achieving intergenerational equity.

LIABILITIES INCREASED SLIGHTLY

The Region's liabilities include accounts payable and accrued liabilities, employee benefit obligations, deferred revenue and gross long-term liabilities or debt. The pie chart below shows the breakdown:



Note: numbers may not add due to rounding.

Total liabilities increased by \$11.6 million, ending the year at \$5.4 billion.

LIABILITIES OTHER THAN DEBT

Liabilities other than debt increased by \$173.6 million, ending the year at \$1.9 billion.

Employee benefit obligations include the expected costs of extended health and dental coverage for retirees, vested sick leave benefits, long-term disability claims, vacation payable and workers' compensation obligations. Estimates are based on long-term actuarial expectations and updated at three-year intervals. These obligations increased by \$36.5 million or 13.2% from 2020, reflecting increases in estimates of future costs and expectation of higher health care costs.

Deferred revenue represents funds received from third parties and set aside for specific purposes at a later date. For accounting purposes, the funds are recorded on the

asset side of the Consolidated Statement of Financial Position in financial assets, balanced by the deferred revenue. They are excluded from the list of reserves that the Region maintains for its own use because their use is restricted by third-party agreements.

There are two components of the deferred revenue on the Region's Consolidated Statement of Financial Position: general deferred revenue and deferred revenue-obligatory reserve funds.

The general deferred revenue account decreased by \$12.0 million or 11.0% from 2020.

Deferred revenue-obligatory reserve funds include development charges that are collected to pay for future growth-related projects, and Gas Tax/Canada Community-Building Fund revenues to be used for transit and other specified purposes. This component of deferred revenue increased by \$110.7 million or 23.6% by year-end 2021. This was due to an increase of \$86.7 million in the development charges balance, representing new collections and accrued receivables for deferred development charges of \$457.5 million less the \$370.8 million that was taken into revenue and a net \$24.0 million increase in the Gas Tax/Canada Community-Building Fund balance.

DEBT

Total debt, which is reported in the Consolidated Statement of Financial Position as gross long-term liabilities, decreased by \$162.0 million to reach \$3.6 billion by the end of 2021.

Total debt includes funds borrowed by the Region on behalf of local municipalities. The local municipal borrowings, which totalled \$144.7 million at the end of 2021, are matched by an asset in the same amount that represents their future debt repayments.

Most of the Region's own borrowings are in the form of sinking fund debentures, which require the borrower to set aside funds over time to be used for repayment when the debt matures. The reserve representing these dedicated funds grew by \$27.6 million in 2021.

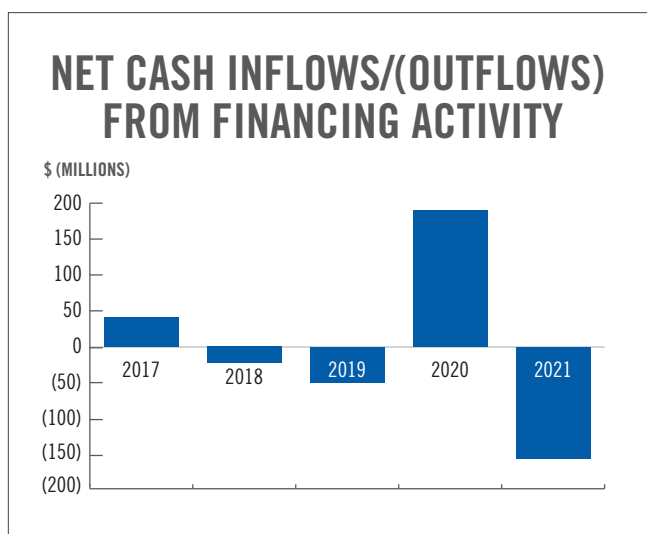
Netting off the sinking fund asset and excluding local municipal borrowing, the Region's net outstanding debt ended the year at \$2.6 billion, a decrease of \$189.7 million from the previous year. The Region issued \$300.0 million in new debt in 2021. Of this, \$161.3 million was borrowed to replace existing debt and \$138.7 million represented new development-charge-supported borrowings. This was more than offset by repayment of outstanding debt, resulting in the overall decrease.

The Region met its commitment to keep its own debt, net of sinking fund assets and local municipal debt, below the peak of \$2.9 billion that was reached in 2017.

Five-year trend in debt

Reduced reliance on debt is one element of the Regional Fiscal Strategy because it supports long-term fiscal sustainability.

The graph below, which reflects debt issuance/repayment according to the Consolidated Statement of Cash Flows, demonstrates the Region’s success at reducing debt since 2017. In 2020, with interest rates at historic low levels, the Region increased its overall debt to finance new growth capital projects, but debt reduction resumed in 2021.



Five-year trend in interest expense to own-source revenues

The ratio of interest expense to own-source revenues (such as property taxes, water and wastewater user charges, transit fares, investment income, other user fees and provincial fines) is a marker of financial vulnerability. When interest expense grows faster than a government’s own-source revenues, it may have to divert too much of its revenues to paying interest costs, limiting its ability to fund other priorities.

The Region’s ratio was 5.8% in 2021, continuing a decline from 7.7% in 2017. This is attributable to both growth in Regional own-source revenues and, for the fifth year in a row, a drop in interest expense. Note 8 to the consolidated financial statements shows interest expense fell to \$109.6 million in 2021 from \$117.2 million the previous year.

This ratio is calculated without including development charge revenue, which is a key source of funding for debt servicing. Including these revenues would reduce the ratio to 4.8%, down from 6.6% in 2017.

NET FINANCIAL ASSETS / (DEBT)

Under public sector financial reporting in Canada, the difference between a reporting entity’s financial assets and its liabilities is its “net financial assets” if positive and “net debt” if negative. (In some contexts, the Region uses the term “net debt” to mean its issued debt, excluding borrowings on behalf of local municipalities and net of sinking fund assets.)

The Region’s net financial assets were \$301.4 million at the end of 2021, representing the difference between its \$5.7 billion in financial assets and \$5.4 billion in debt and other liabilities.

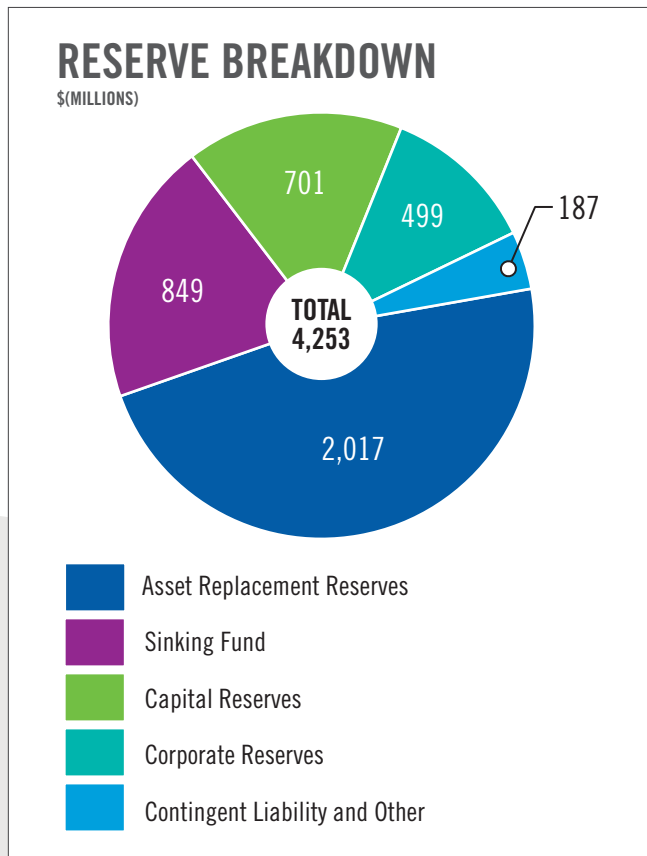
The Region’s financial assets grew by \$504.4 million in 2021, and liabilities increased slightly by \$11.6 million. This net change of \$492.8 million significantly improved the Region’s financial position, moving it from showing net debt of \$191.4 at 2020 year-end to holding net financial assets of \$301.4 million by the end of 2021.

ACCUMULATED SURPLUS

The Region’s accumulated surplus increased by \$670.8 million or 7.8% from 2020 to reach \$9.3 billion at the end of 2021. The increase is equal to the annual surplus and is calculated based on Public Sector Accounting Standards. (It differs from the operating surplus, which represents any excess in revenue or underspending in relation to the operating budget. The 2021 operating surplus is discussed on page 42.)

The accumulated surplus is the total of past annual surpluses. It represents the difference between the Region’s assets, including tangible capital assets, and its obligations, including debt. As such, it represents the net resources the Region has to provide future services.

The Region has identified a number of specific future needs and earmarked a portion of the total accumulated surplus for them. These amounts are called reserves and reserve funds, and at 2021 year-end they totalled \$4.3 billion, up from \$3.8 billion a year earlier. The pie chart below provides a breakdown by reserve type.



Note: numbers may not add due to rounding

Asset replacement reserves are funded from two main sources: a portion of user rates goes into reserves for water and wastewater renewal and replacement, while a share of the tax levy is contributed to reserves for replacing other assets, such as roads. Total asset replacement reserves stood at \$2.0 billion by year-end, having increased by \$224.3 million or 12.5%, during the year. This increase was made up of contributions and interest earned totalling \$452.1 million, less \$227.8 million used for asset management purposes during the year.

The Region’s sinking fund reserve, which is a segregated fund that can only be used to repay existing debt, is the next largest balance. It grew by \$27.6 million or 3.4% in 2021 to reach \$849.4 million by year end.

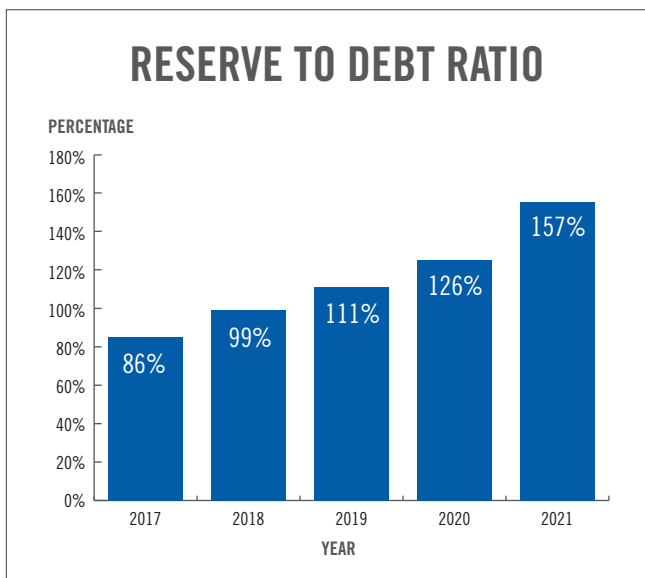
Capital reserves that help to fund construction and other capital projects increased by \$105.1 million or 17.6% in 2021. The rapid transit, roads capital acceleration and solid waste management reserves all saw growth, while the social housing development and hospital financing reserves were drawn down.

The balance reflects additional reserves that the Region maintains to smooth fluctuations in operating revenue and expense items and to build funding over time for special projects. These additional reserves rose by a total of \$103.1 million, or 17.7%, over the year. This group of reserves includes the Pandemic Management Reserve that Regional Council established in December 2020. Funded through unspent pandemic-related funds, it is available for future spending needs and/or revenue shortfalls due to COVID-19. The reserve’s balance at 2021 year-end was \$106.5 million, up from \$88.0 million a year earlier.

Reserves to debt

The ratio of reserves to debt is an important marker of fiscal sustainability. Because Ontario municipalities can borrow only for capital projects, a high ratio shows sufficient funds are available for future capital needs from reserves, avoiding excessive reliance on debt. It also ensures that if revenues were to decline, other resources would be available to meet a municipality's obligations. Conversely, a municipality with a low ratio is more vulnerable to a revenue decline and/or high borrowing needs.

The Regional Fiscal Strategy has steadily improved the reserves-to-debt ratio for the Region, as the graph below shows.



Note: The Region's asset replacement reserves exclude funding for the replacement of land or land improvements, and for new assets under construction. The debt figure represents Region-only debt, excluding local municipality debt and housing-related debt, and is net of sinking fund assets.

The Region's strong ratio at the end of 2021 shows that it remained in a net investor position and has resources to manage short-term fluctuations in revenue and help cover future capital needs.

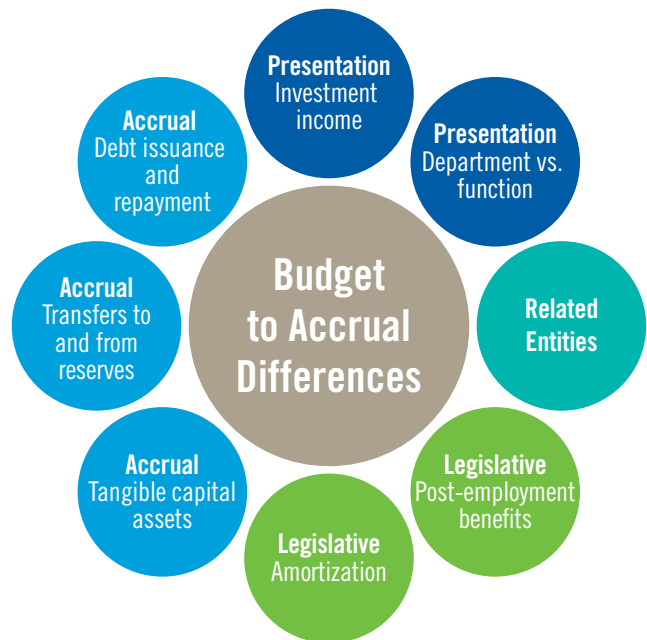
CONSOLIDATED STATEMENT OF OPERATIONS

The sections below explain the differences between revenues and spending in the budget and this report and provide a comparison of operating results to both the budget plan and the previous year.

COMPARING ACTUAL RESULTS TO THE BUDGET

The budget is prepared on what is called the "modified accrual basis" of accounting. This approach looks mainly at expected cash inflows and outflows and uses the property tax levy to achieve a balance. This is different from the accrual treatment for the consolidated financial statements, which are prepared in accordance with the standards set by the Public Sector Accounting Board.

As a result of the different approaches used to prepare the budget and report on results, comparing actual operating results to the budget plan requires a reconciliation. This reconciliation also captures other differences between the budget and financial statements, as the graphic below shows:



The major differences between the full accrual financial statements and the modified accrual budget as approved by Regional Council include:

Presentation

- Under full accrual accounting, investment income is a revenue item and is treated as such in the financial statements. In the approved budget, a portion of this is an offset to General Government expense.
- The annual report and the full accrual budget set out expense by function instead of department. The approved budget is presented by department. This has only a minor impact in most areas.

Related entities

- Under full accrual accounting, the financial activities of three Region-owned entities, York Region Rapid Transit Corporation, Housing York Inc. and YTN Telecom Network Inc., are fully consolidated with the results of the department to which they are related. The treatment of the first two of these entities is different in the approved budget.

Legislative

- Under the *Municipal Act*, two items may be excluded from a municipal budget because they require no cash outlay, as long as Council is informed: post-employment benefits, which are employee benefits that have been earned but will be paid in the future as employees retire; and amortization, which is a fraction of the cost of a tangible capital asset and is recorded as an expense each year the asset is expected to be in service. While the Regional budget includes an expense for post-employment benefits, the basis on which it is calculated differs from the treatment outlined in note 6 to the financial statements. The accrual-based budget is consistent with the note. Treatment of amortization follows the approach allowed by provincial law.

Accrual

- Under full accrual accounting, assets that are expected to last for more than one year are capitalized. This means the upfront cost of building and acquiring tangible capital assets is shown not as an expense, but instead on the Consolidated Statement of Cash Flows in the year the spending occurs and amortization is recorded as an expense over the life of the asset. The budget as approved by Council treats capital spending as an expense in the year it occurs. This facilitates approval of a capital budget that authorizes the expected cash outflows on capital projects over time.
- Transfers from reserves and the proceeds of borrowings are sources of cash, not revenues under full accrual accounting. Similarly, transfers and contributions into reserves and repayments of debt are uses of cash, not expenses, under full accrual accounting. In the budget approved by Council, these inflows and outflows are taken into account in balancing the budget as required by provincial statute.

In the "Accrual Budget Presentation" chapter, the 2021 budget book included a detailed reconciliation between the budget prepared for Council approval and the same budget presented on a full accrual basis. The table below summarizes key figures:

\$(Millions)	Approved budget	Adjustments	Full accrual budget
Revenue	3,348.5	(350.3)	2,998.2
Expense	3,348.5	(922.7)	2,425.8
Surplus	-	572.3	572.3

The full accrual budget presented in the budget book generally used the same presentation and accounting approaches as the financial statements in this annual report. In the Consolidated Statement of Operations, some accrual budget numbers have been updated to reflect internal reorganizations and align with provincial Financial Information Return requirements. The total budgeted figures for revenue, expense and annual surplus remain the same.

RESULTS FOR 2021 AND FIVE-YEAR TRENDS

This section compares operating results for 2021 to the full accrual budget and to results for 2020. It also discusses five-year trends in key figures and ratios, as recommended by the Public Sector Accounting Board.

The table below summarizes results from the 2021 Consolidated Statement of Operations:

Consolidated Statement of Operations					
\$(Millions)	2021 Budget	2021 Actuals	2020 Actuals	Budget to Actual Variance	Year over Year Variance
Revenues	2,998.2	2,970.5	2,826.5	(27.7)	144.0
Expenses	2,425.8	2,299.7	2,106.2	(126.1)	193.5
Annual Surplus, accrual basis	572.3	670.8	720.3	98.4	(49.5)

Note: numbers may not add due to rounding

At \$670.8 million, the surplus for 2021 was \$98.4 million higher than expected in the accrual-based budget. It was \$49.5 million lower than the previous year's \$720.3 million surplus.

REVENUES

The table below provides a summary of the revenues from the 2021 Consolidated Statement of Operations with comparisons to the accrual-based budget and the previous year:

\$(Millions)	2021 Budget	2021 Actuals	2020 Actuals	Budget to Actual Variance	Year over Year Variance
Revenues					
Net Taxation	1,227.1	1,232.7	1,197.0	5.6	35.8
User Charges	361.4	378.0	374.0	16.6	4.0
Government Transfers	702.6	694.2	691.0	(8.5)	3.2
Development Charges	437.5	370.8	269.2	(66.7)	101.5
Fees and Services	114.1	117.2	106.5	3.1	10.7
Investment Income	98.5	115.1	145.0	16.6	(29.9)
Other	57.0	62.4	43.8	5.5	18.6
	2,998.2	2,970.5	2,826.5	(27.7)	144.0

Note: numbers may not add due to rounding

At \$3.0 billion, actual 2021 revenues were \$27.7 million lower than expected in the 2021 budget, and \$144.0 million higher than actual 2020 revenues.

- Net taxation revenues were consistent with plan, at \$1.2 billion.

The increase over 2020 was \$35.8 million or 3.0%, which was in line with the approved tax levy increase of 1.54%, assessment growth of 1.37% and an increase in supplementary taxes of 0.08%, as anticipated in the budget.

- The budget projection for water and wastewater user charges was based on the continued rate freeze and an expected drop in consumption from 2020, when the Region experienced unusually hot and dry summer weather. Actual results in 2021 were above forecast, however, as consumption remained higher than expected owing to a hot, dry summer.

The year-over-year increase was \$4.0 million or 1.1%, reflecting higher consumption.

- At \$694.2 million, revenue from provincial and federal transfers was \$8.5 million lower than planned. Less revenue from Metrolinx was recognized than expected as fewer land settlements relating to rapidways were completed. This decrease was partially offset by higher-than-expected transfer payments for COVID-19.

There was a slight increase of \$3.2 million or 0.5% in transfer payments from 2020 to 2021.

- Development charge revenue, which results from drawing down the development charge portion of deferred revenue collected and is used to pay for growth-related infrastructure, was \$66.7 million below budget. This was largely because of project delays caused by the pandemic and refined project schedules. As well, the Region issued more development-charge debt than originally budgeted to finance growth-related infrastructure.

Although lower than forecast, development charge revenue was \$101.5 million or 37.7% higher than in 2020.

- At \$115.1 million, interest income and other earnings on investments was above the budget forecast of \$98.5 million.

Although results were better than forecast, revenue from this source declined by \$29.9 million or 20.6% from the previous year for two main reasons. First, when interest rates were cut at the start of the pandemic in 2020, the Region's proactive management of its investment portfolios resulted in significant capital gains, but there were fewer such opportunities in 2021. Second, the decision to keep more funds in high-interest savings accounts in 2021, although strategically prudent, reduced investment income in the short term.

- Fee and service revenue was \$3.1 million higher than budgeted. Most of the difference reflects higher Environmental Services revenues as prices for blue box materials and scrap metal rose in response to raw material shortages. This was partially offset by lower York Regional Police fees and services owing to the impact of COVID-19.

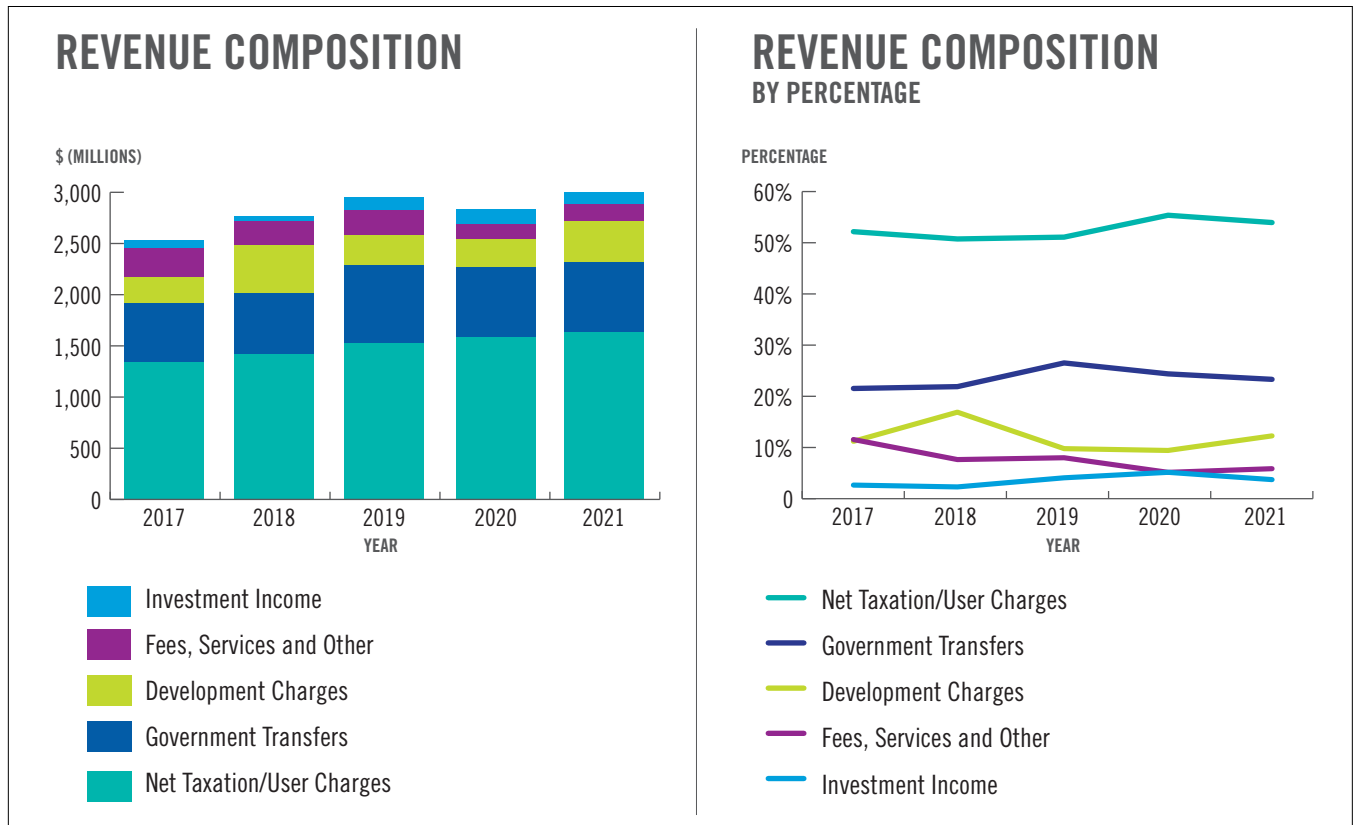
Fee and service revenue rose by \$10.7 million or 10.1% year-over-year for the reasons mentioned above.

- Other revenue was \$5.5 million higher than budgeted. Much of this revenue reflects recoveries from local municipalities for capital projects the Region carries out on their behalf. The budget forecast was based on an expected increase in recoveries from construction activity. The increase was slightly higher than expected, so recoveries were higher than planned.

The year-over-year increase was \$18.6 million or 42.4%.

Five-year trend

The graphs below illustrate the year-to-year changes in sources of revenue over the past five years:



High dependence on sources of revenue over which a government has little, or no control can make it more vulnerable to the decisions of other entities.

In total, revenues over which the Region has control, comprising taxation and user charges, fees, services and interest earnings, amounted to about 64.2% of revenue in 2021. Over the past five years, these revenue sources have provided 64.3% of total revenues on average.

Among revenue sources over which the Region has limited control, transfer payments from senior governments have provided an average of 23.6% of revenues over the past five years.

In the first phase of rapidway construction, funding from Metrolinx was recorded as revenue (and the related spending treated as expense to the Region). In 2019, the province donated some Metrolinx-related assets to the Region. This increased government transfers to 26.5% that year. A similar transfer in 2020 was considerably smaller, and with the essential completion of the first phase of rapidways late in 2020, this component of transfer payment revenue will continue to decline in significance. The decrease in Metrolinx transfers was partially offset by pandemic-related funding in 2020 and 2021.

In general, government transfers fluctuations reflect either specific, time-limited funding (such as for the rapidway projects) or decisions by other levels of government. The Region is accustomed to managing the impact of changes in the level of these payments as long as sufficient time to adjust is provided.

Drawdowns of development charges are used to pay for growth-related capital projects and can change sharply from year to year in line with the investments they fund. Over the past five years, this source of revenue has averaged 12.1% of the Region's total. In 2018 the level increased sharply to 17.1% of total revenue, followed by a decline to 9.5% in 2020 as some construction activity was deferred and the Region relied on debt to fund a larger-than-budgeted portion of growth-related capital costs. In 2021, it increased to 12.5% of total revenue.

EXPENSES

The table below provides a summary of the expenses from the 2021 Consolidated Statement of Operations with comparisons to the accrual-based budget and the previous year:

\$(Millions)	2021 Budget	2021 Actuals	2020 Actuals	Budget to Actual Variance	Year over Year Variance
Expenses					
Transportation Services	518.9	477.3	465.1	(41.6)	12.2
Environmental Services	566.1	485.1	388.3	(80.9)	96.8
Community and Health Services (2)	750.8	740.3	698.7	(10.5)	41.6
Protection to Persons and Property (3)	437.8	436.5	424.5	(1.3)	11.9
Other (4)	152.3	160.5	129.5	8.2	30.9
	2,425.8	2,299.7	2,106.2	(126.1)	193.5

Notes:

1. Numbers may not add due to rounding
2. "Community and Health Services" comprises Health and Emergency Services, Community Services and Social Housing from the Consolidated Statement of Operations
3. "Protection to Persons and Property" comprises York Regional Police, the Police Services Board, Court Services and Conservation Authorities
4. "Other" comprises General Government and Planning and Economic Development from the Consolidated Statement of Operations

Total expenses were \$2.3 billion. This was a decrease of \$126.1 million from the full accrual budget plan and a \$193.5 million increase from 2020.

The variances by service area and largest contributing factors are outlined below.

- Overall spending by Transportation Services was below budget by \$41.6 million. In 2021, the expense related to rapidway assets funded by Metrolinx was lower than planned. The balance of the decrease largely reflects lower salaries and benefits as some hiring was delayed, lower transit contractor and fuel costs as service was reduced, and other expense reductions resulting from pandemic-related restrictions. In addition, some facility maintenance and utility spending was under budget due to mild weather and delays in operation of new facilities.

The year-over-year increase was \$12.2 million or 2.6%, owing mainly to higher amortization expense.

- Spending by Environmental Services was \$80.9 million below budget. Hirings were delayed, reducing salary and benefit costs, and the department achieved additional operating savings. Additionally, spending on rehabilitation projects was lower than expected because construction started later than planned.

The year-over-year increase was \$96.8 million, largely reflecting a one-time accounting adjustment related to water and wastewater assets in 2020.

- In Community and Health Services, spending was \$10.5 million below budget. Social Services spending was lower than expected as continuation of the federal Canada Emergency Response Benefit resulted in lower Ontario Works caseloads. In addition, Children's Services costs were lower than planned. These savings were partially offset by higher spending for COVID-19 general response and the vaccination effort.

On a year-over-year basis, spending in Community and Health Services rose by \$41.6 million, mainly because of higher Public Health, Paramedic Services and long-term care cost related to hiring additional temporary staff and putting in place new infection prevention and control protocols in response to the pandemic.

- Spending on Protection to Persons and Property, which largely reflects York Regional Police, was essentially on budget at \$436.5 million.

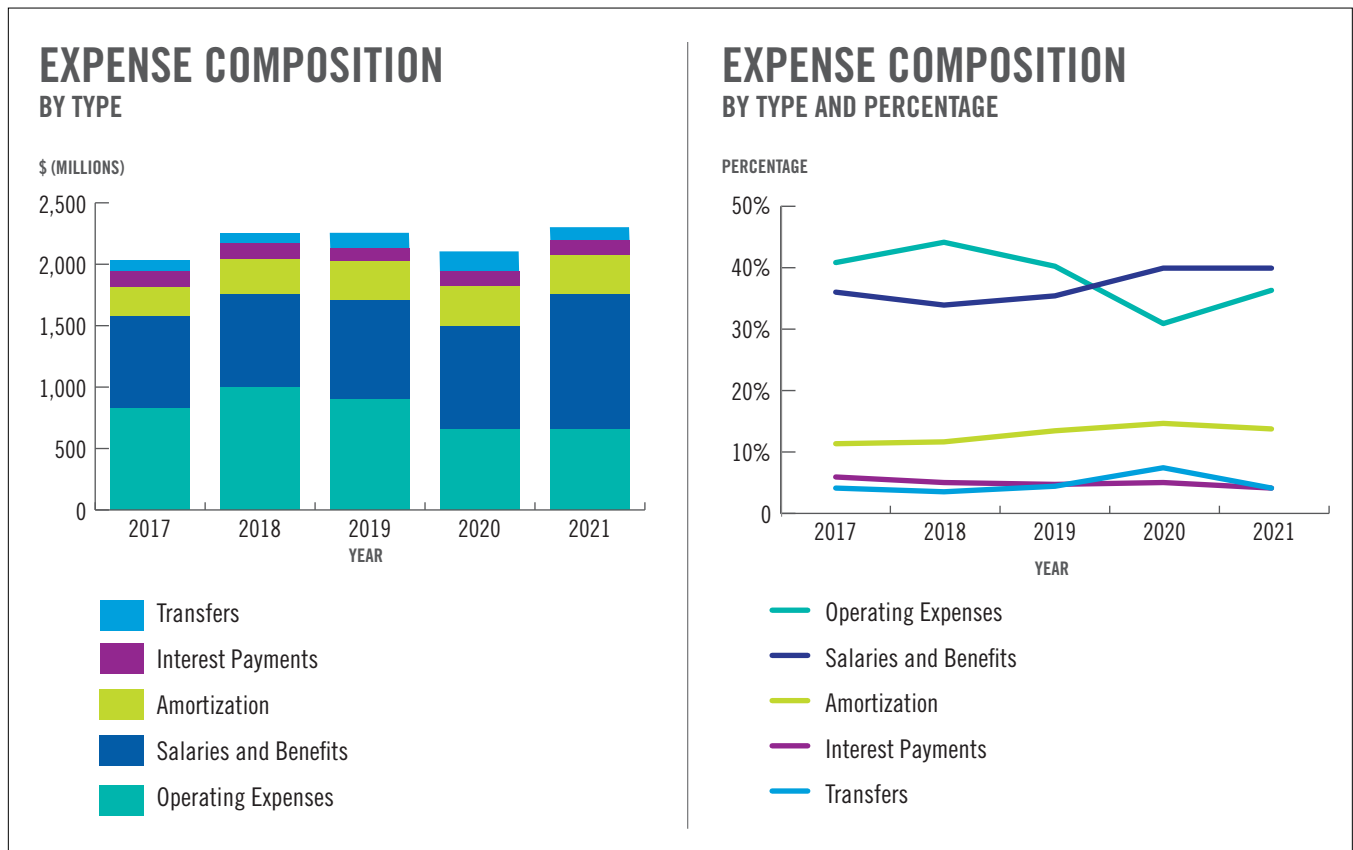
Spending was up \$11.9 million year-over-year as a result of expanded service needs for a growing population.

- Spending in the “Other” category (which comprises General Government and Planning and Economic Development) was \$8.2 million more than budgeted, owing mainly to higher-than-budgeted amortization. Because amortization is a non-cash expense, this had no impact on the Region’s cash flows.

On a year-over-year basis, spending was up \$30.9 million, largely reflecting higher amortization costs as a new Region-owned building opened, as well as higher operating costs.

Five-year trend

The graphs below show the five-year trend in expenses by type:



Up to 2020, amortization was consistently the fastest-growing expense item, paralleling significant growth in the Region’s portfolio of assets. From a starting point of \$241.5 million or 11.9% of total expense in 2017, it reached 15.2% of total expense in 2020. Although its share declined to 14.1% in 2021, reflecting stronger year-over-year growth in other expenses, it continued to increase in absolute terms, reaching \$324.1 million. The impacts of growth in amortization expense are greatest on Transportation Services and Environmental Services departments, which are responsible for the bulk of the Region’s assets.

Transfers made by the Region grew from \$93.4 million or 4.6% of total expense in 2017 to \$109.8 million or 4.8% in 2021. The peak in 2020 reflects a capital grant to the Cortellucci Vaughan Hospital, which was largely completed that year.

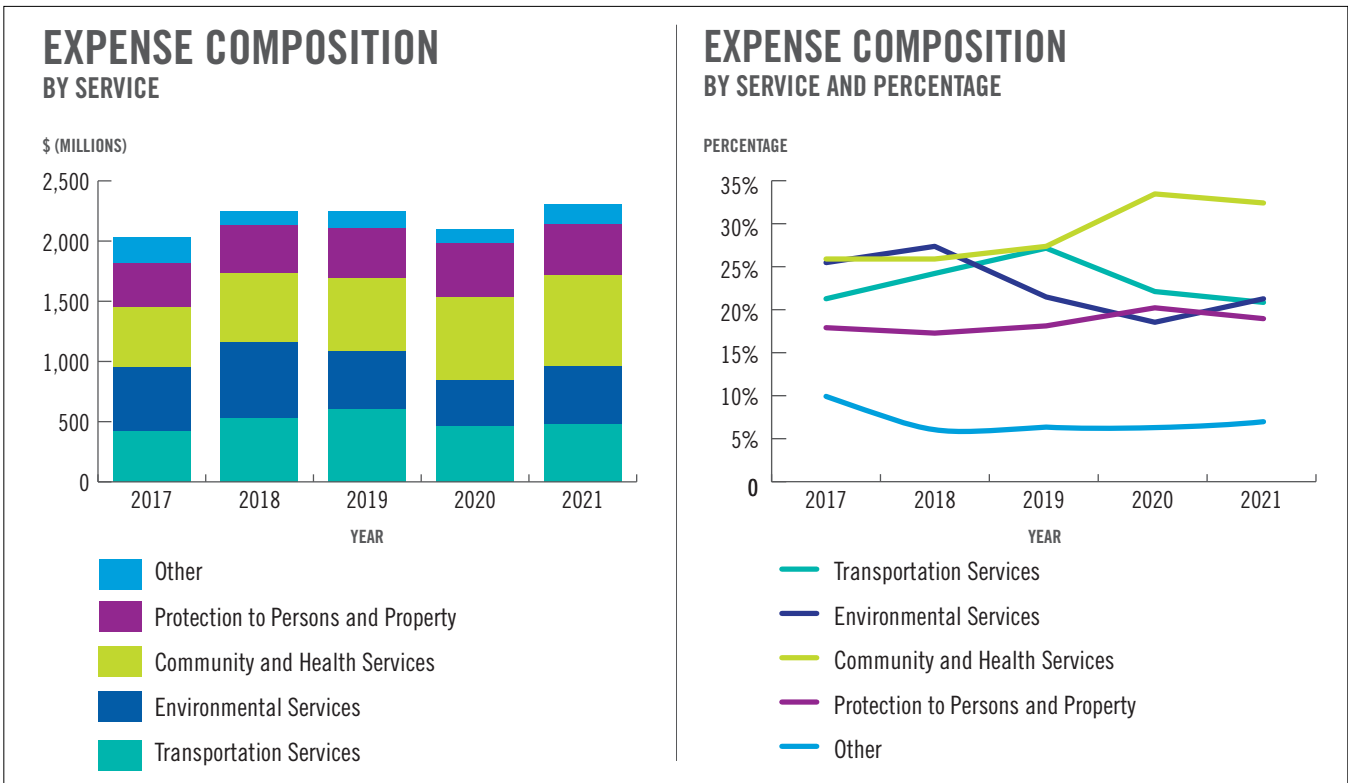
Operating expense, consistently one of the largest expense items, increased from \$824.9 million in 2017 to \$836.1 million in 2021. Despite the increase in absolute terms, its share of total expense declined from 40.8% to 36.4% over the same period. This item fluctuated considerably from year to year largely because of construction work on bus rapidways fully funded and carried out on behalf of Metrolinx. As noted previously, this work was recorded as both revenue and expense for the Region.

With the completion of the first phase of the rapidways, the impact of construction on operating expense will decline. In addition, Environmental Services spending reflects the accounting adjustments discussed below.

Salaries and benefits grew from \$733.7 million in 2017 to \$920.2 million in 2021. This generally reflected the hiring of additional police officers, paramedics, public health nurses and others, as well as a rise in salaries and the cost of benefits. In response to the pandemic, this item's share of total expense grew to roughly 40.1% in 2020 and remained at that level in 2021, reflecting the need to hire temporary staff, mainly in Community and Health Services.

Interest expense peaked in 2017 at \$129.4 million and has declined in each subsequent year as the Region reduced its reliance on debt. It totalled \$109.6 million in 2021, falling from 6.4% to 4.8% of total expense.

The graphs below illustrate the five-year trend in expenses by service area:



By service area:

- Fluctuations in Transportation Services expense largely reflect the share of Metrolinx funding for bus rapidways that has been expensed each year. As noted above, this spending was fully funded by Metrolinx. Transportation has also seen amortization expense increase steadily as a result of significant investments in tangible capital assets. In 2020 and 2021, expense fell in part because of reduced transit service in response to the pandemic.
- Day-to-day Environmental Service expenses reflect the costs to operate and maintain a larger and more technically complex portfolio of assets, higher amortization expense and more stringent regulation, offset by the department's ongoing efforts to find savings. The department's share of total expense fell from 25.3% in 2017 to 21.1% in 2021. Fluctuations in Environmental Services expense before 2021 reflect accounting adjustments that had the effect of increasing operating spending in 2017 and 2018 and decreasing it in 2020.
- Community and Health Services expense rose from \$521.9 million or 25.8% of total spending in 2017 to \$740.3 million or 32.2% in 2021. A significant amount of the department's expense reflects the flow-through of provincial transfer payments for social programs to third parties, which fluctuates with provincial policy direction. In 2020 and 2021, most of the Region's pandemic-related costs were recorded in Community and Health Services.
- Protection to Persons and Property largely reflects York Regional Police, whose budget is strongly tied to staffing costs. Expense has increased from \$360.2 million in 2017 to \$436.5 million in 2021, paralleling the Region's overall growth in salaries and benefits.

MAJOR SOURCES AND USES OF CASH

Examining the sources and uses of cash is helpful in understanding where resources came from and how they were used.

Cash inflows from operations, which is the annual surplus adjusted for amortization, the drawdown of deferred revenues, contributed assets and other non-cash items, amounted to \$1.2 billion in 2021. In addition, the Region decreased its investment portfolio and increased cash by \$81.0 million. The Region moved funds into high-interest savings accounts, which are an element of cash and cash equivalents, because of the expectation that interest rates would rise from historic lows in 2020 as economies began to recover and because the interest earned was similar to other, longer-term investments.

The Region invested \$506.3 million in tangible capital assets, offset by \$7.6 million in asset sale proceeds. While \$300.0 million in new debt was issued, the Region repaid \$462.1 million in existing debt. As a result, financing represented a net \$162.1 million use of cash and cash equivalents.

After these inflows and outflows, cash and cash equivalents stood at \$1.8 billion by year-end, an increase of \$590.5 million from the previous year.

OPERATING SURPLUS

This section looks at revenues and spending compared to the approved operating budget, which is prepared on a modified accrual basis.

On that basis, the Region experienced an operating surplus of \$81.0 million in 2021.

Revenues were \$99.9 million above budget and spending was \$18.9 million higher than expected in the budget. The main contributors to the surplus were Community and Health Services, Transportation and General Government. The outcomes differ from the full accrual results because of differences in how certain items are treated under modified accrual.

The entire operating surplus was contributed to reserves based on the Region's surplus management policy.

FINANCIAL MANAGEMENT FRAMEWORK

YORK REGION BYLAWS, POLICIES AND CONTROLS

In addition to the Regional Fiscal Strategy, the Region has put in place various bylaws, policies and controls to reduce risk and support better financial management and stewardship of the Region's assets.

These cover activities such as borrowing, managing reserves, investing Regional funds, procuring goods and services, determining insurance coverage and setting development charges. As well, the audit function is a key element of financial management.

MANAGEMENT RESPONSIBILITY

The Controllership Office within the Finance Department is responsible for organization-wide controls, policies and procedures to safeguard the Region's financial resources. It also keeps financial records, prepares the annual consolidated financial statements and reports on results.

The Controllership Office prepares the consolidated financial statements in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. In addition, Note 1 to the consolidated financial statements provides a summary of the significant accounting policies, including the recent changes.

ACCOUNTING STANDARDS

No new accounting standards were issued by the Public Sector Accounting Board for the year ended December 31, 2021.

AUDIT FUNCTION

Council's Audit Committee helps ensure the Region's administration properly carries out its responsibilities for financial reporting, internal control, auditing and monitoring compliance with laws, regulations and the Region's Code of Conduct.

The current Audit Committee members are:

- York Region Chairman and CEO
Wayne Emmerson (ex-officio)
- Regional Councillor Don Hamilton (Chair)
- Regional Councillor Robert Grossi (Vice-Chair)
- Mayor Virginia Hackson
- Mayor Iain Lovatt
- Mayor Tom Mrakas
- Mayor Steve Pellegrini
- Regional Councillor Joe DiPaola
- Regional Councillor Gino Rosati
- Regional Councillor Tom Vegh

The Audit Services branch in the Office of the Chief Administrative Officer advises on managing and controlling risk, performs independent appraisals of control systems and helps identify efficiencies and improvements in new and existing processes, programs and services.

The Region's external auditors conduct an audit of the consolidated financial statements using Canadian generally accepted auditing standards. Their unqualified opinion of the financial statements appears before the financial statements.

PROVINCIAL LEGISLATION

Provincial direction determines many aspects of municipal financial management, including the setting of development charges, debt issuance, budgeting and accounting and reporting requirements.

Development charges

The Region's development charge rates and policies are set out in a Regional bylaw that is guided and regulated by the provincial *Development Charges Act, 1997*. The current bylaw will expire in June 2022. Regional Council is scheduled to review an updated bylaw in May that would come into effect June 17, 2022 to replace it.

Development charges are levied on new residential and non-residential development. They are the main source of funding for the growth-related portion of the Region's capital plan.

The setting of development charge rates starts with forecasting expected growth and estimating the related infrastructure need. The *Development Charges Act* then requires adjustment to determine the amount that may be recovered through development charges, and development charge rates reflect the allowed amount.

In 2019, the provincial government amended the *Development Charges Act, 1997* to allow the freezing and phasing in of development charges, with no limit on the duration of the rate freeze. Previously, development charges typically had to be paid when a building permit was issued, and the amount reflected the rate in place at the time.

Starting January 1, 2020, payment of for-profit rental and institutional development charges can be phased over five years, while the phase-in period for non-profit housing developments is 20 years. (After initially allowing commercial and industrial development charges to be phased in, the province subsequently excluded these types of development.) To mitigate the negative financial impacts, in February 2020 Region Council adopted a policy to charge interest on frozen and phased development charges, as permitted under the amended act.

Debt issuance

Under the *Municipal Act*, municipalities in Ontario may issue debt for capital projects only. A regulation under the act restricts the annual cost of servicing long-term debt and other financial obligations to 25% of a municipality's own-source revenue.

In addition, the Region qualifies for a "growth cost supplement" that is equal to 80% of the average of the Region's last three fiscal years of development charge collections, which provides it with more debt room to meet the capital-related needs of growth. The Region's policy, however, is to add only 70% of the three-year average, not the full permitted 80%. The Region met these limits in 2021.

OUTLOOK AND RISK MANAGEMENT

As recommended by the Public Sector Accounting Board, this section includes information on significant risks and uncertainties and briefly outlines how the Region works to manage them.

The COVID-19 pandemic and recovery

Starting in 2020, when the COVID-19 global pandemic was declared, most workplaces, schools and public facilities in York Region were closed by provincial order. Restrictions were eased over the summer but had to be tightened again as subsequent waves of infection emerged in late 2020 and through 2021.

COVID-19 vaccines began to be administered in late 2020 and by year-end 2021 almost 90% of York Region residents over the age of 12 had received at least two doses. Vaccination efforts continued into 2022.

Over the short term, the Region expects to experience reduced transit fare revenues, higher costs for health and safety measures and equipment and the potential for ongoing pandemic impacts on residents and businesses. In addition, individual departments are signalling the possibility of higher-than-expected cost inflation owing to new regulatory requirements and other factors specific to their activities.

Senior government support allowed the Region to balance its budget and maintain low tax levy increases during the pandemic. The end of the funding will require rebalancing among funding sources, including the tax levy, if service levels are to be maintained.

Provincial direction

Provincial and, to a lesser extent, federal decisions on programs, policies, regulation and funding have impacts on the Region's revenues and expenses. The provincial election scheduled for June 2, 2022, adds to the uncertainty around direction.

In 2019 the provincial government announced changes to funding and governance of programs that are the responsibility of the Community and Health Services department. While some changes in funding were made, other potential changes, including province-wide reorganization of public health and paramedic services, were delayed by the pandemic. Final provincial direction was unclear as of early 2022.

Regulatory requirements and approvals processes for major infrastructure projects also add uncertainties and costs and can constrain growth. For example, the Region has been awaiting provincial approval of two major elements of Upper York Sewage Solutions, which are needed to serve growth in the Region's northern communities, since 2014. Delays have required the Region to put funds into building interim solutions. In fall 2021, the province passed legislation suspending the Minister's power to make a decision and prohibited the Region from taking any action on the project. In December, the province convened an expert panel with a term of one year to provide confidential advice on the matter. Whatever solution is finally approved, the costs will be considerably higher than originally expected.

Economic growth

The economic outlook for the Region appears relatively good. Work carried out by the Conference Board of Canada in early 2022 forecast that the Region's real Gross Domestic Product (GDP) would grow by 4.7% in 2022 and moderate annual average of 2.4% between 2023 and 2026.

Reflecting pandemic-related disruptions and a surge in energy prices triggered by trade sanctions against Russia, inflation in Canada spiked to roughly 5% in the first quarter of 2022 on a year-over-year basis. Most forecasters, however, expect growth in prices to moderate to around 3% in 2023. This would still be considerably higher than the average of less than 2% from 2011 to 2021 inclusive.

While the pandemic was responsible for job losses during lockdowns, employment in the Region surpassed its pre-pandemic level in 2021, and 8,400 more jobs were expected to be added to the economy in 2022. Widespread demand for labour as the economy recovered put Canada's unemployment rate at a near-record low by early 2022. Many employers reported concerns about finding workers with the right skills.

Slower-than-expected population growth

Many large growth-related assets are built based on a population forecast. When growth differs significantly from forecast, as has been the Region's experience in recent years, the related development charge collections can be delayed, reduced or both. To reduce this potential timing gap, the Region has improved capital planning and is working to better understand the relationship between overall population growth and areas of increased settlement.

A changing and growing population

Changes in the make-up of the population can have fiscal impacts. For the Region, major drivers are the increasing share of seniors in the population, a higher incidence of special needs among children, more residents with complex mental health and other challenges and the need to help newcomers integrate into the community. The Region has responded with a Seniors' Strategy that is being updated in 2022. York Region will expand its role as service system manager with additional responsibility for implementing the Canada-Wide Early Learning and Child Care system and will receive approximately \$103 million in new funding. It is also tackling the increasing problem of housing affordability through housing initiatives, including a plan to add a significant new number of affordable housing units and enhanced efforts to prevent and address homelessness.

Limited revenue options

The Region faces the need to pay for new growth-related infrastructure, manage the life-cycle costs of new and existing assets, renew and replace ageing assets and provide quality services.

In particular, extending the Line 1 subway northward along Yonge Street to the Richmond Hill / Langstaff Urban Growth Centre at Highway 7 is a Regional priority, but entails costs which pose a potential risk to long-term financial sustainability.

The Region's 2022 Capital Plan assumed that 70% of the Region's share of the Yonge North Subway Extension costs are eligible to be recovered through development charges. The balance represents a tax levy pressure over the coming years. Council approved a special Rapid Transit Infrastructure Levy of 1% in 2022 to help fund the extension. Continuation of the incremental levy beyond 2022 is subject to future Regional Council approval.

Since the development of the 2022 Capital Plan, the Region has tabled the draft 2022 Development Charge Background Study and Bylaw, which determined that 75% of the Region's share of the extension is eligible for development charge recovery. As mentioned previously, Council approval of the 2022 Bylaw is anticipated in May 2022, and future budgets would reflect the approved development charge eligible share for the subway.

The Region is also pursuing the possibility of imposing a Vacant Homes Tax as permitted under the provincial *Municipal Act*. The revenues would be used to support affordable housing options, which could reduce pressure on the Region's other sources of revenue.

The impacts of a changing climate

Projections are for an increase of 3.3 degrees Celsius in the average air temperature in the Region by 2051, with extreme weather events, such as heavy rain, high winds and ice storms, becoming more frequent and intense. This trend is already stressing Regional infrastructure, including traffic signals and parts of the water and wastewater systems, street trees and sections of the Regional forest.

While the full range of impacts and related costs are impossible to predict at present, York Region has prepared a Climate Change Action Plan to address mitigation and adaptation from a corporate and community perspective.

Workforce changes

The pandemic and demographic factors are having a wide range of impacts on Regional government. There have been numerous studies and reports on the mental health impacts of the pandemic on public health staff in Canada and elsewhere, as well as on other public sector workers. Like other employers, the Region faces an employment market with increasing competition for workers with the right skills.

The Region is managing these pressures and risks by increasing its contributions to a number of staffing-related reserves and by placing greater emphasis on employee wellness. As well, to manage the risk of loss of knowledge and expertise as employees retire, it is planning carefully for succession needs.

Cyber-security

The increase in online and web-based interaction with residents and in staff working from home has heightened technology security risks. While the Region has developed a comprehensive set of protocols and practices to safeguard data, complete immunity from such risks cannot be guaranteed.

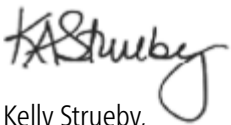
CONCLUSION

The pandemic created risks and pressures without precedent for York Region. While protecting and helping residents and enabling them to get vaccinated, the Region had to introduce new processes and ways of working under restrictions and requirements mandated by the province. Staff adapted quickly to the new reality, whether working on site or from home, to meet residents' new needs and continue important initiatives.

As the discussion of financial results shows, the longstanding commitment to prudence and efficient operations through the Regional fiscal strategy, combined with senior government support, mitigated the pandemic's major fiscal shocks.

Having seen the clear benefits of the fiscal strategy as we weathered the pandemic, we are more committed than ever to its long-term goals – reducing reliance on debt, building reserves and carefully managing the capital plan. We will continue, as well, to explain our financial plans and report on their outcomes in ways that are clear and show accountability to our residents.

Every year this annual report depends on the hard work and collaboration of people from across Regional government. In the year just ended, staff in all areas worked tirelessly to deal with ongoing fiscal challenges and meet various reporting deadlines while the organization continued to manage the pandemic's impacts. My Finance colleagues and I offer our deepest thanks for their dedication and effort.



Kelly Strueby,
Acting Commissioner of Finance
and Regional Treasurer
May 11, 2022



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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of
the Regional Municipality of York

Opinion

We have audited the consolidated financial statements of the Regional Municipality of York (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2021
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net debt for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2021, and its consolidated results of operations, its consolidated changes in net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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

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



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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 27, 2022

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Financial Position As at December 31, 2021

	2021	2020
	\$	\$
Financial Assets		
Cash and cash equivalents (Note 4)	1,801,084,445	1,210,590,848
Accounts receivable (Note 5)	427,956,752	433,132,795
Investments (Note 4)	3,354,679,653	3,435,698,487
Debt amounts recoverable from local municipalities (Note 8)	144,667,716	144,539,560
Total	5,728,388,566	5,223,961,690
Liabilities		
Accounts payable and accrued liabilities	867,751,439	829,373,301
Employee benefits obligations (Note 6)	313,607,453	277,071,145
Deferred revenue-general (Note 7)	96,673,938	108,669,469
Deferred revenue-obligatory reserve funds (Note 7)	580,309,287	469,631,807
Gross long-term liabilities (Note 8)	3,568,618,052	3,730,596,568
Total	5,426,960,169	5,415,342,290
Net financial asset / (Net debt)	301,428,397	(191,380,600)
Non-Financial Assets		
Tangible capital assets (Note 14)	8,972,426,338	8,797,833,079
Inventory	9,332,545	7,375,061
Prepaid expenses	16,454,942	15,019,410
Total	8,998,213,825	8,820,227,550
Contractual rights and contingent assets (Note 9)		
Contractual obligations and commitments (Note 10)		
Contingent liabilities (Note 11)		
Accumulated surplus (Note 15)	9,299,642,222	8,628,846,950

The accompanying notes are an integral part of these Consolidated Financial Statements.

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Operations and Accumulated Surplus Year ended December 31, 2021

	Budget (Note 2) \$	2021 \$	2020 \$
Revenues			
Net taxation (Note 3)	1,227,126,447	1,232,742,032	1,196,986,285
User charges	361,369,198	378,003,651	373,969,184
Government Transfers	702,649,139	694,158,339	690,974,305
Development charges	437,462,041	370,752,206	269,207,315
Fees and services	114,097,998	117,240,452	106,511,399
Investment income	98,500,000	115,144,705	145,005,476
Other	56,955,429	62,431,333	43,834,128
Total Revenues	2,998,160,252	2,970,472,718	2,826,488,092
Expenses			
General government	136,548,608	145,078,142	117,792,431
Protection to persons and property	437,787,930	436,470,673	424,523,626
Transportation services	518,915,298	477,337,016	465,126,763
Environmental services	566,067,417	485,144,440	388,324,551
Health and emergency services	234,120,248	259,550,562	245,578,745
Community services	423,256,152	384,763,952	357,675,385
Social housing	93,399,667	95,949,346	95,402,054
Planning and economic development	15,717,941	15,383,315	11,740,136
Total Expenses	2,425,813,261	2,299,677,446	2,106,163,691
Annual surplus	572,346,991	670,795,272	720,324,401
Accumulated surplus, beginning of year	8,628,846,950	8,628,846,950	7,908,522,549
Accumulated surplus, end of year	9,201,193,941	9,299,642,222	8,628,846,950

Segment information is presented in note 16.

The accompanying notes are an integral part of these Consolidated Financial Statements.

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Change in Net Debt Year ended December 31, 2021

	Budget	2021	2020
	\$	\$	\$
Annual surplus	572,346,991	670,795,272	720,324,401
Amortization of tangible capital assets	333,674,235	324,055,705	320,568,425
Proceeds on disposal of tangible capital assets	-	7,591,021	6,742,892
Acquisition of tangible capital assets	(617,908,391)	(506,260,106)	(667,898,288)
Contributed assets	-	-	(9,393,712)
Loss on disposal of tangible capital assets	-	20,121	1,938,738
Change in inventory	-	(1,957,484)	(398,639)
Change in prepaid expenses	-	(1,435,532)	(828,538)
Decrease in net debt	288,112,835	492,808,997	371,055,279
Net debt, beginning of year	(191,380,600)	(191,380,600)	(562,435,879)
Net financial assets / (Net debt), end of year	96,732,235	301,428,397	(191,380,600)

The accompanying notes are an integral part of these Consolidated Financial Statements.

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Cash Flows Year ended December 31, 2021

	2021	2020
	\$	\$
Operating		
Annual surplus	670,795,272	720,324,401
Items not involving cash:		
Amortization of tangible capital assets	324,055,705	320,568,425
Loss on disposal of tangible capital assets	20,121	1,938,738
Contributed tangible capital assets	-	(9,393,712)
Changes in non-cash assets and liabilities:		
Accounts receivable	5,176,043	(67,080,489)
Accounts payable and accrued liabilities	38,378,138	3,005,666
Employee benefit obligations	36,536,308	34,967,079
Deferred revenue-general	(11,995,531)	(17,021,662)
Deferred revenue-obligatory reserve funds	110,677,480	120,912,788
Inventory	(1,957,484)	(398,639)
Prepaid expenses	(1,435,532)	(828,538)
Net change in cash and cash equivalents from operations	1,170,250,520	1,106,994,057
Capital		
Acquisition of tangible capital assets	(506,260,106)	(667,898,288)
Proceeds on disposal of tangible capital assets	7,591,021	6,742,892
Net change in cash and cash equivalents from capital	(498,669,085)	(661,155,396)
Investing		
Net change in investments	81,018,834	(594,267,389)
Financing		
Long-term debt issued	300,000,000	410,000,000
Long-term debt repaid	(462,106,672)	(215,502,151)
Net change in cash and cash equivalents from financing	(162,106,672)	194,497,849
Net change in cash and cash equivalents	590,493,597	46,069,121
Opening cash and cash equivalents	1,210,590,848	1,164,521,727
Closing cash and cash equivalents	1,801,084,445	1,210,590,848

The accompanying notes are an integral part of these Consolidated Financial Statements.

The Corporation of the Regional Municipality of York (the "Region") was incorporated as a municipality in 1971 by the Province of Ontario. The local municipalities within the regional boundaries include the towns of Aurora, East Gwillimbury, Georgina, Newmarket, Whitchurch-Stouffville, the Township of King, the City of Markham, the City of Richmond Hill and the City of Vaughan.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Since the first quarter of 2020, the COVID-19 pandemic has impacted the global economic environment due to government-imposed lockdowns and social distancing requirements. The economic conditions and Region's response to the COVID-19 pandemic had operational and financial impacts on the Region. The full extent of the financial impact is currently indeterminable due to the evolving nature of the COVID-19 pandemic.

1) SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Region were prepared in accordance with generally accepted accounting principles (GAAP) established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

a) Basis of Consolidation

- i. The consolidated financial statements reflect the assets, liabilities, revenue, expenses in the operating fund, capital fund and reserves and reserve funds of the Region and all entities which are accountable to and controlled by the Region. Consolidated entities include all committees of Council, York Region Police Services Board, Housing York Inc., York Region Rapid Transit Corporation (YRRTC) and YTN Telecom Network Inc. (YorkNet). All governmental balances and transactions were eliminated from the consolidated financial statements.
- ii. The financial activities of the Sinking Fund are disclosed separately in the Sinking Fund Statement of Financial Position, and Statement of Financial Activities and Change in Fund Balance.
- iii. Funds held in trust by the Region for the residents of Newmarket Health Centre and Maple Health Centre and their operations are not included in the consolidated financial statements. The financial activities and position of the trust funds and donations received on behalf of the Centres are reported separately in the Residents' Trust Funds and Donation Account Statement of Financial Position, and Statement of Financial Activities.

b) Basis of Accounting

i. Accrual Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are the cost of goods or services acquired in the period, whether or not payment has been made or invoices received.

ii. Revenues

Property tax revenue is recognized when it meets the definition of an asset, the tax is authorized and the taxable event has occurred. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known. User charges and other revenues are recognized as they are earned and measurable.

iii. Government Transfers

Government transfer revenues are recognized in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria and stipulations have been met, and reasonable estimates of the amounts can be made. These consist of grants and subsidies from senior levels of government for various operating and capital programs.

The Region also provides transfers to individuals or organizations. These transfers are recognized as expenses once they are authorized and eligibility criteria, if any, are met.

iv. Expenses

Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay. Interest expense is recognized as incurred. Expenses paid in the current period attributable to future benefits received are classified as prepaid expenses in the Region's non-financial assets.

Government transfer payments to other public sector entities are recognized in the year that the transfer is authorized, and all eligibility criteria have been met by the recipient. Any transfers paid in advance are deemed to have met all eligibility criteria.

v. Assets

Assets are economic resources controlled by the Region as a result of past transactions or events and from which future economic benefits are expected to be obtained. For the year ended December 31, 2021, all material assets have been disclosed and reported within the Region's Statements.

vi. Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with a term to maturity of 90 days or less after year end.

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2021

vii. **Investments**

Investment income earned on surplus current funds and reserve funds is recognized as revenue in the period earned. Investment income earned on obligatory reserve funds is credited to the funds and forms part of the respective deferred revenue balances.

Investments are carried at the lower of cost and amortized cost. Any discount or premium is amortized over the remaining term of the investments. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss.

viii. **Loans Receivable**

Loans receivable are recorded at the lower of amortized cost and the net recoverable value, when collectability and risk of loss exist. Changes in the valuation of loans are recognized in the Consolidated Statement of Operations and Accumulated Surplus. Interest is accrued on loans receivable to the extent it is deemed collectable.

ix. **Non-Financial Assets**

Non-financial assets are used to provide Region services and are not available to discharge existing liabilities. These assets have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

x. **Tangible Capital Assets**

Tangible capital assets are non-financial assets recorded at cost, which includes all amounts that are directly attributable to the acquisition, construction, development or betterment of assets and may include payments made under cost-sharing arrangements. The cost of the tangible capital assets, less estimated residual value, is amortized on a straight-line basis over their estimated useful lives in number of years as follows:

Asset	Useful life (in years)
Land	Infinite
Land Improvements	20-50
Buildings	10-60
Equipment and machinery	2-50
Vehicles	2-20
Transit infrastructure	5-50
Roads Infrastructure	15-120
Water and wastewater infrastructure	50-110

The Region owns land that has been recorded at nominal value. The majority of this acreage is part of York Regional Forest.

Contributed tangible capital assets are recorded at their fair value at the date of receipt and are recorded as revenue.

Interest on debt incurred during the construction of related tangible capital assets is expensed in the Consolidated Statement of Operations and Accumulated Surplus.

Assets under construction represents expenditures incurred for projects currently underway. Upon completion, the relating assets under construction will be transferred to the appropriate capital asset category and amortization will commence.

xi. **Inventory**

Inventory is valued at the lower of cost and net realizable value.

xii. **Contractual Rights and Obligations**

Contractual rights reflect future rights to economic resources arising from contracts and/or agreements that will result in both an asset and revenue in future fiscal periods. For further details regarding the Region's contractual rights, please refer to note 9 (a).

Contractual obligations represent obligations, which will result in liabilities upon the completion of agreed upon terms specified in contracts and/or agreements in future fiscal periods. For further details regarding the Region's contractual obligations, including the nature, extent and timing of these types of transactions, please refer to note 10.

xiii. **Contingent Assets and Liabilities**

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

For the year ended December 31, 2021, the Region is not aware of any contingent assets. However, disclosure regarding the Region's contingent liabilities, including the nature, extent and estimated amount can be found in note 11.

xiv. **Deferred Revenue - General**

Funds received in advance to conduct certain programs, or in the completion of specific work pursuant to legislation, regulation or agreement are recorded as deferred revenue. Deferred revenue also includes user charges and fees collected for services not yet rendered.

Revenue is recognized in the fiscal period in which the related expenses are incurred or services are performed.

xv. **Deferred Revenue - Obligatory Reserve Funds**

Development charges, collected and accrued under the authority of Section 33 to 37 of the *Development Charges Act 1997*, and gas tax revenues received under municipal funding agreements, are recorded as Deferred Revenue - Obligatory Reserve Funds.

Revenue is recognized in the fiscal period in which the related expenses are incurred or services are performed.

xvi. **Employee Benefits Obligation**

The cost of employee benefits is recognized when entitlements are earned or the event that obligates the Region occurs. Costs include projected future payments, health care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis.

Employee benefit liabilities are based on actuarial valuations using the projected benefit method, prorated on service and management's best estimate of salary escalation, retirement ages of employees and expected health costs. Actuarial valuations, where necessary for accounting purposes, are performed triennially.

The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date with cash flows that match the timing and amount of expected benefit payments. Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized actuarial gains/losses for event-triggered liabilities, such as those determined as claims related to Workers Safety and Insurance Board (WSIB) are amortized over the average expected period during which the benefits will be paid. The cost of plan amendments is accounted for in the period they are adopted.

Where applicable, the Region has set aside reserve funds intended to fund these obligations, either in full or in part. These reserve funds were created under municipal by-law and do not meet the definition of a plan asset under PS3250 Retirement Benefits. Therefore, for the purpose of these financial statements the plans are considered unfunded.

xvii. **Liabilities for Contaminated Sites**

PS3260 Liability for Contaminated Sites requires the recognition of a liability for the remediation of contaminated sites in the financial statements when the recognition criteria outlined in the standard are met.

xviii. **Reserves and Reserve Funds**

Reserves are an appropriation from net revenue at the discretion of Council. Reserve funds are set aside by legislation, regulation or agreement. For financial reporting purposes, some reserve funds are reported as deferred revenue on the Consolidated Statement of Financial Position. Other reserve funds and reserves are balances within the accumulated surplus.

xix. **Use of Estimates**

The preparation of consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as well as disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Items requiring the use of estimates include the useful life of capital assets, future employee benefits, and claims provisions.

Estimates are based on the best information available to management at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available. Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

xx. **Segment Disclosure**

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the standard. The segment information is guided by PS2700. For additional information, see Note 16.

Certain allocation methodologies are employed in the preparation of the segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segment's budgeted net expenditure. Transfer payments were allocated to the segment based upon the purpose for which the transfer was made. Development contributions were allocated to the segment for which the contribution was received.

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2021

xxi. **Future Accounting Pronouncements**

While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in PS 1201 - Financial Statement Presentation, PS 3450 - Financial Instruments, PS 2601 - Foreign Currency Translation, and PS 3041 - Portfolio Investments, must be implemented at the same time. The Region has not adopted any new accounting standards for the year ended on December 31, 2021.

(i) Standards applicable for fiscal years beginning on or after April 1, 2022 (in effect for the Region for the year ending on December 31, 2023):

PS 1201 - Financial Statement Presentation, replaces PS 1200 - Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. The new statement reports the changes in the values of financial assets and financial liabilities arising from their remeasurement at current exchange rates and/or fair value, and the government's proportionate share of other comprehensive income arising from the results of GBEs and partnerships.

PS 3450 - Financial Instruments, establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments can be elected to be measured at cost, amortized cost or fair value. Unrealized gains and losses arising from changes in fair value are presented in the new Statement of remeasurement gains and losses.

PS 2601 - Foreign Currency Translation, replaces PS 2600 - Foreign Currency Translation. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported at fair value, to be adjusted to reflect the exchange rates in effect at the consolidated financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses. However, the new standard also provides an election that will allow for the continued recognition of all exchange gains and losses directly in the Consolidated Statement of Operations and Accumulated Surplus.

PS 3041 - Portfolio Investments, replaces PS 3040 - Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of portfolio investments to conform to PS 3450 - Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 - Temporary Investments, will no longer apply.

PS 3280 - Asset Retirement Obligations, establishes the accounting and reporting requirements for legal obligations associated with the retirement of TCA controlled by a government or government organization. A liability for a retirement obligation can apply to TCA either in productive use or no longer in productive use. Upon adoption of this standard, PS 3270 - Solid Waste Landfill Closure and Post-closure Liability, will no longer apply.

(ii) Standards applicable for fiscal years beginning on or after April 1, 2023 (in effect for the Region for the year ending on December 31, 2024):

PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity.

PS 3400 - Revenue, establishes standards on how to account for and report on revenue, specifically differentiating between revenue arising from transactions that include performance obligations, referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.

PSG-8 - Purchased Intangibles, provides guidelines on accounting and reporting for purchased intangibles. Concurrently, PS 1000 - Financial Statement Concepts, has been amended to remove the prohibition against recognizing intangibles purchased in an exchange transaction in public sector financial statements.

2) BUDGET FIGURES

Budget figures presented in the Consolidated Financial Statements are based on the 2021 budget approved by Council on March 25, 2021. In the Statement of Operations and Accumulated Surplus, some accrual budget numbers have been reallocated for comparability purposes. The following table reconciles the approved budget with the budget figures as presented in these consolidated financial statements using the accrual basis of accounting.

Revenues	
Approved budget	\$ 3,348,496,931
Reclassification of investment income	92,000,000
Transfer from reserves	(380,892,045)
Proceeds of debt issued for Regional purposes	(116,085,590)
Funding from Metrolinx	39,884,215
Housing York Inc.	42,073,000
Related entities adjustments	(27,316,257)
Total revenues	2,998,160,254
Expenses	
Approved budget	3,348,496,931
Reclassification of investment income	92,000,000
Transfer to reserves	(602,452,524)
Acquisition of tangible capital assets	(617,908,391)
Debt principal repayments	(188,410,614)
Amortization	333,674,235
Post employment benefits	32,079,059
Spending funded by Metrolinx	21,258,824
Housing York Inc.	34,392,000
Related entities adjustments	(27,316,257)
Total expenses	2,425,813,263
Annual surplus	\$ 572,346,991

3) TAX REVENUE

Tax revenue of \$1,232,742,032 (2020 - \$1,196,986,285) is comprised of \$1,219,091,916 (2020 - \$1,184,919,354) in general tax levy and \$13,650,116 (2020 - \$12,066,931) of other tax amounts.

4) INVESTMENTS

Included in cash and cash equivalents are short-term investments of \$41,139,000 (2020 - \$20,000,000) with a market value of \$41,153,489 (2020 - \$20,062,900).

Investments of \$3,354,679,653 (2020 - \$3,435,698,487) have a market value of \$3,370,153,216 (2020 - \$3,582,214,146).

Cash and cash equivalents and investments include \$580,309,287 (2020 - \$469,631,807) of restricted funds as required under legislation to fund obligatory reserve funds.

The yields on investments held range from 0.31% to 3.71% (2020 - 0.43% to 3.71%).

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2021

5) ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	2021 \$	2020 \$
Government of Canada	66,937,661	59,710,607
Government of Ontario	16,289,924	32,987,059
Other Municipalities	155,721,898	155,234,128
Other receivables	189,007,269	185,201,001
	<hr/>	<hr/>
	427,956,752	433,132,795
Less: Allowance for Doubtful Accounts	-	-
	<hr/>	<hr/>
	427,956,752	433,132,795

Accounts receivable are assessed for collectability on an annual basis. In 2021, \$13,919 was deemed uncollectable and written off (2020 - \$21,891). An allowance for doubtful accounts is not reported as the Region expects to fully collect the amounts reported as accounts receivable.

6) EMPLOYEE BENEFITS OBLIGATIONS

The amounts represent liabilities established for accrual accounting purposes expected to be settled in future periods. In some cases, reserves have been established to fund these amounts. In other cases, the liabilities are to be funded from future years' budgetary allocations. Net increase in the total amount is \$36,536,308.

	2021 \$	2020 \$
Post employment benefits (a)	113,756,202	104,509,582
Workplace Safety and Insurance Board (WSIB) (c)	65,569,843	51,690,241
Long-term disability claims (d)	60,543,718	52,702,939
Vested sick leave benefits (e)	42,848,187	41,553,509
Vacation payable	30,889,503	26,614,874
	<hr/>	<hr/>
	313,607,453	277,071,145

Notes to the Consolidated Financial Statements
December 31, 2021

The following table sets out the accrued benefit liability for each plan as at December 31, 2021.

	Post employment benefits \$	WSIB \$	Long-term disability claims \$	Vested sick leave benefits \$	Total \$
Accrued benefit liability, beginning of year	104,509,582	51,690,241	52,702,939	41,553,509	250,456,271
Current service cost	6,695,275	14,724,473	10,141,823	3,424,611	34,986,182
Amortization of loss	2,701,360	5,672,693	3,808,672	573,804	12,756,529
Interest cost	4,333,154	3,473,948	2,207,120	1,260,729	11,274,951
Benefit payments	(4,483,169)	(9,991,512)	(8,316,836)	(3,964,466)	(26,755,983)
Accrued benefit liability, end of year	113,756,202	65,569,843	60,543,718	42,848,187	282,717,950
Unamortized actuarial (gain)/ loss	25,010,804	39,526,254	10,487,279	(3,065,718)	71,958,619
Accrued benefit obligation, end of year	138,767,006	105,096,097	71,030,997	39,782,469	354,676,569

The amortization of actuarial losses for the current year is in the amount of \$12,756,529 (2020 - \$11,777,482).

	Post employment benefits	WSIB	Long-term disability	Vested sick leave
Expected inflation rate	1.75%	1.75%	1.75%	1.75%
Expected level of salary increases	2.75%	2.75%	2.75%	2.75%
Interest discount rate	3.25%	3.5%	3.25%	3.25%
Future health care cost rate	5.75%	3.75%	N/A	5.75%
Expected Average Remaining Service Life				
Regional Operations	14	10	8	6
Police Services	13	11	8	13

a) Post-Employment Benefits

Employees who retire under OMERS pension plan at age fifty or greater with a minimum of twenty years of service with the Region, are entitled to continued coverage for extended health and dental benefits until age of 65. Those retirees from age 65 to age 75 are eligible to receive a health care spending account.

An independent actuarial valuation dated September 2, 2020 estimates the liability of these benefits to be \$113,756,202 (2020 - \$104,509,582), which is reported in the Consolidated Statement of Financial Position.

b) Pension Agreement

The Region contributes to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer plan on behalf of approximately 6,360 members of its staff. The plan is a defined benefit plan and specifies the amount of the retirement benefit to be received by the employees based on length of credited service and average earnings.

In 2021, employer contribution amounts to \$67,895,089 (2020 - \$65,040,061) and is recorded as an expense in the Consolidated Statement of Operations and Accumulated Surplus. Employee contributions also amount to \$67,895,089 (2020 - \$65,040,061).

Because OMERS is a multi-employer plan, the Region does not recognize any share of the pension deficit of \$3.1 billion at December 31, 2021.

c) Workplace Safety and Insurance Board

Under the Workplace Safety and Insurance Act, the Region is a self-insured employer (Schedule II) for all of its employees.

An independent actuarial valuation dated December 2, 2019 estimates the liability for all claims incurred to December 31, 2021 to be \$65,569,843 (2020 - \$51,690,241), which is reported in the Consolidated Statement of Financial Position. The worker's compensation reserve balance at December 31, 2021 is \$65,569,843 (2020 - \$50,323,867).

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2021

d) Long-Term Disability Claims

In October 2002, the Region adopted a self-insured arrangement for its long-term disability benefit program. Under this arrangement, the Region funds its own claims through a segregated reserve and contracts with an insurance carrier to adjudicate and administer all claims on an Administrative Services Only basis. An independent actuarial valuation dated August 7, 2019 estimates the liability for the claims incurred to be \$60,543,718 (2020 - \$52,702,939) as at December 31, 2021, which is reported in the Consolidated Statement of Financial Position.

e) Liability for Vested Sick Leave Benefits

An independent actuarial valuation report dated September 2, 2020 estimates the liability for both Regional operations and Police Services at \$42,848,187 (2020 - \$41,553,509)

Regional Operations

Commencing in 2000, the accumulated sick leave plan was replaced by a Short-term Disability plan for employees in Regional Operations. The estimated actuarial value \$4,817 is in an asset position at the end of the year 2021 and was in a liability position of \$109,986 at the end of year 2020. The reserve balance at December 31, 2021 is \$6,108,274 (2020 - \$6,035,635).

Police Services

For Police Services members hired before July 22, 2013, the sick leave benefit plan provides for an accumulative unused sick leave bank. After five years of service, members are entitled to a cash payment of one-half of the sick bank balance to a maximum of six months salary when they leave the municipality's employ. Members were also provided with an election to opt for a cash settlement of one-half of their sick bank hours up to a maximum of six months' salary on February 17, 2017. Members hired after June 22, 2013 and members who have elected the cash settlement are enrolled in an accumulative unused sick leave plan without a cash payment.

The actuarial liability for the accumulated days to the extent that they have vested and could be taken in cash by an employee on termination amounted to \$42,853,004 (2020 - \$41,443,523). A reserve was established to provide for a portion of the Police Services past service liability and the balance at the end of the year is \$2,387,953 (2020 - \$2,349,028). The amount is included in accumulated surplus in the Consolidated Statement of Financial Position.

7) DEFERRED REVENUE

Deferred revenue set aside for specific purposes by legislation, regulation, or agreements is comprised of:

	Balance at December 31, 2020 \$	Amounts received/ accrued \$	Amounts recognized into revenue \$	Balance at December 31, 2021 \$
Deferred capital grants	48,490,196	40,319,284	(60,914,600)	27,894,880
Security deposits and agreements	46,769,297	12,944,286	(8,732,240)	50,981,343
Other	13,409,976	56,844,628	(52,456,889)	17,797,715
Total deferred revenue - general	108,669,469	110,108,198	(122,103,729)	96,673,938
Development charges	383,010,794	457,530,495	(370,752,206)	469,789,083
Gas Tax/Canada Community-Building Fund	86,621,013	86,880,291	(62,981,100)	110,520,204
Total obligatory reserve funds	469,631,807	544,410,786	(433,733,306)	580,309,287

Other deferred revenue includes funding for affordable social housing programs.

8) LONG-TERM LIABILITIES

a) Long-term liabilities are comprised of the following items:

	2021 \$	2020 \$
Outstanding long-term liabilities at the end of the year, including those incurred on behalf of local municipalities	2,677,344,265	2,863,775,646
Sinking fund debenture	857,303,321	826,914,985
Mortgages payable by Housing York Inc.	33,970,466	39,905,937
Gross long-term liabilities	3,568,618,052	3,730,596,568
Less: Recoverable from local municipalities	144,667,716	144,539,560
Net long-term liabilities at the end of the year	3,423,950,336	3,586,057,008

The total gross amount of the long-term liabilities to be retired by sinking funds is \$2,522,696,755 (2020 - \$2,703,085,090). The amount of sinking fund assets is \$857,303,321 (2020 - \$826,914,985). Long-term liabilities are financed through a combination of development charges, water and sewer rates and tax levy.

The amount recoverable from local municipalities includes sinking fund debentures \$28,100,000 and non-sinking fund debentures \$116,567,716.

Interest rates and maturity dates for the debts range from 1.70% to 5.72% and from December 2022 to December 2051.

b) Net long-term liabilities are repayable as follows:

2022	\$ 209,150,207
2023	202,134,131
2024	203,420,995
2025	204,280,389
2026	194,094,114
Thereafter	2,011,313,505
Net sinking fund debt repayable according to actuarial recommendations	399,556,995
Total	\$ 3,423,950,336

c) Charges for net long-term liabilities

Total interest charges for the year for net long-term liabilities which are included in the Consolidated Statement of Operations and Accumulated Surplus are \$109,590,325 (2020 - \$117,159,946).

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2021

9) CONTRACTUAL RIGHTS AND CONTINGENT ASSETS

a) Contractual Rights

The Region has rights to economic resources arising from contracts or agreements entered into before December 31, 2021. The rights will become assets and revenues and will be recognized when the terms of the contracts or agreements are met.

The Region's contractual rights consist of:

- Letters of Credit (L/C) from developers that are used as collateral for future development charges; Currently, the Region securely holds 40 L/Cs of \$168,860,175 (2020 - 21 L/Cs of \$32,477,588).
- An agreement with Metrolinx to fund the construction of bus rapidways; The remaining funding Metrolinx has guaranteed the Region is \$435,214,190 (2020 - \$387,449,543).
- Rights to transit advertisements, solar revenue and other lease revenue; Future revenue from these sources for the next 5 years are approximately:

2022	\$ 6,178,895
2023	3,716,660
2024	3,136,820
2025	2,269,879
2026	2,142,023

b) Contingent Assets

As at December 31, 2021, the Region has certain outstanding legal actions against various defendants in which the Region is seeking damages. The Region has determined that resolution in favour of the Region is likely in some of these actions. However, the amount of possible damages to be received is undeterminable as at December 31, 2021.

10) CONTRACTUAL OBLIGATIONS AND COMMITMENTS

a) Water Supply Agreements with City of Toronto and Region of Peel

The Water Servicing Agreement with the City of Toronto provides up to a maximum of 188,869,250 m³ per year, increasing to 195,275,000 m³ in 2031 at a price determined annually, based on the Region's proportionate share of overall operating cost and includes a contribution for future asset management. In 2021, the Region purchased 76,073,672 m³ at an effective rate of \$0.4503/m³ with a total payment of \$34,255,974 (2020 - \$32,627,504). The Water Servicing Agreement with the Region of Peel provides up to a maximum of 84,614,300 m³ per year, increasing to 120,815,000 per year through 2031, at a price determined annually, based on the Region's proportionate share of operating cost, and includes a contribution for future asset management. In 2021, the Region purchased 34,973,480 m³ at an effective rate of \$0.6077/m³ with a total payment of \$21,253,384 (2020 - \$19,987,844). The Water Service Agreements with both City of Toronto and Region of Peel continue into perpetuity unless terminated by both parties and are revisited every 5 years.

b) Peel Wastewater Servicing Agreement

The York-Peel Wastewater servicing Agreement with the Region of Peel provides servicing based on increasing projected flows through 2031 at a price, determined annually, based on the Region's proportionate share of operating cost and includes a contribution for future asset management. In 2021, Peel provided servicing for 13,148,846 m³ of York wastewater flows at an effective rate of \$0.4683/m³ with a total payment of \$6,157,605 (2020 - \$6,156,470). The York-Peel Wastewater Servicing Agreements with the Region of Peel continues into perpetuity unless terminated by both parties and is revisited every 5 years.

c) Operating Leases

Under the terms of various operating lease agreements, future minimum payments for the next 5 years are as follows:

2022	\$ 7,152,187
2023	6,481,607
2024	4,462,444
2025	3,598,751
2026	3,058,554

d) York Rapid Transit Plan / Yonge North Subway Extension Project

In 2002, the Region entered into a public-private partnership with York Consortium 2002 to implement the York Rapid Transit Plan. The York Rapid Transit Plan was developed from the Region's Transportation Master Plan, which identified the need to implement a rapid transit network that would reduce the level of traffic congestion and support economic and residential growth. The current rapid transit plan, vivaNext, includes the construction of the Yonge and Spadina subway extensions and 33.7 kilometres of bus rapid transit corridors.

The bus rapid transit corridors are funded by the provincial government, through Metrolinx, as disclosed in Note 9(a).

In 2020, the Region signed a preliminary agreement with the Province to work towards delivering the Yonge North Subway Extension. This project would extend the TTC subway Line 1, north from Finch Station by approximately 8 kilometres, to the Richmond Hill Centre, just north of Highway 7. The planning, design and engineering phase is underway. This is a critical rapid transit link that includes up to 4 subway stations and 2 intermodal transit terminals. The total project cost is estimated to be approximately \$5,600,000,000. While the formal contribution agreement has yet to be negotiated, the current estimate for the Region's share of the project is \$1,120,000,000.

Responsibility for the Yonge North Subway Extension project, including the planning, design and engineering related work, was transferred to the Province in 2019. However the Region's commitment of \$36,300,000 for its share of the planning, design and engineering remains. The Region has already invested \$4,278,045 to complete the Yonge North Subway Extension conceptual design and the existing commitment is expected to be funded by phase one of the federal Public Transit Infrastructure Fund.

e) York Region Hospital Capital Funding

In 2009, Council approved a memorandum of understanding (MOU) between the Region and York regional hospitals which provides direction for capital funding of the four regional hospitals from 2009 to 2031. Under the MOU, the Region provides funding for approved projects and their associated eligible costs. In 2019, Council approved the termination of the MOU and reduced reserve contributions to cover three Council-approved projects. These three Council-approved projects are financial commitments of the Region despite termination of the MOU. The cancer care clinic project at Southlake Regional Health Centre was approved for \$17,410,296 and all of its funding has been paid out. By the end of 2020, the Region fulfilled its commitment of up to \$50,900,000 towards the redevelopment project at Markham Stouffville Hospital for a total payment of \$40,291,312.

In 2017, the new Cortellucci Vaughan Hospital project received approval for its full share under the MOU. The Region's total commitment is approximately \$154,485,913, including forecasted future adjustments. As of December 31, 2021 the Region has paid \$78,397,443 to Cortellucci Vaughan Hospital and the remaining commitment is \$76,088,470 (2020 - \$87,754,177).

f) York University Markham Centre Campus Capital Funding

In 2014, Council approved a memorandum of understanding between the Region and York University to provide up to \$25,000,000 in financial support towards a new campus located in the Markham Centre. Construction started in October 2020 for York University's Markham Centre Campus, which is expected to welcome their first students in the Fall of 2023. Once open, the new campus will accommodate up to 4,200 students in Phase 1, with the flexibility to respond to future growth demands. In 2020, the Region entered into a Funding Agreement with York University that supersedes the memorandum of understanding. In October 2020, York University met the second of two milestone requirements in the Funding Agreement and became eligible for the Region's funding in four instalments. By the end of 2021, York University's Markham Centre Campus had received the first two instalments of \$4,000,000 in total. The third instalment of \$1,000,000 is payable in October 2022. The fourth and final instalment of \$20,000,000 would be payable upon substantial completion expected in 2023.

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2021

11) CONTINGENT LIABILITIES

a) Public Liability Insurance

The Region's public liability insurance limits are set at \$50,000,000. Environmental impairment liability is fully self-insured by the Region. The Region increased its self-insured retention (SIR) effective July 1, 2021 to \$1,000,000 per occurrence for liability and automobile claims. Prior to July 1, 2021 the SIR was \$500,000 for several years. The Region's Property policy includes a deductible of \$100,000 per occurrence for most losses and the deductible under its Crime policy was increased to \$150,000 in 2021.

The Region estimates that the liability as at December 31, 2021 for all outstanding public liability claims is \$8,140,239 (2020 - \$1,978,052). The total insurance reserve is \$32,503,860 (2020 - \$31,293,386).

b) Other Contingencies

The Region, in the course of its operations, is subject to claims, lawsuits and other contingencies. Accruals have been made in specific instances where it is probable that liabilities will be incurred and where such liabilities can be reasonably estimated. Although it is possible that liabilities may arise in other instances for which no accruals have been made, the Region does not believe that such an outcome will significantly impair its operations or have a material adverse effect on its Consolidated Statement of Financial Position.

12) LIABILITY FOR CONTAMINATED SITES

The Region recognized an estimated liability of \$828,659 (2020 - \$1,118,460) for remediation of a contaminated site not in productive use. The liability is based on estimated cost of remediating the site with known contamination prepared by a third-party environmental consulting firm.

The estimated liability is included in accounts payable and accrued liabilities in the Consolidated Statement of Financial Position. The Region estimates the liability will be recoverable from a third-party.

13) PROVINCIAL OFFENCES ADMINISTRATION

The Region administers prosecutions and the collection of related fines and fees under the authority of the *Provincial Offences Act* ("POA"). The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the *Highway Traffic Act*, *Compulsory Automobile Insurance Act*, *Trespass to Property Act*, *Liquor License Act*, Municipal By-laws and minor federal offences. Offenders may pay their fines online, by mail, or in-person at any POA court in Ontario, at which time their receipt is recorded in the Integrated Courts Offences Network system ("ICON"). The Region recognizes fine revenue on a gross basis when the receipt of funds is recorded by ICON regardless of the location where payment is made.

Gross revenue is comprised primarily of fines levied under Part I, II and III of the *Provincial Offences Act* (including delay penalties). The gross revenue for 2021 amounts to \$20,410,600 after Safe Restart and Municipal Recovery Funding (2020 - \$11,956,394) and the net surplus/(deficit) amounts to \$2,996,588 (2020 - \$(4,203,175)). Balances arising from operations of POA offices are consolidated with these financial statements and reported in protection to persons and property on the Consolidated Statement of Operations and Accumulated Surplus.

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2021

14) TANGIBLE CAPITAL ASSETS

COST	Balance at December 31, 2020 \$	Additions \$	Disposals \$	Balance at December 31, 2021 \$
Land	599,177,189	61,246,179	(3,330,237)	657,093,131
Land improvements	396,505,409	5,552,165	(2,298,084)	399,759,490
Buildings	2,869,925,227	31,649,726	(2,634,686)	2,898,940,267
Equipment and machinery	887,837,596	47,581,481	(22,079,696)	913,339,381
Vehicles	476,472,203	23,016,164	(36,046,978)	463,441,389
Transit infrastructure	539,363,104	-	-	539,363,104
Roads infrastructure	2,595,891,372	103,920,663	(17,592,181)	2,682,219,854
Water and wastewater infrastructure	2,287,759,738	14,800,051	(746,079)	2,301,813,710
Assets under construction	1,218,813,693	218,493,677	-	1,437,307,370
Total	11,871,745,531	506,260,106	(84,727,941)	12,293,277,696

ACCUMULATED AMORTIZATION	Balance at December 31, 2020 \$	Additions \$	Disposals \$	Balance at December 31, 2021 \$
Land improvements	168,510,198	(1,406,020)	17,250,641	184,354,819
Buildings	897,583,288	(2,463,257)	79,151,407	974,271,438
Equipment and machinery	394,766,773	(22,072,604)	59,267,282	431,961,451
Vehicles	286,896,620	(33,782,748)	37,686,991	290,800,863
Transit infrastructure	42,581,298	-	14,193,766	56,775,064
Roads infrastructure	1,003,173,815	(16,895,660)	90,849,065	1,077,127,220
Water and wastewater infrastructure	280,400,460	(496,510)	25,656,553	305,560,503
Total	3,073,912,452	(77,116,799)	324,055,705	3,320,851,358

	Balance at December 31, 2020 \$	Balance at December 31, 2021 \$
Land	599,177,189	657,093,131
Land improvements	227,995,211	215,404,671
Buildings	1,972,341,939	1,924,668,829
Equipment and machinery	493,070,823	481,377,930
Vehicles	189,575,583	172,640,526
Transit infrastructure	496,781,806	482,588,040
Roads infrastructure	1,592,717,557	1,605,092,634
Water and wastewater infrastructure	2,007,359,278	1,996,253,207
Assets under construction	1,218,813,693	1,437,307,370
Total	8,797,833,079	8,972,426,338

In 2021, the Region did not receive contributed assets (2020 - \$9,393,712) from external parties.

The Region recognized a write-down of tangible capital assets of \$1,341,050 in 2021 (2020 - \$1,514,225), mainly due to replacing capital assets that were close to the end of their useful life.

Unrecognized Assets

The Region has a collection of items such as textual records, artwork, artifacts and historical furniture that are held to document the Region's cultural history. The value of the collection has been excluded from the Consolidated Statement of Financial Position.

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2021

15) ACCUMULATED SURPLUS

Accumulated surplus is comprised of individual fund surpluses and reserves and reserve funds as follows:

	2021 \$	2020 \$
Surplus		
Invested in tangible capital assets	4,710,254,065	4,535,100,597
Investments in related entities	336,215,422	300,661,244
	5,046,469,487	4,835,761,841
Reserves and Reserve Funds		
Asset Replacement Reserves		
Roads infrastructure	773,886,999	727,161,602
Capital replacement-water and sewer	677,362,409	549,745,948
Regionally owned housing	206,842,257	180,221,555
Facilities rehabilitation and replacement	162,219,930	157,052,437
Transit vehicle replacement	101,327,178	83,707,657
Equipment/vehicle replacement	94,959,875	94,442,319
	2,016,598,648	1,792,331,518
Sinking Fund	849,447,585	821,807,350
Corporate Reserves		
Pandemic Management	106,515,000	87,987,079
Rates stabilization	94,619,954	73,174,551
Tax stabilization	59,977,103	59,716,232
Fiscal stabilization	51,736,345	50,573,714
Working capital	50,000,000	44,552,211
Waste management stabilization	35,679,810	30,317,542
Insurance	32,503,860	31,293,386
Fuel cost stabilization	23,683,357	23,840,500
Hospital financing	20,037,160	25,036,081
Innovation investment	5,848,574	8,174,841
Innovation	5,691,429	5,598,654
Court services	4,515,225	4,733,740
Cannabis contingency	2,843,411	3,362,578
Green energy	2,134,297	1,795,500
Land securement	1,655,927	4,121,583
IT licensing and software development	1,185,094	1,173,370
	498,626,546	455,451,562
Capital Reserves		
Debt reduction	293,407,213	235,502,669
Solid waste management	82,881,950	70,241,591
Non-profit housing capital	78,412,185	73,367,769
Social housing development	67,721,208	85,452,875
Roads capital acceleration	48,328,842	35,565,385
General capital	45,318,725	46,994,832
Rapid Transit	31,500,000	-
IT development	24,344,306	23,985,154
Roads capital	18,920,581	15,367,944
Land bank	7,764,111	7,639,398
Police infrastructure	1,842,713	972,748

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2021

	2021 \$	2020 \$
Transit	1,023,656	1,232,259
Move Ontario	5,737	81,091
	701,471,227	596,403,715
Contingent Liability and Other		
Workers' compensation	65,569,843	50,323,867
Long-term disability	60,543,718	50,885,380
Group benefits	52,231,057	17,306,360
Sick leave	8,496,227	8,408,663
Seized funds	187,884	166,694
	187,028,729	127,090,964
Total Reserves and Reserve Funds	4,253,172,735	3,793,085,109
Total	9,299,642,222	8,628,846,950

16) SEGMENT DISCLOSURE

The Region is a municipal government which provides a wide range of services to its residents that include general government, protection to persons and property, transportation, environmental, health and emergency services, community services, social housing, and planning and development services.

General Government

General government comprised of the Council, the Chair's Office, Office of the Chief Administrative Officer, Corporate Services, and Finance Departments. These divisions and branches supply administrative and financial leadership for the Regional Corporation.

Protection to persons and property

Protection to persons and property consists of the activities of Police Service Board and York Regional Police. Their mandates are to ensure the safety of the lives and property of citizens, to prevent crime from occurring, to detect offenders, and to enforce the law. It also includes the activities of Court Services and funding provided to Conservation Authorities.

Transportation services

The department operates and delivers regional infrastructure involving roadways, public transit, traffic systems, and bridges and culverts. York Region Rapid Transit Corporation's principal activity is the design and delivery of York Region's rapid transit systems. The corporation is solely owned by the Region.

Environmental services

The department is responsible for water treatment and distribution, wastewater collection and treatment, solid waste disposal and diversion, corporate energy and natural heritage and forestry. It also delivers infrastructure projects, both for new and expanded assets and major rehabilitation of existing assets.

Health and emergency services

The Region provides a variety of health-related programs and services that contribute to healthy communities through partnerships, promotion, prevention, protection, enforcement and pandemic response. Staff members render programs such as land ambulance service, immunization, nutrition, mental health and health inspection.

Community services

Children's Services plans, manages and coordinates Region-wide child care services. Long Term Care operates long-term care facilities for seniors. The Ontario Works and Ontario Disabilities Support Programs deliver a range of programs providing employment and financial assistance to residents in need.

Social housing

Social housing is responsible for administrating social housing providers, the rent supplement programs and managing a social housing wait list. Housing York Inc. is a non-profit housing corporation fully owned by the Region. It provides affordable rental units for its residents.

Planning and economic development

This unit provides long-term comprehensive approach to planning and development processes to ensure the efficient use of land and community infrastructure. Services include a long-range capital planning, development review, road occupancy permits and inspection services. It also includes the activities of YorkNet which offers access to communications infrastructure.

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2021

	General government \$	Protection to persons and property \$	Transportation services \$	Environmental services \$	Health and emergency services \$
REVENUES					
Net taxation	113,777,295	369,271,329	376,780,775	66,850,110	127,628,939
User charges	-	-	-	378,003,651	-
Provincial grants	20,467,791	22,035,789	59,039,032	118,602	180,877,135
Federal grants	516,269	-	49,861,700	12,359,176	437,678
Development charges	810,132	9,263,811	128,164,592	225,506,442	2,454,352
Fees and services	2,949,418	21,452,142	37,565,557	21,670,460	225,629
Investment income	115,144,705	-	-	-	-
Other	3,375,424	3,719,582	22,502,251	28,021,777	317,762
Total revenue	257,041,034	425,742,653	673,913,907	732,530,218	311,941,495
EXPENSES					
Salaries and benefits	86,897,603	374,432,976	74,752,529	60,501,389	184,356,993
Interest payments	767,938	2,203,022	25,448,361	76,238,200	269,244
Operating expenses	29,930,308	39,039,567	210,476,138	232,260,511	61,899,411
Government transfers	4,005,953	6,525,811	1,426,624	11,294,466	8,145,830
Amortization	23,476,340	14,269,297	165,233,364	104,849,874	4,879,084
Total expenses	145,078,142	436,470,673	477,337,016	485,144,440	259,550,562
Annual surplus	111,962,892	(10,728,020)	196,576,891	247,385,778	52,390,933

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2021

	Community services	Social housing	Planning and economic development	Total 2021	Total 2020
	\$	\$	\$	\$	\$
REVENUES					
Net taxation	99,614,058	67,706,848	11,112,679	1,232,742,032	1,196,986,285
User charges	-	-	-	378,003,651	373,969,184
Provincial grants	299,847,722	28,658,259	371,496	611,415,826	611,835,124
Federal grants	343,858	9,746,248	9,477,584	82,742,513	79,139,181
Development charges	-	3,648,575	904,302	370,752,206	269,207,315
Fees and services	5,444,043	23,113,532	4,819,670	117,240,452	106,511,399
Investment income	-	-	-	115,144,705	145,005,476
Other	2,642,991	1,490,627	360,919	62,431,333	43,834,128
Total revenue	407,892,672	134,364,089	27,046,650	2,970,472,718	2,826,488,092
EXPENSES					
Salaries and benefits	112,319,315	14,612,748	12,345,138	920,218,691	845,345,068
Interest payments	-	4,663,560	-	109,590,325	117,159,946
Operating expenses	192,342,732	68,203,766	1,905,991	836,058,424	653,599,865
Government transfers	78,046,617	-	309,000	109,754,301	169,490,387
Amortization	2,055,288	8,469,272	823,186	324,055,705	320,568,425
Total expenses	384,763,952	95,949,346	15,383,315	2,299,677,446	2,106,163,691
Annual Surplus (Deficit)	23,128,720	38,414,743	11,663,335	670,795,272	720,324,401

17) COVID-19 EXTRAORDINARY FUNDING

During the current year, the Region recognized \$184,516,638 (2020 - \$90,588,754) of funding from Federal and Provincial governments to help offset the financial impacts of the COVID-19 pandemic. The funding was used to mitigate expenses for vaccination efforts, school-focused nursing, long-term care mandates, homelessness community programs, voluntary isolation centre initiatives, and other pandemic response activities.

18) COMPARATIVE FIGURES

Certain 2020 comparative figures have been reclassified to conform to the current presentation.

STATISTICAL REVIEW

THE REGIONAL MUNICIPALITY OF YORK

Five Year Review (unaudited)

(in thousand of dollars)	2021	2020	2019	2018	2017
CONSOLIDATED FINANCIAL ACTIVITIES					
Analysis of Revenues					
Net taxation/user charges	1,610,746	1,570,955	1,506,085	1,407,482	1,321,543
Government Transfers	694,158	690,974	779,442	604,651	550,678
Development charges	370,752	269,207	293,035	474,241	283,714
Fees and service charges	117,241	106,511	162,944	164,826	198,529
Other	177,576	188,840	200,358	115,029	166,530
	2,970,473	2,826,488	2,941,865	2,766,229	2,520,994
Analysis of Expenses by Object					
Salaries, wages and employee benefits	920,219	845,345	799,789	762,773	733,719
Debt servicing	109,590	117,160	120,436	127,023	129,392
Operating and general expenses	836,058	653,600	910,229	991,231	824,881
Amortization	324,056	320,568	312,612	274,972	241,458
Transfers to others	109,754	169,490	109,551	90,566	93,353
	2,299,677	2,106,164	2,252,616	2,246,565	2,022,803
Analysis of Expenses by Function					
General government	145,078	117,792	129,458	117,079	186,487
Protection to persons and property	436,471	424,524	405,658	385,666	360,161
Transportation services	477,337	465,127	607,644	539,405	426,928
Environmental services	485,144	388,325	482,289	612,356	512,690
Health and emergency services	259,551	245,579	158,929	154,793	153,295
Community services and housing	480,713	453,077	453,064	424,955	368,573
Planning and development services	15,383	11,740	15,575	12,312	14,669
	2,299,677	2,106,164	2,252,616	2,246,565	2,022,803
Annual Surplus	670,795	720,324	689,250	519,664	498,191
Accumulated Surplus	9,299,642	8,628,847	7,908,522	7,219,273	6,699,609
(Net Financial Assets) / Net Debt	(301,428)	191,381	562,436	799,172	1,250,094

THE REGIONAL MUNICIPALITY OF YORK

Five Year Review (unaudited)

(in thousands of dollars)	2021	2020	2019	2018	2017
OUTSTANDING OBLIGATIONS					
Debt Outstanding					
Total Long Term Liabilities	2,711,315	2,903,682	2,832,720	2,897,588	3,044,443
Overlapping Debt*	(144,668)	(144,540)	(159,468)	(175,289)	(150,717)
Net Long Term Liabilities	2,566,647	2,759,142	2,673,251	2,722,299	2,893,726
Net Long Term Liabilities per capita	2,090	2,274	2,223	2,285	2,476
Sinking Fund	857,303	826,915	718,308	717,422	565,658
Charges for Net Long Term Liabilities					
Recovered from:					
General Tax Rates and DCs	301,063	279,126	270,832	276,255	277,238
User Rates	21,530	18,673	15,513	16,968	31,584
Total	322,593	297,799	286,345	293,223	308,822
Debt charges as a % of Total Expenses	14.0%	14.1%	12.7%	13.1%	15.3%
Remaining Debt and Financial Obligation Limit including Growth Cost Supplement (1)					
Acquisitions of tangible capital assets	506,260	667,898	637,444	344,054	657,984

Note:

1) Comparative figures restated to use the actual amount of debt limit

*Of local municipalities

Top 10 Corporate Rate Payers in York Region

1. IVANHOE CAMBRIDGE II INC
2. CPPIB UPPER CANADA MALL INC
3. ONTREA INC
4. RULAND PROPERTIES INC
5. ROYBRIDGE HOLDINGS LIMITED
6. NEAMSBY INVESTMENTS INC
7. IBM CANADA LIMITED
8. GANZ REALTY LIMITED
9. PROMENADE GENERAL PARTNER IN
10. CANADIAN PROPERTY HOLDINGS

Top 10 Employers in York Region

1. IBM CANADA LIMITED
2. CANADA'S WONDERLAND
3. TD WATERHOUSE INC.
4. MACKENZIE RICHMOND HILL HOSPITAL
5. SOUTHLAKE REGIONAL HEALTH CENTRE
6. MARKHAM STOUFFVILLE HOSPITAL
7. CGI INFORMATION SYSTEMS
8. UNITED PARCEL SERVICE CANADA LTD.
9. AVIVA CANADA
10. DESJARDINS

Based on 2019 employment survey

MISCELLANEOUS INFORMATION

	2021	2020	2019	2018	2017
General Government					
Full Time Equivalent Employees (1)	6,235	6,124	5,995	5,839	5,711
Unemployment Rate (2)	6.0%	8.0%	4.4%	4.8%	5.4%
Acquisition of Tangible Capital Assets (000s)	\$506,260	\$667,898	\$637,444	\$344,054	\$657,984
Healthy Communities					
New Annual Residential Units/Building Permits	10,787	5,832	4,669	7,902	6,048
Annual Building Permit Values (000s)	\$5,192,673	\$2,627,748	\$3,149,869	\$3,309,726	\$3,983,209
Number of Subsidized Households	5,575	4,998	5,119	5,149	5,137
Average Police Emergency response time (minutes)	6.5	6.4	6.5	7.2	7.3
Roads and Transit					
Total Kilometres of Roads in the Region	4,382	4,318	4,293	4,265	4,214
Number of Rapidway Lane Kilometres	33.7	33.7	27.3	12.3	12.3
Percentage of regional roads with sidewalks and/or dedicated bike lanes in urban areas (3)	86.0%	85.0%	84.0%	88.0%	Data not Available
Percentage of on-time performance on all transit routes	95.6%	94.7%	91.5%	91.5%	94.1%
Transit Ridership per Capita	8.9	9.5	19.8	20.0	20.8
Environment					
Number of Trees and Shrubs Planted Annually Through the Regional Greening Strategy Program	92,154	60,539	102,332	101,122	85,464
Percentage of Solid Waste Diverted from Landfill	92%	93%	94%	94%	93%
Number of per capita greenhouse gas emissions across Regional Operations	53.7	55.5	65.4	65.2	64.8
Number of megalitres of treated water consumed per 100,000 population	10,245	10,368	10,004	9,855	9,605
Annual Water Flows (Thousands of Cubic Metres)	124,487	124,112	118,718	115,730	111,425
Annual Wastewater Flows (Thousands of Cubic Metres)	121,763	121,247	116,354	113,476	108,824
Total Kilometres of Water Distribution/Transmission Pipe	360	360	360	360	364
Total Kilometres of Wastewater Mains	370	360	360	357	356
Demographics					
Population	1,228,180	1,213,602	1,202,535	1,191,358	1,168,597
Seniors Population (4)	179,314	177,075	175,460	174,588	141,316
Households	394,482	388,474	382,571	377,600	367,916
Average Household Income	\$139,281	\$132,902	\$131,979	\$129,139	\$126,607

Notes:

- 1) As approved in the annual budget.
- 2) Based on Statistics Canada Information.
- 3) Data collected beginning 2018.
- 4) Residents of York Region over age 65.



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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Regional Municipality of York

Opinion

We have audited the financial statements of the sinking fund of The Regional Municipality of York (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of financial activities and change in fund balance for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations and its change in fund balance for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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



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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 27, 2022

THE REGIONAL MUNICIPALITY OF YORK

Sinking Fund Statement of Financial Position As at December 31, 2021

	2021 \$	2020 \$
FINANCIAL ASSETS		
Cash	62,036,446	128,445,196
Investments – at amortized cost (Note 1)	795,266,800	696,160,897
Interest receivable	-	2,308,892
Total Assets	857,303,246	826,914,985
LIABILITIES		
Actuarial requirement for retirement of the sinking fund (Note 2)	803,612,437	778,901,649
Fund balance	53,690,808	48,013,336
Total Liabilities and Fund Position	857,303,246	826,914,985

THE REGIONAL MUNICIPALITY OF YORK

Sinking Fund Statement of Financial Activities and Change in Fund Balance For the year ended December 31, 2021

	Budget \$	2021 \$	2020 \$
REVENUE			
Local Municipalities	2,607,420	2,607,420	2,607,420
Regional Corporation	182,239,407	182,239,407	149,854,735
	184,846,827	184,846,827	152,462,155
Interest and capital gains	19,864,036	25,876,405	34,998,257
	204,710,863	210,723,232	187,460,412
EXPENSES			
Actuarial requirement for the year	(204,710,863)	(204,710,863)	(172,093,906)
Payments to Regional Corporation	-	(334,897)	(853,425)
Change in Fund Balance	-	5,677,472	14,513,081
Opening Fund Balance	48,013,336	48,013,336	33,500,255
Closing Fund Balance	48,013,336	53,690,808	48,013,336

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

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Sinking Fund Financial Statements December 31, 2021

The Regional Municipality of York's sinking fund is a separate fund maintained for the purpose of providing periodic repayments of all debts to be retired by means of sinking funds.

1) INVESTMENTS

All investments are recorded at cost, price adjusted annually for amortization of discount or premium on a present value basis as determined at the time of purchase with the amount of such amortization included in the interest earned on the Statement of Financial Activities and Change in Fund Balance. The investments have a market value of \$873,719,958 (2020 - \$883,753,574).

2) ACTUARIAL REQUIREMENTS

The actuarial requirements of the sinking fund represent the amounts levied during the year as set out in the sinking fund debenture by-law plus interest thereon capitalized at a rate of 1.5%, 1.6%, 2.0% or 3.0% per annum compounded annually. Any excess revenue over these requirements is included in the sinking fund balance.

3) MANAGEMENT ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and fund balance at the reporting date and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. In particular, there is significant judgement applied in determining actuarial requirements for Sinking Funds.



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INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Regional Municipality of York

Opinion

We have audited the financial statements of residents' trust fund and donation account of The Regional Municipality of York (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of financial activities for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

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

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



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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.



Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 27, 2022

THE REGIONAL MUNICIPALITY OF YORK

Residents' Trust Funds and Donation Account Statement of Financial Position As at December 31, 2021

	Trust \$	Donation \$	2021 \$	2020 \$
FINANCIAL ASSETS				
Cash	247,785	37,566	285,351	286,357
Residents' petty cash	6,500	-	6,500	6,500
Total Assets	254,285	37,566	291,851	292,857
Fund Balances	254,285	37,566	291,851	292,857

THE REGIONAL MUNICIPALITY OF YORK

Residents' Trust Funds and Donation Account Statement of Financial Activities and Fund Balances Year ended December 31, 2021

	Trust \$	Donation \$	2021 \$	2020 \$
Fund balances, beginning of year	256,214	36,643	292,857	215,010
Source of funds:				
Deposits on behalf of residents	334,720	620	335,340	328,470
Interest earned on deposits	-	303	303	412
	334,720	923	335,643	328,882
Use of funds:				
Withdrawals	(336,649)	-	(336,649)	(251,035)
Net activity	(1,929)	923	(1,006)	77,847
Closing fund balance	254,285	37,566	291,851	292,857

The accompanying notes are an integral part of these Consolidated Financial Statements.

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Residents' Trust Funds and Donation Account
Statement of Financial Position and Financial Activities
December 31, 2021

1) ACCOUNTING POLICIES

- a) These financial statements reflect the financial activity and financial position of funds held in trust by the Regional Municipality of York (the 'Region') for residents of Newmarket Health Centre and Maple Health Centre, and funds donated to the facilities.
- b) Funds held in trust and monies received by way of donation are invested by the Region on behalf of the residents. Interest is credited to the funds based on the average yield earned by the Region on its investments.

2) BASIS OF ACCOUNTING

- a) Cash and investments are recorded at cost.
- b) Deposits on behalf of the residents are reported upon receipt and interest income is reported on the accrual basis of accounting. Withdrawals are reported in the period in which they are made.



HOW TO CONTACT US

For information on York Region services and programs, please call Access York 1-877-464-9675

Accessible formats or communication supports are available upon request.

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