

## Report of Mary-Frances Turner, President

### 2021 Draft Annual Audited Financial Statements

#### Recommendation

1. The Board of Directors approve the annual Audited Financial Statements of the Corporation for the fiscal year ending December 31, 2021, together with the signed report of the auditors KPMG LLP, as presented, to be submitted to the Shareholder at its Annual General Meeting on June 30, 2022.
2. The Treasurer of the Corporation be authorized to sign the annual audited financial statements on behalf of the Board for submission to the Shareholder at its Annual General Meeting.

#### Summary

This report provides the Board of Directors the 2021 annual Audited Financial Statements of the Corporation, together with the auditors' report from KPMG LLP, as provided in Attachment 1. Once approved, the statements and report will be submitted by the Corporation to the Shareholder and consolidated in the annual Audited Financial Statements of the Regional Municipality of York for the fiscal year ending December 31, 2021, as has been done in previous years.

#### Background

##### **York Region Rapid Transit Corporation is required to prepare and present annual Audited Financial Statements for the preceding fiscal year at the Annual General Shareholder Meeting**

- The annual Audited Financial Statements are prepared in accordance with generally accepted accounting principles (GAAP)
- YRRTC is required to present the annual Audited Financial Statements to the YRRTC Board of Directors for approval and presented to the Region as Shareholder, by no later than June 30th of each year, at the Annual General Shareholder meeting
- The auditing firm preparing the annual Audited Financial Statements for YRRTC is the same as the Region's auditing firm
- Pursuant to regulatory and legislative requirements, York Region as shareholder must meet annually to approve the annual audited financial statements of YRRTC for the previous

fiscal year. Auditors for YRRTC for the next fiscal year; number of directors on the Board of Directors and appoint directors are also determined at the Shareholder meeting.

## Analysis

### The 2021 annual Audited Financial Statements provide information about the financial position, operations and changes in financial position of YRRTC

- The 2021 annual Audited Financial Statements of YRRTC, which have been prepared in accordance with GAAP established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada), include:
  - Independent Auditors' Report
  - Statement of Financial Position - Balance Sheet
  - Statement of Operations - Income Statement
  - Statement of Cash Flows
  - Notes to Financial Statements
- YRRTC's 2021 annual Audited Financial Statements, as audited by external auditors, will be consolidated in the 2021 Financial Statements of the Regional Municipality of York, pursuant to the report from the Commissioner of Finance expected in June 2022
- Table 1 shows the breakdown of the operational financial activities for 2021:

**Table 1 - 2021 Operational Financial Activities**

	2021 (\$000's)
Revenue:	
Program Management Fee	4,324
Expenses:	
York Region Rapid Transit Program Management	14,398
Regional Municipality of York Corporate Allocation	1,307
Operating Recoveries	(11,381)
<b>Total Expenses</b>	<b>4,324</b>
Surplus (deficit), end of year	-

## Conclusion

- The Corporate governance requirements of the Corporation are governed by the Ontario Business Corporations Act (OBCA)
- The Board of Directors is required to formally approve the annual audited financial statements

- OBCA sections 154 and 159 requires the Directors to provide the approved and signed annual Audited Financial Statements at the Annual General Shareholder Meeting within six (6) months of the Corporation's year-end
- The Annual General Shareholders Meeting is scheduled for June 30, 2022

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For more information on this report, please contact Chad McCleave, Vice President, Finance and Treasurer, York Region Rapid Transit Corporation, at 289-763-2736. Accessible formats or communication supports are available upon request.

Recommended by:

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Mary-Frances Turner  
President, YRRTC

April 13, 2022  
Attachment (1)  
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