



2023 COMMUNITY REPORT

For the year ended December 31, 2023
The Regional Municipality of York
Ontario, Canada

york.ca



York Region



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Prepared by Corporate Services and Finance

The logo for York Region, featuring a stylized white bird or wing icon above the text "York Region" in a white serif font. The logo is positioned on a green and yellow abstract background.

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 that York Region is located on the traditional territory of many Indigenous Peoples including 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. Today this area is home to many diverse Indigenous Peoples, and we recognize their history, spirituality, culture and stewardship of this land. We also acknowledge the Chippewas of Georgina Island First Nation as our closest First Nation community.

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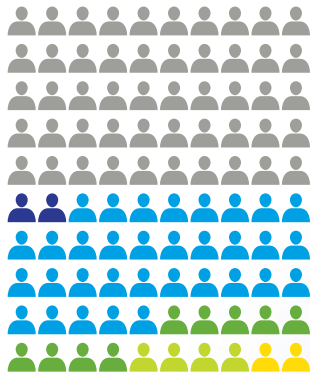
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YORK REGION AND OUR COMMUNITIES



DIVERSE

If York Region were a village of **100 PEOPLE**

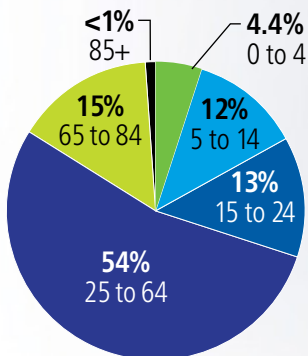


- 50 villagers would be born in Canada
- 2 villagers would be a non-permanent resident

48 villagers would be born outside of Canada, of these:

- 33 would be born in Asia
- 9 would be born in Europe
- 4 would be born in the Americas (including North, South and Central)
- 2 would be born in Africa

Years Old



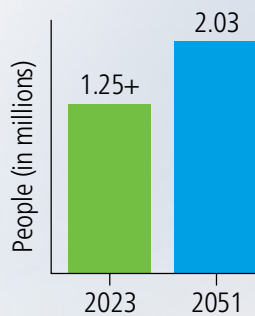
GROWING

During 2023, population in York Region reached

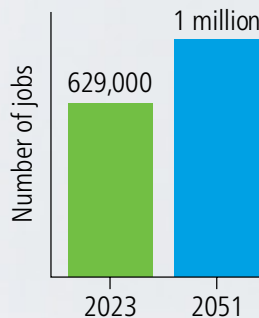
1.26 MILLION

Highest percentage growth since 2018 at **1.5%**

Population Growth*



Employment Growth*



*Source: Ontario's Growth Plan



EDUCATED

73%

of York Region's population have a post secondary education



The 2nd highest educated population in the Greater Toronto and Hamilton Area



HARD WORKING



57,000 BUSINESSES

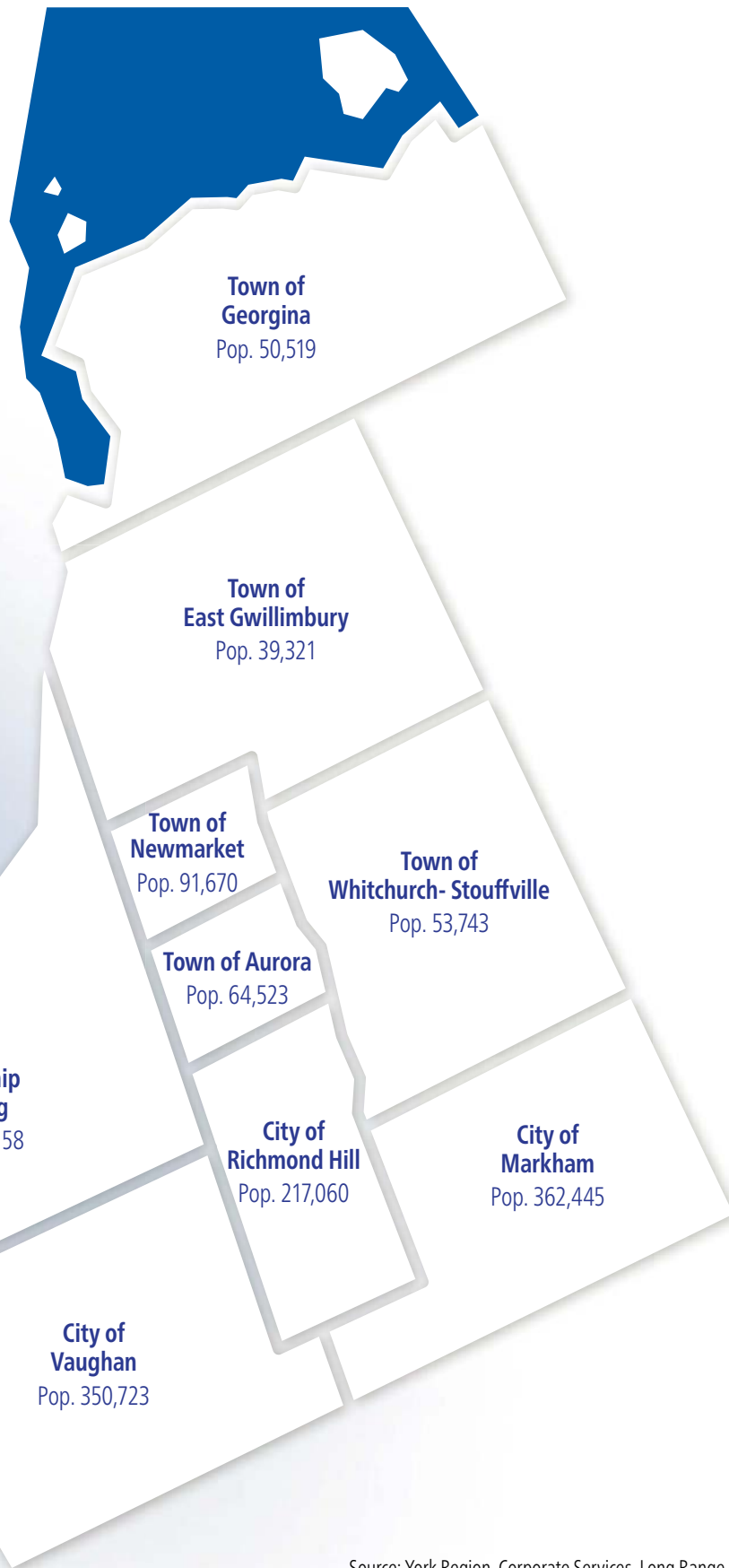
629,000 JOBS





COMPRISED OF
9 MUNICIPALITIES

Total population estimate
1,258,161
(as of December 31, 2023)



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

THE REGIONAL MUNICIPALITY OF YORK

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 members of Regional Council at the first meeting of each term and serves a four-year term.

The 22-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
- Finance and Administration
- Planning and Economic Development
- Public Works – Environmental Services
- Public Works – 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.

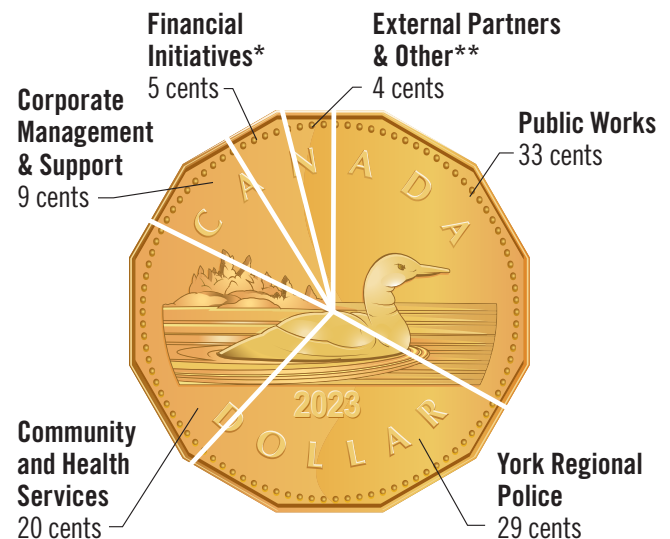
The following boards and corporations oversee and operate with varying degrees of Council oversight:

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

York Region Budget

Each year, Regional Council approves the annual budget in alignment with the multi-year budget process. For 2023, the York Region budget was \$3.96 billion and included \$3.06 billion to maintain and operate York Region services and \$894 million in capital project funding.

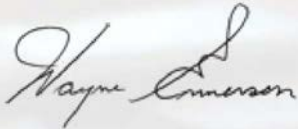
Tax Levy Funding



* Financial Initiatives includes the Rapid Transit / Infrastructure Levy
 ** Other includes Court and Tribunal Services, YorkNet and York Region Rapid Transit Corporation

YORK REGIONAL COUNCIL

"The 2023 Community Report highlights the collective efforts of York Regional Council, York Region staff and community partners to support strong, caring, safe communities for all who choose to live, work and do business in York Region. I extend my thanks to Regional Council, our local municipal partners and staff for their exceptional work over the past year. Together, we will continue to build a York Region future generations will want to call home."



Wayne Emmerson
Chairman and CEO
The Regional Municipality of York



Mayor
Frank Scarpitti
City of Markham

Regional Councillor
Michael Chan
City of Markham

Regional Councillor
Jim Jones
City of Markham

Regional Councillor
Joe Li
City of Markham

Regional Councillor
Alan Ho
City of Markham

Mayor
John Taylor
Town of Newmarket

Regional Councillor
Tom Vegh
Town of Newmarket



Mayor
Steven Del Duca
City of Vaughan

Regional Councillor
Linda Jackson
City of Vaughan

Regional Councillor
Mario Ferri
City of Vaughan

Regional Councillor
Gino Rosati
City of Vaughan

Regional Councillor
Mario G. Racco
City of Vaughan

Mayor
Margaret Quirk
Town of Georgina

Regional Councillor
Naomi Davison
Town of Georgina



Mayor
David West
City of Richmond Hill

Regional Councillor
Godwin Chan
City of Richmond Hill

Regional Councillor
Joe DiPaola
City of Richmond Hill

Mayor
Tom Mrakas
Town of Aurora

Mayor
Virginia Hackson
Town of East
Gwillimbury

Mayor
Steve Pellegrini
Township of King

Mayor
Iain Lovatt
Town of
Whitchurch-Stouffville

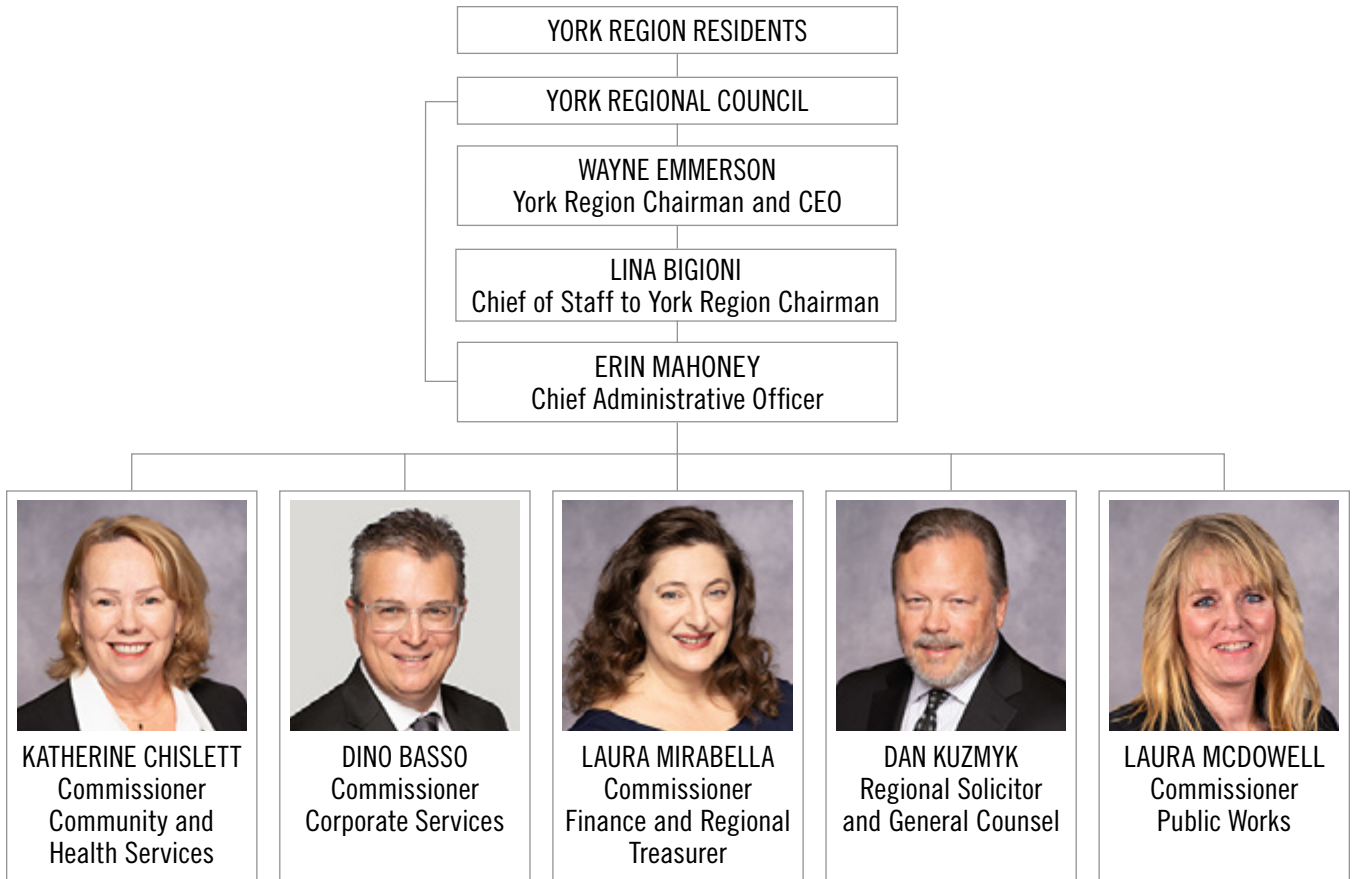


CHIEF ADMINISTRATIVE OFFICER AND SENIOR LEADERSHIP TEAM

"On behalf of York Region's Senior Management Team and more than 5,000 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 2023 Community Report. This report outlines key achievements from year one of the 2023 to 2026 Strategic Plan and the 2023 Budget, along with a comprehensive view of the consolidated financial statements. The programs and services featured throughout this report represent the dedication and commitment of York Regional Council, staff, municipal partners and community stakeholders in maintaining the quality of life we all come to expect in York Region."

Erin Mahoney
Chief Administrative Officer
The Regional Municipality of York

YORK REGION ORGANIZATIONAL STRUCTURE





York Region Administration

The Chief Administrative Officer (CAO) oversees the Senior Management Team responsible for providing 15 core services to residents and businesses in addition to providing financial, technical, property, legal, administrative and human resource services.

Delivering quality services in 15 core business areas



Children's Services



Community Housing



Court Services



Development Services



Economic Development



Forestry



Long-Term Care



Paramedic Services



Police Services



Public Health



Regional Roads



Social Assistance



Transit



Waste Management

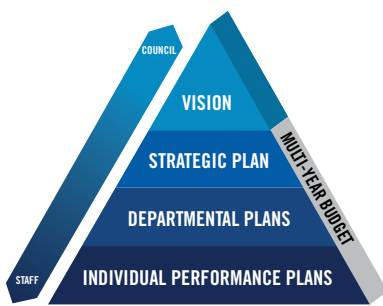


Water

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

STRONG, CARING, SAFE COMMUNITIES

York Region releases a series of plans, reports and strategies that help Regional Council make decisions, set policies and plan for the future.



Accountability Framework

York Region adheres to an accountability framework focused on turning our plans into action to achieve Council's commitments to our communities. The framework provides clarity on how York Region's Vision, Strategic Plan, Multi-Year Budget, Departmental Plans and Individual Performance Plans align. In 2023, York Region received the Goodman Award for Excellence in Strategy, commending the Region for its accountability framework.



Vision

In November 2021, Regional Council approved its renewed Vision, reaffirming their commitment to building strong, caring, safe communities. Vision outlines four areas of focus for our community and community indicators towards achieving this vision.



Strategic Plan

The Strategic Plan is a four-year administrative plan that guides York Region towards Regional Council's Vision. In February 2023, Council approved the 2023 to 2027 Strategic Plan, capturing four priorities:

- Foster Economic Prosperity
- Support Community Well-Being
- Drive Environmental Stewardship
- Efficiently Deliver Trusted Services

This plan coincides with the Region's multi-year budgeting process and aligns with the 2022 to 2026 term of Council to ensure the organization continues to make progress on serving our communities. Progress on the Strategic Plan is reported to Council annually, with 2023 performance results outlined on pages 14 and 15 of this report.



Multi-Year Budgets

York Region's multi-year budget outlines the resource allocation and fiscal planning for the Council term in alignment with the Strategic Plan and Departmental Plans.



Departmental Plans

Each of York Region's six department areas develop business planning documents that focus on the specific services within the Region. Departmental plans are informed by the Regional Official Plan, master plans, Council direction, Federal and provincial directives and regulatory legislative requirements.

Individual Performance Plans

Organization-wide, individual staff complete annual performance plans to identify performance objectives and actions in alignment with departmental plans.



Environmental, Social and Governance Strategies

Over the last several years, municipal governments around the world have been developing Environmental, Social and Governance (ESG) strategies. This global movement calls on municipal councils to evaluate their decisions through an ESG lens, in an effort to better mitigate risks and identify opportunities.

York Region began developing its ESG strategy in 2023. Once complete, the strategy will closely align with the areas of focus of Vision and the Region's Strategic Plan. In 2024 and beyond, work will focus on integrating ESG considerations into longer-term processes such as procurement, external reporting, budget and business planning.

2023 TO 2027 STRATEGIC PLAN YEAR 1 (2023) PROGRESS REPORT

In 2023, 34 of 48 (71%) Strategic Plan performance measures trended in the desired direction. The measures reported on the following pages help demonstrate York Region's specific contribution to the well-being of our communities through the delivery of 15 core programs and services. Performance measures provide a clear and transparent way to track progress towards the goals set by this term of Regional Council.



ECONOMIC VITALITY

Priority: Foster Economic Prosperity

Objectives	Performance Measures	Service Area	Historical Data				Year 1 2023	Baseline Trend
			2019	2020	2021	2022		
1. Attract and retain businesses, grow employment opportunities and attract a skilled workforce	Maintain % of business engagements resulting in business retention, expansion and attraction (Minimum annual threshold of 35%)		53%	61%	52%	46%	41%	
	Increase # of kilometres of YorkNet fibre network		84.7	115.7	86.3	53	190.0	
2. Invest in a safe, effective transportation system that connects people, goods and services	Maintain # of York Region Transit service passenger trips per capita		19.9	9.4	8.9	13.8	17.7	
	Maintain % of on-time performance on all transit routes		91.48%	94.74%	95.65%	95.09%	94.07%	
	Increase % of residents satisfied with York Region Transit	66%	73%	70%	64%	64%		
	Increase # of people living and jobs within 500 metres of a transit stop		257,000	265,000	272,300	305,000	314,300	
	Maintain % of traffic signals reviewed and optimized annually		16%	Data not available for reporting		7%	16%	
	Increase % of residents satisfied with Regional roads		53%	72%	65%	63%	61%	
	Increase % of regional roads with sidewalks and / or dedicated bike lanes in urban areas		84%	85%	86%	86%	86%	
Increase % of court services defaulted collection rate (Collection on unpaid Provincial Offences Act (POA) fines)		Data not available for reporting		41%	38%	48%		



HEALTHY COMMUNITIES











Priority: Support Community Well-Being

Objectives	Performance Measures	Service Area	Historical Data				Year 1 2023	Baseline Trend
			2019	2020	2021	2022		
1. Protect and promote residents' well-being	Increase % of 17-year-old students in compliance with <i>Immunization of School Pupils Act</i> among designated cohorts of students		92%	Data not available for reporting			35%	
	Maintain Paramedic response time for emergency response services to meet Council approved targets (CTAS 1 Patients - Paramedics arriving on scene within target time of 8 minutes)		76%	76%	75%	74%	76%	
	Maintain % of residents satisfied with York Region Paramedic Services		91%	91%	91%	88%	92%	
	Maintain % of York Region long-term care (Newmarket and Maple Health Centres) residents overall rating the home as good or better		98.6%	100.0%	93.0%	94.0%	99.0%	
	Increase # of regulated child care spaces in York Region per 1,000 children (12 and under)		336	337	368	369	372	
	Increase % of individuals and families remaining stably housed after six months who were at risk of homelessness		83%	81%	74%	81%	79%	
	Decrease # of monthly social assistance cases per 100,000 households		1,977	2,087	1,751	2,155	2,605	
2. Support safe communities	Maintain % of residents that rate York Region as a safe place to live		95%	96%	95%	93%	91%	
	Maintain Police emergency (Priority 1) response time (in minutes)		6:50	6:44	6:52	7:06	7:21	
	Maintain % of residents satisfied with York Region Police Services		85%	86%	86%	85%	83%	
	Maintain % of municipal drinking water samples meeting Ontario Drinking Water Standards		100.00%	99.98%	100.00%	100.00%	99.98%	
	Maintain % of residents satisfied with York Region's drinking water		86%	89%	86%	85%	84%	
3. Sustain and increase affordable housing choices	Increase # of community housing units administered by York Region		6,940	6,841	6,717	6,717	6,982	
	Increase # of rent benefits administered by York Region to support housing affordability based on household income		5,282	5,527	5,610	5,940	6,334	
	Percentage of Housing York Inc. survey respondents satisfied with Housing York Inc.'s services		Data not available for reporting			80%	75%	
	Increase # of units in planning and development at a stage ready for implementation based on funding, including Housing York Inc. and non-profit housing providers partnering with the Region		556	420	443	825	563	

2023 TO 2027 STRATEGIC PLAN YEAR 1 (2023) PROGRESS REPORT



















SUSTAINABLE ENVIRONMENT

Priority: Drive Environmental Stewardship

Objectives	Performance Measures	Service Area	Historical Data				Year 1 2023	Baseline Trend
			2019	2020	2021	2022		
1. Deliver and promote environmentally sustainable services	Maintain % of wastewater receiving treatment		100.00%	99.97%	99.99%	99.99%	99.99%	
	Decrease # of megalitres of treated water consumed per 100,000 population		10,004	10,368	10,245	10,596	10,356	
	Maintain % of residential solid waste diverted from landfill		94%	93%	92%	94%	94%	
	Decrease # of tonnes of greenhouse gas emissions across Regional operations per capita		65.40	55.50	53.70	57.00	57.10	
2. Enhance and preserve green space	Maintain # of trees and shrubs planted annually through the Regional Greening Strategy Program		102,332	60,539	92,154	110,391	116,175	
	Increase % of residents satisfied with York Region Forestry		78%	79%	75%	75%	80%	
	Increase # of total hectares of environmental lands secured through the land conservation program (since 2001)		1,405	1,405	1,547	1,560	1,560	

GOOD GOVERNMENT

Priority: Efficiently Deliver Trusted Services

Objectives	Performance Measures	Service Area	Historical Data				Year 1 2023	Baseline Trend
			2019	2020	2021	2022		
1. Improve customer experience by leveraging digital transformation	Increase % of residents that agree their interaction with York Region was easy		84%	87%	83%	80%	75%	
	Increase % of surveyed residents who would speak positively about their experience with York Region staff		77%	77%	73%	69%	69%	
	Decrease % of York Region staff reports on revised Council and Committee meeting agendas		5%	10%	11%	16%	8%	
	Increase % of contact centre's customer transactions through a digital channel		Data not available for reporting				56%	
	Increase # of services that can be completed online (self-serve)		36	38	44	39	45	
2. Deliver fiscally responsible services	Maintain comparative dollar of operating cost per unit of service *		-	-	-	\$1.00	\$1.04	
	Maintain % of reserves to net debt ratio (minimum 120%)		111%	126%	157%	190%	209%	
	Increase % of invoices paid within 30 days		61.0%	65.7%	69.5%	73.3%	78.7%	
	Maintain % of York Region residents rating 'Good' value for taxes		80%	86%	85%	78%	73%	
	Maintain % of Regional core assets (Water/Wastewater, Roads) with a condition assessment rating of fair or better condition		87%	86%	86%	91%	Data available in July	
	% of goods and services purchased through a centralized procurement process		29.54%	20.76%	81.40%	89.40%	56.60%	
3. Attract and retain a skilled workforce	Maintain % of overall permanent voluntary employee turnover		3.9%	3.6%	4.6%	5.3%	4.2%	
	Maintain % of new hire success rate (1-year retention in position)		92%	91%	92%	88%	90%	
	Increase % of permanent employees job promotion rate		3.9%	4.2%	4.4%	5.2%	4.9%	
	% of overall job satisfaction		Data not available for reporting					

*NOTE: 2022 is set as baseline year (of \$1.00). Trend information determined based on comparing to inflation. 2023 data may be subject to change based on finalized FIR data.

 = Trending in the Desired Direction  = Trending in the Desired Direction  = Data Not Available for Reporting  = No Trend Information

Note: Performance measure data from 2020 to 2022 may have been impacted due to COVID-19 Pandemic

For more information visit york.ca/stratplan



ECONOMIC VITALITY



Regional Council's commitment to Economic Vitality focuses on what is needed to encourage and sustain the economic growth and vitality of the Region, including transportation networks that connect people, goods and service. This is achieved by attracting and retaining business and a skilled workforce, growing employment opportunities, investing in a safe and reliable transportation network and building complete and connected communities.

In 2023, growth in residential construction, particularly in urban growth centres, combined with a 1.5% population growth rate and key infrastructure investments, underscored Regional Council's commitment to fostering innovation and economic activity across all nine cities and towns. These investments included improvement to the Regional road network, capital funding for the Yonge North Subway Extension, expansion of the YorkNet fibre network to underserved communities and capital construction of York University's Markham Centre Campus.









KEY ACCOMPLISHMENTS



-  **1.5% growth** in population
-  **629,000** jobs and **57,000** employer businesses
-  **1%** employment growth
-  Participation in **2023 Collision Conference**, showcasing York Region's business community on a global stage
-  **9,945** housing completions
-  **11,303** new residential building permits issued
-  **5,000+** residential building permits issued in Regional Centres and Corridors

-  **9,600+** square metres of new retail/office space in Regional Centres and Corridors
-  **\$5.19 billion** total construction value for industrial, commercial, institutional and residential building permits, a 19% increase over 2022
-  Collected more than **\$240 million** in development charges
-  **314,300** people and jobs within 500 metres of transit
-  **36%** increase in York Region Transit ridership

-  **\$72 million** in York Region Transit fare revenue
-  **\$377 million** investment in roads and transportation infrastructure
-  **64%** of users satisfied with York Region Transit
-  **86%** increase in Regional roads with sidewalks and/or dedicated bike lanes
-  **136** new kilometres of YorkNet fibre network
-  Added **87** Regional or municipal connections to the fibre network, including at a new paramedic response station and at the York University Markham Campus



HEALTHY COMMUNITIES



Regional Council promotes Healthy Communities by focusing on livability, health, safety and social well-being. This is achieved by protecting residents, fostering safe environments and expanding affordable housing options across all nine cities and towns. These efforts enable residents to engage in community life, contribute to the economy and access necessary social services and support.

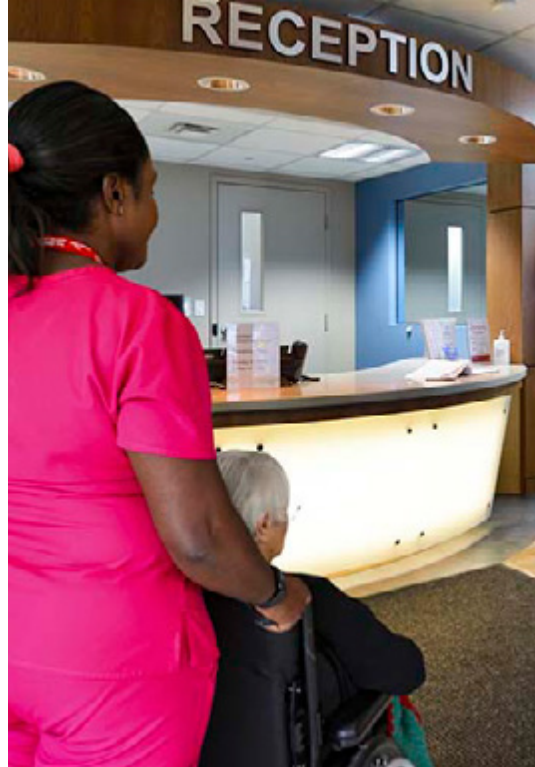
In 2023, numerous key initiatives supported healthy communities. These included designation of additional school zones on the Regional Road network, establishment of immunization catch-up clinics for publicly funded routine vaccinations and implementation of the Province's plan for social





assistance delivery. Efforts to address affordable housing challenges were intensified through innovative approaches, such as a new transitional housing site for youth and adding affordable housing units for seniors. Regional Council also advocated to senior governments for tools and resources to implement further housing solutions.





Infrastructure and resource enhancements were priorities in 2023, with a focus on ensuring clean drinking water, increasing police staffing and enhancing paramedic services. Together, these initiatives and investments support a safe and thriving York Region today and for generations to come.







KEY ACCOMPLISHMENTS



-  **207,710** customer interactions through Access York
-  Administered **62,210** doses of COVID-19 vaccines and **85,397** Grade 7 vaccines required for school attendance
-  York Region paramedics responded to **92,473** incidents and provided **3,276** referrals to agency partners
-  Opened a new **paramedic response station** in the City of Markham

-  Provided **4,000** in-person home visits and virtual visits through Community Paramedics for Long-Term Care Program
-  **3 hours and 15 minutes** of direct daily care provided to each resident of the Region's two long-term care homes
-  Supported **24,727** people through Ontario Works program: **11%** increase over 2022
-  Supported **3,217** residents through Transit Assistance Program, resulting in **311,797** discounted trips

-  **804** vulnerable people provided crisis support and case management
-  Provided **4,720** children with special needs with Early Intervention support
-  More than **12,000** children benefited from EarlyON programs
-  Opened **The Bridge**, a new eight-unit youth transitional housing building in the Town of Georgina



Opened Unionville Commons in the City of Markham with **265** new affordable housing units



Launched **Community Housing Supply Grant Pilot Program** to increase supply of community housing



Engaged **6,000** residents through the Community Safety and Well-Being Plan Community Action Table



Allocated Community Investment Program funding to over **90** agencies, enabling more than **81,000** service interventions with residents



Hosted interim hotel-based housing site for Canada-Ukraine Authorization for Emergency Travel visa holders, supporting **283** people



Through Project Majestic, York Regional Police recovered **\$3.5 million** in stolen vehicles, while Project Money Penny resulted in **42** arrests for gun trafficking



Supporting Community Challenges

Across York Region, a lack of affordable housing supply and a need for support services focusing on addressing homelessness and supporting residents' mental health are increasing.

As York Region's population continues to grow, more residents need support to address complex challenges. Through York Region's 2023 budget, Regional Council approved an additional \$12.8 million annually to provide further support to residents impacted by homelessness, mental health and housing. Throughout 2023, this additional funding helped:

- Expand the Community Investment Fund budget to increase capacity of the non-profit sector to meet residents needs
- Fund six Crisis Intervention and Human Trafficking Counsellors to reduce impacts of crime and trauma
- Fund six mental health projects, including counselling for women experiencing homelessness and survivors of intimate partner violence
- Launch a Community Housing Supply Grant Pilot Program
- Establish a new heat relief plan and expand the Region's cold weather response
- Expand the Rapid Rehousing Program
- Expand the Community Paramedicine Outreach Program





SUSTAINABLE ENVIRONMENT



York Region is home to an abundance of natural resources. As the community grows, Regional Council remains focused on protecting and sustaining our natural and built environment by delivering environmentally sustainable services, encouraging growth in the Region's designated urban city centres, reducing greenhouse gas emissions, preserving greenspace and supporting a clean environment.

To make progress towards these goals in 2023, Regional Council made considerable investments in enhancing green space, clean technology, sustainable infrastructure and water and wastewater innovation to build resilience and protect the health of our environment and our residents.

This includes ensuring high-quality drinking water from various sources, actively participating in source water protection programs and promoting initiatives like the Circular Economy Initiatives Fund to reduce waste and foster behaviour changes.






Efforts towards achieving net-zero greenhouse gas emissions by 2051 are evident through optimizing energy consumption, installing electric vehicle chargers and transitioning to fully electric transit fleets. These endeavours reflect the Region's ambition to cultivate sustainable communities and protect natural resources today and into the future.






KEY ACCOMPLISHMENTS



-  Top scores in water quality, with **100%** of samples meeting provincial standards
-  Achieved **99.98%** in Chief Drinking Water Inspector's Annual Report Card
-  Planted **116,175** trees and shrubs
-  Two properties totalling **145 hectares** (358 acres) of land in negotiations and approvals to protect and enhance natural areas
-  Led **133 outreach events** with **10,701 participants** to inspire stewardship and environmental action

-  Diverted **94%** of waste from landfill
-  Processed over **380,000** tonnes of waste
-  Optimized lighting consumption and utility costs by **50%** at Regional facilities
-  Installed **62** electric vehicle chargers at Region-owned facilities
-  Diverted **125 billion** litres of clean and safe drinking water

-  Added **14** electric buses, **five** fully electric vans and **10** fully electric pick-up trucks to the corporate fleet
-  Secured a new, multi-year contract for **green bin waste** processing that will produce fewer greenhouse gas emissions starting in 2027
-  Developed **strategic defences** against invasive species, including monitoring, removal, treatment and education



GOOD GOVERNMENT



Ensuring reliable, responsive, efficient and fiscally responsible programs and services is fundamental to good government. Corporate management of the Region's 15 core service areas played a central role in York Region's operational and post-pandemic recovery activities throughout the year.

In 2023, Erin Mahoney was appointed as the new Chief Administrative Officer for The Regional Municipality of York, tasked with overseeing daily operations, including 15 core services and more than 5,000 employees.

Under Ms. Mahoney's leadership, the Region continued to prioritize growth enabling infrastructure projects, including water and wastewater infrastructure and the Rapid Transit network expansion, to prepare for future funding opportunities. Additional organizational changes in 2023 included the appointment of a new Indigenous Relations Advisor, further emphasizing the Region's commitment to diversity and inclusion.


Across various departments, significant strides were made to enhance efficiency and compliance. Legal Services revised the Delegation Bylaw and provided crucial legal advice on the implications of federal and provincial legislative changes. Corporate Services advanced its Technology Master Plan, digitized internal processes and completed facility projects. Notably, efforts were directed towards streamlining enforcement procedures through the Administrative Penalty Tribunal program and Digital Roadmap initiatives, aiming to improve accessibility and justice. Staff training on inclusion and diversity was prioritized, along with the transfer of Part III violations under the Provincial Offences Act, ensuring readiness for evolving business practices and legal responsibilities.


Looking ahead, York Region will continue to work towards the development of safe, sustainable, livable and complete communities built on a foundation of accountability, transparency, trust and fiscal responsibility.



KEY ACCOMPLISHMENTS



 Over **\$7.8 million** in savings and efficiencies identified through the 2023 Budget


 More than **\$500,000** in annual savings by consolidation of two York Region Provincial Offences Courts locations into one location

 Named a **Forbes Best Employer** in Canada


 **1.7 billion** impressions through **1,355** media mentions


 **162,590** subscribers to York Region’s digital channels


 **4,476** subscribers to #yrmatters e-newsletter

 **5.8 million** visits to york.ca, a **10%** increase over 2022

 York Region Mobile app used **910** times

 **1,071,680** views of York Region produced videos

 Implemented online **eChat** for public health services

 Increased number of services that can be completed online by more than **15%**

 **209%** reserve to debt ratio, indicating the Region’s strong financial position

 **34%** increase in people seeking services from Court Administration, with more than **48,000** Provincial Offences Court cases scheduled as hybrid meetings, a **20%** increase from 2022

2023 AWARDS AND RECOGNITIONS

Goodman Award for Excellence in Strategy commending the Region for its accountability framework

Ontario Traffic Council Project of the Year Award for Transportation Master Plan

S&P Global AAA Rating

Government Finance Officers Distinguished Budget Presentation Award

Named to Forbes List of Canada Top Employers 2023

York Regional Police named one of Canada's Top 100 Employers for Young People

Multiple IABC Gold Quill and IABC Ovation Awards, including Corporate Communications Department of the Year

Public Works (Transit) named Big Brothers Big Sisters of Peel York Community Partner of the Year

No Dig North Project of the Year Award for York-Peel Feedermain Repairs

Waste to Resource Ontario 2023 Women of Waste Award presented to Public Works staff

Water Environment Federation Water Systems Challenge Award for the I&I Machine Learning Project

Ontario Public Works Association Operations Hero Award

Ontario Public Works Association Technical Innovation Award for Digital Patrol Tablet

Three Hermes Creative Platinum Awards and seven Hermes Creative Gold Awards for various communications campaigns

Three MarCom Platinum Awards and three MarCom Gold Awards for excellence and creativity in marketing and communications

Ontario Award for Police Bravery presented to York Regional Police Staff Sergeant David Mitchell and York Regional Police Constable Mark Burnett

2021

2022



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Canadian Award for Financial Reporting

Presented to

The Regional Municipality
of York, Ontario

Jeffrey R. Blum

Executive Director / CEO





Laura Mirabella, FCPA, FCA
Commissioner of Finance and
Regional Treasurer

THE REGIONAL MUNICIPALITY OF YORK TREASURER'S REPORT

Reflecting The Regional Municipality of York's strong commitment to fiscal prudence, results for the year ended December 31, 2023, show continued strengthening of the Region's balance sheet. Spending in 2023 supported important priorities that advanced the Region's Vision of strong, caring, safe communities.

Financial results in this report are presented on a full accrual basis of accounting, and a comparable budget is published in the "Accrual Budget Presentation" chapter of the 2023 budget book.

The Region's 2023 revenues exceeded expenses, resulting in an annual surplus of \$766.6 million, \$248.0 million higher than expected in the budget. Financial assets, including investments, increased by \$443.8 million.

The annual surplus resulted from the Region's operating surplus, net investments in capital assets, and saving for future needs through reserve contributions. The Region's reserves increased by \$591.1 million to a balance of \$5.4 billion at the end of 2023. Reserves are a significant component of the \$10.7 billion accumulated surplus at the end of 2023, up from \$10.0 billion in 2022. This demonstrates Council's commitment to long-term financial sustainability while balancing current and future residents' needs as outlined in its Fiscal Strategy.

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



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

TREASURER'S REPORT

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

- Outlining the strategic framework guiding the Region's financial management
- Highlighting the Region's financial performance in 2023
- Discussing financial results for 2023 compared to 2022 and the 2023 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. They describe the Region's financial position at the end of the year and show how it changed from the previous year and where relevant, from the budget. The notes that follow the financial statements 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, 2023.

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. The statement also shows the impact of this difference on the Region's accumulated surplus. Revenues exceeded expenses in the year ended December 31, 2023, resulting in an annual surplus that increased the accumulated surplus.

Consolidated Statement of Change in Net Financial Assets

This statement reconciles the change in net financial assets for the current and prior year. This statement previously recorded changes in net debt. Under public sector financial reporting in Canada, "net debt" is defined as the difference between a reporting entity's financial assets and its liabilities. By year-end 2021, the Region's financial assets were greater than its liabilities, so it no longer had net debt to report and it remained in this position in 2023. In some contexts, the Region uses "net debt" to mean its issued debt, excluding borrowings on behalf of local municipalities and net of sinking fund assets. This differs from the public sector reporting definition.

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 segregated and audited annually, as required by the *Municipal Act, 2001*. 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.
- 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 these funds.

STRATEGIC FRAMEWORK

For the 2023 fiscal year, the main elements guiding the Region's financial management were:

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

Vision and The 2023-2027 Strategic Plan

The 2023 budget was developed with long-term direction set out in *Vision*, the Region's long-term blueprint for strong, caring, safe communities.

Every four years, to coincide with the new term of Regional Council, the Region develops a four-year Strategic Plan with the purpose of turning *Vision* and related goals into day-to-day activities. Priorities of the 2023-2027 Strategic Plan are foster economic prosperity, support community well-being, drive environmental stewardship and efficiently deliver trusted services.

2023 Budget

The Regional budget provides the financial framework to accomplish the Strategic Plan and achieve the long-term *Vision*.

Multi-year budgeting is a vital aspect of the financial framework. At the start of the 2022-2026 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. The 2023 budget, with outcomes reported here, represented the first year of the multi-year budget.

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

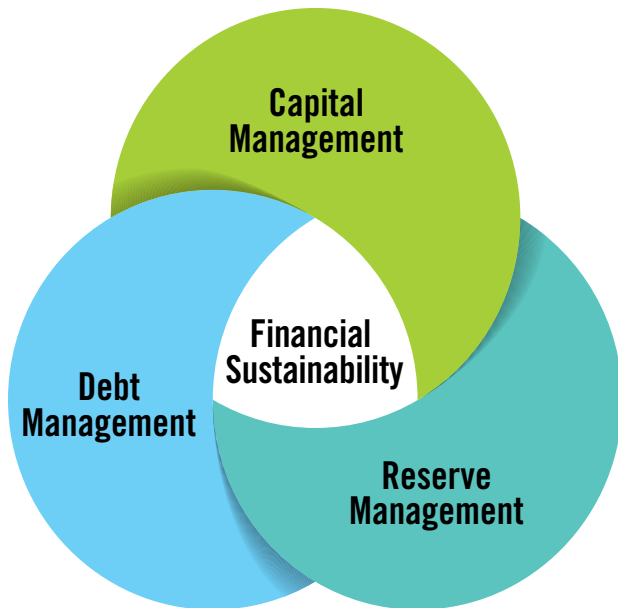
The Region's budget shows major cash inflows and outflows and determines the tax levy needed to achieve the balance between both. It gives decision-makers and other readers a clear picture of expected sources of cash resources and how they will be applied to all activities, including capital and operating spending, to meet current and future needs.

This annual report provides a set of statements on a 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 2023 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.



INTERGENERATIONAL EQUITY

This 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 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. While development charges are the main source of funding for growth-related projects, debt is used to bridge the time between spending on infrastructure and collecting development charges. Aligning and phasing delivery of projects is key to mitigating the financial risks associated with planning for growth and paying for the required infrastructure.

Reserves are funds built up and accessed over time for specific purposes, including paying capital-related costs to avoid issuing debt. Under its fiscal 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 and updated in May 2024, provides guidance on the size and timing of 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.

2023 HIGHLIGHTS

In 2023, pandemic-related pressures on the Region’s budget eased significantly. Revenue increased as transit fares, which had declined sharply, continued to recover. Some pandemic-related spending also went down.

At the same time, pandemic-related support from senior governments tapered off while high rates of inflation and continuing supply chain disruptions pushed many costs up. Despite these factors, careful management of its own activities allowed the Region to remain in a strong financial position in 2023.

On full accrual basis of accounting, by year-end York Region had:

- Increased its net financial assets by \$525.1 million to reach a balance of \$1.3 billion
- Recorded an annual surplus of \$766.6 million, increasing its accumulated surplus to \$10.7 billion
- Continued to save for future needs including debt servicing costs and asset replacement needs by adding \$591.1 million to reserves, increasing the balance to \$5.4 billion
- Increased tangible capital assets by \$214.9 million, recording a total of \$9.4 billion

CHANGES IN FINANCIAL POSITION

The Consolidated Statement of Financial Position gives a picture of the Region’s balance sheet on December 31, 2023. The table below provides a summary.

Consolidated Statement of Financial Position

(\$ Millions)	2023 Actual	2022 Actual	Variance	% Change
Financial Assets	6,861.4	6,417.5	443.8	6.9%
Liabilities	5,539.7	5,620.9	(81.3)	(1.4%)
Net Financial Assets	1,321.7	796.6	525.1	65.9%
Tangible Capital Assets	9,364.6	9,149.7	214.9	2.3%
Other Non-Financial Assets	57.1	30.4	26.7	87.8%
Accumulated Surplus	10,743.4	9,976.7	766.6	7.7%

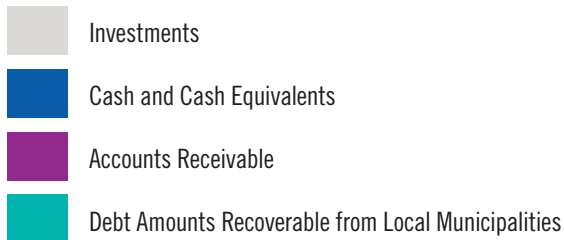
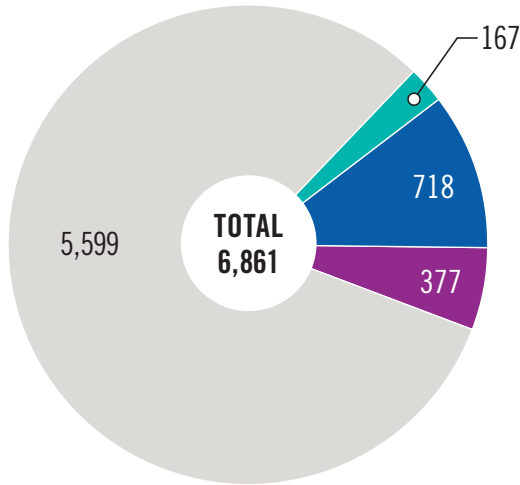
Note: numbers may not add due to rounding

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 2023 statement shows an accumulated surplus.

FINANCIAL ASSETS RISE BY 6.9 %

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:

FINANCIAL ASSETS \$(MILLIONS)



Note: numbers may not add due to rounding

These assets totaled \$6.9 billion at the end of 2023, up by \$443.8 million or 6.9% from the previous year, largely reflecting the Region’s commitment to building reserves through the Regional Fiscal Strategy. The major change was an increase of \$588.0 million in longer-term investments, partially offset by a decrease of \$89.6 million in cash and cash equivalents and \$84.8 million in accounts receivable. The discussion of major sources and uses of cash that follows provides further details.

TANGIBLE CAPITAL ASSETS

The 2023 budget included a capital plan of \$894.1 million for the year. Under Public Sector Accounting Standards \$707.5 million was classified as planned spending on tangible capital assets with the balance allocated to capital-related operating expense.

By year end, \$578.0 million or 81.7% of the accrual-based capital plan was spent.

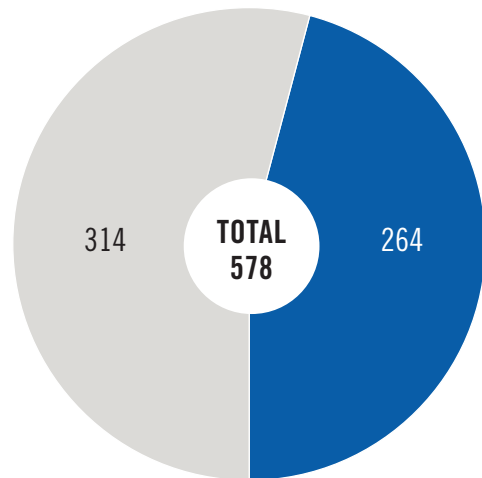
Underspending was largely due to:

- Supply chain issues, construction and tender delays for Community and Health Services projects
- Longer-than-anticipated site plan approvals and tender delays to accommodate financing needs for Public Works projects
- Design rework and delays in finalizing funding agreements for YorkNet projects

Savings related to lower than forecasted bus rapid transit (BRT) land transaction costs and project delays in General Government. Despite these factors, the share of plan spent was slightly higher than in recent years. As the graph below shows, more than 50% of the spending went to renewing and/or replacing existing assets. This work was largely funded by asset management reserves. The balance of investment was on growth-related projects. The growth-related portion was largely funded by development charges and \$104.5 million in new borrowings.

TANGIBLE CAPITAL ASSETS: 2023 CAPITAL SPEND

\$(MILLIONS)



Financial reporting makes a distinction between “assets under construction” and “assets in use.” As assets are completed and go into service, the cost of building and/or acquiring them is moved from the “assets under construction” account to the appropriate category of “assets in use.” Note 15 to the Consolidated Financial Statements shows these categories and their values at year end.

Assets under construction totalled \$1.4 billion at the end of 2023. The table below lists the five largest additions to assets under construction, along with the figure projected in the 2023 capital budget.

2023 Top 5 Capital Spend \$(Millions)			
Project	Service Area	Additions	Capital Budget ⁽¹⁾
Road Asset Renewal and Replacement	Transportation Services	57.1	53.3
55 Orlando Garage Expansion	Transportation Services	32.2	32.0
16th Avenue Sewer Rehabilitation Phase 2	Environmental Services	28.6	28.4
Humber Sewage Pumping Station	Environmental Services	27.9	26.7
Conventional Bus Replacement	Environmental Services	25.6	23.6

(1) Capital budget is based on the 2023 budget approved by Council on February 23, 2023 and in-year reallocations.

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

Several projects were completed in 2023, with related assets put into use. The table below lists the five largest additions to assets in use and the year that work first began on the project.

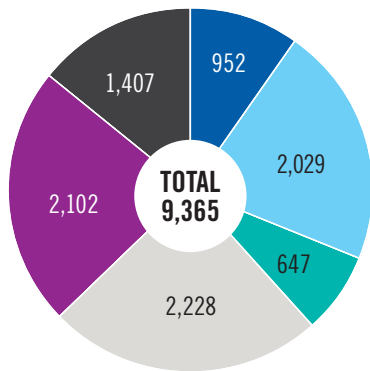
2023 Top 5 Additions to Assets in Use \$(Millions)			
Project	Service Area	Additions	Project Start Date
Road Asset Renewal and Replacement	Transportation Services	52.5	2023
Viva Bus Replacement	Transportation Services	30.3	2022
Major Mackenzie Drive West Terminal	Transportation Services	18.6	2015
Langstaff Gravity Sewer Construction	Environmental Services	18.4	2021
Duffin Creek Stage 3 Incinerators	Environmental Services	16.2	2018

In addition to projects listed in its 10-year capital plan, the Region builds bus rapidways and associated infrastructure for the Viva bus rapid transit network. The first phase of these projects was fully funded by the provincial Metrolinx agency.

Net book value, as reported in 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 \$336.9 million and the disposal of assets during the year, the net book value of the Region’s assets rose by \$214.9 million, taking the total to \$9.4 billion at the end of 2023.

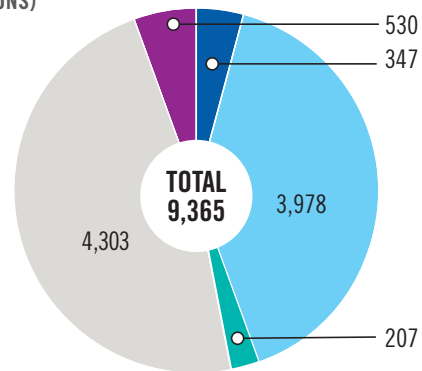
The following graphs show the breakdown in net book value (NBV) of assets by category and service area:

NBV OF TANGIBLE CAPITAL ASSETS BY CATEGORY \$(MILLIONS)



- Land and Land Improvements
- Buildings
- Equipment, Machinery and Vehicles
- Roads and Transit Infrastructure
- Water and Wastewater Infrastructure
- Assets under Construction

NBV OF TANGIBLE CAPITAL ASSETS BY SERVICE AREA \$(MILLIONS)

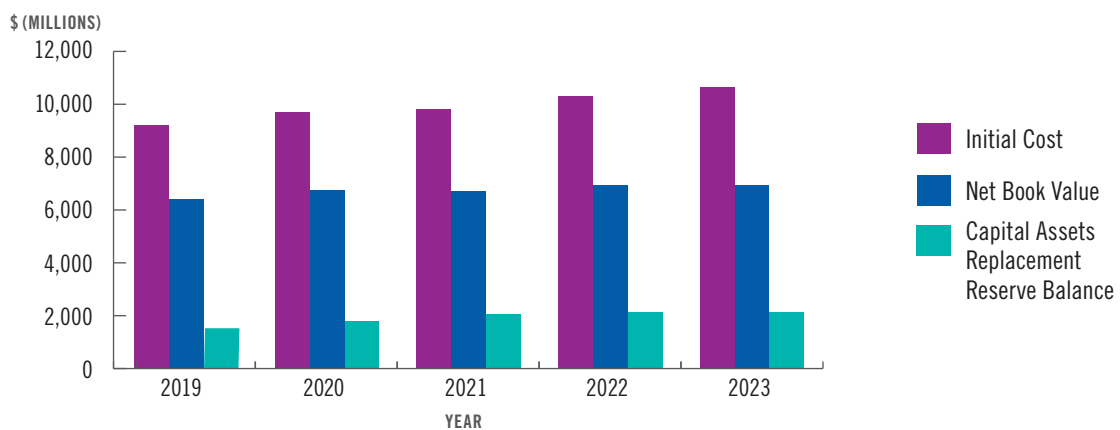


- Environmental Services
- Protection to Persons and Property and Court Services
- Transportation Services
- Community, Health and Social Housing
- General Government and Planning and Economic Development

FIVE-YEAR TREND IN NET BOOK VALUE AND ASSET CONDITION

Net book value of the Region’s assets, as displayed in the graph below, has increased since 2019, largely due to major investments in roads, transit and water and wastewater infrastructure.

TANGIBLE CAPITAL ASSETS: INITIAL COST, NET BOOK VALUE AND REPLACEMENT RESERVES



One measure of the Region’s potential financial vulnerability is the ratio of net book value of assets to their initial cost. This ratio provides an estimate of assets’ remaining service life. A low ratio suggests assets are being used up without being replaced. Service areas use this measure, combined with regular reviews of asset conditions and servicing needs, to assess overall spending needs.

The ratio for the Region has held fairly steady over the past five years at between 65.9% and 70.1%. This means the Region is consistently adding or replacing assets, which helps to offset the decline in the net book value of existing assets.

Another measure of whether a government is prepared for future asset-related needs is the level of dedicated reserves available for asset management compared to expected needs. Current balances in asset replacement reserves are lower than the accumulated amortization associated with the existing asset base.

Accumulated amortization is one way to assess how much of the Region’s asset value has been consumed to date. With reserve balances below this measure, it is necessary to continue focusing on contributions to asset replacement reserves.

Planned contributions to capital reserves, including those outlined in the 2023 to 2026 Budget, provide the funding needed to fully deliver the Region’s 10-year capital plan. Additional contributions would be needed to reach the Fiscal Strategy objective of intergenerational equity.

The Corporate Asset Management Plan updated in May 2024 describes the current state of infrastructure, as well as customer, technical, current and proposed levels of service metrics for existing and growth-related assets and their associated financial plans over a 10-year period from 2023-2032. This plan builds on the 2018 plan and updates the corporate asset management strategy and policy.

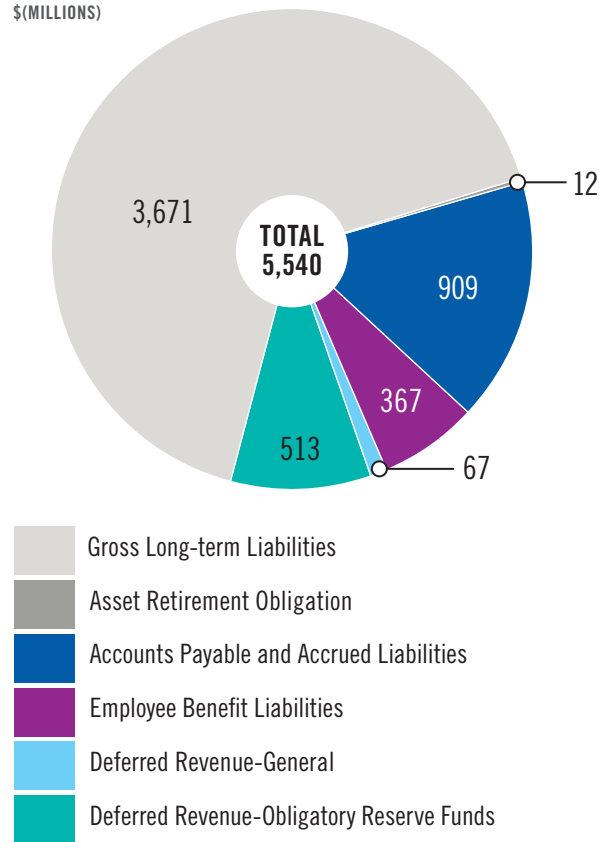
The 2024 plan meets Ontario Regulation 588/17 requirements for levels of service, documenting current and proposed performance and the associated 10-year financial sustainability and asset management plans. Asset management maturity has significantly improved across the Region over the past decade, representing staff dedication to optimizing costs, managing risks and sustaining performance of Regional assets. The 2024 plan identifies total asset lifecycle costs to meet level of service needs amounting to \$18 billion over the 2023-2032 period, with nearly 100% of needs expected to be accommodated within the budget.

The latest State of Infrastructure Report rated 92% of the Region’s asset portfolio as being in fair or better condition. According to the report, the current replacement value of Regional assets has increased significantly over the past five years to reach \$25.3 billion, in large part due to improvements to replacement cost evaluation methods and inflation.

LIABILITIES DECREASED BY 1.4%

The Region’s gross long-term liabilities as reported in the Consolidated Statement of Financial Position consist of accounts payable and accrued liabilities, employee benefit liabilities, deferred revenue, asset retirement obligation and total debt. The pie chart below shows the breakdown:

LIABILITIES
\$(MILLIONS)



Total liabilities decreased by \$81.3 million, ending the year at \$5.5 billion. Analysis is provided on the following pages.

Liabilities other than debt

Liabilities other than debt decreased by \$202.2 million, ending the year at \$1.9 billion. The largest drop was in deferred revenue-obligatory reserve funds, which declined by \$213.7 million.

Deferred revenue represents funds received from third parties and set aside for specific purposes. These funds are recorded on the asset side of the Consolidated Statement of Financial Position in financial assets, balanced by 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 deferred revenue on the Region's Consolidated Statement of Financial Position: general deferred revenue and deferred revenue-obligatory reserve funds.

Deferred revenue-obligatory reserve funds include development charges collected to pay for future growth-related projects and Gas Tax/Canada Community-Building Fund revenues used for transit and other specified purposes. These amounts decreased by a net \$213.7 million or 29.4% by year-end 2023. This was due to a decrease of \$206.6 million in the development charges balance, representing new collections and accrued receivables for deferred development charges of \$260.0 million less the \$466.6 million taken into revenue to help pay for new infrastructure to support growth and a net \$7.1 million decrease in the Gas Tax/Canada Community-Building Fund balance.

General deferred revenue includes funds received in advance to conduct certain work in accordance with legislation or agreements. It also includes user charges and fees collected for services not yet rendered. The general deferred revenue account increased by \$18.4 million or 37.9% from 2022.

Employee benefit liabilities include expected costs of extended health and dental coverage for retirees, vested sick leave benefits, long-term disability claims, vacation payable and workers' compensation liabilities. Estimates are based on long-term actuarial expectations and updated at three-year intervals. These liabilities increased by \$23.3 million or 6.8% from 2022, reflecting increases in estimates of future costs. The Region maintains reserves to help address these liabilities as they become due.

Asset retirement obligation represents \$12.4 million in funds set aside for future asset retirement obligations for certain tangible capital assets. This category is new for 2023 and relates to a new accounting standard, discussed in Note 1 and 9 of the financial statements.

Debt

Total debt increased by \$120.9 million to reach \$3.7 billion by the end of 2023.

Total debt includes funds borrowed by the Region on behalf of local municipalities. The local municipal borrowings, which totaled \$167.5 million at the end of 2023, 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 \$227.6 million in 2023.

Excluding the sinking fund asset and local municipal borrowing, the Region's net outstanding debt ended the year at \$2.2 billion, a decrease of \$136.9 million from the previous year.

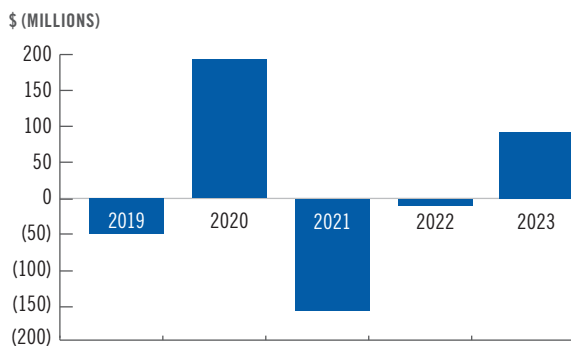
The Region met its commitment to keep its own debt, net of sinking fund assets and local municipal debt below the peak of \$2.9 billion that was reached in 2017.

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. In 2020, with interest rates at historic low levels, the Region increased its overall debt to finance new growth capital projects. Debt reduction resumed in 2021 and continued further in 2022. In 2023, the Region issued debt for the first time since 2021 to complement development charge reserve funding for growth projects.

NET CASH INFLOWS/(OUTFLOWS) FROM FINANCING ACTIVITY



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 interest costs, limiting its ability to fund other priorities.

The Region's ratio was 4.7% in 2023, continuing a steady decline from 6.4% in 2019 for two reasons:

- Interest expense decreased slightly to \$101.7 million in 2023 from \$104.4 million the previous year, as reported in Note 8 to the Consolidated Financial Statements. This is because most of the Region's existing debt is at fixed rates and it continued to repay outstanding borrowings during the year. Interest expense has fallen in each of the past five years.
- Its own-source revenues increased by \$194.6 million in 2023.

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 3.8%, down from 5.6% in 2019.

NET FINANCIAL ASSETS

As explained earlier under the "York Region Financial Statements" header, the Region reports on its net financial assets, as it no longer is in a position of net debt. Net financial assets were \$1.3 billion at the end of 2023, representing the difference between its \$6.9 billion in financial assets and \$5.5 billion in debt and other liabilities.

Net financial assets increased by \$525.1 million from the previous year-end level of \$796.6 million because financial assets, particularly investments, grew while total liabilities declined.

ACCUMULATED SURPLUS

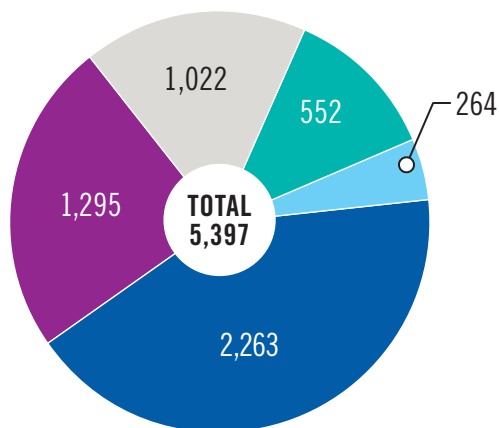
The Region's accumulated surplus increased by \$766.6 million or 7.7% from 2022 to reach \$10.7 billion at the end of 2023. The increase is equal to the annual surplus and is calculated based on Public Sector Accounting Standards. It differs from the operating surplus, which represents any excess in revenue or underspending in relation to the operating budget. The 2023 operating surplus is discussed in later pages.

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 several specific future needs and allocated a portion of the total accumulated surplus for them. These amounts are called reserves and reserve funds and at 2023 year-end they totalled \$5.4 billion, up from \$4.8 billion a year earlier. The pie chart below provides a breakdown by reserve type.

RESERVE BREAKDOWN

\$(MILLIONS)



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 \$2.3 billion by year-end, having increased by \$131.5 million or 6.2% during the year. This increase was made up of contributions and interest earned totalling \$445.0 million, less \$313.5 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 \$227.6 million or 21.3% in 2023 to reach \$1.3 billion by year-end.

Capital reserves that help to fund construction and other capital projects increased by \$185.1 million or 22.1% in 2023. The debt reduction, rapid transit, transit and social housing development reserves all saw growth, while the non-profit housing repairs and roads capital reserves were drawn down.

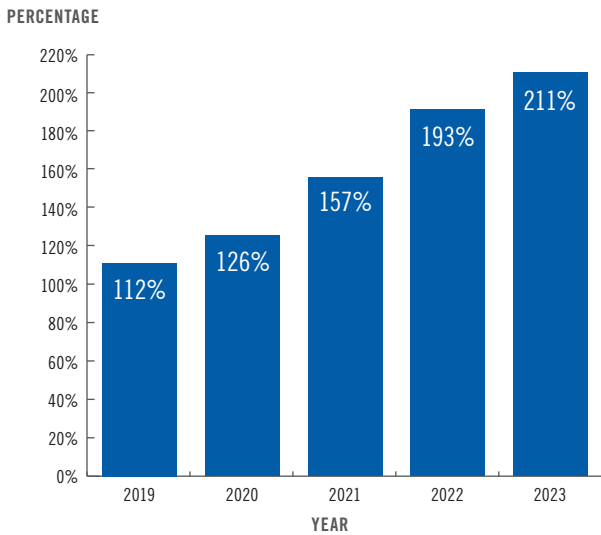
The balance reflects other reserves that the Region maintains to smooth fluctuations in operating revenue and expense items and to build funding over time for special projects. These additional reserves rose by a total of \$46.9 million or 6.1%, over the year.

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, generally a high ratio shows that a municipality’s reserves hold sufficient funds for most future capital needs, helping to reduce reliance on debt. It ensures that if revenues were to decline, other resources would be available to meet a municipality’s obligations. 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.

RESERVES-TO-DEBT RATIO



Note: 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 2023 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

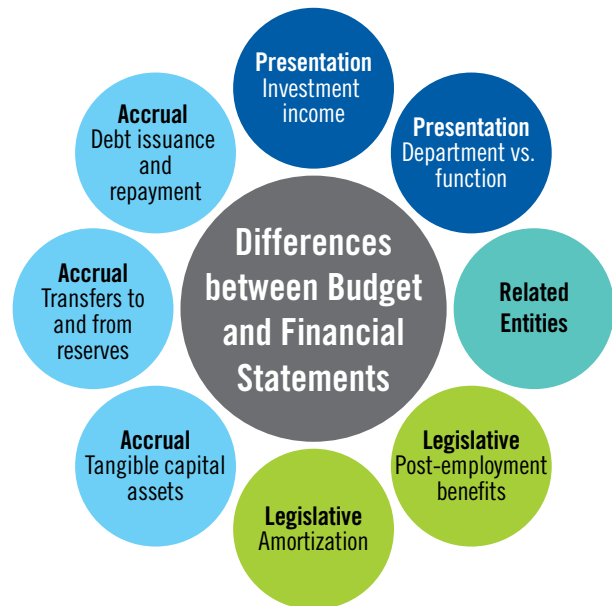
The sections below explain the differences between budget and actual results, and comparison to previous years.

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 between them.

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 captures other differences between the budget and financial statements, as the graphic below shows:



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 approved budget presents planned spending by department. The financial statements and full accrual budget set out expense by function instead, which in some cases involves breaking out a department’s activities as separate items. For better comparability to the budget, the discussion of expense below combines the functions of Community and Health Services into one service area. As in previous years, Transportation Services and Environmental Services are presented as service areas. During 2022, Transportation Services and Environmental Services were brought together as the Public Works department. The budget for 2023 reflects this amalgamation.

Related entities

- Under full accrual accounting, financial activities of three Region-owned entities, York Region Rapid Transit Corporation, Housing York Inc. and YTN Telecom Network Inc., known as YorkNet, are fully consolidated with results of the department to which they are related.

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 2023 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
Revenues	3,957.5	(580.8)	3,376.7
Expenses	3,957.5	(1,099.4)	2,858.0
Surplus	–	518.6	518.6

Note: numbers may not add due to rounding

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 revenues, expenses and annual surplus remain the same.

RESULTS FOR 2023 AND FIVE-YEAR TRENDS

This section compares operating results for 2023 to the full accrual budget and to results for 2022. It discusses five-year trends in key figures and ratios, as recommended by the Public Sector Accounting Board.

The table below summarizes results from the 2023 Consolidated Statement of Operations:

\$(Millions)	2023 Budget	2023 Actuals	2022 Actuals	Budget to Actual Variance	Year over Year Variance
Revenues	3,376.7	3,510.4	3,135.5	133.8	375.0
Expenses	2,858.0	2,743.8	2,448.3	(114.3)	295.5
Annual Surplus, Accrual Basis	518.6	766.6	687.2	248.0	79.5

Note: numbers may not add due to rounding

At \$766.6 million, the surplus for 2023 was \$248.0 million higher than expected in the accrual-based budget. It was \$79.5 million higher than the previous year's \$687.2 million surplus.

REVENUES

The table below provides a summary of revenues from the 2023 Consolidated Statement of Operations with comparisons to the accrual-based budget and the previous year:

\$(Millions)	2023 Budget	2023 Actuals	2022 Actuals	Budget to Actual Variance	Year over Year Variance
Revenues					
Net taxation	1,350.8	1,357.1	1,281.7	6.3	75.4
Government transfers	868.8	869.0	721.4	0.2	147.6
Development charges	379.7	466.6	433.9	86.9	32.7
User charges	392.0	394.8	387.8	2.7	7.0
Investment income	153.7	186.4	125.0	32.7	61.4
Fees and services	151.3	179.8	150.6	28.5	29.3
Other	80.3	56.7	35.2	(23.6)	21.5
	3,376.7	3,510.4	3,135.5	133.8	375.0

Note: numbers may not add due to rounding

At \$3.5 billion, actual 2023 revenues were \$133.8 million higher than expected in the 2023 budget and \$375.0 million higher than actual 2022 revenues.

- Net taxation revenues were consistent with plan, at \$1.4 billion. The increase over 2022 was \$75.4 million or 5.9%, which was in line with the approved tax levy increase of 3.90%, assessment growth of 1.32% and year-over-year increase in supplementary taxes of 0.65%.
- At \$869.0 million, revenue from provincial and federal transfers was close to budget.

Most of the increase of \$147.6 million or 20.5% in transfer payments from 2022 to 2023 comes from higher senior government funding for Social Services. This included the Canada-Wide Early Learning and Child Care grant, which is designed to reduce daycare fees to an average \$10 a day by 2026. The program went into operation on April 1, 2022 and 2023 represents the first full year of operation. Higher transfer payment revenues in 2023 were largely offset by higher spending since the funds are flowed through to daycare providers.

- Development charge collections are recorded as deferred revenue on the Consolidated Statement of Financial Position. Development charge revenue in the Consolidated Statement of Operations reflects the drawing down of deferred revenue to fund new growth-related projects and to service debt that funded previous projects. This source of revenue was \$86.9 million above budget, owing mainly to the need to fund capital projects and limit new debt.

Development charge revenue was \$32.7 million or 7.5% higher than in 2022.

- The budgeted projection for water and wastewater user charges was based on user rates approved by Regional Council in September 2021 for the period April 1, 2022, to March 31, 2028, with the goal of ensuring rates cover all costs of providing the services. Actual 2023 results were above forecast owing to warmer and drier summer weather than usual.

The year-over-year increase was \$7.0 million or 1.8%, due to higher summer usage and Council-approved rates.

- At \$186.4 million, interest income and other earnings on investments were \$32.7 million above budget, reflecting a continued trend from 2022 of better-than-expected performance in a highly uncertain market environment. Revenue from this source increased by \$61.4 million or 49.1% from the previous year, largely because of higher interest rates in 2023.

- Fees and services revenue was \$28.5 million higher than budgeted. The most significant variance relates to higher-than-budgeted transit fare revenue of \$18.7 million as ridership rebounded more quickly than expected from the pandemic. In addition, advertising and shuttle revenues came in \$1.9 million over plan and unbudgeted land sale revenues were \$5.2 million.

Fees and services revenue rose by \$29.3 million or 19.4%, year-over-year, mainly for the reasons outlined above.

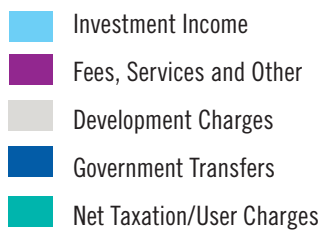
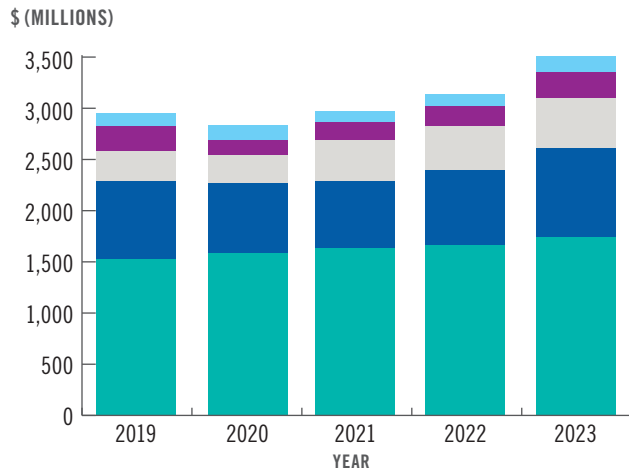
- Other revenue was \$23.6 million lower than budgeted, largely owing to lower recoveries from landowners for construction activity that shifted to 2024. The decrease from plan mainly reflects enhanced coordination of the detailed design of capital projects with the local municipalities, utilities and landowners. Apart from that, actual other revenue was close to budget.

Despite the change from budget, the year-over-year increase was \$21.5 million or 61.1%.

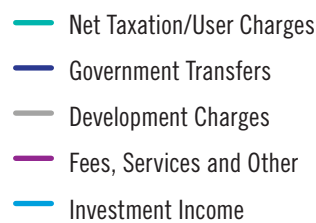
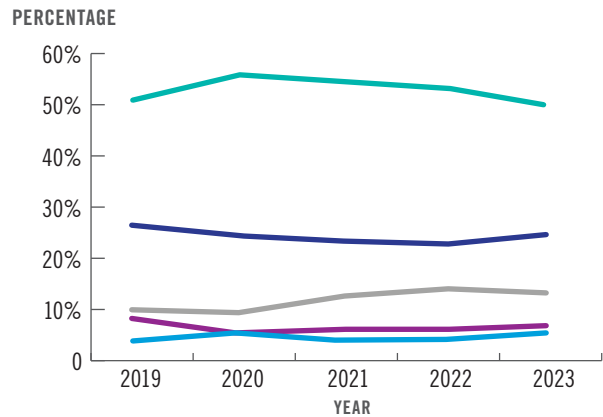
Five-year trend

The graphs below illustrate annual changes in sources of revenue over the past five years:

REVENUE COMPOSITION



REVENUE COMPOSITION BY PERCENTAGE



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 62.0% of revenue in 2023. Over the past five years, these revenue sources have provided 63.8% 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 24.4% of revenues over the past five years.

In the first phase of bus 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.

With substantial completion of the first phase of bus 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, 2021 and 2022. The Ministry of Education confirmed funding of \$103.2 million in 2022 and \$237.6 million in 2023 to the Region related to the Canada-Wide Early Learning and Child Care system. This funding has resulted in an uptick in 2022 and 2023. In general, government transfer fluctuations reflect either specific, time-limited funding (such as for bus 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 capital investments they fund. Over the past five years, this source of revenue has averaged 11.8% of the Region's total. In 2019 the level was 10.0% of total revenue, followed by declines in 2020 as the Region relied on debt to fund a portion of the growth-related infrastructure and some construction activity was deferred. In 2022 and 2023, development charge drawdowns increased to 13.8% and 13.3 % of total revenue, respectively.

EXPENSES

The table below provides a summary of the expenses from the 2023 Consolidated Statement of Operations with comparisons to the accrual-based budget and the previous year:

\$(Millions)	2023 Budget	2023 Actuals	2022 Actuals	Budget to Actual Variance	Year over Year Variance
Expenses					
Community and Health Services (2)	1,068.9	1,008.8	845.7	(60.2)	163.1
Transportation Services (3)	609.6	541.1	510.7	(68.5)	30.4
Environmental Services	529.3	533.7	486.8	4.4	46.9
Protection to Persons and Property (4)	473.2	475.6	451.2	4.4	24.5
Other (5)	177.1	184.6	451.2	7.5	30.7
	2,858.0	2,743.8	2,448.3	(114.3)	295.5

Notes:

1. Numbers may not add due to rounding
2. Community and Health Services comprises Health and Emergency Services, Community Services and Social Housing (including Housing York Inc.) from the Consolidated Statement of Operations
3. Transportation Services including York Region Rapid Transit Corporation
4. Protection to Persons and Property comprises York Regional Police, the Police Services Board, Court Services and conservation authorities
5. Other comprises General Government and Planning and Economic Development (including YorkNet) from the Consolidated Statement of Operations

Total expenses were \$2.7 billion. This was a decrease of \$114.3 million from the full accrual budget plan and a \$295.5 million increase from 2022.

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

- In Community and Health Services, spending was \$60.2 million below budget. This was mainly driven by lower-than-anticipated uptake by childcare centres in the Canada-Wide Early Learning and Child Care system, which accounted for \$31.8 million. In addition, public health spending was lower because of lower COVID-19 cases than expected. Partially offsetting these factors, Ontario Works caseloads were higher than forecast and \$5.1 million in new spending was approved in-year by Council in response to emerging needs related to Ukrainian Humanitarian Efforts and Newcomer Support (Asylum Seeker) programs.

Spending rose by \$163.1 million year-over-year. This was largely driven by the Canada-Wide Early Learning and Child Care program despite lower-than-expected uptake. In addition, Ontario Works caseload grew from 2022. This spending is offset by higher funding from senior levels of government.

- Overall spending by Transportation Services was \$68.5 million less than expected. This decrease is primarily because more costs were accounted for as tangible capital assets than anticipated. The year-over-year increase was \$30.4 million or 6.0%, owing mainly to resumption of conventional transit services.
- Spending by Environmental Services was \$533.7 million. This was \$4.4 million higher than planned and \$6.9 million more than last year.

Most of this variance relates to the write-down of previous spending on the Upper York Sewage Solutions project as a result of *Supporting Growth and Housing in York and Durham Regions Act, 2022*.

- Spending on Protection to Persons and Property, which largely reflects York Regional Police, was close to budget at \$475.6 million.

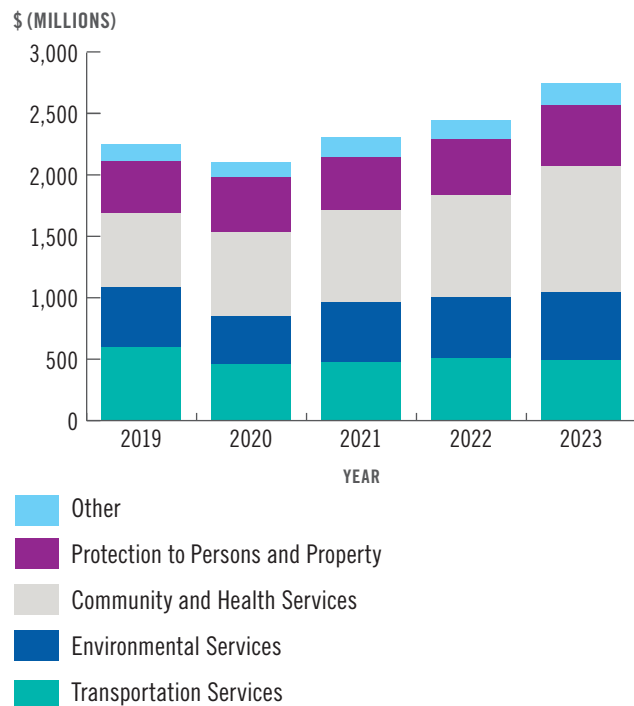
Spending was up \$24.5 million year-over-year because of expanded service needs for a growing population.

Spending in the "Other" category (which comprises General Government and Planning and Economic Development) was \$7.5 million more than budgeted owing mainly to higher than anticipated corporate costs for employee benefits programs. On a year-over-year basis, spending was up \$30.7 million, partially owing to higher employee benefits program costs discussed above and higher corporate insurance program costs.

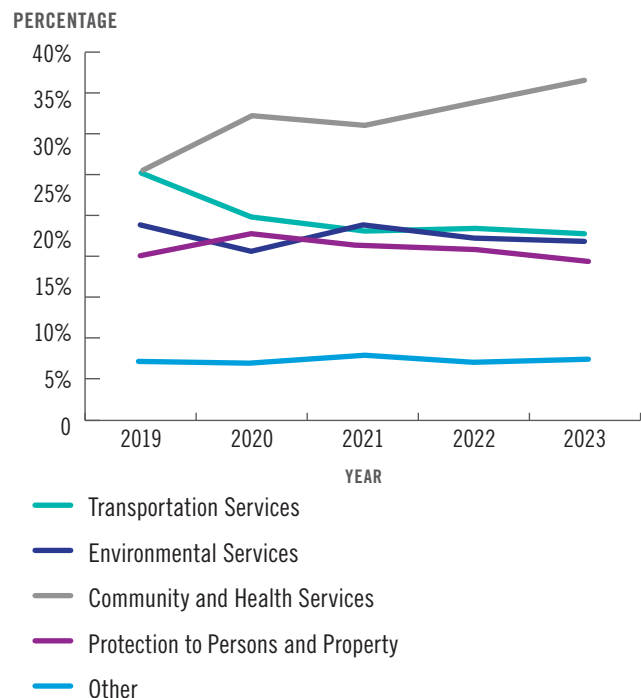
Five-year trend

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

EXPENSE COMPOSITION BY SERVICE



EXPENSE COMPOSITION BY SERVICE AND PERCENTAGE



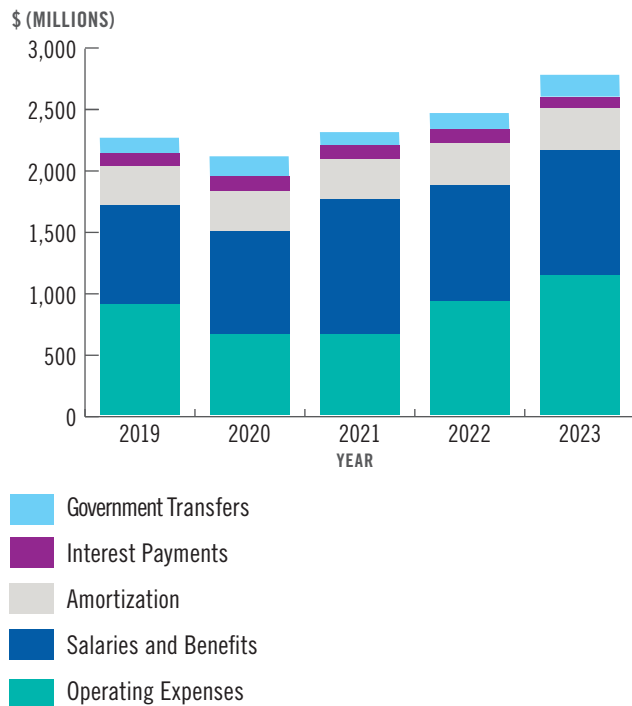
By service area:

- Fluctuations in Transportation Services expense at the start of the five-year review period largely reflect the Region’s role in delivering bus rapidway projects on behalf of Metrolinx. The spending, which was fully funded by Metrolinx, also resulted in the betterment of assets owned by other parties, including the Region. The building of Metrolinx projects has not had a major impact on reported spending since 2021. In 2020 and 2021, expense fell in part because of reduced transit service in response to the pandemic. Results from 2022 and 2023 show conventional transit service reinstatement to support ridership recovery, offset in 2023 by the factors outlined above. Transportation Services has also seen amortization expense increase steadily due to significant investments in tangible capital assets.
- Day-to-day Environmental Services expenses reflect costs to operate and maintain a large and technically complex portfolio of assets, higher amortization and more stringent regulation, offset by the department’s ongoing efforts to find savings. The department’s share of total spending fell from 21.4% in 2019 to 19.5% in 2023. Because of the large portfolio of assets, some of which are shared with other municipalities, the Region’s share of project costs may impact the results of that particular year.
- Community and Health Services spending rose from \$612.0 million or 27.2% of the total in 2019 to \$1.0 billion or 36.8% in 2023. A significant amount of the department’s expenses reflects the flow-through of senior government transfer payments for social programs to third parties, which fluctuates with policy direction. From 2020 through 2023 most of the Region’s pandemic-related costs were recorded in Community and Health Services. New childcare spending, funded by senior levels of governments, contributed to the increase in 2022 and 2023.
- Protection to Persons and Property largely reflects York Regional Police, whose budget is strongly tied to staffing costs. Spending has increased from \$405.7 million in 2019 to \$475.6 million in 2023. The share of total spending has remained fairly stable, as spending in this area has paralleled the Region’s overall growth in salaries and benefits.

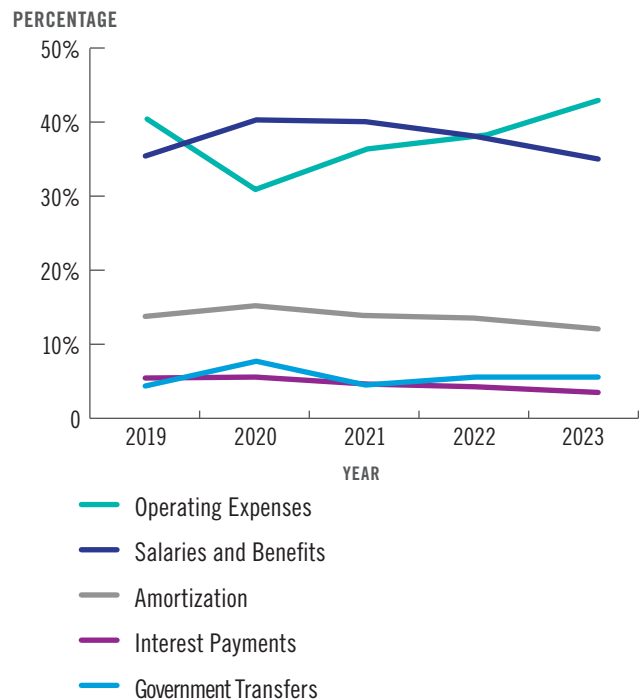
Five-year trend

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

EXPENSE COMPOSITION BY TYPE



EXPENSE COMPOSITION BY TYPE AND PERCENTAGE



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 \$312.6 million or 13.9% of total expense in 2019, it reached 15.2% of the total in 2020. Although its share declined to 14.1% in 2021, 13.8% in 2022 and 12.3% in 2023, reflecting stronger year-over-year growth in other expenses, amortization continued to increase in absolute terms, reaching \$336.9 million. Impacts of this growth 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 \$109.6 million or 4.9% of total expense in 2019 to \$160.4 million or 5.8% in 2023. The peak in 2020 reflects a capital grant to the Cortellucci Vaughan Hospital, which was largely completed that year.

Operating spending fell between 2019 and 2020 for a number of reasons. Bus rapidway construction that was fully funded and carried out on behalf of Metrolinx was largely finished by 2020. This work had caused the Region's revenues and expenses to fluctuate over several years. In addition, pandemic-related workplace closures starting early in 2020 reduced operating spending on items like transit contracts. In 2021, operating spending rose as some activities curtailed by the pandemic resumed. Starting in 2022 spending on child care increased, which was offset by additional senior government funding. Overall, operating spending grew in absolute terms from \$910.2 million in 2019 to \$1.2 billion in 2023 and from 40.4% to 43.0% as a share of all expenses over the same period.

Salaries and benefits grew from \$799.8 million in 2019 to \$965.4 million in 2023. The underlying trend generally reflects the hiring of additional police officers, paramedics, public health nurses and others to serve a larger population, as well as higher salaries and the cost of benefits. This item's share of total spending 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, in response to the pandemic. The lower 35.2% share of the total in 2023 reflects stronger year-over-year growth in operating spending.

Interest expense reached a five-year high in 2019 at \$120.4 million and has declined ever since as the Region reduced its reliance on debt. Interest totalled \$101.7 million in 2023, falling to 3.7% of total spending from 5.3% in 2019.

MAJOR SOURCES AND USES OF CASH

Cash inflows from operations, which is the annual surplus adjusted for amortization, drawdown of deferred revenues, contributed assets and other non-cash items, amounted to \$959.2 million in 2023.

The Region invested \$552.9 million in tangible capital assets, offset by \$1.3 million in asset sale proceeds. Funds were also used to repay \$13.8 million in existing debt. As a result, financing represented a net \$90.7 million use of cash and cash equivalents.

The Region added \$588.0 million to its investment portfolio, while cash and cash equivalents declined. In 2021 and 2022, the Region increased its balances in interest-bearing savings accounts, which are an element of cash and cash equivalents. In 2023, cash was moved to longer-term investments to take advantage of yields that were higher than in recent years. After these inflows and outflows, cash and cash equivalents stood at \$717.8 million by year-end, a decrease of \$89.6 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 \$67.6 million in 2023.

The operating surplus was driven by lower-than-expected expenditures in most departments, additional senior government transfers in Community and Health Services and faster recovery in transit ridership, which resulted in higher transit revenues. The outcomes differ from the full accrual results because of differences in how certain items are treated under modified accrual, as outlined in "Comparing actual results to the budget".

The 2023 operating surplus was directed in accordance with the Region's Surplus Management Policy. Of note, \$28.8 million was directed to the Debt Reduction Reserve to address emerging risks to the Region's budget, including the *More Homes Built Faster Act, 2022* (Bill 23) development charge collection reductions. In addition, Council directed \$2.5 million, to the Pandemic Management and Recovery Reserve to support development of a Mental Health Community Care Hub to be operated by the Canadian Mental Health Association York Region South Simcoe.

FINANCIAL MANAGEMENT FRAMEWORK

YORK REGION BYLAWS, POLICIES AND CONTROLS

In addition to its Regional Fiscal Strategy, the Region has implemented various bylaws, policies and controls to reduce risk and support better financial management and stewardship.

These cover a range of activities, including borrowing, managing reserves, investing Regional funds, procuring goods and services, choosing insurance coverage and levying development charges. They also include a thorough audit, which is a key element of financial management.

MANAGEMENT RESPONSIBILITY

The Controllership Office 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.

In preparing the Consolidated Financial Statements, the Controllership Office follows Canadian Public Sector Accounting Standards established by the Public Sector Accounting Board. Note 1 to the Consolidated Financial Statements provides a summary of the significant accounting policies, including recent accounting standard changes.

ACCOUNTING STANDARDS

In 2023, the Region adopted two new accounting standards issued by the Public Sector Accounting Board. One relates to reporting and note disclosure for financial instruments, while the other relates to the retirement of certain tangible capital assets. Applying these standards resulted in a slight decrease in both the annual surplus and the accumulated surplus for the 2022 fiscal year as restated. Note 1 to the financial statements explains the standards and their impacts in more detail.

AUDIT FUNCTION

Council's Audit Committee helps ensure proper financial reporting, internal control and auditing, as well as 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 Michael Chan (Chair)
- Mayor Steven Del Duca (Vice-chair)
- Mayor Steve Pellegrini
- Regional Councillor Godwin Chan
- Regional Councillor Naomi Davison
- Regional Councillor Alan Ho
- Regional Councillor Mario G. Racco

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 how new and existing processes, programs and services can be improved.

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.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORTING

York Region began developing its ESG strategy in 2023. It has been designed to align closely with the areas of focus of Vision, the Strategic Plan and other key Regional plans. The Finance department is leading a cross-functional ESG working group dedicated to designing action plans for the ESG roadmap. Moving forward in 2024 and beyond, work will focus on integrating ESG considerations into longer-term processes such as procurement, external reporting, budget and business planning.

PROVINCIAL LEGISLATION

Provincial legislation determines many aspects of municipal financial management, including development charges, debt issuance, budgeting, accounting and financial reporting. As the Outlook and Risk Management section below notes, changes in provincial legislation in recent years have led to fiscal uncertainty and placed unexpected pressure on the Region's financial resources.

DEVELOPMENT CHARGES

The *Development Charges Act, 1997*, provides municipalities the ability to levy development charges on new residential and non-residential development to fund growth-related infrastructure. The Region-wide development charge rates and policies set out in Regional bylaw 2022-31 were approved by Council on May 26, 2022 and effective as of June 17, 2022.

In recent years, the Province has introduced several changes to the *Development Charges Act* as part of their annual Housing Supply Action Plans, to address Ontario's housing affordability crisis. Through the *More Homes, More Choice Act, 2019*, also known as Bill 108, the *Development Charges Act* was amended to allow development charge rates to be frozen at the date of site plan or zoning bylaw amendment application and allow for-profit rental and institutional developers to pay by installments. Changes to the *Development Charges Act* were also made to provide municipalities the ability to charge interest on both frozen development charges and installment payments.

On November 28, 2022, the *More Homes Built Faster Act, 2022* (Bill 23) received Royal Assent. Bill 23 further amended the *Development Charges Act* by introducing new mandatory phase-ins of Council-approved development charge rates, as well as residential discounts and exemptions. It capped the interest rate on frozen development charges and installment payments and made some costs ineligible for development charge funding.

Most of these changes came into effect at Royal Assent and have already reduced the Region's development charge collections that will need to be managed in the coming years.

DEBT ISSUANCE

Under the *Municipal Act*, municipalities in Ontario may incur debt mostly for capital projects. 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" equal to 80% of the average of the Region's last three fiscal years of development charge collections. This provides more debt room to meet the capital-related needs of growth. The Region's practice, however, is to add only 70% of the three-year average. The Region met these limits in 2023.

OUTLOOK AND RISK MANAGEMENT

This section discusses significant risks and uncertainties and briefly outlines how the Region works to manage them.

PROVINCIAL DIRECTION

As part of Bill 23, the provincial government introduced new housing targets for select municipalities across Ontario, with the goal of building 1.5 million new homes by 2031. In York Region, all local municipalities, except the Township of King have a housing target. The housing targets for York Region amount to 150,000 new units by 2031. Generally, this would require growth between two and four times higher than the average pace of growth over the past ten years. While housing targets are set at the local municipality level, meeting them requires building Regional infrastructure much faster than might have otherwise been planned.

Advancing infrastructure to support the housing targets represents a risk to the Region if growth does not materialize as envisioned by the province. The 2024 budget is premised on a robust level of growth in line with achieving 60% of the housing targets overall from 2022 to 2031, with higher-than-average growth in the near-term. The Region estimates that at least an additional \$2.6 billion is needed over and above the approved capital plan to fund the critical infrastructure needed to meet 100% of the housing targets.

To support municipalities in achieving this goal, the province introduced the Building Faster Fund, which provides up to \$400 million in funding each year for three years to municipalities that are on track to meet 80% of their housing target. However, York Region, as an upper-tier municipality, is not eligible for this funding.

Another change resulting from Bill 23 was *Supporting Growth and Housing in York and Durham Regions Act, 2022*. It requires the Region to meet growth needs in its northern communities by expanding the York-Durham Sewage System, which carries wastewater to a facility on Lake Ontario. This will cost considerably more than the Regional solution based in the Lake Simcoe watershed that was included in previous capital plans.

Taken together, these recent changes in provincial legislation and policy direction require additional investments in growth-related infrastructure, while reducing the ability to recover these costs through development charges. Based on the changes known to date, the Region has estimated a development charge reduction of \$70 million a year for the next 10 years. While the provincial government has said it would make municipalities whole, no financial support for any regional government, including York Region, has been announced.

In the meantime, the Region has created two new reserves to manage shortfalls: the Tax Levy Development Reserve for tax levy-related service areas and the Rate Supported Development Reserve for user rate-related service areas.

In December 2023, Regional Council amended the surplus management policy to allow any annual operating surpluses to be directed first to funding the Tax Levy Development Reserve. The 2024 Budget assumes that reductions in tax levy-related service areas will be funded from this source. However, as surpluses are neither budgeted nor guaranteed, there is a risk that this source might be insufficient. In that case, Council has approved a plan to use funds from the Debt Reduction Reserve to make up any difference. Council also directed that Water and Wastewater Rate Stabilization Reserves be used for reductions in user rate-related service areas.

The Region continues to advocate for adequate funding from senior levels of government and new revenue tools to help ensure it can deliver infrastructure and services needed to support housing growth.

ECONOMIC GROWTH

High inflation, rising interest rates, supply chain disruptions, warehouse scarcity and labour shortages made their marks on the Region's economy in 2023. Consumer spending was especially constrained by high interest rates and inflation. However, the outlook for 2024 and beyond is more promising. In its 2024 budget release, the provincial government projected Ontario's real gross domestic product (GDP) would grow by 1.2% in 2023, 0.3% in 2024, 1.9% in 2025 and 2.2% in 2026. Meanwhile, the Conference Board of Canada projects that Regional GDP growth will average more than 3% annually from 2025 to 2028. The Region's economy has historically outperformed that of Ontario as a whole.

In 2023, the Region added 6,000 jobs. Forecasts expect that number to grow to 10,000 annually over the next three years. Growth will be led by construction as the industry responds to demands for new housing. The financial services sector, while hurt by high interest rates, is expected to recover strongly over the next several years as inflation moderates and central banks ease monetary policy.

SLOWER-THAN-EXPECTED POPULATION GROWTH

Many large growth-related assets are built based on a population forecast, often for a specific area of the Region. When growth differs significantly from forecast, related development charge collections can be delayed. There are financial impacts when growth is not aligned to forecast.

The Regional Official Plan aligns growth with the timing and delivery of Regional infrastructure. It also coordinates with the Water and Wastewater and Transportation Master Plans. Further, the Region works with local municipalities, developers and other stakeholders to provide new infrastructure in an orderly way. These measures support the Region's financial sustainability.

A CHANGING POPULATION

A major fiscal concern for the Region is its ageing population since seniors need more supports as they age. Data from the 2021 census showed the Region's seniors' population was growing faster than any other age group. For the first time, there were more seniors than children in the Region. The Region has responded by updating its Seniors' Strategy to identify and anticipate the unique requirements of this demographic shift.

The 2021 census also recorded the arrival of almost 53,500 new immigrants to York Region since 2016. Close to 240 distinct ethnic origins were reported for the Region's population and almost half of its residents were born outside Canada. Despite a generally high level of education, newcomers to the Region often need language and other training and help finding jobs. The Region and its partners provide a range of services to help newcomers and to support diversity and inclusivity.

HOUSING AFFORDABILITY

Housing affordability is a major challenge in York Region, as it is throughout the Greater Toronto and Hamilton Area and much of the rest of the country. High home prices and a scarcity of rental units threaten the ability of residents living with low income to find housing they can afford. Young people hoping to purchase their first home are also being shut out of the market. While higher interest rates kept home prices relatively stable in 2023, average prices ranging from \$973,000 to \$2.3 million remained well above affordability thresholds for most households.

IMPACTS OF CLIMATE CHANGE

The global climate is changing, with impacts on Canada that include warmer average temperatures, more extreme storms and more volatile weather. Projected changes in climate are expected to have wide-ranging impacts in York Region, including potentially costly property damage from flooding, hail, ice, snow and wind, economic losses, environmental degradation and health risks.

The Region's recently adopted Climate Change Action Plan outlines its response, which includes measures both to mitigate impacts by reducing greenhouse gases in the atmosphere and adapt by strengthening infrastructure and promoting climate resiliency.

The Region began developing its Environmental, Social and Governance (ESG) strategy in 2023. The Finance department is leading a cross-functional ESG working group dedicated to designing action plans for the ESG roadmap. Moving forward, work will focus on integrating ESG considerations into longer-term processes such as procurement, external reporting, budget and business planning.

WORKFORCE CHANGES

Demographic factors are affecting Regional government, especially through health and safety concerns related to an aging workforce. In addition, the Region, like many other employers, faces a labour market with increasing competition for workers with the right skills as many older employees retire.

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

As residents rely more on web-based applications to interact with the Region, the risk of cyber-attacks also increases. Third parties constantly attempt to breach systems, whether to steal information, interrupt services or extort funds. The Region has created a new training program to educate staff on how to better protect its data and infrastructure through planning simulations, targeted training materials and by regular testing of employees on their security knowledge. Meanwhile, the Region continues to improve its protocols to guard against and respond to, emerging threats.

CONCLUSION

York Region's strong financial results for 2023 demonstrate its ability to maintain fiscal health despite pressures at both the global and local levels.

Changes resulting from provincial measures, especially Bill 23, continue to present fiscal challenges. We look forward to greater clarity and additional details from the provincial government.

Despite these concerns, the Region remains a net investor, with the ratio of reserves to debt continuing to rise. It is our hope that this strong position, combined with fiscal prudence, will allow the Region to successfully meet the challenges of a changing fiscal landscape.

The value of our prudent financial management to date is confirmed by maintaining highest possible credit ratings from S&P Global Ratings and Moody's Investors Service. These ratings allow the Region to borrow at favourable rates and increase our pool of potential investors.

The Treasurer's report requires diligent work and collaboration from staff across the whole organization. As always, I offer my thanks for their dedication and effort, which are clearly reflected in these pages.



Laura Mirabella, FCPA, FCA
Commissioner of Finance and Regional Treasurer
May 2024



KPMG LLP

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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, 2023
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of changes in net financial assets 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, 2023, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

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

We are independent of the 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.



Emphasis of Matter - Comparative Information

We draw attention to Note 1(c) to the financial statements, which explains that certain comparative information presented for the year ended December 31, 2022 has been restated as a result of the modified retroactive adoption of the asset retirement obligation standard.

Note 1(c) explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter - Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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.

Handwritten signature of KPMG LLP in black ink, with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 26, 2024

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Financial Position As at December 31, 2023

	2023 \$	2022 \$ Restated (Note 1.c)
Financial Assets		
Cash and cash equivalents (Note 4)	717,801,571	807,414,018
Accounts receivable (Note 5)	377,364,352	462,161,268
Investments (Note 4)	5,598,735,171	5,010,725,424
Debt amounts recoverable from local municipalities (Note 8)	167,451,038	137,244,751
Total	6,861,352,132	6,417,545,461
Liabilities		
Accounts payable and accrued liabilities	908,542,377	939,309,899
Employee benefits liabilities (Note 6)	367,313,176	344,007,788
Deferred revenue-general (Note 7)	67,040,367	48,622,340
Deferred revenue-obligatory reserve funds (Note 7)	513,344,736	726,999,233
Gross long-term liabilities (Note 8)	3,671,014,953	3,550,073,706
Asset retirement obligation (Note 9)	12,413,279	11,912,936
Total	5,539,668,888	5,620,925,902
Net financial assets	1,321,683,244	796,619,559
Non-Financial Assets		
Tangible capital assets (Note 15)	9,364,626,720	9,149,732,895
Inventory	28,857,755	9,227,041
Prepaid expenses	28,230,052	21,169,165
Total	9,421,714,527	9,180,129,101
Contractual rights and contingent assets (Note 10)		
Contractual obligations and commitments (Note 11)		
Contingent liabilities (Note 12)		
Accumulated surplus (Note 16)	10,743,397,771	9,976,748,660

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, 2023

	Budget (Note 2) \$	2023 \$	2022 Restated (Note 1.c) \$
Revenues			
Net taxation (Note 3)	1,350,789,930	1,357,117,850	1,281,693,565
Government transfers	868,827,331	869,046,118	721,406,437
Development charges	379,683,501	466,592,601	433,871,575
User charges	392,038,169	394,762,972	387,759,922
Investment income	153,700,000	186,354,767	124,954,639
Fees and services	151,336,232	179,828,299	150,557,348
Other	80,284,974	56,715,119	35,209,269
Total Revenues	3,376,660,137	3,510,417,726	3,135,452,755
Expenses			
Community services	689,388,576	658,114,023	484,871,374
Transportation services	609,570,732	541,104,147	510,705,038
Environmental services	529,295,653	533,687,713	486,834,354
Protection to persons and property	473,162,708	475,646,906	451,160,162
Health and emergency services	257,807,279	236,278,832	254,670,248
General government	159,574,775	166,079,662	137,936,107
Social housing	121,743,134	114,370,104	106,129,602
Planning and economic development	17,488,651	18,487,228	15,950,491
Total Expenses	2,858,031,508	2,743,768,615	2,448,257,376
Annual surplus	518,628,629	766,649,111	687,195,379
Accumulated surplus, beginning of year	9,976,748,660	9,976,748,660	9,299,642,222
Adjustment on adoption of the asset retirement obligation standard (Note 1.c)	-	-	(10,088,941)
Accumulated surplus, beginning of year, as restated	-	-	9,289,553,281
Accumulated surplus, end of year	10,495,377,289	10,743,397,771	9,976,748,660

Segment information is presented in Note 17.

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

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Change in Net Financial Assets Year ended December 31, 2023

	Budget	2023	2022 Restated (Note 1.c)
	\$	\$	\$
Annual surplus	518,628,629	766,649,111	687,195,379
Amortization of tangible capital assets	349,535,677	336,930,195	337,072,378
Proceeds on disposal of tangible capital assets	-	1,316,153	3,984,750
Acquisition of tangible capital assets	(707,497,445)	(552,887,180)	(518,395,440)
Asset retirement obligation increase in tangible capital asset	-	-	(1,343,817)
Contributed assets	-	-	(52,000)
(Gain) / loss on disposal of tangible capital assets	-	(252,993)	1,427,572
Acquisition of inventory	-	(22,481,868)	(3,555,576)
Acquisition of prepaid expenses	-	(26,818,219)	(20,644,391)
Consumption of inventory	-	2,851,154	3,661,080
Use of prepaid expenses	-	19,757,332	15,930,168
Increase in net financial assets	160,666,861	525,063,685	505,280,103
Net financial assets, beginning of year	796,619,559	796,619,559	301,428,397
Adjustment on adoption of the asset retirement obligation standard (Note 1.c)	-	-	(10,088,941)
Net financial assets, beginning of year, as restated	-	-	291,339,456
Net financial assets, end of year	957,286,420	1,321,683,244	796,619,559

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, 2023

	2023 \$	2022 Restated (Note 1.c) \$
Operating		
Annual surplus	766,649,111	687,195,379
Items not involving cash:		
Amortization of tangible capital assets	336,930,195	337,072,378
(Gain) / loss on disposal of tangible capital assets	(252,993)	1,427,572
Contributed tangible capital assets	-	(52,000)
Changes in non-cash assets and liabilities:		
Accounts receivable	84,796,916	(34,204,516)
Accounts payable and accrued liabilities	(30,767,522)	17,808,107
Employee benefit obligations	23,305,388	30,400,335
Deferred revenue-general	18,418,027	5,698,756
Deferred revenue-obligatory reserve funds	(213,654,497)	146,689,946
Accretion expenses	500,343	480,177
Inventory	(19,630,714)	105,504
Prepaid expenses	(7,060,887)	(4,714,223)
Net change in cash and cash equivalents from operations	959,233,367	1,187,907,415
Capital		
Acquisition of tangible capital assets	(552,887,180)	(518,395,440)
Proceeds on disposal of tangible capital assets	1,316,153	3,984,750
Net change in cash and cash equivalents from capital	(551,571,027)	(514,410,690)
Investing		
Net change in investments	(588,009,747)	(1,656,045,771)
Financing		
Long-term debt issued	104,511,050	-
Long-term debt repaid	(13,776,090)	(11,121,381)
Net change in cash and cash equivalents from financing	90,734,960	(11,121,381)
Net change in cash and cash equivalents	(89,612,447)	(993,670,427)
Opening, cash and cash equivalents	807,414,018	1,801,084,445
Closing, cash and cash equivalents	717,801,571	807,414,018

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

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2023

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.

1) SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Region were prepared in accordance with Canadian Public Sector Accounting Standards ("PSAS"), as recommended 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 on an accrual basis when it meets the definition of an asset, the tax is authorized by the passing of the tax levy by-law and the taxable event has occurred. Supplementary and omitted taxes are recognized when additional billings are issued according to Regional Council approved tax rate for properties that are added to the assessment roll during the year. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals and tax write-offs such as tax rebates are recorded in the Region's Consolidated Statement of Operations and Accumulated Surplus when the result of the appeal process is known.

Development charges are rates levied based on type of new development, whether residential or non-residential. Rates are set by Regional Council from time to time through a Development Charges by-law (to a maximum of 5 years). Development charges are collected under the authority of Sections 33 to 37 of the *Development Charges Act, 1997*, when the building permit is issued and reported as deferred revenue in the Consolidated Statement of Financial Position. Revenues are recognized when amounts are used to fund the growth-related portion of the qualifying capital projects.

User charges are recognized as they are earned and measurable.

Fees and services are fees associated with services provided (including transit fare, charges for long-term care home residency, paid duty police services, sales of recycled materials, etc.). Revenues are recognized when the activity is performed and when the services are rendered.

Other revenues consist of third party funding and other recoveries including capital recovery are recorded when 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.

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. Financial Instruments

Financial instruments include cash and cash equivalent, short-term investments, accounts receivable, investments, accounts payable and accrued liabilities and long-term debt.

The following is a list of financial instruments and their related measurement basis at December 31, 2023.

Cash, cash equivalent	Amortized cost
Short-term investments	Amortized cost
Accounts receivable	Amortized cost
Investments	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Long-term debt	Amortized cost

As all financial instruments are measured at cost or amortized cost, there have been no re-measurement gains or losses. Therefore, the Statement of Remeasurement Gains (Losses) has been excluded.

All financial assets are tested annually for impairment. When there is an impairment other than a temporary decline in value, impairment losses are recorded in the Statement of Operations.

vi. 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, 2023, all material assets have been disclosed and reported within the Region's Statements.

vii. 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.

viii. 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.

ix. 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.

x. 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 generally are not intended for sale in the ordinary course of operations.

xi. 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 REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2023

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 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.

xii. **Inventory**

Inventory of materials and supplies, which are often consumed for purposes of providing goods and/or services to residents and businesses, is valued at the lower of cost and replacement cost. Inventory of assets including land and buses held for resale are valued at the lower of cost or net realizable value.

xiii. **Contractual Rights and Obligations**

Contractual rights reflect future rights to economic resources arising from contracts and/or agreements that will result in both an asset and revenue in future fiscal periods.

Contractual 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.

xiv. **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.

xv. **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.

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

Development charges, collected and accrued under the authority of Section 33 to 37 of the *Development Charges Act, 1997* are recorded as Deferred Revenue - Obligatory Reserve Funds. Accrued development charges are supported by deferral agreements which are financing arrangements secured by letters of credit, certified cheques or titles to property.

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..

xvii. **Employee Benefits Liabilities**

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.

xviii. Asset Retirement Obligation

An asset retirement obligation (ARO) is recognized when, as at the financial reporting date, all of the following criteria are met:

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

The liability for the removal of asbestos in several Region owned buildings has been recognized based on estimated future expenses on closure of the site and post-closure care. Additional liabilities for the removal of fuel tanks, tank systems, and lease obligations have been recognized based on estimated future expenses. Under the modified retroactive method, the discount rate and assumptions used on initial recognition are those as of the date of adoption of the standard.

The liability is discounted using a present value calculation and adjusted annually for accretion expense. The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the depreciation accounting policies.

xix. 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.

xx. 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.

xxi. 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 for accrued liabilities and asset retirement obligations.

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.

xxii. 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.

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.

xxiii. Future Accounting Pronouncements

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.

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2023

c) Adoption of new accounting policies

i. PS 3280 - Asset Retirement Obligations:

On January 1, 2022, the Region adopted Canadian public sector accounting standard PS3280 - Asset Retirement Obligations. The new accounting standard addressed the reporting of legal obligations associated with the retirement of certain tangible capital assets such as asbestos removal in retired buildings. The new accounting standard has resulted in a withdrawal of the existing accounting standard PS3270 - Solid Waste Landfill Closure and Post-Closure Liability. The standard was adopted on the modified retroactive basis at the date of adoption.

On January 1, 2022, the Region recognized an asset retirement obligation relating to several buildings owned by the Region that contain asbestos. The buildings were originally purchased between the years 1964 to 2022, and the liability was measured as of the date of purchase of the buildings, when the liability was assumed. The buildings have an expected useful life of 50 years, and the estimate has not been changed since purchase.

In accordance with the provisions of this new standard, the Region reflected the following adjustments at January 1, 2022:

Asbestos obligation:

An increase of \$2,536,954 to the buildings tangible capital asset account, representing the original estimate of the obligation as of the date of purchase, and an accompanying increase of \$1,604,328 to accumulated amortization, representing the increased amortization had the liability originally been recognized for each building.

An asset retirement obligation in the amount of \$10,434,270, representing the original \$37,733,794 obligation discounted to the present value amount using a rate of 4.2%.

A decrease to opening accumulated surplus of \$9,501,644, as a result of recognition of the liability and accompanying increase in amortization expense and accretion expense for the years since purchase of the buildings.

Tank system obligation:

An increase of \$448,146 to the buildings tangible capital asset account, representing the original estimate of the obligation as of the date of purchase, and an accompanying increase of \$98,003 to accumulated amortization, representing the increased amortization had the liability originally been recognized for each tank system.

An asset retirement obligation in the amount of \$768,187, representing the original \$1,839,406 obligation discounted to the present value amount using a rate of 4.2%.

A decrease to opening accumulated surplus of \$418,044, as a result of the recognition of the liability and accompanying increase in amortization expense and accretion expense for the years since lease of the buildings.

Lease obligation:

An asset retirement obligation in the amount of \$230,303, representing the original \$282,903 obligation discounted to the present value amount using a rate of 4.2%.

A decrease to opening accumulated surplus of \$169,253, as a result of the recognition of the liability and accompanying increase in amortization expense and accretion expense for the years since the lease of the buildings.

ii. PS 3450 - Financial Instruments and PS 2601 - Foreign Currency Translation:

On January 1, 2023, the Region adopted Canadian public sector accounting standard PS3450 - Financial Instruments and PS2601 - Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS3450, all financial instruments are included on the Statement of Financial Position and are measured at cost or amortized cost based on the characteristics of the instrument and the Region's accounting policy choices.

2) BUDGET FIGURES

Budget figures presented in the Consolidated Financial Statements are based on the 2023 budget approved by York Regional Council on February 23, 2023. 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	\$ 3,957,450,074
Reclassification of investment income	135,000,000
Transfer from reserves	(490,733,497)
Proceeds of debt issued for Regional purposes	(242,315,995)
Housing York Inc.	48,480,000
Related entities adjustments	(31,220,445)
Total revenues	3,376,660,137
Expenses	
Approved budget	3,957,450,074
Reclassification of investment income	135,000,000
Transfer to reserves	(712,172,694)
Acquisition of tangible capital assets	(707,497,445)
Debt principal repayments	(197,445,015)
Amortization	349,536,033
Post employment benefits	22,190,000
Housing York Inc.	42,191,000
Related entities adjustments	(31,220,445)
Total expenses	2,858,031,508
Annual surplus	\$ 518,628,629

3) NET TAXATION

Tax revenue of \$1,357,117,850 (2022 - \$1,281,693,565) is comprised of \$1,339,408,924 (2022 - \$1,272,994,934) in general tax levy and \$17,708,926 (2022 - \$8,698,631) of other tax amounts.

4) INVESTMENTS

Included in cash and cash equivalents are short-term investments of \$150,106,520 (2022 - \$80,000,030) with a market value of \$150,036,509 (2022 - \$80,000,030). Long-term investments of \$5,598,735,171 (2022 - \$5,010,725,424) have a market value of \$5,387,373,036 (2022 - \$4,629,069,730). As at December 31, 2023, the Region's investments measured at amortized cost exceed the market value, representing a temporary decline in value. No impairment is recognized due to the investment's low-risk nature, the issuers' high credit ratings, and the Region's intention to hold these investments to their maturities. The Region monitors the investment portfolio in accordance with its Investment Policy and has mitigation strategies to address possible impairment.

Cash and cash equivalents and long-term investments include \$513,344,736 (2022 - \$726,999,233) of restricted funds as required under legislation to fund obligatory reserve funds. The yields on investments held range from 0.63% to 6.64% (2022 - 0.59% to 5.95%).

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Notes to the Consolidated Financial Statements December 31, 2023

5) ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	2023 \$	2022 \$
Government of Canada	45,485,972	48,167,640
Government of Ontario	18,094,322	28,072,997
Other municipalities	180,501,800	150,549,218
Other receivables	133,926,904	235,433,176
	<hr/> 378,008,998	<hr/> 462,223,031
Less: allowance for doubtful accounts	(644,646)	(61,763)
	<hr/> 377,364,352	<hr/> 462,161,268

Accounts receivable are assessed for collectability on an annual basis. In 2023, \$157,635 was deemed uncollectable and written off (2022 - \$134,650).

6) EMPLOYEE BENEFITS LIABILITIES

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 \$23,305,388.

	2023 \$	2022 \$
Post employment benefits (a)	130,581,371	123,410,114
Workplace Safety and Insurance Board (WSIB) (c)	95,137,647	79,447,159
Long-term disability claims (d)	66,246,442	66,476,667
Vested sick leave benefits (e)	45,971,489	44,782,662
Subtotal	<hr/> 337,936,949	<hr/> 314,116,602
Vacation payable	29,376,227	29,891,186
Total	<hr/> 367,313,176	<hr/> 344,007,788

The following table sets out the accrued benefit liability for each plan as at December 31, 2023.

	Post employment benefits \$	WSIB \$	Long-term disability claims \$	Vested sick leave benefits \$	2023 Total \$	2022 Total \$
Accrued benefit obligation, beginning of year	124,458,071	113,945,874	43,188,283	36,172,094	317,764,322	354,676,569
Benefit service cost	5,693,423	20,101,510	6,335,614	2,947,066	35,077,613	36,544,610
Interest accrued	5,607,749	5,237,424	1,945,994	1,613,728	14,404,895	11,935,294
Actuarial (gain)/loss	-	-	-	-	-	(57,795,855)
Benefit payments	(5,376,239)	(15,218,882)	(6,223,522)	(3,570,015)	(30,388,658)	(27,596,296)
Accrued benefit obligation, end of year	130,383,004	124,065,926	45,246,369	37,162,873	336,858,172	317,764,322
Unamortized actuarial gain/(loss)	198,367	(28,928,279)	21,000,073	8,808,616	1,078,777	(3,647,720)
Accrued benefit liability, end of year	130,581,371	\$95,137,647	66,246,442	45,971,489	337,936,949	314,116,602

The amortization of actuarial losses for the current year is in the amount of \$4,726,497 (2022 - \$10,515,044).

	Post employment benefits	WSIB	Long-term disability claims	Vested sick leave benefits
Expected inflation rate	2.00%	2.00%	2.00%	2.00%
Expected level of salary increases	3.00%	3.00%	3.00%	3.00%
Interest discount rate	4.50%	4.50%	4.50%	4.50%
Future health care cost rate	5.67%	4.00%	N/A	5.67%
Expected Average Remaining Service Life				
Regional Operations	14	10	8	6
Police Services	13	10	8	13

a) Post-Employment Benefits

Employees who retire under the Ontario Municipal Employees Retirement System (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 January 25, 2023 estimates the liability of these benefits to be \$130,581,371 (2022 - \$123,410,114), which is reported in the Consolidated Statement of Financial Position. The reserve balance at December 31, 2023 is \$94,529,005 (2022 - \$74,880,157).

b) Pension Agreement

The Region contributes to OMERS, a multi-employer plan on behalf of approximately 7,084 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 2023, employer contribution amounts to \$77,103,153 (2022 - \$70,341,713) and is recorded as an expense in the Consolidated Statement of Operations and Accumulated Surplus. Employee contributions also amount to \$77,103,153 (2022 - \$70,341,713).

Because OMERS is a multi-employer plan, the Region does not recognize any share of the pension deficit of \$4.2 billion at December 31, 2023.

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 January 25, 2023 estimates the liability for all claims incurred to December 31, 2023 to be \$95,137,647 (2022 - \$79,447,159), which is reported in the Consolidated Statement of Financial Position. The worker's compensation reserve balance at December 31, 2023 is \$95,137,647 (2022 - \$79,409,680).

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Notes to the Consolidated Financial Statements December 31, 2023

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 January 25, 2023 estimates the liability for the claims incurred to be \$66,246,442 (2022 - \$66,476,667) as at December 31, 2023, which is reported in the Consolidated Statement of Financial Position. The reserve balance at December 31, 2023 is \$66,246,442 (2022 - \$66,466,525).

e) Long-Term Disability Self-Funding Arrangement

An independent actuarial valuation report dated January 25, 2023 estimates the liability for both Regional operations and Police Services at \$45,971,489 (2022 - \$44,782,662), which is reported in the Consolidated Statement of Financial Position. The reserve balance at December 31, 2023 is \$8,014,332 (2022 - \$7,930,576).

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 of the assets is \$82,624 (2022 - \$23,040).

Police Services

For Police Services members hired before July 22, 2013, the sick leave benefit plan provides for an cumulative 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 July 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 \$46,054,113 (2022 - \$44,805,702).

7) DEFERRED REVENUE

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

	Balance at December 31, 2022 \$	Inflows \$	Amounts recognized into revenue \$	Balance at December 31, 2023 \$
Deferred capital grants	29,139,667	4,952,840	(10,693,660)	23,398,847
Deferred revenue - prepaid development charge credit agreements (PDCCA)	-	13,181,841	(1,430,184)	11,751,657
Other*	19,482,673	49,325,873	(36,918,683)	31,889,863
Total deferred revenue - general	48,622,340	67,460,554	(49,042,527)	67,040,367
Development charges	614,744,832	260,026,550	(466,592,601)	408,178,781
Gas Tax/Canada Community-Building Fund	112,254,401	58,884,131	(65,972,577)	105,165,955
Total deferred revenue - obligatory reserve funds	726,999,233	318,910,681	(532,565,178)	513,344,736

*Other deferred revenue includes funding for affordable social housing programs.

8) LONG-TERM LIABILITIES

The use of long-term liabilities to finance capital expenses is governed by Provincial legislation. Provincial legislation gives York Region authority to issue long-term debt for both York Region and Local Municipalities. The debentures issued for such purpose are direct, joint and several obligations of the York Region and all its local municipalities.

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

	2023 \$	2022 \$
Outstanding long-term liabilities at the end of the year, including sinking funds and those incurred on behalf of local municipalities	3,651,862,287	3,522,244,883
Mortgages payable by Housing York Inc.	19,152,666	27,828,823
Gross long-term liabilities	3,671,014,953	3,550,073,706
Less recoverable from local municipalities		
Sinking fund debentures	73,588,951	28,100,000
Non-sinking fund debentures	93,862,087	109,144,751
	167,451,038	137,244,751
Net long-term liabilities at the end of the year	3,503,563,915	3,412,828,955

The total gross amount of the long-term liabilities to be retired by sinking funds is \$3,530,000,000 (2022 - \$3,380,000,000). The amount of sinking fund assets is \$1,308,796,959 (2022 - \$1,078,205,363). Long-term liabilities are financed through a combination of development charges, water and sewer rates and tax levy.

The weighted average interest rate for Region's debts is 3.15% having maturity dates range from July 2024 to December 2051.

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

2024	\$ 208,274,160
2025	211,987,461
2026	201,842,437
2027	194,737,856
2028	189,207,743
Thereafter	2,144,886,715
Net sinking fund debt repayable according to actuarial recommendations	352,627,543
Total	\$ 3,503,563,915

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 \$101,677,066 (2022 - \$104,368,994).

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2023

9) ASSET RETIREMENT OBLIGATION

The Region's other long-term liabilities consists of several asset retirement obligations as following:

a) Asbestos obligation:

The Region owns and operates several buildings that are known to have asbestos, which represents a health hazard upon demolition of the building and there is a legal obligation to remove it. Following the adoption of *PS 3280 Asset Retirement Obligations*, the Region recognized an obligation relating to the removal and post-removal care of the asbestos in these building as estimated at January 1, 2022. Estimated costs have been discounted to the present value using a discount rate of 4.2% per annum.

b) Tank system obligation:

The Region owns and operates various fuel tanks and tank systems where there is a legal obligation to remove them. Following the adoption of *PS 3280 Asset Retirement Obligations*, the Region recognized an obligation relating to the removal and post-removal care of the tanks and tank systems as estimated at January 1, 2022. Estimated costs have been discounted to the present value using a discount rate of 4.2% per annum.

c) Lease obligation:

The Region leases one building for which there is a contractual obligation to restore the building to its original state at the end of the lease term. Following the adoption of *PS 3280 Asset Retirement Obligations*, the Region recognized an obligation relating to the restoration of the leased facility as estimated at January 1, 2022. Estimated costs have been discounted to the present value using a discount rate of 4.2% per annum.

The transition and recognition of asset retirement obligations involved an accompanying increase to the buildings tangible capital assets and the restatement of prior year balances (see Note 1.c).

Changes to the asset retirement obligation liability in the year are as follows:

Asset Retirement Obligation	Asbestos obligation \$	Tank system \$	Lease obligation \$	Balance at December 31, 2023 \$
Opening balance	10,872,509	800,451	239,976	11,912,936
Accretion expenses	456,645	33,619	10,079	500,343
Closing balance	11,329,154	834,070	250,055	12,413,279

Asset Retirement Obligation	Asbestos obligation \$	Tank system \$	Lease obligation \$	Balance at December 31, 2022 \$
Opening balance	-	-	-	-
Adjustment on adoption of asset retirement obligation standard (Note 1 (c))	10,434,270	768,187	230,303	11,432,760
Opening balance, as restated	10,434,270	768,187	230,303	11,432,760
Accretion expenses	438,239	32,264	9,673	480,176
Closing balance	10,872,509	800,451	239,976	11,912,936

10) 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, 2023. 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 17 L/Cs of \$134,781,442 (2022 - 18 L/Cs of \$135,224,643).
- An agreement with Metrolinx to fund the construction of bus rapidways. The remaining funding Metrolinx has guaranteed the Region is \$26,044,531 (2022 - \$29,553,004).

- Rights to transit advertisements, solar revenue and other lease revenue. Future revenue from these sources for the next 5 years are approximately:

2024	9,490,772
2025	7,929,037
2026	6,342,309
2027	4,558,012
2028	2,670,460

b) Contingent Assets

As at December 31, 2023, 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, 2023.

11) CONTRACTUAL OBLIGATIONS AND COMMITMENTS

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

The Water Servicing Agreement with the City of Toronto is based on the Region's proportionate share of overall operating cost and includes a contribution for future asset management. In 2023, the Region paid \$37,657,066 (2022 - \$40,265,475) for water purchased under this agreement.

The Water Servicing Agreement with the Region of Peel is also based on the Region's proportionate share of operating costs, and includes a contribution for future asset management. In 2023, the Region paid \$20,994,521 (2022 - \$20,983,400) for purchases under this agreement, excluding reconciling items.

The Water Supply 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 2023, Peel provided servicing for York wastewater flows for a total payment of \$6,708,960 (2022 - \$6,438,147) before reconciling items. The York-Peel Wastewater Servicing Agreement 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:

2024	6,770,569
2025	6,390,362
2026	6,194,389
2027	5,073,467
2028	4,945,509

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 10(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 5 subway stations in York Region. The total project cost is estimated to be approximately \$5,600,000,000. In February 2023, work began on early upgrades to Finch Station to prepare for construction of the extension, and in mid-year Metrolinx launched the tendering process for tunneling of the line. In June 2023, the Province confirmed to the Region that its contribution would be capped at \$1,120,000,000, subject to certain conditions including an ongoing contribution to the operation and maintenance of the subway extension.

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Notes to the Consolidated Financial Statements December 31, 2023

e) York Region Hospital Capital Funding

In 2009, Council approved a memorandum of understanding (MOU) between the Region and York Region hospitals, which provides direction for capital funding of the four regional hospitals from 2009 to 2031. Despite the termination of the MOU in 2019, the financial commitments remained. The Region's total obligation for the Cortellucci Vaughan Hospital, the only remaining commitment, is approximately \$154,154,789, including forecasted future adjustments. As of December 31, 2023, the Region has paid \$101,829,085 to this hospital and the remaining commitment is \$52,325,704 (2022 - \$60,048,228).

f) York University Markham Centre Campus Capital Funding

In 2014, Council approved a memorandum of understanding (MOU) 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 2024. 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 MOU. 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 2023, York University's Markham Centre Campus had received three instalments of \$5,000,000 in total. The fourth and final instalment of \$20,000,000 would be payable upon substantial completion expected in 2024.

12) 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. The Region's Property policy includes a deductible of \$100,000 per occurrence for most losses and the deductible under its Crime policy is \$150,000.

The Region estimates that the liability as at December 31, 2023 for all outstanding public liability claims is \$7,874,167 (2022 - \$6,760,671). The total insurance reserve is \$34,750,808 (2022 - \$34,070,341).

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.

13) LIABILITY FOR CONTAMINATED SITES

The Region recognized an estimated liability of \$655,685 (2022 - \$619,886) 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 is expected to be fully settled and recoverable from a third-party in 2024.

14) PROVINCIAL OFFENCES ADMINISTRATION

The Region administers, prosecutes, and collects on court ordered 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, by phone, 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*. The gross revenue for 2023 amounts to \$25,326,167 (2022 - \$14,378,814 and the net surplus/(deficit) amounts to \$2,926,891 (2022 - \$(3,714,161)). Balances arising from operations of POA Court are consolidated within these financial statements and reported in protection to persons and property on the Consolidated Statement of Operations and Accumulated Surplus.

15) TANGIBLE CAPITAL ASSETS

	Balance at December 31, 2022 Restated (Note 1.c) \$	Additions/Transfers \$	Disposals \$	Asset Retirement Obligations \$	Balance at December 31, 2023 \$
COST					
Land	689,438,045	52,138,301	-	-	741,576,346
Land improvements	419,345,566	11,110,000	-	-	430,455,566
Buildings	3,002,351,087	145,492,849	(2,976,112)	-	3,144,867,824
Equipment and machinery	931,383,169	39,023,402	(14,300,164)	-	956,106,407
Vehicles	500,913,890	38,914,515	(27,556,764)	-	512,271,641
Transit infrastructure	539,363,104	-	-	-	539,363,104
Roads infrastructure	2,916,268,688	122,991,664	(15,490,603)	-	3,023,769,749
Water and wastewater infrastructure	2,436,707,841	25,559,685	-	-	2,462,267,526
Assets under construction	1,288,881,984	117,656,764	-	-	1,406,538,748
Total	12,724,653,374	552,887,180	(60,323,643)	-	13,217,216,911

	Balance at December 31, 2022 Restated (Note 1.c) \$	Disposals \$	Amortization expense \$	Asset Retirement Obligations \$	Balance at December 31, 2022 \$
ACCUMULATED AMORTIZATION					
Land improvements	202,407,453	-	17,527,098	-	219,934,551
Buildings	1,040,603,439	(2,976,112)	78,288,483	68,286	1,115,984,096
Equipment and machinery	465,421,976	(14,270,179)	56,185,244	-	507,337,041
Vehicles	301,654,104	(27,390,019)	39,297,736	-	313,561,821
Transit infrastructure	73,718,309	-	14,743,662	-	88,461,971
Roads infrastructure	1,158,136,923	(14,624,173)	103,425,406	-	1,246,938,156
Water and wastewater infrastructure	332,978,275	-	27,394,280	-	360,372,555
Total	3,574,920,479	(59,260,483)	336,861,909	68,286	3,852,590,191

	Balance at December 31, 2022 Restated (Note 1.c) \$	Balance at December 31, 2023 \$
Land	689,438,045	741,576,346
Land improvements	216,938,113	210,521,015
Buildings	1,961,747,648	2,028,883,728
Equipment and machinery	465,961,193	448,769,366
Vehicles	199,259,786	198,709,820
Transit infrastructure	465,644,795	450,901,133
Roads infrastructure	1,758,131,765	1,776,831,593
Water and wastewater infrastructure	2,103,729,566	2,101,894,971
Assets under construction	1,288,881,984	1,406,538,748
Total	9,149,732,895	9,364,626,720

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2023

In 2023, the Region did not receive contributed assets (2022 - \$52,000) from external parties.

The Region recognized a write-down of tangible capital assets of \$869,330 in 2023 (2022 - \$3,716,702), 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.

16) ACCUMULATED SURPLUS

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

	2023 \$	2022 Restated \$
Surplus		
Invested in tangible capital assets	4,941,303,481	4,806,914,639
Investments in related entities	405,275,326	374,792,363
	5,346,578,807	5,181,707,002
Reserves and Reserve Funds		
Asset Replacement Reserves		
Roads infrastructure	814,247,068	823,303,235
Capital replacement-water and sewer	801,008,481	743,012,199
Regionally owned housing	263,302,396	233,367,103
Facilities rehabilitation and replacement	183,059,743	168,703,495
Transit vehicle replacement	101,146,221	64,494,640
Equipment/vehicle replacement	100,450,025	98,843,902
	2,263,213,934	2,131,724,574
Sinking Fund	1,295,173,158	1,067,533,830
Corporate Reserves		
Rates stabilization	132,622,712	122,096,780
Pandemic management and recovery	118,457,501	120,276,176
Tax stabilization	62,222,078	61,048,892
Fiscal stabilization	55,313,251	53,365,769
Working capital	50,000,000	50,000,000
Insurance	34,750,808	34,070,341
Waste management stabilization	34,703,637	38,207,278
Fuel cost stabilization	23,544,148	24,316,249
Hospital financing	10,794,212	10,940,507
Innovation investment	7,816,537	6,294,779
Land securement	6,115,557	5,246,180
Innovation	6,007,420	5,833,362
Cannabis contingency	3,001,279	2,914,320
Court services	2,891,201	2,255,629
Green energy	2,634,809	2,362,470
IT licensing and software development	1,250,320	1,214,099
	552,125,470	540,442,831

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2023

	2023	2022
	\$	Restated \$
Capital Reserves		
Debt reduction	427,503,964	385,420,970
Solid waste management	100,746,951	96,379,172
Social housing development	99,282,408	66,004,701
Non-profit housing capital	79,202,857	86,617,827
Rapid transit	68,927,095	44,704,932
Tax levy development	61,037,115	-
Roads capital acceleration	51,531,919	52,636,654
General capital	45,546,863	45,735,637
Transit	24,730,416	1,039,108
IT development	21,776,235	22,842,228
Rate supported development	18,576,267	-
Roads capital	16,271,285	25,763,930
Land bank	5,363,566	7,957,732
Police infrastructure	1,688,398	1,969,591
	1,022,185,339	837,072,482
Contingent Liability and Other		
Workers' compensation	95,137,647	79,409,680
Group benefits	94,529,005	74,880,157
Long-term disability	66,246,442	66,466,525
Sick leave	8,014,332	7,930,576
Seized funds	193,637	222,206
	264,121,063	228,909,144
Total Reserves and Reserve Funds	5,396,818,964	4,805,682,861
Adjustment on adoption of the asset retirement obligation standard	-	(10,641,203)
Total Reserves and Reserve Funds, as restated	5,396,818,964	4,795,041,658
Total	10,743,397,771	9,976,748,660

17. 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.

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2023

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.

	General government \$	Protection to persons and property \$	Transportation services \$	Environmental services \$	Health and emergency services \$
REVENUES					
Net taxation	185,671,455	398,728,479	420,131,940	62,277,204	89,176,974
Provincial grants	555,784	15,785,735	26,011,748	77,472	139,451,319
Federal grants	172,565	-	46,174,915	1,153,834	111,106
Development charges	1,024,805	16,260,336	238,872,600	208,356,830	4,738,678
User charges	-	-	-	394,762,972	-
Investment income	186,015,579	-	-	-	-
Fees and services	6,859,856	36,111,113	78,911,622	18,398,520	981,881
Other	2,675,287	4,004,756	15,414,741	26,399,594	367,194
Total revenue	382,975,331	470,890,419	825,517,566	711,426,426	234,827,152
EXPENSES					
Salaries and benefits	106,851,531	392,923,984	77,945,023	65,046,289	179,418,750
Operating expenses	38,029,856	56,925,228	256,473,651	282,817,860	40,459,250
Amortization	20,754,649	16,641,035	178,299,721	102,268,268	6,780,204
Government transfers	-	7,179,080	1,580,794	13,028,409	9,305,385
Interest payments	443,626	1,977,579	26,804,958	70,526,887	315,243
Total expenses	166,079,662	475,646,906	541,104,147	533,687,713	236,278,832
Annual Surplus (Deficit)	216,895,669	(4,756,487)	284,413,419	177,738,713	(1,451,680)

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2023

	Community services	Social housing	Planning and economic development	Total 2023	Total 2022 Restated
	\$	\$	\$	\$	\$
REVENUES					
Net taxation	114,727,932	74,456,253	11,947,613	1,357,117,850	1,281,693,565
Provincial grants	553,016,484	48,926,136	5,629,028	789,453,706	667,058,052
Federal grants	1,906,883	21,709,526	8,363,583	79,592,412	54,348,385
Development charges	-	(3,140,648)	480,000	466,592,601	433,871,575
User charges	-	-	-	394,762,972	387,759,922
Fees and services	-	-	339,188	186,354,767	150,557,348
Investment income	5,604,676	26,186,622	6,774,009	179,828,299	124,954,639
Other	2,250,557	3,397,359	2,205,631	56,715,119	35,209,269
Total revenue	677,506,532	171,535,248	35,739,052	3,510,417,726	3,135,452,755
EXPENSES					
Salaries and benefits	113,129,246	16,827,716	13,247,229	965,389,768	936,691,695
Operating expenses	414,055,030	86,747,459	3,857,754	1,179,366,088	932,538,641
Amortization	1,727,917	9,186,156	1,272,245	336,930,195	337,072,378
Government transfers	129,201,830	-	110,000	160,405,498	137,585,668
Interest payments	-	1,608,773	-	101,677,066	104,368,994
Total expenses	658,114,023	114,370,104	18,487,228	2,743,768,615	2,448,257,376
Annual Surplus (Deficit)	19,392,509	57,165,144	17,251,824	766,649,111	687,195,379

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements December 31, 2023

18) FINANCIAL INSTRUMENTS

a) Establishing Fair Value

All financial instruments are classified as level 1 based on the fair value hierarchy. Level 1 is applicable when valuation can be based on quoted prices in active markets for identical assets and liabilities. The carrying value of cash, accounts receivable, accounts payable and accrued liabilities, accrued payroll and benefits approximate their fair values due to the short-term nature of these financial assets and liabilities.

b) Credit Risk

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

As at December 31, 2023 there were no significant balances of accounts receivable due from any single customer. There was \$157,635 (2022 - \$134,650) of write-offs during the year. The Region actively monitors accounts receivable and has the right to enforce payment as per the contract.

c) Liquidity Risk

Liquidity risk results from the Region's potential inability to meet its obligations associated with the financial liabilities as they come due. The Region monitors its operations and cash flows to ensure current and future obligations will be met. The Region believes its current sources of liquidity are sufficient to cover its currently known short and long-term cash obligations.

Contractual cash flows:

Description	Carrying value \$	Within 1 year \$	1-5 years \$	>5 years \$	2023 Total \$
Accounts payable and accrued liabilities	908,542,377	908,542,377	-	-	908,542,377
Liability for asset retirement obligation	12,413,279	-	1,303,787	11,109,492	12,413,279
Long-term liabilities	3,671,014,953	224,688,381	838,430,819	2,607,895,753	3,671,014,953
	4,591,970,609	1,133,230,758	839,734,606	2,619,005,245	4,591,970,609

Description	Carrying value \$	Within 1 year \$	1-5 years \$	>5 years \$	2022 Total \$
Accounts payable and accrued liabilities	939,309,899	939,309,899	-	-	939,309,899
Liability for asset retirement obligation	11,912,936	-	1,251,235	10,661,701	11,912,936
Long-term liabilities	3,550,073,706	218,589,704	833,602,603	2,497,881,399	3,550,073,706
	4,501,296,541	1,157,899,603	834,853,838	2,508,543,100	4,501,296,541

d) Market Risk

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

- Foreign currency risk – the Region is not exposed to any significant currency risk due to limited foreign currency transactions.
- Interest rate risk – the Region limits its exposure to interest rate risk by issuing debt that is only denominated in Canadian dollars with an interest rate that will be fixed over its term. At December 31, 2023, the Region did not hold financial assets or financial liabilities that expose it to significant variation in cash flow due to fluctuations in interest rates.
- Other price risk – the Region is not exposed to any significant other price risk from fluctuation in fair value of equity funds. The Region's exposure to this type of risk is limited to investments in pooled equity funds.

19) COMPARATIVE FIGURES

Certain 2022 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)	2023	2022	2021	2020	2019
CONSOLIDATED FINANCIAL ACTIVITIES					
Analysis of Revenues					
Net taxation/user charges	1,751,881	1,669,453	1,610,746	1,570,955	1,506,085
Government transfer	869,046	721,406	694,158	690,974	779,442
Development charges	466,593	433,872	370,752	269,207	293,035
Fees and service charges	179,828	150,557	117,240	106,511	162,944
Other	243,070	160,164	177,576	188,840	200,358
	3,510,418	3,135,453	2,970,473	2,826,488	2,941,865
Analysis of Expenses by Object					
Salaries, wages and employee benefits	965,390	936,692	920,219	845,345	799,789
Debt servicing	101,677	104,369	109,590	117,160	120,436
Operating and general expenses	1,179,366	932,539	836,058	653,600	910,229
Amortization	336,930	337,072	324,056	320,568	312,612
Transfers to others	160,405	137,586	109,754	169,490	109,551
	2,743,769	2,448,257	2,299,677	2,106,164	2,252,616
Analysis of Expenses by Function					
General government	166,080	137,936	145,078	117,792	129,458
Protection to persons and property	475,647	451,160	436,471	424,524	405,658
Transportation services	541,104	510,705	477,337	465,127	607,644
Environmental services	533,688	486,834	485,144	388,325	482,289
Health and emergency services	236,279	254,670	259,551	245,579	158,929
Community services and housing	772,484	591,001	480,713	453,077	453,064
Planning and development services	18,487	15,950	15,383	11,740	15,575
	2,743,769	2,448,257	2,299,677	2,106,164	2,252,616
Annual Surplus	766,649	687,195	670,795	720,324	689,250
Accumulated Surplus	10,743,398	9,976,749	9,299,642	8,628,847	7,908,522
Net Financial Assets/ (Net Debt)	1,321,683	796,620	301,428	(191,381)	(562,436)

THE REGIONAL MUNICIPALITY OF YORK

Five Year Review (unaudited)

(in thousands of dollars)	2023	2022	2021	2020	2019
OUTSTANDING OBLIGATIONS					
Debt Outstanding					
Total Long Term Liabilities	2,362,218	2,471,868	2,711,315	2,903,682	2,832,720
Overlapping Debt of Local Municipalities	(167,451)	(137,245)	(144,668)	(144,540)	(159,468)
Net Long Term Liabilities	2,194,767	2,334,624	2,566,647	2,759,142	2,673,251
Net Long Term Liabilities per capita	1,744	1,884	2,090	2,274	2,223
Sinking Fund	1,308,797	1,078,205	857,303	826,915	718,308
Charges for Net Long Term Liabilities					
Recovered from:					
General Tax Rates and DCs	297,695	295,128	301,063	279,126	270,832
User Rates	10,658	10,683	21,530	18,673	15,513
Total	308,353	305,811	322,593	297,799	286,345
Debt charges as a % of Total Expenses	11.2%	12.5%	14.0%	14.1%	12.7%
Remaining Debt and Financial Obligation Limit including Growth Cost Supplement	219,064	236,723	295,523	310,174	399,836
Acquisitions of tangible capital assets	552,887	518,395	506,260	667,898	637,444

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. IBM CANADA LIMITED
6. ROYBRIDGE HOLDINGS LIMITED
7. GANZ REALTY LIMITED
8. NEAMSBY INVESTMENTS INC
9. CANADIAN PROPERTY HOLDINGS
10. MONTEZ HILLCREST INC

Top 10 Employers in York Region

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

Based on 2022 employment survey

THE REGIONAL MUNICIPALITY OF YORK

Five Year Review (unaudited)

MISCELLANEOUS INFORMATION

	2023	2022	2021	2020	2019
General Government					
Full Time Equivalent Employees (1)	6,610	6,380	6,235	6,124	5,995
Unemployment Rate (2)	6.3%	4.2%	6.0%	8.0%	4.4%
Acquisition of Tangible Capital Assets (000s)	\$552,887	\$518,395	\$506,260	\$667,898	\$637,444
Healthy Communities					
New Annual Residential Units/Building Permits	12,022	7,120	10,787	5,832	4,669
Annual Building Permit Values (000s)	5,867,437	\$4,269,418	\$5,192,673	\$2,627,748	\$3,149,869
Number of Subsidized Households	6,334	5,917	5,575	4,998	5,119
Average Police Emergency response time (minutes)	7.2	7.1	6.5	6.4	6.5
Roads and Transit					
Total Kilometres of Roads in the Region	4,386	4,383	4,382	4,318	4,293
Number of people living and working within 500 meters of a transit stop	314,300	305,000	272,300	265,000	257,000
Percentage of regional roads with sidewalk and/or dedicated bike lanes in urban areas	86%	86%	86%	85%	84%
Percentage of on-time performance on all transit routes	94.1%	95.1%	95.6%	94.7%	91.5%
Number of transit service passenger trips per capita	17.7	13.8	8.9	9.4	19.9
Environment					
Number of Trees and Shrubs Planted Annually Through the Regional Greening Strategy Program	116,175	110,391	92,154	60,539	102,332
Percentage of Solid Waste Diverted from Landfill	94%	94%	92%	93%	94%
Number of per capita greenhouse gas emissions across Regional Operations (tonnes)	57.1	57.0	53.7	55.5	65.4
Number of megalitres of treated water consumed per 100,000 population	10,356	10,596	10,245	10,368	10,004
Annual Water Flows (Thousands of Cubic Metres)	122,054	125,194	124,487	124,112	118,718
Annual Wastewater Flows (Thousands of Cubic Metres)	120,298	122,663	121,763	121,247	116,354
Total Kilometres of Water Distribution/Transmission Pipe	360	360	360	360	360
Total Kilometres of Wastewater Mains	370	370	370	360	360
Demographics					
Population	1,258,161	1,239,424	1,228,180	1,213,602	1,202,535
Seniors Population (3)	213,882	210,701	179,314	177,075	175,460
Households	408,796	399,409	394,482	388,474	382,571
Median Household Income	\$129,012	\$124,770	\$117,376	\$112,000	\$108,755

Notes:

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



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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 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, 2023
- the statement of financial activities and change in fund balance for the year then ended
- the statement of cash flows 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, 2023, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 26, 2024

THE REGIONAL MUNICIPALITY OF YORK

Sinking Fund Statement of Financial Position As at December 31, 2023

	2023 \$	2022 \$
FINANCIAL ASSETS		
Investment - at amortized cost (Note 4)	1,296,221,097	1,053,946,321
Cash	11,485,572	23,362,256
Interest receivable	1,090,216	896,711
Total Assets	1,308,796,885	1,078,205,288
LIABILITIES		
Actuarial requirement for retirement of the sinking fund (Note 5)	1,239,993,382	1,019,824,810
Fund balance	68,803,503	58,380,478
Total Liabilities and Fund Position	1,308,796,885	1,078,205,288

THE REGIONAL MUNICIPALITY OF YORK

Sinking Fund Statement of Financial Activities and Change in Fund Balance For the Year ended December 31, 2023

	Budget (Note 10) \$	2023 \$	2022 \$
REVENUE			
Local municipalities	2,607,421	2,607,421	2,607,421
Regional corporation	192,345,076	192,345,076	192,345,076
	194,952,497	194,952,497	194,952,497
Net investment income (Note 6)	25,216,074	35,639,099	25,949,546
	220,168,571	230,591,596	220,902,043
EXPENSES			
Actuarial requirement for the year (Note 5)	(220,168,571)	(220,168,571)	(216,212,373)
Change in Fund Balance	-	10,423,025	4,689,670
Opening Fund Balance	53,690,808	58,380,478	53,690,808
Closing Fund Balance	53,690,808	68,803,503	58,380,478

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

THE REGIONAL MUNICIPALITY OF YORK

Sinking Funds Statement of Cash Flows Year ended December 31, 2023

	2023 \$	2022 \$
OPERATING		
Change in fund balance	10,423,025	4,689,670
Changes in non-cash assets and liabilities	-	-
Interest receivable	(193,505)	(896,711)
Actuarial requirement for retirement of the sinking fund	220,168,572	216,212,373
Net change in cash from operations	230,398,092	220,005,332
INVESTING		
Net change in investments	(242,274,776)	(258,679,521)
Net change in cash	(11,876,684)	(38,674,189)
Opening, cash	23,362,256	62,036,445
Closing, cash	11,485,572	23,362,256

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

1) PURPOSE OF THE SINKING FUND

The Regional Municipality of York's sinking fund accumulate amounts through periodic contributions, which are calculated such that the contributions and interest earnings will be sufficient to retire the principal amount of the sinking funds debt when it matures.

Note 7 in these financial statements contains the schedule of projected debenture maturity amounts.

The Sinking Funds are governed under the *Municipal Act (Ontario)* and are exempt from income taxes under Section 149(1) of the *Income Tax Act (Canada)*.

2) SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Canadian Public Sector Accounting Standards. The significant accounting policies are summarized below.

a) Investments

Investments are comprised of cash and fixed income securities and are valued based on cost plus accrued investment/interest income.

The sinking fund invests in debentures issued or guaranteed by Provincial and Municipal governments and corporate bonds; the fair value of investments recorded in the financial statements is based on the latest bid prices and the change in fair value is included in the statement of operations and changes in surplus as investment income. Investment transactions are recorded on a settlement date basis and transaction costs are expensed as incurred.

The sinking fund's investment activities expose it to a range of financial risks, including market risk, credit risk, and interest rate risk (Note 4).

b) Revenue Recognition

Contributions are recognized as revenue in the year received. Interest income is recorded when earned.

Sinking fund debenture issues are grouped by interest rates. These rates represent the investment earnings assumptions for each of the respective funds and are used in determining the annual contributions required to retire the outstanding debt.

Investment income includes investment income and interest income, net of bank service charges, audit fees and unrealized gain (loss) on the increase/decrease in the fair value of the investments.

3) USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities and deficit/surplus 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 judgment applied in determining actuarial requirements for the sinking fund.

The actuarial requirements liability of the sinking funds represents the amounts levied during the year as set out in the sinking fund debenture bylaws plus interest accrued, compounded at the sinking funds rates of 1.0%, 1.5%, 1.6%, 2.0% or 3.0%. These actuarial requirement liabilities are presented at amortized cost, which approximates fair value. The average rate of return and term to maturity relate only to fixed income securities. Any excess revenue over these requirements is included in the sinking fund balance.

4) INVESTMENTS

Fair value represents bid price for each investment, while face value represents the original cost of the investment at the purchase date. Sinking fund investments will be held to maturity. In addition, there were no indicators which suggested that the sinking funds' investments were permanently impaired as at December 31, 2023 and therefore, no adjustments were recognized.

	2023 Fair Value \$	2023 Face Value \$	2022 Fair Value \$	2022 Face Value \$
Debt investments issued or guaranteed by:	-	-	-	-
Provincial governments	1,077,799,397	1,172,265,560	839,114,656	970,337,148
Corporations	124,655,670	123,955,537	81,999,770	83,609,173
	1,202,455,067	1,296,221,097	921,114,426	1,053,946,321

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Sinking Fund Financial Statements December 31, 2023

	2023	2022
Amortized cost, including accrued interest	\$1,296,221,097	\$1,053,946,321
Weighted average rate of return	2.99%	2.55%
Average term to maturity	8 Years	9.5 Years
Excess of fair value over amortized cost	(93,766,034)	(132,831,895)

5) ACTUARIAL REQUIREMENTS

	2023 \$	2022 \$
Actuarial requirements, beginning of year	1,019,824,810	803,612,437
Change in actuarial liability requirements	220,168,572	216,212,373
Actuarial requirements, end of year	1,239,993,382	1,019,824,810

6) INVESTMENT INCOME

	2023 \$	2022 \$
Investment revenues:		
Interest from coupon bonds	3,685,987	1,652,768
Bond premium/(discount) amortized	702,617	167,201
Zero coupon discounts amortized	29,139,289	22,691,366
Realized capital gains	-	594,467
Total investment revenues	33,527,893	25,105,802
Other revenues:		
Bank interest	2,056,986	832,100
Security lending	85,776	37,791
Total other revenues	2,142,762	869,891
Expenses		
Safekeeping and transaction fees	(31,556)	(26,147)
Total	35,639,099	25,949,546

7) SCHEDULE OF PROJECTED DEBENTURE

For the year ended December 31, 2023, the following is a list of the projected maturities of debentures issued by the Regional Municipality of York held within the general fund portfolio. The list only includes years when debentures are expected to mature.

Maturity Year	Amount \$
2032	25,000,000
2041	5,000,000
2043	5,000,000
	<u>35,000,000</u>

8) RISK EXPOSURE

The sinking funds are subject to market risk, credit risk, and interest rate risk with respect to the investment portfolio. The sinking fund's interest-bearing investments are exposed to interest rate risk. Sinking fund's investments are at risk due to fluctuations in market prices whether changes are caused by factors specific to the individual investment or factors affecting all securities traded in the market. The sinking fund manages risk by investing across a wide variety of asset classes and investment strategies.

The sinking fund holds investments in fixed income securities issued by corporations and government entities and as such have fixed income credit risk. The sinking fund mitigates this risk by limiting the investment portfolio to investments in A- grade or higher.

The sinking fund's liquidity risk is the risk of being unable to settle or meet commitments as they come due. These commitments include payment of the funding obligations of the sinking fund. Liquidity risk is managed by ensuring the sinking fund invest in securities that are actively traded.

9) CAPITAL MANAGEMENT

In managing capital, the sinking fund focuses on liquid resources available for reinvestment. The sinking fund's objective is to have sufficient liquid resources to meet its debenture obligations when they mature. The need for sufficient liquid resources is considered in the investment process. As at December 31, 2023, the sinking fund has met their objective of having sufficient liquid resources to meet current obligations.

10) BUDGET

Budget figures presented in the Sinking Fund Statement of Financial Activities and Changes in Fund Balance are based on the 2023 budget approved by the Sinking Fund Committee on July 14, 2023.



KPMG LLP

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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 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, 2023
- the statement of financial activities and fund balances 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, 2023, 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 "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 26, 2024

THE REGIONAL MUNICIPALITY OF YORK

Residents' Trust Funds and Donation Account
Statement of Financial Position
As at December 31, 2023

	Trust \$	Donation \$	2023 \$	2022 \$
FINANCIAL ASSETS				
Cash	243,157	41,864	285,021	266,021
Residents' petty cash	6,500	-	6,500	6,500
Total assets	249,657	41,864	291,521	272,521
Fund balances	249,657	41,864	291,521	272,521

THE REGIONAL MUNICIPALITY OF YORK

Residents' Trust Funds and Donation Account
Statement of Financial Activities and Fund Balances
Year ended December 31, 2022

	Trust \$	Donation \$	2023 \$	2022 \$
Fund balances, beginning of year	233,621	38,900	272,521	291,851
Source of funds:				
Deposits on behalf of residents	402,630	1,375	404,005	314,392
Interest earned on deposits	-	1,589	1,589	943
	402,630	2,964	405,594	315,335
Use of funds:				
Withdrawals	(386,594)	-	(386,594)	(334,665)
Net activity	16,036	2,964	19,000	(19,330)
Closing fund balance	249,657	41,864	291,521	272,521

The accompanying notes are an integral part of these 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, 2023

1) RESIDENTS' TRUST FUNDS

The residents's trust funds for residents of Newmarket Health Centre and Maple Health Centre (the "facilities") were established in accordance with the Regional Municipality of York policy, and in compliance with the *Fixing Long-Term Care Act, 2021* and *General Regulation 246/22*. These accounts are utilized to process Trust Funds/Comfort Allowance deposits and to make payments for authorized good and services purchased by residents.

2) SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Region Municipality of York ("Region") - Residents' Trust Funds and Donation Account are prepared by management in accordance with Canadian Public Sector Accounting Standards ("PSAS"), as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada").

- 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 reported separately and 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.

3) 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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Printed on recycled stock. Printed in Canada.

The York Region logo, featuring a stylized white bird or wing shape above the text "York Region" in a white serif font, all set against a green background.

York Region