



2021 **COMMUNITY REPORT HIGHLIGHTS**

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

york.ca

York Region

OUR VISION

Strong, Caring, Safe Communities

OUR MISSION

Working together to serve our thriving communities – today and tomorrow

OUR VALUES

Integrity

Commitment

Accountability

Respect

Excellence

LAND ACKNOWLEDGMENT

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

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Chairman & CEO
Wayne Emmerson



Mayor
Tom Mrakas
Town of Aurora



Mayor
Virginia Hackson
Town of East Gwillimbury



Mayor
Margaret Quirk
Town of Georgina



Regional Councillor
Robert Grossi
Town of Georgina



Mayor
Steve Pellegrini
Township of King



Mayor
Frank Scarpitti
City of Markham



Regional Councillor
Don Hamilton
City of Markham



Regional Councillor
Jack Heath
City of Markham



Regional Councillor
Joe Li
City of Markham



Regional Councillor
Jim Jones
City of Markham



Mayor
John Taylor
Town of Newmarket



Regional Councillor
Tom Vegh
Town of Newmarket



Mayor
David West
City of Richmond Hill



Regional Councillor
Joe DiPaola
City of Richmond Hill



Regional Councillor
Carmine Perrelli
City of Richmond Hill



Mayor
Maurizio Bevilacqua
City of Vaughan



Regional Councillor
Mario Ferri
City of Vaughan



Regional Councillor
Gino Rosati
City of Vaughan



Regional Councillor
Linda Jackson
City of Vaughan



Mayor
Iain Lovatt
Township of Whitchurch-Stouffville



Wayne Emmerson, Chairman and CEO

A MESSAGE FROM THE YORK REGION CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

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

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

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

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

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

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

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

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

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

Wayne Emmerson
Chairman and CEO
The Regional Municipality of York



Bruce Macgregor, CAO

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

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

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

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

A MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

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

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

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

While a number of non-essential offerings continued to be temporarily interrupted throughout 2021, many of the programs and services residents rely on every day continued. I am proud to report 74% of the Region's key Strategic Plan performance measures are trending in the desired direction. The complete list of all 31 performance measures is available on pages 7 and 8 of this report.

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

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

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

A handwritten signature in black ink, appearing to read 'Bruce Macgregor', written over a faint circular stamp or logo.

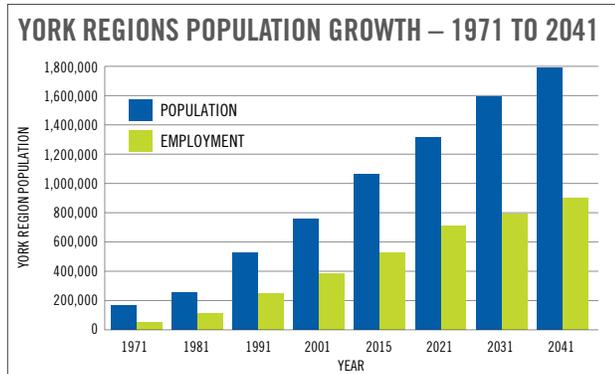
Bruce Macgregor
Chief Administrative Officer
The Regional Municipality of York

YORK REGION. WHO ARE WE?

We are growing

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

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



We are educated

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

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

We work hard

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

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

We are fiscally responsible

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

We are diverse*

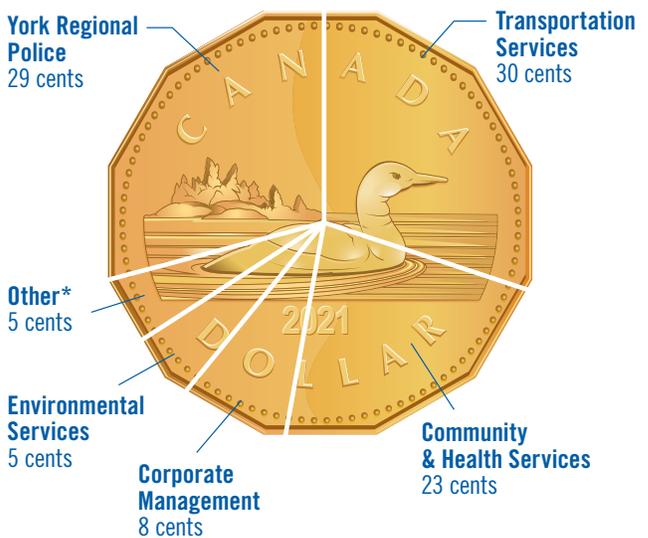
If York Region were a village of 100 people:

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



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

TAX LEVY FUNDING



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

We are committed to delivering quality services

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

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



**Comprised of
9
Municipalities**

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

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

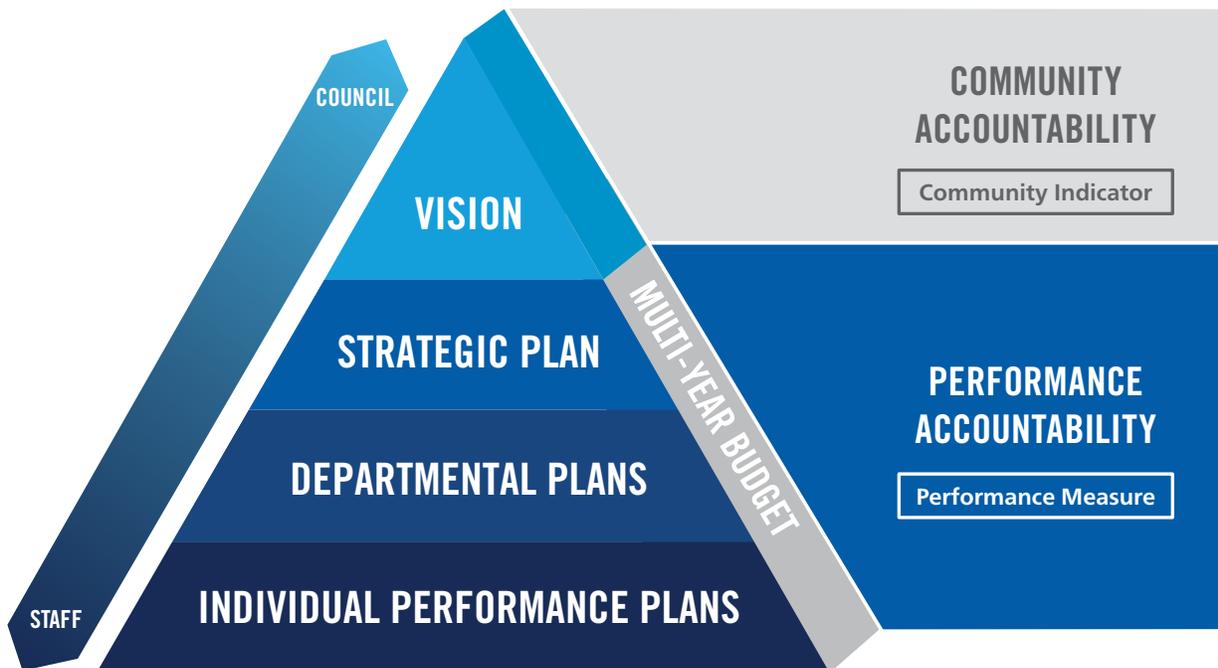
THE REGIONAL MUNICIPALITY OF YORK STRATEGIC PLANNING FRAMEWORK

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

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

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

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



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



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

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



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

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

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

For more information visit york.ca/stratplan

RESPONDING TO THE COVID-19 GLOBAL PANDEMIC



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



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



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



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



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



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



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



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



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

INCREASING ECONOMIC PROSPERITY



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



6,399 housing completions



21.1% increase in average housing prices



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



1.2% growth in population



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



81,107 sq. ft. of new retail space



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



YorkNet broadband network expanded by **86.2 kilometres**



43,580 new jobs

PROTECTING COMMUNITY HEALTH, SAFETY AND WELL-BEING



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



444,802 customer interactions through Access York



Opened **two** new paramedic response stations



Recognized **National Day for Truth and Reconciliation**



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



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



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



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



Completed the 2021 York Region Homeless Count



Refreshed the York Region Seniors Strategy

BUILDING SUSTAINABLE COMMUNITIES AND PROTECTING THE ENVIRONMENT



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



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



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



142-hectare expansion of the York Regional Forest



92,154 trees and shrubs planted



Diverted **92%** of waste from landfill



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



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



Launched **six** additional electric buses

DELIVERING TRUSTED AND EFFICIENT SERVICES



Named a **Forbes Best Employer** in Canada



1.42% tax levy decrease from the 2020 approved budget outlook



7.19 million people reached through 3,000 media articles



72.1 million people reached through York Region's digital channels



1.2 million homes reached through three editions of York Region Matters



147,151 subscribers to York Region social channels



22.7 million visits to **york.ca**



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



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



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



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

AWARDS AND HIGHLIGHTS



ECONOMIC VITALITY

MarCom

Platinum Award

for the YRRTC Annual report

Professional Engineers Ontario

Engineering Project of the Year Award

for the Yonge Street rapid transit project

Professional Engineers Ontario

Large Project Awards

for the Highway 7 West and Bathurst and Centre rapidway projects



SUSTAINABLE ENVIRONMENT

Tree City of the World Designation

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

Ontario Public Works Association

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

Ontario Waterworks Association

2021 Award of Excellence

2021 ACEC Ontario Engineering

Project Award of Merit

for the Forcemain Twinning project

ClimateWise 2021

Municipal Energy Strategy Award



HEALTHY COMMUNITIES

Child and Family Health recognized with

Best Practice Spotlight Organization designation

OMSSA Local Municipal Champion Award

for York Region's Homelessness COVID-19 response

York Region paramedic recognized with

Ontario Award for Paramedic Bravery

Ontario Local Municipal Champion Award

for the Ontario Works Transformation



GOOD GOVERNMENT

Named to Forbes list of

Canada's Top Employers

S&P Global **AAA Rating**

Government Finance Officers

Distinguished Budget Presentation Award

AVA Digital

Gold Award

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

AVA Digital

Honourable Mentions

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

Hermes Creative

Platinum Award

for Incident Management Protocol

Hermes Creative

Gold Awards

for the Connections Through Rapid Transit video and Support Local campaign

Public Works Association of Canada 2021

Municipal Engineers Award



Message from the

ACTING COMMISSIONER OF FINANCE AND REGIONAL TREASURER

To the members of York Regional Council, residents and ratepayers of The Regional Municipality of York:

I am pleased to present this report on York Region’s financial performance for the year ended December 31, 2021.

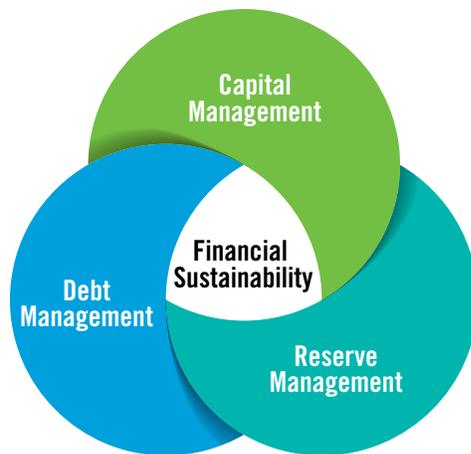
It discusses our financial results for the year and includes highlights of our consolidated financial statements contained in the 2021 Community Report that can be found at york.ca/annualreports The consolidated financial statements have been prepared in compliance with legislation and on a basis consistent with Canadian Public Sector Accounting Standards. York Region’s external auditors, KPMG, have expressed their unmodified opinion that the financial statements fairly present the financial position of York Region as of December 31, 2021.



Kelly Strueby,
Acting Commissioner of Finance
and Regional Treasurer

REGIONAL FISCAL STRATEGY

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



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

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

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

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

2021 HIGHLIGHTS

By year-end York Region had:

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

CHANGES IN FINANCIAL POSITION

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

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

Note: numbers may not add due to rounding

Financial Assets

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.

These assets totalled \$5.7 billion at the end of 2021, up by \$504.4 million or 9.7% from the previous year, largely reflecting the Region’s operating surplus for the year and its commitment to building reserves through the Regional Fiscal Strategy.

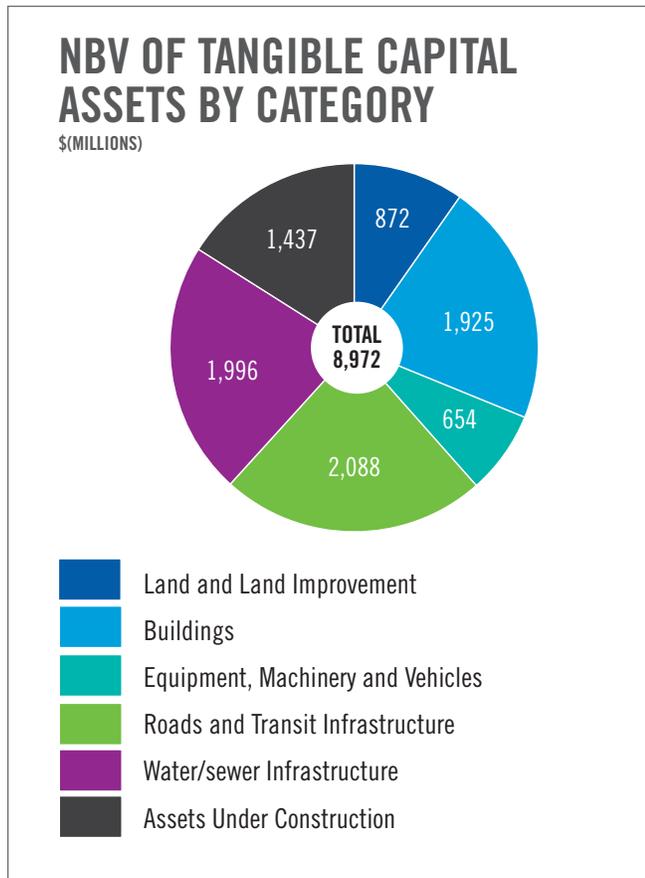
Tangible Capital Assets

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.

Net book value is the cost of an asset less its accumulated amortization and is reported on the Consolidated Statement of Financial Position.

The net book value of the Region’s assets rose by \$174.6 million, taking the total to \$9.0 billion at the end of 2021.

The following graph shows the breakdown in the net book value of assets by category:



Liabilities

The Region’s liabilities include accounts payable and accrued liabilities, employee benefit obligations, deferred revenue, and gross long-term liabilities or debt.

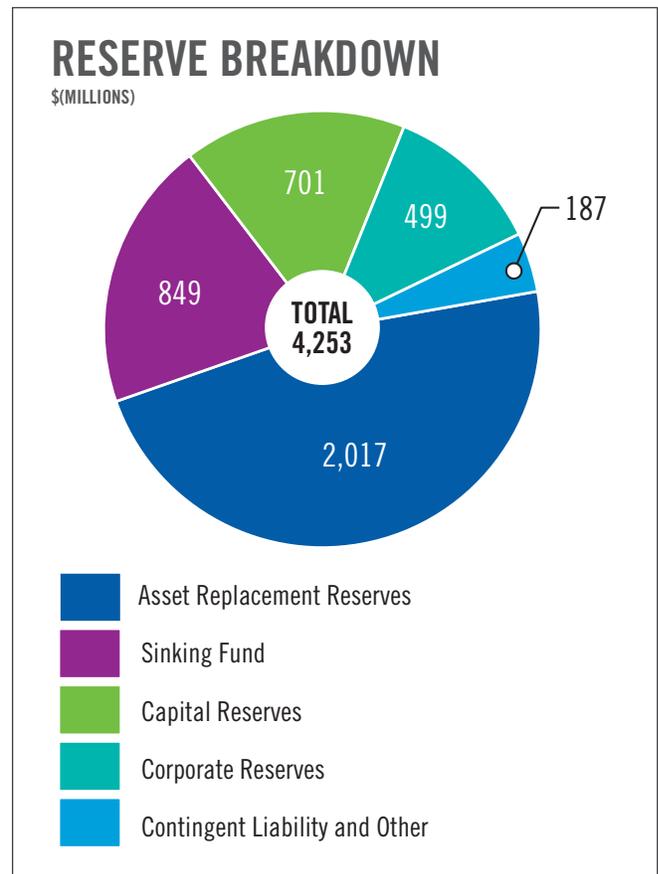
Liabilities other than debt increased by \$173.6 million, ending the year at \$1.9 billion.

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

Accumulated Surplus

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

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



Note: numbers may not add due to rounding

CONSOLIDATED STATEMENT OF OPERATIONS

Comparing actual results to the budget

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

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.

For comparability, the 2021 budget provided an outlook for revenues and expense on a full accrual basis, and the consolidated financial statements compare final results to that outlook.

RESULTS FOR 2021

Between 2020 and 2021, revenues and expenses increased by \$144.0 million and \$193.5 million, respectively. The table below provides a summary.

Consolidated Statement of Operations

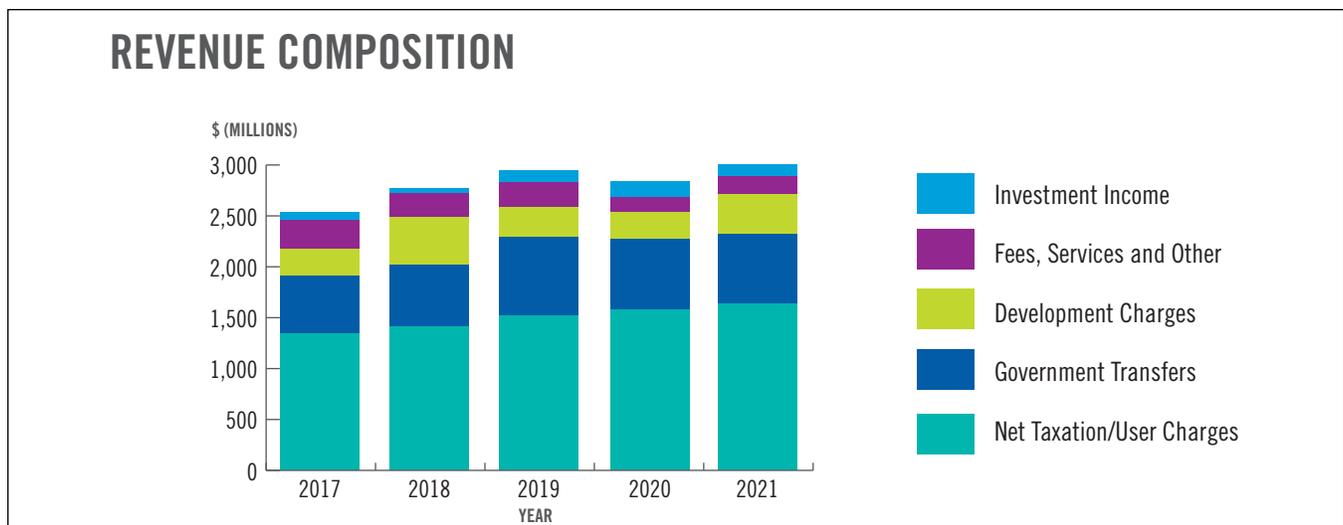
\$(Millions)	2021 Budget	2021 Actuals	2020 Actuals	Budget to Actual Variance	Year over Year Variance
Revenues	2,998.2	2,970.5	2,826.5	(27.7)	144.0
Expenses	2,425.8	2,299.7	2,106.2	(126.1)	193.5
Annual Surplus, accrual basis	572.3	670.8	720.3	98.4	(49.5)

Note: numbers may not add due to rounding

Revenues

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

The graph below illustrates the five-year trend in revenues by source:



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

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

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

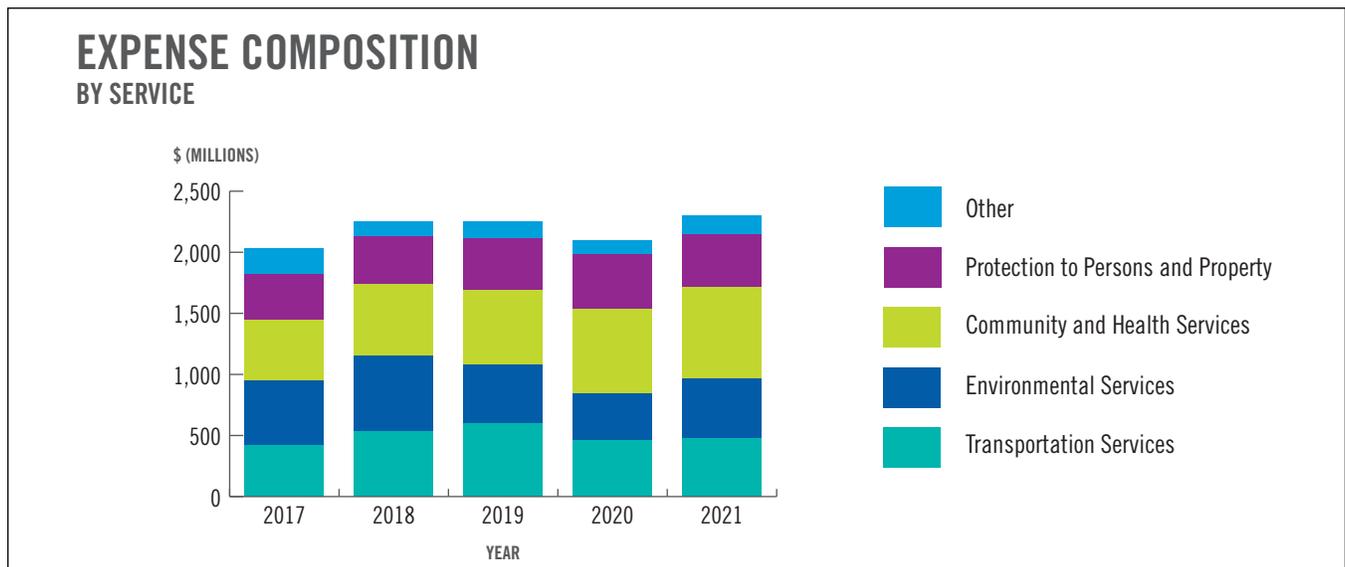
In the first phase of rapidway construction, funding from Metrolinx was recorded as revenue (and the related spending treated as expense to the Region). In 2019, the province donated some Metrolinx-related assets to the Region. This increased government transfers to 26.5% that year. A similar transfer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

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

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

Expenses

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



- Fluctuations in Transportation Services expense largely reflect the share of Metrolinx funding for bus rapidways that has been expensed each year. Transportation has also seen amortization expense increase steadily as a result of significant investments in tangible capital assets. In 2020 and 2021, expense fell in part because of reduced transit service in response to the pandemic.

- Day-to-day Environmental Service expenses reflect the costs to operate and maintain a larger and more technically complex portfolio of assets, higher amortization expense and more stringent regulation, offset by the department's ongoing efforts to find savings. The department's share of total expense fell from 25.3% in 2017 to 21.1% in 2021. Fluctuations in Environmental Services expense before 2021 reflect accounting adjustments that had the effect of increasing operating spending in 2017 and 2018 and decreasing it in 2020.
- Community and Health Services expense rose from \$521.9 million or 25.8% of total spending in 2017 to \$740.3 million or 32.2% in 2021. A significant amount of the department's expense reflects the flow-through of provincial transfer payments for social programs to third parties, which fluctuates with provincial policy direction. In 2020 and 2021, most of the Region's pandemic-related costs were recorded in Community and Health Services.
- Protection to Persons and Property largely reflects York Regional Police, whose budget is strongly tied to staffing costs. Expense has increased from \$360.2 million in 2017 to \$436.5 million in 2021, paralleling the Region's overall growth in salaries and benefits.

Outlook and Risk Management

This section lists the Region's significant risks and uncertainties. For more information on how the Region manages these risks see the 2021 Community Report that can be found at york.ca/annualreports

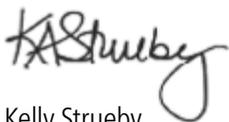
- The COVID-19 pandemic and recovery
- Provincial direction
- Economic growth
- Slower-than-expected population growth
- A changing and growing population
- Limited revenue options
- The impacts of a changing climate
- Workforce changes
- Cyber-security

CONCLUSION

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

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

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



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

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Financial Position As at December 31, 2021¹

	2021	2020
	\$	\$
Financial Assets²		
Cash and cash equivalents	1,801,084,445	1,210,590,848
Accounts receivable	427,956,752	433,132,795
Investments	3,354,679,653	3,435,698,487
Debt amounts recoverable from local municipalities	144,667,716	144,539,560
Total	5,728,388,566	5,223,961,690
Liabilities³		
Accounts payable and accrued liabilities	867,751,439	829,373,301
Employee benefits obligations	313,607,453	277,071,145
Deferred revenue-general	96,673,938	108,669,469
Deferred revenue-obligatory reserve funds	580,309,287	469,631,807
Gross long-term liabilities	3,568,618,052	3,730,596,568
Total	5,426,960,169	5,415,342,290
Net financial asset / (Net debt)⁴	301,428,397	(191,380,600)
Non-Financial Assets⁵		
Tangible capital assets	8,972,426,338	8,797,833,079
Inventory	9,332,545	7,375,061
Prepaid expenses	16,454,942	15,019,410
Total	8,998,213,825	8,820,227,550
Contractual rights and contingent assets		
Contractual obligations and commitments		
Contingent liabilities		
Accumulated surplus⁶	9,299,642,222	8,628,846,950

- 1 The Consolidated Statement of Financial Position shows the Region's financial position, which includes the assets, liabilities, and accumulated surplus, at a specific point in time. It provides information on what the municipality owns and owes to creditors.
- 2 Financial assets: assets easily accessible in the form of cash, cash deposits, checks, loans, accounts receivable and marketable securities.
- 3 Liabilities: amounts owed to creditors.
- 4 Net financial asset/ (Net debt): the difference between financial assets and liabilities.
- 5 Non-financial assets: assets that are owned and will be utilized for future services, including tangible capital assets, inventory and prepaid expenses. Non-financial assets are not easily convertible to cash.
- 6 Accumulated surplus: this is an indicator of the Region's overall financial health. It is the difference between the assets (financial and non-financial assets) as compared to the liabilities.

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Operations and Accumulated Surplus Year ended December 31, 2021¹

	Budget	2021	2020
	\$	\$	\$
Revenues			
Net taxation	1,227,126,447	1,232,742,032	1,196,986,285
User charges	361,369,198	378,003,651	373,969,184
Government Transfers	702,649,139	694,158,339	690,974,305
Development charges	437,462,041	370,752,206	269,207,315
Fees and services	114,097,998	117,240,452	106,511,399
Investment income	98,500,000	115,144,705	145,005,476
Other	56,955,429	62,431,333	43,834,128
Total Revenues	2,998,160,252	2,970,472,718	2,826,488,092
Expenses			
General government	136,548,608	145,078,142	117,792,431
Protection to persons and property	437,787,930	436,470,673	424,523,626
Transportation services	518,915,298	477,337,016	465,126,763
Environmental services	566,067,417	485,144,440	388,324,551
Health and emergency services	234,120,248	259,550,562	245,578,745
Community services	423,256,152	384,763,952	357,675,385
Social housing	93,399,667	95,949,346	95,402,054
Planning and economic development	15,717,941	15,383,315	11,740,136
Total Expenses	2,425,813,261	2,299,677,446	2,106,163,691
Annual surplus²	572,346,991	670,795,272	720,324,401
Accumulated surplus, beginning of year	8,628,846,950	8,628,846,950	7,908,522,549
Accumulated surplus, end of year	9,201,193,941	9,299,642,222	8,628,846,950

1 The Consolidated Statement of Operations and Accumulated Surplus shows the sources of revenues and expenses, the annual surplus or deficit, and the change in the accumulated surplus over a period of time.

2 Annual surplus: the difference between revenues and expenses; the "income" earned over a period of time.



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.

MAILING ADDRESS

The Regional Municipality of York
17250 Yonge Street,
Newmarket, ON L3Y 6Z1

EMAIL ADDRESS

accessyork@york.ca

YORK REGION WEBSITE

york.ca



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York Region