



2024 COMMUNITY REPORT

For the year ended December 31, 2024
The Regional Municipality of York
Ontario, Canada

york.ca



York Region



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

THE REGIONAL MUNICIPALITY OF YORK

TREASURER'S STATEMENT

Reflecting The Regional Municipality of York's strong commitment to fiscal prudence, results for the year ended December 31, 2024, show continued strengthening of the Region's balance sheet. Spending in 2024 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. For comparability, the "[Accrual Budget Presentation](#)" chapter of the 2024 budget book presented the budget on the same basis.

The Region's revenues exceeded expenses in 2024, resulting in an annual surplus of \$832.3 million on the full accrual basis. The annual surplus on the full accrual basis reflects net investments in capital assets and saving for future needs through contributions to reserves. These results took the Region's accumulated surplus to \$11.6 billion at the end of 2024, up from \$10.7 billion a year earlier. Financial assets increased by \$852.3 million from 2023 to 2024.

The [Regional Fiscal Strategy](#) ensures long-term financial sustainability while balancing current and future residents' needs. Reserves, which are a key element of the Regional Fiscal Strategy and reflect Regional Council's commitment to save for future needs, increased by \$578.7 million to reach \$6 billion at the end of 2024. They represent the largest component of the accumulated surplus.

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.

A handwritten signature in blue ink that reads "Laura Mirabella". The signature is fluid and cursive, with a long horizontal line extending to the right.

May 28, 2025



2024 HIGHLIGHTS

CHANGES IN STATEMENT OF FINANCIAL POSITION

The Consolidated Statement of Financial Position gives a picture of the total assets and liabilities of the Region and the entities it controls. The table below provides a summary at December 31, 2024, including comparison to the previous year.

Consolidated Statement of Financial Position				
(\$ Millions)	2024 Actual	2023 Actual	Variance	% Change
Financial Assets	7,713.6	6,861.4	852.3	12.4%
Liabilities	5,953.1	5,539.7	413.5	7.5%
Net Financial Assets	1,760.5	1,321.7	438.8	33.2%
Tangible Capital Assets	9,779.8	9,364.6	415.2	4.4%
Other Non-Financial Assets	35.5	57.1	(21.6)	(37.9%)
Accumulated Surplus	11,575.7	10,743.4	832.3	7.7%

Note: numbers may not add due to rounding

The Region's net financial assets, which are financial assets less liabilities, increased by \$438.8 million in 2024. The year-end balance was \$1.8 billion, up from \$1.3 billion a year earlier. After taking other assets into account, the Region's accumulated surplus grew by \$832.3 million to reach \$11.6 billion.

OPERATING RESULTS

The table below summarizes results from the 2024 Consolidated Statement of Operations:

Consolidated Statement of Operations					
(\$ Millions)	2024 Budget	2024 Actual	2023 Actual	Budget to Actual Variance	Year over Year Variance
Revenues	3,881.2	3,680.3	3,510.4	(200.9)	169.9
Expenses	2,935.9	2,848.0	2,743.8	(87.9)	104.2
Annual Surplus, Full Accrual Basis	945.3	832.3	766.6	(113.0)	65.7

Note: numbers may not add due to rounding

At \$3.7 billion, actual 2024 revenues on the full accrual basis were \$200.9 million lower than expected in the 2024 budget and \$169.9 million higher than in 2023. While most revenue streams were as expected, draws from development charge reserves used to fund capital projects were below plan. The increase from 2023 largely reflected higher revenues from transit and senior government transfers. Expenses were \$87.9 million below budget, driven mainly by lower-than-expected spending in most departments, and up by \$104.2 million from 2023. At \$832.3 million, the annual surplus was \$113.0 million below budget and \$65.7 million higher than the previous year.

OPERATING SURPLUS

On the modified accrual basis of accounting used for the approved budget, the 2024 operating surplus was \$71.4 million. The reasons are the same as those outlined above in the discussion of the full accrual outcomes. The figures differ, however, because of differences in accounting treatment. These are explained in the next section.

Council approved a one-time allocation of \$45.1 million of the 2024 operating surplus to the Social Housing Development Reserve for initiatives to increase affordable housing supply, before allocating remaining surplus in accordance with the [Reserve and Reserve Fund Policy](#). Of note \$26.3 million of the 2024 operating surplus was allocated to Tax Levy Development Reserve. Details appear in the discussion below of the Accumulated Surplus, Reserves and Reserve Funds.

STRATEGIC FRAMEWORK

For the 2024 fiscal year, main elements guiding the Region's financial management were:

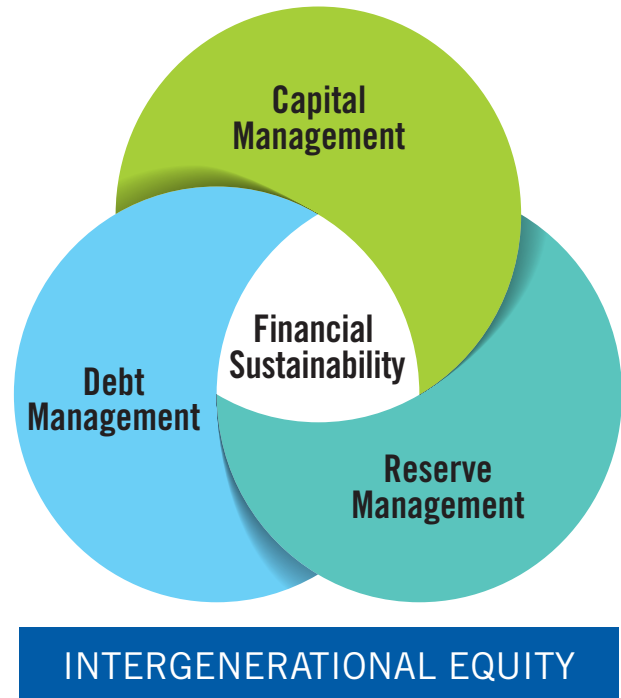
- [Vision](#) and the [2023-2027 Strategic Plan](#)
- [Regional Fiscal Strategy](#)
- [Multi-year Budget](#)

VISION AND THE 2023-2027 STRATEGIC PLAN

The Regional budget provides the financial framework to accomplish the [Strategic Plan](#) and achieve the long-term [Vision](#). Each Strategic Plan is developed in conjunction with a new four-year budget. The [2023 to 2027 Strategic Plan: From Vision to Results](#) was approved in early 2023.

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.

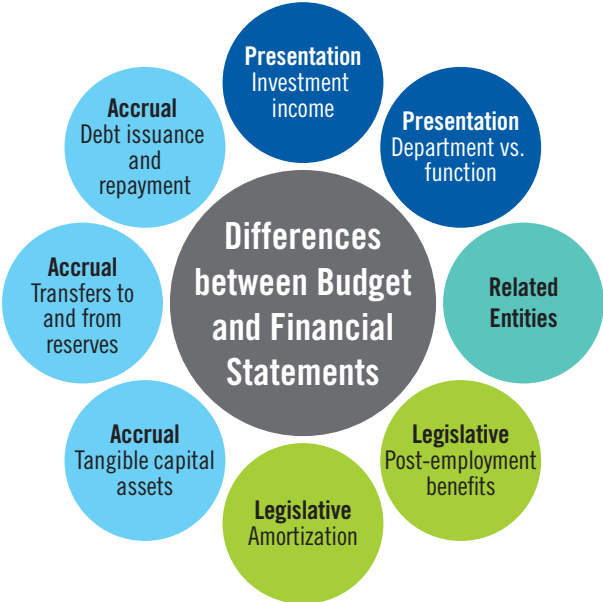


MULTI-YEAR BUDGET

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. In 2023, Council reviewed and approved the budget for 2024, the second year of the current multi-year budget, with outcomes reported here.

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 full accrual treatment used for the Consolidated Financial Statements, which are prepared in accordance with 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:



In the [Accrual Budget Presentation](#) chapter, the 2024 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	4,160.4	(279.1)	3,881.2
Expenses	4,160.4	(1,224.5)	2,935.9
Annual Surplus	-	945.3	945.3

Note: numbers may not add due to rounding

AUDIT FUNCTION

Regional 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.

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 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.

PROVINCIAL LEGISLATION

Provincial legislation determines many aspects of municipal financial management, including development charges, debt issuance, budgeting, accounting and financial reporting. 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.

OVERVIEW OF FINANCIAL STATEMENTS

York Region Financial Statements

Section 294.1 of the provincial *Municipal Act, 2001* requires municipalities to prepare annual financial statements in accordance with accepted accounting principles for local governments as recommended by the Public Sector Accounting Board. Management is responsible for the preparation and fair presentation of the financial statements and for internal controls that management determines necessary for the preparation of financial statements that are free from material misstatement (fraud or error). Note 1 to the Consolidated Financial Statements provides a summary of the significant accounting policies, including recent accounting standard changes.

Consolidated Statement of Financial Position

This statement is the Region's balance sheet, listing its assets, liabilities and accumulated surplus as of December 31, 2024.

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.

Consolidated Statement of Change in Net Financial Assets

This statement shows the change in net financial assets for the current and prior year.

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.

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*. Sinking funds are held and managed for the sole purpose of repaying the Region's long-term debt in future years. The statements reflect how the Region used and invested the funds.
- Funds, including donations, held in trust by the Region for the benefit of residents of Newmarket Health Centre and Maple Health Centre, the Region's two long-term care homes.

SUMMARY OF CONSOLIDATED
STATEMENT OF FINANCIAL POSITION

Accumulated Surplus, Reserves and Reserve Funds

The Region’s accumulated surplus increased by \$832.3 million or 7.7% from 2023 to reach \$11.6 billion at the end of 2024. The increase is equal to the annual surplus and is calculated based on Public Sector Accounting Standards. It differs from the operating surplus, which provides actual outcomes compared to the operating budget approved by Council. The 2024 operating surplus is discussed in the Operating Surplus section.

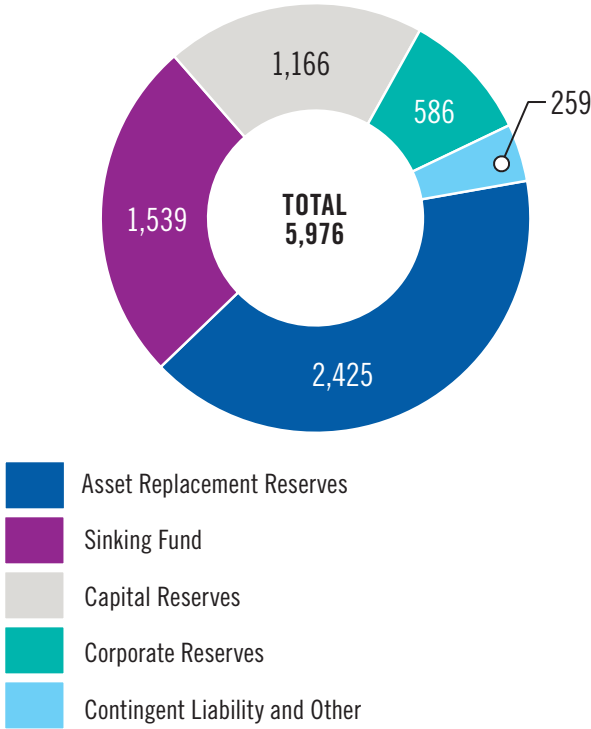
The accumulated surplus is the total of past annual surpluses. It represents the difference between the Region’s assets, including tangible capital assets and its obligations, including debt. As such, it represents the net resources the Region has to provide future services.

The accumulated surplus includes amounts the Region has identified for specific future needs. These amounts are called reserves and reserve funds. External rating agencies cite the Region’s high level of reserves as a reason for its credit ratings, which are the highest available.

Reserves and reserve funds are key to addressing capital needs while reducing reliance on debt, which is a major goal of the [Regional Fiscal Strategy](#). They include two reserves, the Tax Levy Development Reserve and the Rate Supported Development Reserve, created to compensate for provincial changes in development charge administration that are explained below in the Risk and Outlook section. These reserves are funded from the operating surplus and water and wastewater rate stabilization reserves respectively.

Reserves and reserve funds totalled \$6.0 billion, up from \$5.4 billion a year earlier. The pie chart below provides a breakdown by reserve type.

RESERVE BREAKDOWN
\$(MILLIONS)



Note: numbers may not add due to rounding

Under the [Reserve and Reserve Fund Policy](#), the Region starts contributing to asset management reserves as soon as a new asset is commissioned. These reserves fund future rehabilitation of assets and, when needed, their replacement. This creates better alignment between those who use an asset and those who pay for it.

The reserves are funded from two main sources: a portion of user rates goes into reserves for water and wastewater assets, while a share of the tax levy is contributed to reserves for other assets, such as roads. Total asset replacement reserves stood at \$2.4 billion by year-end, having increased by \$162.1 million or 7.2% during the year. As a result of Council’s commitment to building these reserves and in line with the Council direction given through the [Fiscal Strategy](#), the Region does not currently need to issue debt supported by the tax levy or user rates to help sustain the value of the Region’s \$29 billion in assets.

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 \$244.3 million or 18.9% in 2024 to reach \$1.5 billion by year-end.

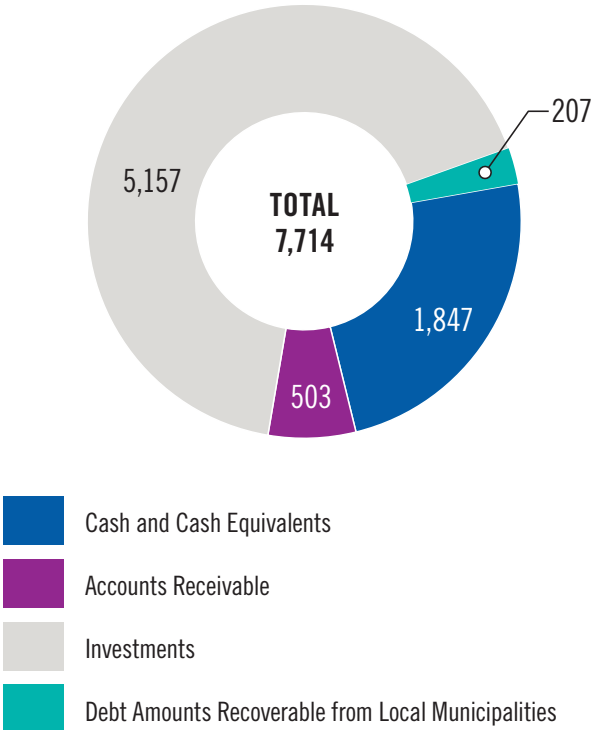
Capital reserves that help to fund construction and other capital projects increased by \$143.5 million or 14.0% in 2024. Main drivers of the increase came from contributions to social housing development, debt avoidance, rapid transit, transit, and roads capital acceleration reserves, partially offset by drawdowns from tax levy development, non-profit housing repairs and rate supported development reserves.

The remaining reserves, labelled “Corporate” and “Contingent Liability and Other” in the pie chart, are used by the Region to smooth fluctuations in operating revenue and expense items and to build funding over time for corporate liabilities and initiatives. In total, these additional reserves rose by \$28.7 million or 3.5% over the year.

Financial Assets

The Region’s financial assets include cash and cash equivalents and investments, which generally reflect reserve balances. Amounts owed to the Region by third parties, including debt issued by the Region on behalf of local municipalities, are also included in financial assets. The pie chart below shows the breakdown:

FINANCIAL ASSETS
\$(MILLIONS)



Note: numbers may not add due to rounding

These assets totalled \$7.7 billion at the end of 2024, up by \$852.3 million or 12.4% from the previous year, largely reflecting the Region’s commitment to building reserves through the [Fiscal Strategy](#). Within financial assets, cash and cash equivalents grew by \$1.1 billion in 2024, while investments decreased \$441.7 million, as discussed below. In addition, accounts receivable increased by \$125.4 million.

Major Sources and Uses of Cash

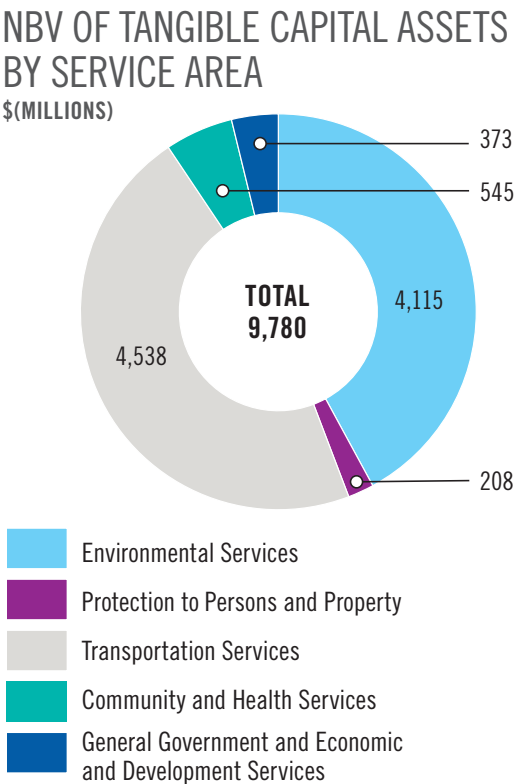
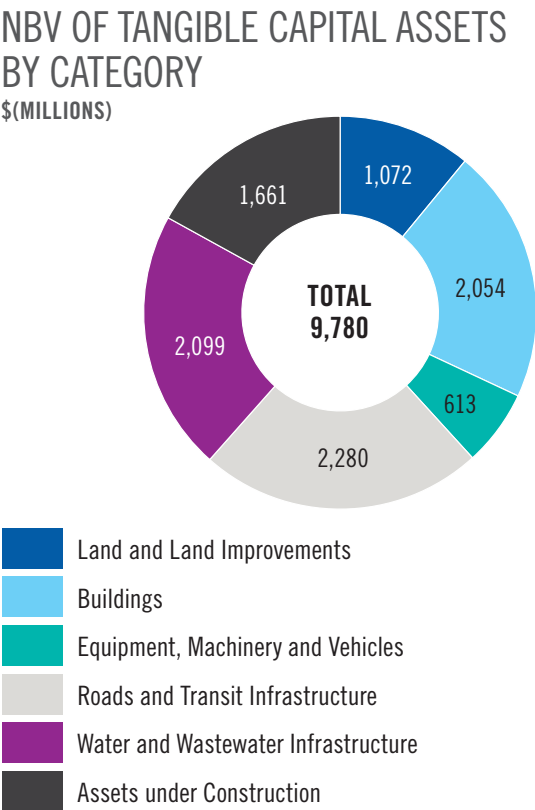
Cash inflows from operations, which is the annual surplus adjusted for amortization, drawdown of deferred revenues, contributed assets and other non-cash items, amounted to \$1.4 billion in 2024. The Region invested \$762.2 million in tangible capital assets, offset by \$1.6 million in asset sale proceeds. Funds were also used to repay \$9.5 million in existing debt. As a result, financing represented a net \$88.1 million use of cash and cash equivalents.

The Region shifted toward interest-bearing savings deposits, which are an element of cash and cash equivalents because of favourable rates in 2024. As a result, cash and cash equivalents stood at \$1.8 billion at year-end compared to \$717.8 million the previous year, while investments declined slightly to \$5.2 billion from \$5.6 billion the previous year.

Tangible Capital Assets

Net book value, as reported in the Consolidated Statement of Financial Position, is the historical cost of a tangible capital asset less its accumulated amortization. After considering additions of tangible capital assets, amortization expense of \$345.7 million and the disposal of tangible capital assets during the year, the net book value of the Region’s assets rose by \$415.2 million, taking the total to \$9.8 billion at the end of 2024.

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

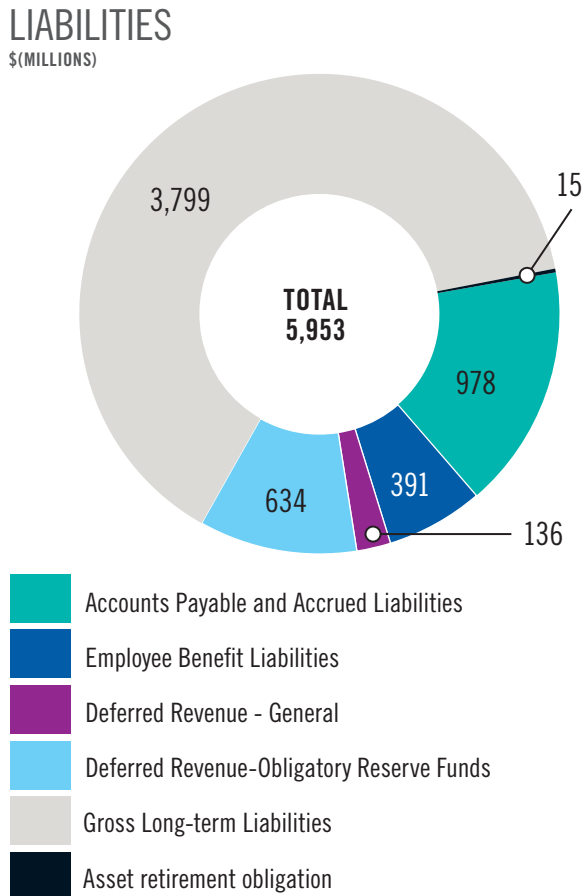


Note: numbers may not add due to rounding

The [Corporate Asset Management Plan](#), updated May 2024 describes the current state of infrastructure, as well as customer and technical levels of service metrics for existing and growth-related assets and their associated financial plans over a 10-year period from 2023-2032. The plan rated over 90% of the Region’s asset portfolio as being in fair or better condition.

Liabilities

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:



Note: numbers may not add due to rounding

Total liabilities increased by \$413.5 million, ending the year at \$6.0 billion.

Liabilities Other Than Debt

Liabilities other than debt, including accounts payable and accrued liabilities, employee benefit liabilities, deferred revenue and assets retirement obligation, increased by \$285.7 million, ending the year at \$2.2 billion. Deferred revenue-obligatory reserve funds, which by law hold development charges, provincial gas tax allocations and funds from the federal Canada Community-Building Fund, rose by \$121.1 million from 2023. The change from 2023 reflects a net increase in the development charge component. General deferred revenue increased by \$69.3 million or 103.4% compared to 2023 due mainly to funds collected in advance to support new water infrastructure in Northeast Vaughan. Higher accounts payable also contributed to the increase in liabilities.

Debt

Total debt increased by \$127.8 million to reach \$3.8 billion by the end of 2024.

Total debt includes funds borrowed by the Region on behalf of local municipalities. The local municipal borrowings, which totalled \$207.1 million at the end of 2024, 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 \$244.3 million in 2024.

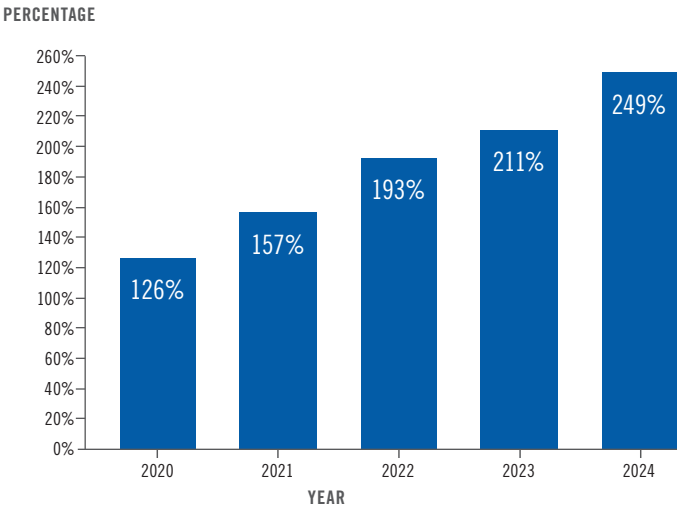
Excluding the sinking fund asset and local municipal borrowing, the Region’s net outstanding debt ended the year at \$2.1 billion, a decrease of \$156.2 million from the previous year. The decrease was slightly less than budgeted because with development charge collections lower than expected, the Region issued debt to help finance growth-related projects.

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.

Reserves to debt

The ratio of reserves to debt is an important marker of financial 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. A municipality with a low ratio is more vulnerable to a revenue decline and/or high borrowing needs. As the graph below shows, the ratio of Regional reserves to debt is above 100%, achieved through the Region's commitment to financial sustainability and ensuring that if revenues were to decline, other resources would be available to meet the Region's financial obligations. The Region's strong ratio at the end of 2024 shows that it remained in the net investor position and has resources to manage short-term fluctuations in revenue and help cover future capital spending needs.

RESERVES-TO-DEBT RATIO



Note: The ratio is based on debt issued for York Region's own purposes, excluding debt issued on behalf of local municipalities and Housing York Inc. and is net of sinking fund assets.

SUMMARY OF CONSOLIDATED STATEMENT OF OPERATIONS

As noted earlier, the Region achieved an annual surplus of \$832.3 million in 2024, representing \$3.7 billion in revenues less expenses of \$2.8 billion.

Revenues

The table below provides a summary of the revenues from the 2024 Consolidated Statement of Operations with comparisons to the accrual-based budget and the previous year:

Revenues

(\$ Millions)	2024 Budget	2024 Actual	2023 Actual	Budget to Actual Variance	Year Over Year Variance
Net taxation	1,421.1	1,431.7	1,357.1	10.5	74.5
Government transfers	850.7	908.7	869.0	57.9	39.6
User charges	410.4	415.1	394.8	4.7	20.4
Development charges	631.1	371.5	466.6	(259.6)	(95.1)
Investment income	223.0	243.4	186.4	20.4	57.1
Fees and services	184.6	205.1	179.8	20.5	25.3
Other	160.2	104.8	56.7	(55.4)	48.1
	3,881.2	3,680.3	3,510.4	(200.9)	169.9

Note: numbers may not add due to rounding

At \$3.7 billion, actual 2024 revenues were \$200.9 million lower than expected in the 2024 budget and \$169.9 million higher than actual 2023 revenues.

- Net taxation revenues were consistent with plan, at \$1.4 billion. The increase over 2023 was \$74.5 million or 5.5%, which was in line with the approved tax levy increase of 3.75%, assessment growth of 1.46% and year-over-year increase in supplementary taxes of 0.28%.
- At \$908.7 million, revenue from provincial and federal transfers was \$57.9 million higher than budget. The Canada-Wide Early Learning and Child Care grant, which is designed to reduce daycare fees to an average \$10 a day by 2026, was \$30.1 million above the budgeted amount, with the funds flowing through to daycare providers. In addition, the Region received higher social assistance transfers to support increased demand for basic needs and shelter allowances as Ontario Works cases continue to increase. Government transfers increased by \$39.6 million or 4.6%, year over year, mainly for the reasons outlined above.
- 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 and a forecast of consumption. Actual 2024 results were consistent with the budget at \$415.1 million with a year-over-year increase of \$20.4 million or 5.2%.
- Development charges are recognized as revenue when they are drawn down from deferred revenue-obligatory reserve funds to support growth-related projects and to service debt issued for growth projects. This revenue was \$259.6 million lower than budgeted in 2024 and \$95.1 million or 20.4% lower than in 2023. Less capital spending was funded directly from obligatory reserve funds compared to the budget, largely because of lower development charge collections. As noted above, the Region issued additional debt to help fund projects.
- At \$243.4 million, interest income and other earnings on investments were \$20.4 million above budget, reflecting a continued trend from 2023 of better-than-expected performance in a highly uncertain market environment. Despite a series of interest rate cuts by the Bank of Canada, revenue from this source increased by \$57.1 million or 30.6% from the previous year, largely because of higher annualized returns on fixed income securities and increased balances in high interest-bearing saving accounts.
- Fees and service revenue was \$20.5 million higher than budgeted. Significantly higher transit ridership compared to budget forecast contributed \$9.7 million to the increase. Other factors behind the increase included unbudgeted land sale revenues and higher blue box revenue as prices for recyclables were higher than expected. Compared to 2023, revenues were \$25.3 million higher for the same reasons.
- Other revenue was \$55.4 million lower than budgeted, mainly because of capital project rescheduling to accommodate developer financing timelines. Despite the change from budget, the year-over-year increase was \$48.1 million or 84.8%.

Expenses

The table below provides a summary of the expenses from the 2024 Consolidated Statement of Operations with comparisons to the accrual-based budget and the previous year:

Expenses

(\$ Millions)	2024 Budget	2024 Actual	2023 Actual	Budget to Actual Variance	Year Over Year Variance
Expenses					
Community and Health Services ²	1,057.9	1,069.9	1,008.8	12.0	61.2
Transportation Services ³	610.3	572.2	541.1	(38.1)	31.1
Environmental Services	574.3	515.3	533.7	(59.0)	(18.3)
Protection to Persons and Property ⁴	511.8	508.5	475.6	(3.4)	32.8
Other ⁵	181.5	182.1	184.6	0.6	(2.5)
	2,935.9	2,848.0	2,743.8	(87.9)	104.2

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 Economic and Development Services (including YorkNet) from the Consolidated Statement of Operations

Total expenses were \$2.8 billion. This was a decrease of \$87.9 million from the 2024 budget and a \$104.2 million increase from 2023.

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

- In Community and Health Services, spending was \$12.0 million higher than budget. This was driven mainly by an increase in senior government funding received after the 2024 budget was approved, most of it relating to Canada-Wide Early Learning and Child Care funding. Public Sector Accounting Standards require comparison against the original budget which did not include this funding or related expenditure.

Spending rose by \$61.2 million year-over-year. A major factor was the flow through of Canada-Wide Early Learning and Child Care funding. In addition, Ontario Works caseload grew from 2023. This spending was offset by higher funding from senior levels of government.

- Overall spending by Transportation Services was \$38.1 million less than expected mainly because of more costs accounted for as tangible capital assets than anticipated, reduced winter maintenance needs and savings from employee vacancies.

The year-over-year increase was \$31.1 million or 5.7%. The increase is due mainly to operating a growing transportation network and increased amortization expense related to a growing asset base.

- Spending by Environmental Services was \$515.3 million. This was \$59.0 million lower than planned due to savings from employee vacancies, continued strengthening of business practices and integration of asset management practices to reduce unplanned repair and maintenance work.

Compared to 2023, expenses were \$18.3 million lower for the reasons discussed above.

- Spending on Protection to Persons and Property was close to budget with an underspend of \$3.4 million. York Regional Police accounts for the majority of spending in this category, and had a slight overspend which was offset by underspending by the other groups within this category.

Spending was up \$32.8 million year-over-year because of expanded service needs for a growing population.

- Spending in the “Other” category (which comprises General Government and Economic and Development Services) was close to budget with an overspend of \$0.6 million.

On a year-over-year basis, spending was \$2.5 million lower than 2023.

OUTLOOK AND RISK MANAGEMENT

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

Development charge collections and forecast

Under the *Development Charges Act, 1997*, Ontario municipalities may levy charges on new residential and non-residential development to fund infrastructure needed to service growth. York Region’s current Region-wide Development Charges Bylaw came into force in June 2022 and is currently being updated with a target of going to Council for approval in the second quarter of 2026.

The provincial development charge framework has changed significantly since the current bylaw was approved. In late 2022, Bill 23, *More Homes Built Faster Act, 2022* provided discounts and exemptions for certain residential developments. In 2024, Bill 185, *Cutting Red Tape to Build More Homes Act, 2024*, partially reversed Bill 23 impacts, particularly mandatory phase-ins of Council-approved development charge rates. Remaining provisions, however, are expected to reduce development charge collections in the Region by roughly \$28 million a year over the next 10 years. The Region has created two new reserves, the Tax Levy Development Reserve and the Rate Supported Development Reserve, and Council has approved their use to make up the difference. At present, planned funding sources for these two reserves appear to be adequate, but in the longer run the Region may need to increase the tax levy and water and wastewater user rates to cover the cost of any additional development charge reductions to help address housing challenges.

The Region has adjusted the forecast for development charge collections to reflect a slow new home market in 2024 due to market conditions, while still taking into account historic growth levels and local municipalities’ goal of achieving their housing targets.

Capital plan

The Region’s 10-year capital plan includes a higher need for growth-related spending supported by development charges. This reflects investments needed to support housing targets assigned to local municipalities by the province and to unlock other growth capacity.

Growth-related projects in the capital plan often must go ahead before the related development charges are collected. Through the [Regional Fiscal Strategy](#), Council has approved the use of debt to bridge the timing gap while adhering to the goal of maintaining the Region’s current AAA and Aaa ratings from S&P Global Ratings and Moody’s Investors Service respectively.

Because of the need for financing, the combination of lower forecast development charge collections and higher spending in early years of the 10-year capital plan puts pressure on projected debt levels. If the Region financed all projects in the current plan on its own, debt levels would rise beyond sustainable levels. The Region is seeking financing from developers until development charges are collected to finance such growth-driven infrastructure projects as the York Durham Sewage System expansion. In the absence of this financing, the capital plan might have to be adjusted to ensure continued alignment with the [Fiscal Strategy](#). Similarly, unforeseen changes in development charge collections and/or growth-related capital needs might require adjustment of the capital plan.

Several priority projects, including community housing and bus rapid transit, are not included in the current capital plan because they cannot go ahead without senior government support and are subject to the Region’s fiscal constraints. The plan does include initial costs to move these projects toward a state of readiness as the Region advocates for new funding opportunities.

Economic outlook

The impacts across Canada of the Canada-U.S. trade war were highly uncertain in early 2025. The Canadian Chamber of Commerce forecast shrinkage of 2.6% in the Canadian economy if the initially announced tariffs of 25% on all Canadian exports to the United States were to go ahead. In a forecast prepared for York Region using a similar tariff scenario, the Conference Board of Canada expected a decline of 0.4% in the Region's economy in 2025, followed by a 0.2% reduction in 2026, compared to the outlook with no tariff changes. As this report was being finalized, however, the level, timing and extent of tariffs still appeared subject to change.

The Conference Board noted the Region's manufacturing sector would likely be the hardest hit, given its reliance on trade with the U.S. and the concentration of jobs in the sector. As Ontario's third largest manufacturing hub and the fifth largest in Canada, roughly 14% of the Region's jobs are in manufacturing, making it the largest employment sector by number of jobs. Developments in the automotive sector are particularly important since the Region is Canada's largest independent auto parts and electronics manufacturing hub.

Businesses in the Region that require imported materials, parts and equipment are also vulnerable to tariffs and counter-tariffs. This includes the construction sector, where price increases in materials and economic uncertainty were expected to dampen housing starts by an estimated 0.6% in 2025. Retail trade, which is the largest employment sector by number of businesses, was also seeing trade war impacts in the form of higher prices and supply chain risks.

York Region's response to the tariff threat includes:

- Ongoing research and data collection to understand tariff impacts and develop targeted actions
- Collaborating with local municipalities, the York Small Business Enterprise Centre, Chambers of Commerce, Boards of Trade and academic and innovation partners to provide business advisory consultation, expert workshops, trade diversification activities and other supports
- Providing up-to-date information and resources to impacted businesses, including outreach through York Link digital channels

The Business Recovery Support Partnership, created during the COVID-19 pandemic, has been reestablished to support dialogue among key stakeholders, share information, ensure consistent communication and advance collaborative tariff-focused initiatives.

Like other levels of government, York Region has made changes to its procurement processes to support the Canadian economy. As well, in recognition of the integrated nature of the North American automotive sector, the federal government has announced incentives for manufacturers to continue production and investment in Canada.

Regional staff continue to monitor the economic landscape, with updates available at york.ca/Tariffs. Their analysis of the situation will be informed by discussions with stakeholders, including the Business Recovery Support Partnership. The 2026 Budget will include a recessionary focus if the Canadian and York Region economies experience a significant downturn.

A changing population

The 2021 census showed the Region's seniors' (65+) population was growing faster than any other age group. By 2051, seniors are expected to make up 24% of the population. The Region has responded by updating the [York Region Plan to Support Seniors](#) to identify and anticipate the unique requirements of this demographic shift.

The 2021 census also recorded nearly 53,500 recent immigrants living in York Region, who arrived in Canada since 2016. Between 2016 and 2021, recent immigrants accounted for 84% of York Region's population growth. Settlement and inclusion of newcomers requires a coordinated effort by community partners and all levels of government. The Region is responding to newcomers' needs through collective impact initiatives.

Housing affordability

Housing affordability is a significant and growing concern in York Region, as it is throughout the Greater Toronto and Hamilton Area and across the country. High home prices and a scarcity of affordable housing threatens the ability of residents to find and keep housing they can afford. While lowering interest rates kept home prices relatively stable in 2024, average prices ranging from \$913,000 to \$2.1 million remained well above affordability thresholds for most households. Rental rates are also increasing. At the end of 2024, the average vacancy rate in York Region's purpose-built rental market was 2.3%, below the 3% to 5% vacancy rate necessary for a healthy rental market.

Lack of affordable housing is a factor in the growing number of people experiencing homelessness in York Region. To respond to this challenge, through the 2025 Budget, Council continues to invest in developing new community housing, both built directly by the Region and with funding for non-profits to build, and approved funding for Rapid Deployment Actions in the [2024 to 2027 York Region Plan to Support Seniors: Navigating Forward Together](#). The Region also continues to deliver benefits like the Canada-Ontario Housing Benefit to people living with low income.

Impacts of climate change

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 [Climate Change Action Plan](#) outlines its response, which includes measures both to mitigate impacts by reducing greenhouse gas emissions and adapt by strengthening infrastructure and promoting climate resiliency.

Workforce changes

The workforce of organizations across Canada, including the Region's, is aging. This is having a range of impacts, including health and safety concerns on the job and financial arrangements for those who have left the workforce. Demographic shifts are transforming the Regional government workforce. As experienced employees retire, competition for skilled talent intensifies. New workforce entrants bring evolving expectations for workplace culture, career development and total rewards, including a focus on wellness. To attract and retain talent while ensuring service excellence, the Region must adopt a forward-thinking approach to workforce planning, employee support and compensation strategies.

To navigate these shifts, the Region is prioritizing initiatives that enhance employee well-being, engagement, and leadership development. Recognizing that retaining top talent requires more than just traditional incentives, the Region is placing greater emphasis on holistic strategies such as cultural enrichment, retention-focused programs and career growth opportunities. As institutional knowledge transitions with retirements, proactive succession planning and alumni engagement are key to sustaining organizational resilience and service continuity.

Cyber-security

As more web-based applications are available to interact with the Region, the risk of cyberattacks increases. Third parties constantly attempt to breach systems, whether to steal information, interrupt services or extort funds.

The Region created training programs to educate staff on how to better protect data and infrastructure and conducts regular testing of employees on their security knowledge. It continues to improve its protocols to guard against and respond to emerging threats.

**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, 2024
- 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, 2024, 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.

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.



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- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 24, 2025

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Financial Position

As at December 31, 2024

	2024 \$	2023 \$
Financial assets		
Cash and cash equivalents (Note 4)	1,846,706,833	717,801,571
Accounts receivable (Note 5)	502,753,244	377,364,352
Investments (Note 4)	5,157,077,195	5,598,735,171
Debt amounts recoverable from local municipalities (Note 8)	207,100,456	167,451,038
Total	7,713,637,728	6,861,352,132
Liabilities		
Accounts payable and accrued liabilities	977,916,660	908,542,377
Employee benefits liabilities (Note 6)	390,757,083	367,313,176
Deferred revenue-general (Note 7)	136,349,222	67,040,367
Deferred revenue-obligatory reserve funds (Note 7)	634,400,263	513,344,736
Gross long-term liabilities (Note 8)	3,798,791,314	3,671,014,953
Asset retirement obligation (Note 9)	14,927,952	12,413,279
Total	5,953,142,494	5,539,668,888
Net financial assets	1,760,495,234	1,321,683,244
Non-financial assets		
Tangible capital assets (Note 15)	9,779,781,190	9,364,626,720
Inventory	8,778,804	28,857,755
Prepaid expenses	26,678,398	28,230,052
Total	9,815,238,392	9,421,714,527
Contractual rights and contingent assets (Note 10)		
Contractual obligations and commitments (Note 11)		
Contingent liabilities (Note 12)		
Accumulated surplus (Note 16)	11,575,733,626	10,743,397,771

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, 2024

	Budget (Note 2) \$	2024 \$	2023 \$
Revenues			
Net taxation (Note 3)	1,421,117,235	1,431,663,731	1,357,117,850
Government transfers	850,743,987	908,692,817	869,046,118
User charges	410,408,568	415,130,179	394,762,972
Development charges	631,137,033	371,496,292	466,592,601
Investment income	223,000,000	243,435,323	186,352,141
Fees and services	184,615,409	205,099,901	179,830,925
Other	160,206,017	104,823,406	56,715,119
Total revenues	3,881,228,249	3,680,341,649	3,510,417,726
Expenses			
Community services	678,747,045	716,271,777	658,114,023
Transportation services	610,338,516	572,216,867	541,104,147
Environmental services	574,337,107	515,344,159	533,687,713
Protection to persons and property	511,816,832	508,465,703	475,646,906
Health and emergency services	233,878,436	234,181,425	236,278,832
General government	153,353,101	162,863,231	166,079,662
Social housing	145,267,976	119,468,847	114,370,104
Economic and development services	28,153,333	19,193,785	18,487,228
Total expenses	2,935,892,346	2,848,005,794	2,743,768,615
Annual surplus	945,335,903	832,335,855	766,649,111
Accumulated surplus, beginning of year	10,743,397,771	10,743,397,771	9,976,748,660
Accumulated surplus, end of year	11,688,733,674	11,575,733,626	10,743,397,771
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, 2024

	Budget \$	2024 \$	2023 \$
Annual surplus	945,335,903	832,335,855	766,649,111
Amortization of tangible capital assets	356,144,150	345,673,546	336,930,195
Proceeds on disposal of tangible capital assets	-	1,617,467	1,316,153
Acquisition of tangible capital assets	(780,157,926)	(761,016,798)	(552,887,180)
Asset retirement obligation increase in tangible capital assets	-	(1,158,584)	-
Gain on disposal of tangible capital assets	-	(270,101)	(252,993)
Acquisition of inventory	-	(2,678,899)	(22,481,868)
Acquisition of prepaid expenses	-	(23,751,913)	(26,818,219)
Consumption of inventory	-	22,757,850	2,851,154
Use of prepaid expenses	-	25,303,567	19,757,332
Increase in net financial assets	521,322,127	438,811,990	525,063,685
Net financial assets, beginning of year	1,321,683,244	1,321,683,244	796,619,559
Net financial assets, end of year	1,843,005,371	1,760,495,234	1,321,683,244

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, 2024

	2024 \$	2023 \$
Operating		
Annual surplus	832,335,855	766,649,111
Items not involving cash:		
Amortization of tangible capital assets	345,673,546	336,930,195
Gain on disposal of tangible capital assets	(270,101)	(252,993)
Changes in non-cash assets and liabilities:		
Accounts receivable	(125,388,892)	84,796,916
Accounts payable and accrued liabilities	69,374,283	(30,767,522)
Employee benefit obligations - cash expense	19,676,541	19,093,850
Employee benefit obligations - non cash expense	3,767,366	4,211,538
Deferred revenue-general	69,308,855	18,418,027
Deferred revenue-obligatory reserve funds	121,055,527	(213,654,497)
Asset retirement obligation	2,514,673	500,343
Inventory	20,078,951	(19,630,714)
Prepaid expenses	1,551,654	(7,060,887)
Net change in cash and cash equivalents from operations	1,359,678,258	959,233,367
Capital		
Acquisition of tangible capital assets	(762,175,382)	(552,887,180)
Proceeds on disposal of tangible capital assets	1,617,467	1,316,153
Net change in cash and cash equivalents from capital	(760,557,915)	(551,571,027)
Investing		
Net change in investments	441,657,976	(588,009,747)
Financing		
Long-term debt issued	97,600,000	104,511,050
Long-term debt repaid	(9,473,057)	(13,776,090)
Net change in cash and cash equivalents from financing	88,126,943	90,734,960
Net change in cash and cash equivalents	1,128,905,262	(89,612,447)
Opening, cash and cash equivalents	717,801,571	807,414,018
Closing, cash and cash equivalents	1,846,706,833	717,801,571

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, 2024

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 Regional 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. 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 but not limited to the useful life of capital assets, claims provisions for accrued liabilities, timing of settlement, asset conditions, discount rate and inflation rate for asset retirement obligations and future employee benefits.

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.

iii. 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, 2024, all material assets have been disclosed and reported within the Region's Statements.

iv. 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.

v. 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.

vi. 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.

vii. Financial Instruments

Financial instruments include cash and cash equivalents, 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, 2024.

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.

viii. Foreign Currency Translation

The Region has limited foreign currency transactions and the amount is immaterial. Gains and losses on foreign currency transactions are charged to operations when they are realized.

ix. 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.

x. 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.

xi. 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.

Provincial Gas Tax and Canada Community-Building Fund 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.

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements
December 31, 2024

xii. Asset Retirement Obligation

PS3280 - Asset Retirement Obligations addressed the reporting of legal obligations associated with the retirement of certain tangible capital assets (TCA) resulting from the acquisition, construction, development, and/or operation of the tangible capital assets. 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 liabilities are measured initially at management’s best estimate of the undiscounted future cash flows required to settle the retirement obligation. The cost to remove asbestos in several Region owned buildings are based on estimated future expenses on closure of the site and post- closure care. Site assessment reports detailing the type and quantity of contamination are used with experience and expert advice to determine the cost of retiring. The cost for the removal of fuel tanks, tank systems, and lease obligations are based on estimated future expenses.

For tangible capital assets that are still in productive use, the estimated amount of the asset retirement cost is capitalized as part of the carrying value of the associated tangible capital asset and is amortized over the life of the asset in accordance with the Region’s depreciation accounting policies. For tangible capital assets that are no longer in productive use, the liability is expensed in the period.

The liability is discounted using a present value calculation and adjusted annually for accretion expense. The accretion expense is part of operation expenses in consolidated statement of operations, and it increases the carrying amount of the liability for an ARO due to passage of time.

At each financial reporting date, the Region reviews its ARO base on the latest information available at the time. Changes to the estimated amount of future costs are recognized in the Consolidated Statement of Financial Position by adjusting the carrying value of the corresponding tangible capital asset and asset retirement obligation liability.

Actual asset retirement settlement costs incurred are charged against the ARO to the extent of the estimated liability recorded for that underlying asset. Differences between the actual settlement costs incurred and the estimated liability are recognized in the Consolidated Statement of Operations.

xiii. 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.

xiv. Tangible Capital Assets

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

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

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

Contributed tangible capital assets are recorded at their fair value at 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 represent expenditures incurred for projects currently underway. Upon completion, the related assets under construction will be transferred to the appropriate capital asset category and amortization will commence.

xv. Inventory

Inventory of materials and supplies, 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 is valued at the lower of cost or net realizable value.

xvi. 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.

xvii. 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.

xviii. 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.

xix. 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.

xx. 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.

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.

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. 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 revenue from water and wastewater flow, recognized in proportion to the services delivered and according to the agreed upon billing frequency, given the consistent completion of performance obligations.

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 associated performance obligation has been satisfied or when the Region is entitled to claim the revenue.

Other revenue includes the items below:

Revenue from third party funding and other recoveries excluding government organizations, default collection fees, wastewater discharge pollutant penalties, municipal recoveries are recognized when the Region has the ability to claim or retain an inflow of economic resources and a past transaction or event giving rise to the asset has occurred.

Revenue from advertising revenue is recognized over the period of time during which the advertising takes place, in alignment with the payment schedule with payors.

Revenue from negotiated lease revenues is recognized over the duration of the lease periods.

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xxi. 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 on the Consolidated Statement of Financial Position.

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.

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 PS 2700.

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.

c) Adoption of New Accounting Policies

i. PS 3400 - Revenue:

On January 1, 2024, the Region adopted Canadian Public Sector Accounting Standard PS 3400-Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. The standard was adopted prospectively for fiscal year 2024.

The adoption of PS3400 has resulted in minor changes to the timing of revenue recognition for certain revenue streams such as development administration fees. These revenues will no longer be deferred but rather be recognized in alignment with the satisfaction of the relevant performance obligations.

Throughout fiscal year 2024, revenue streams were assessed against the new standard and recognition timing was adjusted where appropriate.

ii. PS 3160 - Public Private Partnerships:

On January 1, 2024, the Region adopted Canadian Public Sector Accounting Standard PS 3160-Public Private Partnerships (P3). The new accounting standard addresses the recognition of arrangements with private partners which meet the specific criteria set out by the standard. The standard was adopted prospectively for fiscal year 2024.

As at December 31, 2024, the Region determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

iii. PSG-8 - Purchased Intangibles:

On January 1, 2024, the Region adopted Canadian Public Sector Accounting Standard PSG-8-Purchased Intangibles. The new accounting guideline provides principles to apply when an intangible that may meet the definition of an asset is identified. The guideline was adopted prospectively for fiscal year 2024.

As at December 31, 2024, the Region determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

d) Future Accounting Pronouncements

i. The Conceptual Framework for Financial Reporting in the Public Sector

The new Conceptual Framework provides a meaningful foundation for formulating consistent financial reporting standards. The conceptual Framework will replace current guidance in Section PS 1000 and Section PS 1100. A Conceptual Framework is a coherent set of interrelated concepts underlying accounting and financial reporting standards. It prescribes the nature, function and limits of financial accounting and reporting. It is the foundation on which standards are developed and professional judgment is applied. While the impact of any changes on Region's Consolidated Financial Statements is not reasonably determinable at this time, the Region intends to implement the Conceptual Framework effective January 1, 2027.

ii. PS 1202 - Financial Statement Presentation

The new standard provides updated guidance on the general and specific requirements for the presentation of information in general purpose financial statements. PS 1202 will replace PS 1201. While the impact of any changes on Region's Consolidated Financial Statements is not reasonably determinable at this time, the Region intends to implement the standard effective January 1, 2027.

iii. PS 3251 - Employee Benefits

PS 3251 - Employee Benefits will replace PS 3250 - Retirement Benefits and PS 3255 - Post-employment Benefits, Compensated Absences and Termination Benefits. The proposed standard is currently undergoing discussions and further changes are expected as a result of the re-exposure comments. Effective date is currently not determined.

2. BUDGET FIGURES

Budget figures presented in the Consolidated Financial Statements are based on the [2024 budget](#) approved by York Regional Council on December 21, 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	\$4,160,372,006
Reclassification of investment income	186,100,000
Transfer from reserves	(485,443,154)
Housing York Inc.	51,080,391
Related entities adjustments	(30,880,994)
Total revenues	3,881,228,249
Expenses	
Approved budget	4,160,372,006
Reclassification of investment income	186,100,000
Transfer to reserves	(819,048,527)
Acquisition of tangible capital assets	(780,157,926)
Debt principal repayments	(205,359,298)
Amortization	356,144,150
Post employment benefits	23,975,472
Spending funded by Metrolinx	521,358
Housing York Inc.	44,226,105
Related entities adjustments	(30,880,994)
Total expenses	2,935,892,346
Annual surplus	\$945,335,903

3. NET TAXATION

Tax revenue of \$1,431,663,731 (2023 - \$1,357,117,850) is comprised of \$1,409,409,430 (2023 - \$1,339,408,924) in general tax levy and \$22,254,301 (2023 - \$17,708,926) of other tax amounts.

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4. INVESTMENTS

Included in cash and cash equivalents are short-term investments of \$298,062,000 (2023 - \$150,106,520) with a market value of \$297,821,623 (2023 - \$150,036,509). Long-term investments of \$5,157,077,195 (2023 - \$5,598,735,171) have a market value of \$5,048,643,641 (2023 - \$5,387,373,036).

As at December 31, 2024, 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 investments' 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 \$634,400,263 (2023 - \$513,344,736) of restricted funds as required under legislation to fund obligatory reserve funds. The yields on investments held range from 0.87% to 6.64% (2023 - 0.63% to 6.64%).

5. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	2024 \$	2023 \$
Government of Canada	53,019,197	45,485,972
Government of Ontario	22,397,892	18,094,322
Other municipalities	197,645,338	180,501,800
Other receivables	230,345,535	133,926,904
	503,407,962	378,008,998
Less: allowance for doubtful accounts	(654,718)	(644,646)
	502,753,244	377,364,352

Accounts receivable are assessed for collectability on an annual basis. In 2024, \$314,823 was deemed uncollectable and written off (2023- \$157,635).

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. Reserves are included in Accumulated surplus and the balances are reported in Note 16. In other cases, the liabilities are to be funded from future years' budgetary allocations. Net increase in the total amount is \$23,443,907.

	2024 \$	2023 \$
Post employment benefits (a)	137,526,872	130,581,371
Workplace Safety and Insurance Board (WSIB) (c)	110,708,738	95,137,647
Long-term disability claims (d)	66,112,265	66,246,442
Vested sick leave benefits (e)	47,564,547	45,971,489
Subtotal	361,912,422	337,936,949
Vacation payable	28,844,661	29,376,227
Total	390,757,083	367,313,176

The following table sets out the accrued benefit liability for each plan as at December 31, 2024.

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	Post employment benefits	WSIB	Long-term disability claims	Vested sick leave benefits	2024 Total	2023 Total
Accrued benefit obligation, beginning of year	130,383,004	124,065,926	45,246,369	37,162,873	336,858,172	317,764,322
Benefit service cost	6,064,035	20,691,517	6,525,682	3,141,277	36,422,511	35,077,613
Interest accrued	5,870,275	5,680,177	2,038,685	1,668,897	15,258,034	14,404,895
Benefit payments	(5,928,919)	(16,371,039)	(6,410,228)	(3,293,818)	(32,004,004)	(30,388,658)
Accrued benefit obligation, end of year	136,388,395	134,066,581	47,400,508	38,679,229	356,534,713	336,858,172
Unamortized actuarial gain/(loss)	1,138,477	(23,357,843)	18,711,757	8,885,318	5,377,709	1,078,777
Accrued benefit liability, end of year	137,526,872	110,708,738	66,112,265	47,564,547	361,912,422	337,936,949

The amortization of actuarial losses for the current year is in the amount of \$4,298,932 (2023 - \$4,726,497).

	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	5.33%	4.00%	N/A	5.33%
Expected Average Remaining Service Life				
Regional Operations	14	10	8	6
Police Services	13	10	8	13

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December 31, 2024

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 \$137,526,872 (2023 - \$130,581,371), which is reported in the Consolidated Statement of Financial Position. The reserve balance at December 31, 2024 is \$87,164,060 (2023 - \$94,529,005).

b) Pension Agreement

The Region contributes to OMERS, a multi-employer plan on behalf of approximately 7,396 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 2024, employer contribution amounts to \$79,732,753 (2023 - \$77,103,153) and is recorded as an expense in the Consolidated Statement of Operations and Accumulated Surplus. Employee contributions also amount to \$79,732,753 (2023 - \$77,103,153).

Because OMERS is a multi-employer plan, the Region does not recognize any share of the pension deficit of \$2.9 billion at December 31, 2024.

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, 2024 to be \$110,708,738 (2023 - \$95,137,647), which is reported in the Consolidated Statement of Financial Position. The worker's compensation reserve balance at December 31, 2024 is \$96,838,335 (2023 - \$95,137,647).

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 \$66,112,265 (2023 - \$66,246,442) as at December 31, 2024, which is reported in the Consolidated Statement of Financial Position. The reserve balance at December 31, 2024 is \$66,138,127 (2023 - \$66,246,442).

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 \$47,564,547 (2023 - \$45,971,489), which is reported in the Consolidated Statement of Financial Position. The reserve balance at December 31, 2024 is \$8,272,403 (2023 - \$8,014,332).

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 \$52,930 (2023 - \$82,624).

Police Services

For Police Services members hired before July 22, 2013, the sick leave benefit plan provides for a 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 \$47,617,477 (2023 - \$46,054,113).

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7. DEFERRED REVENUE

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

	Balance at Dec 31, 2023 \$	Inflows \$	Amounts recognized into revenue \$	Balance at Dec 31, 2024 \$
Deferred capital grants	23,398,847	642,581	(6,684,307)	17,357,121
Deferred revenue - prepaid development charge credit agreements (PDCCA)	11,751,657	-	(1,947,613)	9,804,044
Other*	31,889,863	116,530,201	(39,232,007)	109,188,057
Total deferred revenue - general	67,040,367	117,172,782	(47,863,927)	136,349,222
Development charges	408,178,781	494,188,100	(371,496,292)	530,870,589
Gas Tax/Canada Community-Building Fund	105,165,955	59,453,046	(61,089,327)	103,529,674
Total deferred revenue - obligatory reserve funds	513,344,736	553,641,146	(432,585,619)	634,400,263

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

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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:

	2024 \$	2023 \$
Outstanding long-term liabilities at the end of the year, including those incurred on behalf of local municipalities	3,784,863,039	3,651,862,287
Mortgages payable by Housing York Inc.	13,928,275	19,152,666
Gross long-term liabilities	3,798,791,314	3,671,014,953
Less recoverable from local municipalities		
Sinking fund debentures	75,988,951	73,588,951
Non-sinking fund debentures	131,111,505	93,862,087
	207,100,456	167,451,038
Net long-term liabilities at the end of the year	3,591,690,858	3,503,563,915

The total gross amount of the long-term liabilities to be retired by sinking funds is \$3,630,000,000 (2023 - \$3,530,000,000). The amount of sinking fund assets is \$1,560,191,510 (2023 - \$1,308,796,959). Long-term liabilities are primarily funded through a combination of development charges, water and sewer rates and tax levy.

The weighted average interest rate for Region's debts is 3.21% and maturity dates range from September 2025 to December 2051.

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

2025	\$ 218,008,859
2026	207,863,834
2027	200,759,254
2028	195,229,139
2029	194,791,701
Thereafter	2,255,424,016
Net sinking fund debt repayable according to actuarial recommendations	319,614,055
Total	\$ 3,591,690,858

c) Charges for net long-term liabilities

Total interest charges for the year for net long-term liabilities which are included in the Consolidated Statement of Operations and Accumulated Surplus are \$109,288,884 (2023 - \$101,677,067).

9. ASSET RETIREMENT OBLIGATION

The Region's asset retirement obligations consist of:

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. The Region recognized an obligation relating to the removal and post-removal care of the asbestos in these building as estimated \$12,714,803 (2023 - \$11,329,154).

b) Tank system obligation

The Region owns and operates various fuel tanks and tank systems where there is a legal obligation to remove them. The Region recognized an obligation relating to the removal and post-removal care of the tanks and tank systems as estimated \$1,924,965 (2023 - \$834,070).

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 lease term. The Region recognized an obligation relating to the restoration of the leased facility as estimated \$288,184 (2023 - \$250,055).

During subsequent measurement, there are no material changes to long-term inflation rate of 2.8% and discount rate of 4.2% used and they are still appropriate for the 2024 ARO liability calculation.

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

Asset Retirement Obligation	Asbestos obligation \$	Tank system \$	Lease obligation \$	Balance at Dec 31, 2024 \$	Balance at Dec 31, 2023 \$
Opening balance	11,329,154	834,070	250,055	12,413,279	11,912,936
Liability incurred during the year	-	928,780	-	928,780	-
Increase in liabilities due to accretion	504,853	76,382	11,205	592,440	500,343
Changes in estimates of liabilities	880,796	85,733	26,924	993,453	-
Closing balance	12,714,803	1,924,965	288,184	14,927,952	12,413,279

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, 2024. 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 \$23,395,817 (2023 - 17 L/Cs of \$134,781,442).
- An agreement with Metrolinx to fund the construction of bus rapidways. The remaining funding Metrolinx has guaranteed the Region is \$26,044,531 (2023 - \$26,044,531).
- Rights to transit advertisements, solar revenue and other lease revenue. Future revenue from these sources for the next 5 years are approximately:

2025	7,839,255
2026	7,934,016
2027	6,431,236
2028	6,547,184
2029	3,519,150

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b) Contingent Assets

As at December 31, 2024, 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, 2024.

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 2024, the Region paid \$38,178,809 (2023 - \$37,657,066) 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 2024, the Region paid \$22,351,489 (2023 - \$20,994,521) 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 2024, Peel provided servicing for York wastewater flows for a total payment of \$7,547,069 (2023 - \$6,708,960) 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:

2025	6,546,920
2026	6,165,231
2027	5,049,714
2028	4,943,375
2029	4,801,081

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 (YNSE). 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, led by Metrolinx. The total project cost is estimated to be approximately \$5,600,000,000. In 2024, the Province and the Region executed an Agreement in Principle (AIP), confirming the Region's capital construction contribution for the YNSE 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. The AIP will also guide the negotiation of future agreements between the Region, the Province and Metrolinx.

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, which is the only remaining hospital we have a commitment to is approximately \$154,143,745, including forecasted future adjustments. As of December 31, 2024, the Region has paid \$109,169,668 to this hospital and the remaining commitment is \$44,974,077 (2023 - \$52,325,704).

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 welcomed their first students in the Fall of 2024. 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 2024, York University's Markham Centre Campus had received the first 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 2025.

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, 2024 for all outstanding public liability claims is \$10,031,680 (2023 - \$7,874,167). The total insurance reserve is \$36,546,664 (2023 - \$34,750,808).

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 \$61,430 (2023 - \$655,685) 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 2025.

14. COURT AND TRIBUNAL ADMINISTRATION

The Regional Municipality of York (the Region) administers, adjudicates, and collects on fines and penalties issued in York Region by the police and various enforcement agencies. These include contraventions of 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 which time their receipt is recorded in the appropriate case management system. The Region recognizes fine revenue on a gross basis when the receipt of funds is recorded regardless of the location where payment is made.

Gross revenue is comprised primarily of fines and penalties. The gross revenue for 2024 amounts to \$30,632,615 (2023 - \$25,326,167) and the net surplus/(deficit) amounts to \$1,257,156 (2023 - \$2,926,891). Balances arising from Court operations are consolidated within these financial statements and reported in protection to persons and property on the Consolidated Statement of Operations and Accumulated Surplus.

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15. TANGIBLE CAPITAL ASSETS

COST	Balance at Dec 31, 2023 \$	Additions/ Transfers \$	Disposals \$	Asset Retirement Obligations \$	Balance at Dec 31, 2024 \$
Land	741,576,346	46,886,401	-	-	788,462,747
Land improvements	430,455,566	94,495,643	(511,106)	-	524,440,103
Buildings	3,144,867,824	101,990,187	(1,135,867)	1,158,584	3,246,880,728
Equipment and machinery	956,106,407	24,843,188	(11,938,689)	-	969,010,906
Vehicles	512,271,641	39,315,105	(30,834,335)	-	520,752,411
Transit infrastructure	539,363,104	33,435,164	-	-	572,798,268
Roads infrastructure	3,023,769,749	140,776,410	(20,842,670)	-	3,143,703,489
Water and wastewater infrastructure	2,462,267,526	25,212,149	(322,614)	-	2,487,157,061
Assets under construction	1,406,538,748	254,062,551	-	-	1,660,601,299
	13,217,216,911	761,016,798	(65,585,281)	1,158,584	13,913,807,012
ACCUMULATED AMORTIZATION	Balance at Dec 31, 2023 \$	Disposals \$	Amortization expense \$	Asset Retirement Obligations \$	Balance at Dec 31, 2024 \$
Land improvements	219,934,551	(511,106)	21,169,918	-	240,593,363
Buildings	1,115,984,096	(1,135,867)	77,806,395	114,905	1,192,769,529
Equipment and machinery	507,337,041	(11,938,689)	55,479,075	-	550,877,427
Vehicles	313,561,821	(30,006,467)	42,305,301	-	325,860,655
Transit infrastructure	88,461,971	-	14,743,662	-	103,205,633
Roads infrastructure	1,246,938,156	(20,431,606)	106,462,646	-	1,332,969,196
Water and wastewater infrastructure	360,372,555	(214,180)	27,591,644	-	387,750,019
	3,852,590,191	(64,237,915)	345,558,641	114,905	4,134,025,822
	Balance at Dec 31, 2023 \$				Balance at Dec 31, 2024 \$
Land	741,576,346				788,462,747
Land improvements	210,521,015				283,846,740
Buildings	2,028,883,728				2,054,111,199
Equipment and machinery	448,769,366				418,133,479
Vehicles	198,709,820				194,891,756
Transit infrastructure	450,901,133				469,592,635
Roads infrastructure	1,776,831,593				1,810,734,293
Water and wastewater infrastructure	2,101,894,971				2,099,407,042
Assets under construction	1,406,538,748				1,660,601,299
	\$9,364,626,720				9,779,781,190

THE REGIONAL MUNICIPALITY OF YORK
Notes to the Consolidated Financial Statements
December 31, 2024

The Region did not recognize any write-down of tangible capital assets in 2024 (2023 - \$869,330) 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:

	2024 \$	2023 \$
Surplus		
Invested in tangible capital assets	5,179,728,470	4,941,303,481
Investments in related entities	420,478,351	405,275,326
	5,600,206,821	5,346,578,807
Reserves and Reserve Funds		
Asset Replacement Reserves		
Capital replacement-water and sewer	878,159,301	801,008,481
Roads infrastructure	812,241,445	814,247,068
Regionally owned housing	299,729,372	263,302,396
Facilities rehabilitation and replacement	201,083,920	183,059,743
Transit vehicle replacement	129,494,374	101,146,221
Equipment/Vehicle replacement	104,653,105	100,450,025
	2,425,361,517	2,263,213,934
Sinking Fund	1,539,476,717	1,295,173,158
Corporate Reserves		
Rates stabilization	157,961,335	132,622,712
Fiscal/Tax stabilization	122,070,817	117,535,329
Pandemic management and recovery	118,411,023	118,457,501
Working capital	50,000,000	50,000,000
Waste management stabilization	41,532,846	34,703,637
Insurance	36,546,664	34,750,808
Fuel cost stabilization	24,237,224	23,544,148
Hospital financing	10,693,343	10,794,212
Innovation investment	9,102,339	7,816,537
Innovation	6,222,739	6,007,420
Land securement	4,588,698	6,115,557
Green energy	2,907,998	2,634,809
IT licensing and software development	1,295,134	1,250,320
Court services	811,401	2,891,201
Cannabis contingency	-	3,001,279
	586,381,561	552,125,470

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements

December 31, 2024

	2024 \$	2023 \$
Capital Reserves		
Debt avoidance	487,142,959	427,503,964
Social housing development	197,454,901	99,282,408
Rapid transit	109,268,952	68,927,095
Solid waste management	105,281,932	100,746,951
Roads capital acceleration	67,330,357	51,531,919
Non-profit housing capital	48,157,428	79,202,857
Capital contingency	46,662,722	45,546,863
Transit	46,345,461	24,730,416
Roads capital	30,314,460	16,271,285
IT development	20,932,560	21,776,235
Land banking	5,555,808	5,363,566
Police infrastructure	1,258,147	1,688,398
Rate supported development	-	18,576,267
Tax levy development	-	61,037,115
	1,165,705,687	1,022,185,339
Contingent Liability and Other		
Workers' compensation	96,838,335	95,137,647
Group benefits	87,164,060	94,529,005
Long-term disability	66,138,127	66,246,442
Sick leave	8,272,403	8,014,332
Seized funds	188,398	193,637
	258,601,323	264,121,063
Total Reserves and Reserve Funds	5,975,526,805	5,396,818,964
Total	\$11,575,733,626	\$10,743,397,771

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 economic 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

Transportation services 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

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

Health and emergency services

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

Community services

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

Social housing

Social housing is responsible for administering 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.

Economic and development services

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

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements

December 31, 2024

	General government \$	Protection to persons and property \$	Transportation services \$	Environmental services \$	Health and emergency services \$
REVENUE					
Net taxation	195,474,033	417,752,730	438,088,058	74,085,797	93,690,808
Provincial grants	708,571	21,392,749	22,030,580	1,160,847	132,765,314
Federal grants	294,550	-	53,162,872	38,962	210,764
Development charges	(118,862,959)	13,569,294	228,589,466	240,549,225	6,490,030
User charges	-	-	-	415,130,179	-
Investment income	243,062,422	-	-	-	-
Fees and services	9,226,206	40,005,981	91,207,689	24,309,746	531,592
Other	1,091,769	4,761,993	45,240,412	43,030,677	14,679
Total revenue	330,994,592	497,482,747	878,319,077	798,305,433	233,703,187
EXPENSES					
Salaries and benefits	125,412,271	419,947,230	80,168,041	71,416,600	173,885,998
Operating expenses	16,162,794	61,862,170	274,394,701	255,713,576	44,373,578
Amortization	20,843,919	17,326,323	186,213,514	103,739,686	5,718,244
Government transfers	-	7,335,191	2,097,449	11,367,800	9,866,295
Interest payments	444,247	1,994,789	29,343,162	73,106,497	337,310
Total expenses	162,863,231	508,465,703	572,216,867	515,344,159	234,181,425
Annual surplus/(deficit)	168,131,361	(10,982,956)	306,102,210	282,961,274	(478,238)

THE REGIONAL MUNICIPALITY OF YORK
Notes to the Consolidated Financial Statements
December 31, 2024

	Community services	Social housing	Economic and development services	Total 2024	Total 2023
	\$	\$	\$	\$	\$
REVENUE					
Net taxation	\$120,994,878	\$ 79,501,575	\$ 12,075,852	\$1,431,663,731	\$1,357,117,850
Provincial grants	607,362,391	33,147,574	6,875,752	825,443,778	789,453,706
Federal grants	7,448,137	14,803,031	7,290,723	83,249,039	79,592,412
Development charges	952	680,284	480,000	371,496,292	466,592,601
User charges	-	-	-	415,130,179	394,762,972
Investment income	-	-	372,901	243,435,323	186,352,141
Fees and services	5,668,175	28,898,755	5,251,757	205,099,901	179,830,925
Other	4,712,002	3,732,930	2,238,944	104,823,406	56,715,119
Total revenue	746,186,535	160,764,149	34,585,929	3,680,341,649	3,510,417,726
EXPENSES					
Salaries and benefits	120,564,363	17,266,267	15,457,548	1,024,118,318	965,389,768
Operating expenses	446,030,249	88,928,994	2,819,132	1,190,285,194	1,179,366,088
Amortization	1,818,548	9,210,707	802,605	345,673,546	336,930,195
Government transfers	147,858,617	-	114,500	178,639,852	160,405,498
Interest payments	-	4,062,879	-	109,288,884	101,677,066
Total expenses	716,271,777	119,468,847	19,193,785	2,848,005,794	2,743,768,615
Annual surplus/(deficit)	29,914,758	41,295,302	15,392,144	832,335,855	766,649,111

THE REGIONAL MUNICIPALITY OF YORK

Notes to the Consolidated Financial Statements

December 31, 2024

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, 2024 there were no significant balances of accounts receivable due from any single customer. There was \$314,823 (2023 - \$157,635) 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 \$	2024 \$	2023 \$
Accounts payable and accrued liabilities	977,916,660	977,916,660	-	-	977,916,660	908,542,377
Liability for asset retirement obligation	14,927,952	-	2,212,792	12,715,160	14,927,952	12,413,279
Gross long-term liabilities	3,798,791,314	234,069,402	847,548,040	2,717,173,872	3,798,791,314	3,671,014,953
	4,791,635,926	1,211,986,062	849,760,832	2,729,889,032	4,791,635,926	4,591,970,609

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, 2024, 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 2023 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)	2024	2023	2022	2021	2020
CONSOLIDATED FINANCIAL ACTIVITIES					
Analysis of Revenues					
Net taxation/user charges	1,846,794	1,751,881	1,669,453	1,610,746	1,570,955
Government transfer	908,693	869,046	721,406	694,158	690,974
Development charges	371,496	466,593	433,872	370,752	269,207
Fees and service charges	205,100	179,828	150,557	117,240	106,511
Other	348,259	243,070	160,164	177,576	188,840
	3,680,342	3,510,418	3,135,453	2,970,473	2,826,488
Analysis of Expenses by Object					
Operating and general expenses	1,190,285	1,179,366	932,539	836,058	653,600
Salaries, wages and employee benefits	1,024,118	965,390	936,692	920,219	845,345
Amortization	345,674	336,930	337,072	324,056	320,568
Transfers to others	178,640	160,405	137,586	109,754	169,490
Debt servicing	109,289	101,677	104,369	109,590	117,160
	2,848,006	2,743,769	2,448,257	2,299,677	2,106,164
Analysis of Expenses by Function					
Community services and housing	835,741	772,484	591,001	480,713	453,077
Transportation services	572,217	541,104	510,705	477,337	465,127
Environmental services	515,344	533,688	486,834	485,144	388,325
Protection to persons and property	508,466	475,647	451,160	436,471	424,524
Health and emergency services	234,181	236,279	254,670	259,551	245,579
General government	162,863	166,080	137,936	145,078	117,792
Economic and development services	19,194	18,487	15,950	15,383	11,740
	2,848,006	2,743,769	2,448,257	2,299,677	2,106,164
Annual Surplus	832,336	766,649	687,195	670,795	720,324
Accumulated Surplus	11,575,734	10,743,398	9,976,749	9,299,642	8,628,847
Net Financial Assets/ (Net Debt)	1,760,495	1,321,683	796,620	301,428	(191,381)

THE REGIONAL MUNICIPALITY OF YORK

Five Year Review (unaudited)

(in thousands of dollars)	2024	2023	2022	2021	2020
OUTSTANDING OBLIGATIONS					
Debt Outstanding					
Total long term liabilities	2,238,600	2,362,218	2,471,868	2,711,315	2,903,682
Overlapping debt of local municipalities	(207,100)	(167,451)	(137,245)	(144,668)	(144,540)
Net long term liabilities	2,031,500	2,194,767	2,334,624	2,566,647	2,759,142
Net long term liabilities per capita	1,588	1,744	1,884	2,090	2,274
Sinking Fund	1,560,192	1,308,797	1,078,205	857,303	826,915
Charges for Net Long Term Liabilities					
Recovered from:					
General tax rates and DCs	304,685	297,695	295,128	301,063	279,126
User rates	10,644	10,658	10,683	21,530	18,673
Total	315,329	308,353	305,811	322,593	297,799
Debt charges as a % of total expenses	11.1%	11.2%	12.5%	14.0%	14.1%
Remaining debt and financial obligation limit including growth cost supplement	410,974	219,064	236,723	295,523	310,174
Acquisitions of tangible capital assets	762,175	552,887	518,395	506,260	667,898

Top 10 Corporate Rate Payers in York Region

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

Top 10 Employers in York Region

1. CANADA'S WONDERLAND
2. SOUTHLAKE REGIONAL HEALTH CENTRE
3. TD WATERHOUSE INC.
4. MARKHAM STOUFFVILLE HOSPITAL
5. IBM CANADA LTD.
6. AMD TECHNOLOGIES INC.
7. UNITED PARCEL SERVICE CANADA LTD.
8. CGI INFORMATION SYSTEMS
9. AVIVA CANADA
10. PLAN GROUP

Based on 2024 employment survey

THE REGIONAL MUNICIPALITY OF YORK

Five Year Review (unaudited)

MISCELLANEOUS INFORMATION

	2024	2023	2022	2021	2020
General Government					
Full time equivalent employees (1)	6,819	6,610	6,380	6,235	6,124
Unemployment rate (2)	6.9%	6.3%	4.2%	6.0%	8.0%
Acquisition of tangible capital assets (000s)	\$762,175	\$552,887	\$518,395	\$506,260	\$667,898
Healthy communities					
New annual residential units/building permits	7,872	12,022	7,120	10,787	5,832
Annual building permit values (000s)	\$4,297,265	\$ 5,867,437	\$4,269,418	\$5,192,673	\$2,627,748
Number of subsidized households	6,589	6,334	5,917	5,575	4,998
Average police emergency response time (minutes)	7.2	7.2	7.1	6.5	6.4
Roads and transit					
Total kilometres of roads in the Region	4,419	4,386	4,383	4,382	4,318
Number of people living and working within 500 metres of a transit stop	328,600	308,500	301,900	273,200	265,500
Percentage of regional roads with sidewalks and/or dedicated bike lanes in urban areas	86%	86%	86%	86%	85%
Percentage of on-time performance on all transit routes	93.7%	94.1%	95.1%	95.6%	94.7%
Number of transit service passenger trips per capita	19.5	17.7	13.8	8.9	9.4
Environment					
Number of trees and shrubs planted annually through the Regional greening strategy program	60,539	116,175	110,391	92,154	60,539
Percentage of solid waste diverted from landfill	92%	94%	94%	92%	93%
Number of per capita greenhouse gas emissions across Regional operations (tonnes)	57.80	57.1	57.4	53.7	55.8
Number of megalitres of treated water consumed per 100,000 population	10,332	10,356	10,596	10,245	10,368
Annual water flows (thousands of cubic metres)	124,411	122,054	125,194	124,487	124,112
Annual wastewater flows (thousands of cubic metres)	122,617	120,298	122,663	121,763	121,247
Total kilometres of water distribution/transmission pipe	360	360	360	360	360
Total kilometres of wastewater mains	375	370	370	370	360
Demographics					
Population	1,279,529	1,258,161	1,239,424	1,228,180	1,213,602
Senior population (3)	217,516	213,882	210,701	179,314	177,075
Households	415,086	408,796	399,409	394,482	388,474
Median household income	\$131,334	\$129,012	\$124,770	\$117,376	\$112,000

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, 2024
- 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, 2024, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- 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'. The signature is written in a cursive, stylized font. Below the signature is a single, long, horizontal, slightly wavy line.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 24, 2025

THE REGIONAL MUNICIPALITY OF YORK

Sinking Fund Statement of Financial Position As at December 31, 2024

	2024 \$	2023 \$
FINANCIAL ASSETS		
Investment - at amortized cost (Note 4)	1,533,203,549	1,296,221,097
Cash	24,735,214	11,485,572
Interest receivable	2,252,667	1,090,216
Total assets	1,560,191,430	1,308,796,885
LIABILITIES		
Actuarial requirement for retirement of the sinking fund (Note 5)	1,474,759,703	1,239,993,382
Fund balance	85,431,727	68,803,503
Total liabilities and fund position	1,560,191,430	1,308,796,885

THE REGIONAL MUNICIPALITY OF YORK

Sinking Fund Statement of Financial Activities and Change in Fund Balance Year ended December 31, 2024

	Budget (Note 10)	2024 \$	2023 \$
REVENUE			
Contributions from local municipalities	6,575,445	6,575,439	2,607,421
Contributions from regional corporation	198,801,097	198,801,097	192,345,076
	205,376,542	205,376,536	194,952,497
Net investment income (Note 6)	29,389,779	46,018,009	35,639,099
	234,766,321	251,394,545	230,591,596
EXPENSES			
Actuarial requirement for the year (Note 5)	(234,766,321)	(234,766,321)	(220,168,571)
Change in fund balance	-	16,628,224	10,423,025
Opening fund balance	68,803,503	68,803,503	58,380,478
Closing fund balance	68,803,503	85,431,727	68,803,503

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

THE REGIONAL MUNICIPALITY OF YORK
Sinking Funds Statement of Cash Flows
December 31, 2024

	2024 \$	2023 \$
OPERATING		
Change in fund balance	16,628,224	10,423,025
Changes in non-cash assets and liabilities	-	-
Interest receivable	(1,162,451)	(193,505)
Actuarial requirement for retirement of the sinking fund	234,766,321	220,168,572
Net change in cash from operations	250,232,094	230,398,092
INVESTING		
Net change in investments	(236,982,452)	(242,274,776)
Net change in cash	13,249,642	(11,876,684)
Opening, cash	11,485,572	23,362,256
Closing, cash	24,735,214	11,485,572

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

THE REGIONAL MUNICIPALITY OF YORK
Notes to the Sinking Fund Financial Statements
December 31, 2024

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 or amortized cost.

The sinking fund invests in debentures issued or guaranteed by Provincial and Municipal governments and corporate bonds; The investments are recorded at amortized cost on the Sinking Fund Statement of Financial Position. 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.

Realized Investment income includes interest from coupon bonds, amortized bond discount and premium, realized capital gains, and security lending income net of safekeeping and transaction fees.

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 book value represents amortized cost. 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, 2024 and therefore, no adjustments were recognized.

	2024 Fair Value \$	2024 Book Value \$	2023 Fair Value \$	2023 Book Value \$
Debt investments issued or guaranteed by:				
Provincial governments	1,280,506,279	1,359,835,366	1,077,799,397	1,172,265,560
Corporations	176,157,600	173,368,183	124,655,670	123,955,537
	1,456,663,879	1,533,203,549	1,202,455,067	1,296,221,097

THE REGIONAL MUNICIPALITY OF YORK
Notes to the Sinking Fund Financial Statements
December 31, 2024

	2024 \$	2023 \$
Amortized cost, including accrued interest	1,533,203,549	1,296,221,09
Weighted average rate of return	3.16%	2.99%
Average term to maturity	6.89 years	8 years
Excess of fair value over amortized cost	(76,539,670)	(93,766,030)

5. ACTUARIAL REQUIREMENTS

	2024 \$	2023 \$
Actuarial requirements, beginning of year	1,239,993,382	1,019,824,810
Change in actuarial liability requirements	234,766,321	220,168,572
Actuarial requirements, end of year	1,474,759,703	1,239,993,382

6. INVESTMENT INCOME

	2024 \$	2023 \$
Investment revenues		
Interest from coupon bonds	5,083,954	3,685,987
Bond premium/(discount) amortized	720,379	702,617
Zero coupon discounts amortized	36,994,884	29,139,289
Realized capital gains	649,403	-
Total investment revenues	43,448,620	33,527,893
Other revenues		
Bank interest	2,480,820	2,056,986
Security lending	126,993	85,776
Total other revenues	2,607,813	2,142,762
Expenses		
Safekeeping and transaction fees	(38,424)	(31,556)
Total	46,018,009	35,639,099

7. SCHEDULE OF PROJECTED DEBENTURE

For the year ended December 31, 2024, the following is a list of the projected maturities of sinking fund 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
2033	5,000,000
2034	5,000,000
2041	5,000,000
2043	5,000,000
	<u>45,000,000</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 invests 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, 2024, 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 2024 budget approved by the Sinking Fund Committee on July 22, 2024.



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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, 2024
- 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, 2024, 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Page 3

- 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'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 24, 2025

THE REGIONAL MUNICIPALITY OF YORK
Residents' Trust Funds and Donation Account
Statement of Financial Position
As at December 31, 2024

	Trust \$	Donation \$	2024 \$	2023 \$
FINANCIAL ASSETS				
Cash	248,284	50,091	298,375	285,021
Residents' petty cash	6,500	-	6,500	6,500
Total assets	254,784	50,091	304,875	291,521
Fund balances	254,784	50,091	304,875	291,521

THE REGIONAL MUNICIPALITY OF YORK
Residents' Trust Funds and Donation Account
Statement of Financial Activities and Fund Balances
Year ended December 31, 2024

	Trust \$	Donation \$	2024 \$	2023 \$
Fund balance, beginning of year	249,657	41,864	291,521	272,521
Revenue - source of funds:				
Deposits on behalf of residents	373,142	6,650	379,792	404,005
Interest earned on deposits	-	1,577	1,577	1,589
	373,142	8,227	381,369	405,594
Expenses - use of funds:				
Withdrawals by residents	(368,015)	-	(368,015)	(386,594)
Net activity	5,127	8,227	13,354	19,000
Closing fund balance	254,784	50,091	304,875	291,521

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, 2024

1. RESIDENTS’ TRUST FUNDS

The residents’s trust funds for residents of Newmarket Health Centre and Maple Health Centre were established in accordance with the Regional Municipality of York (the Region) 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 Regional Municipality of York - Residents’ Trust Funds and Donation Account (Trust) consists of trust funds and donations relating to Newmarket Health Centre and Maple Health Centre administered by the Region. The Trust financial statements 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 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 as revenue upon receipt and interest income is reported on the accrual basis of accounting. Withdrawals by residents are reported as expenses in the period in which they are made.
- c) Donations are unrestricted in nature and are recognized as revenue upon receipt.

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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