2025 COMMUNITY REPORT

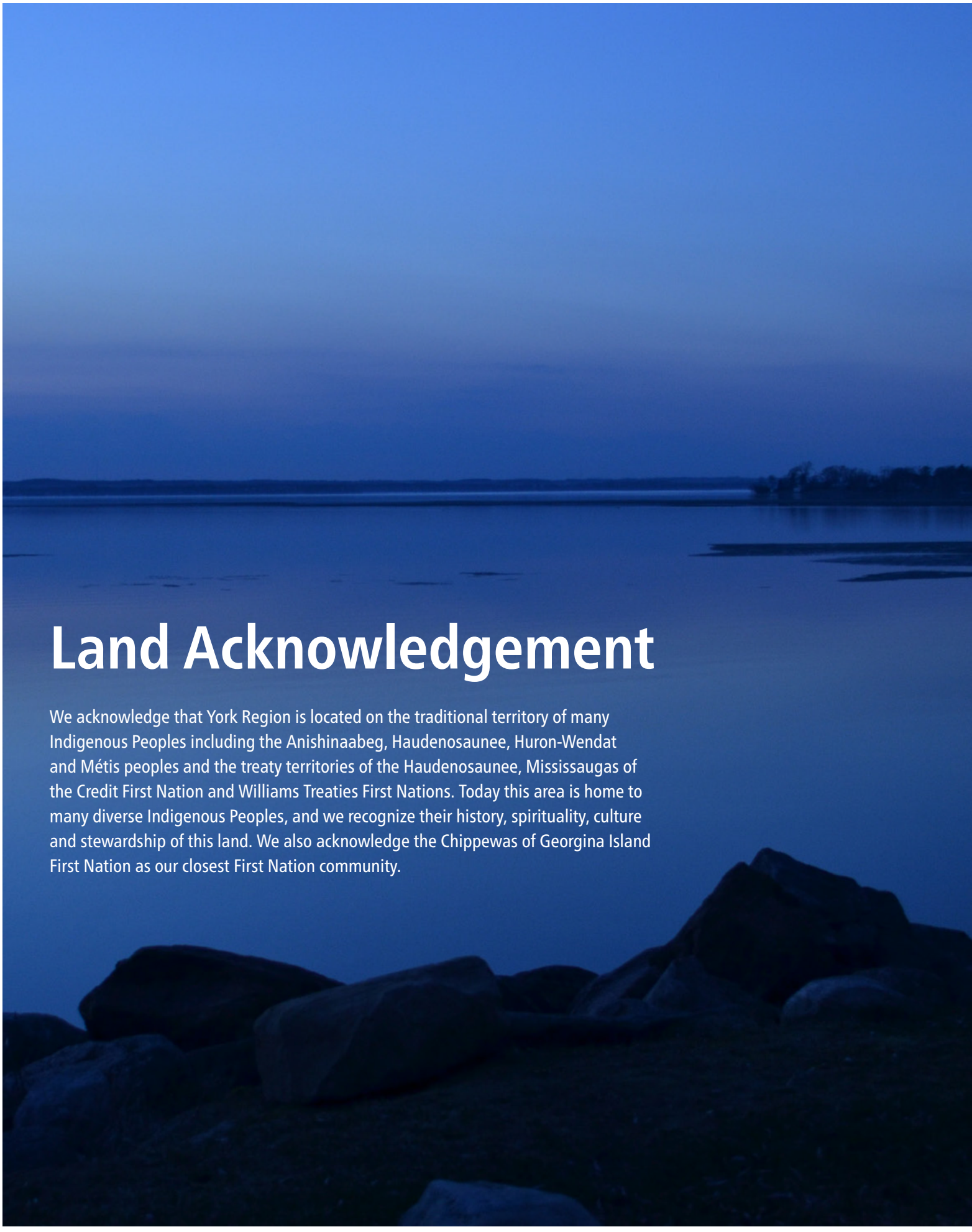
For the year ended December 31, 2025
The Regional Municipality of York
Ontario, Canada

Prepared by Corporate Services and Finance



york.ca

York Region



Land Acknowledgement

We acknowledge that York Region is located on the traditional territory of many Indigenous Peoples including the Anishinaabeg, Haudenosaunee, Huron-Wendat and Métis peoples and the treaty territories of the Haudenosaunee, Mississaugas of the Credit First Nation and Williams Treaties First Nations. Today this area is home to many diverse Indigenous Peoples, and we recognize their history, spirituality, culture and stewardship of this land. We also acknowledge the Chippewas of Georgina Island First Nation as our closest First Nation community.

OUR VISION

Strong, Caring,
Safe Communities

OUR MISSION

Working together to serve our thriving communities *– today and tomorrow*

OUR VALUES

I ntegrity

C ommitment

A ccountability

R espect

E xcellence

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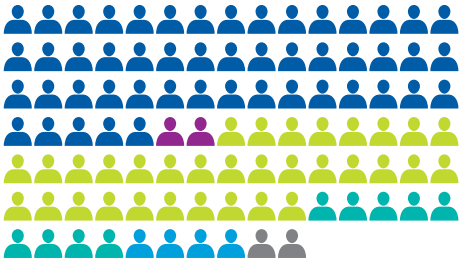
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York Region and Our Communities

DIVERSE

If York Region were a village of

100 PEOPLE

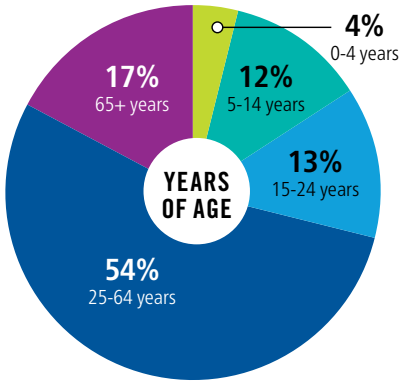


- **50** villagers would be born in Canada
- **2** villagers would be non-permanent residents

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

- **33** would be born in Asia
- **9** would be born in Europe
- **4** would be born in the Americas
- **2** would be born in Africa

York Region's population is aging.
In a village of 100 people:



EDUCATED

73% of York Region's population have a post secondary education; the 2nd highest educated population in the Greater Toronto and Hamilton Area.

HARD WORKING

54,000 BUSINESSES

624,000 JOBS

RESIDENT EXPERIENCE

In 2025, residents from York Region's nine cities and towns shared perspectives on overall satisfaction with York Region services, with 88% being satisfied with the overall quality of services provided by The Regional Municipality of York:

- **76%** are satisfied with York Region government
- **71%** say they receive good value for their tax dollars
- **78%** would speak positively about their experience with York Region staff
- **46%** can afford housing in York Region
- **57%** feel their financial situation is the same or better compared to last year

Top issues of concern for York Region residents include:

- Public Safety, Crime and Policing
- Housing and the Cost of Housing
- Traffic and Traffic Congestion
- Population Growth and Infrastructure
- Public Transit

GROWING

During 2025, York Region grew by

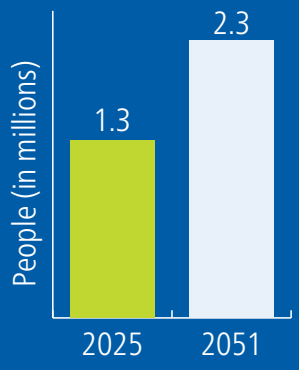
9,406

newly built and occupied homes, contributing to a net population growth of 1.67% for a total estimated population of

1.3

million residents.

Population Growth*



15

CORE SERVICES

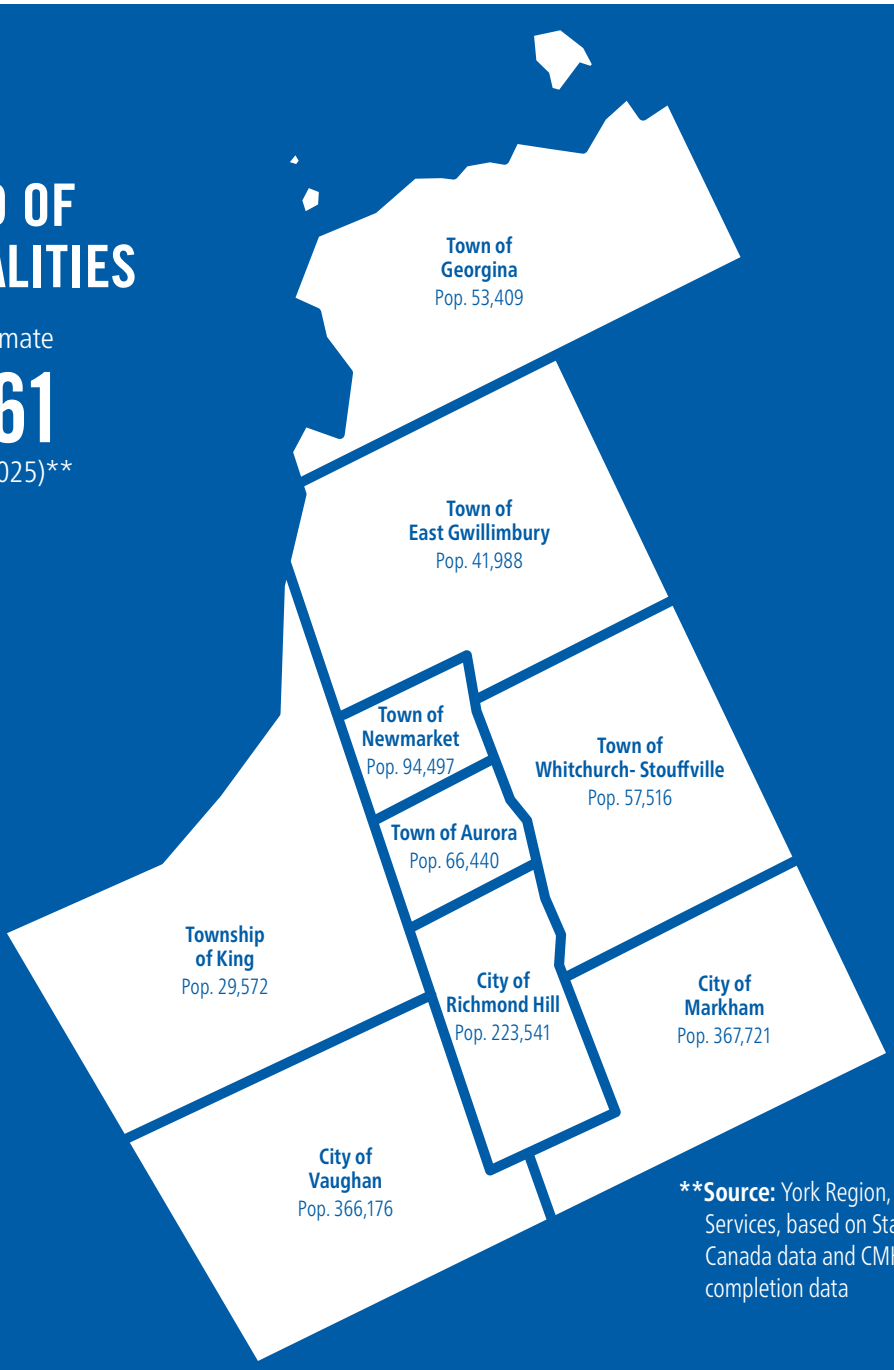
Legislated services provided directly to the public to help maintain a high quality of life for York Region residents.

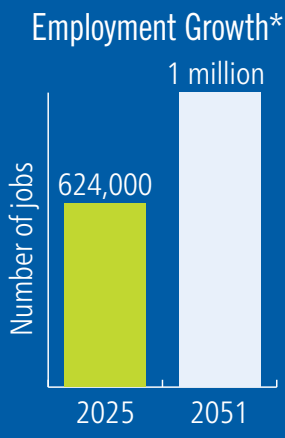
COMPRISED OF 9 MUNICIPALITIES

Total population estimate

1,300,861

(as of December 31, 2025)**





*Source: Ontario's Growth Plan

**Source: York Region, Corporate Services, based on Statistics Canada data and CMHC Housing completion data

Children's Services

Community Housing

Court Services

Economic and Development Services

Forestry

Long-Term Care

Paramedic Services

Police Services

Public Health

Regional Roads

Social Assistance

Transit

Waste Management

Water

Wastewater

The Regional Municipality of York

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

York Region Chairman and Chief Executive Officer

The York Region Chairman and Chief Executive Officer (CEO) serves as head of Council. The Chairman and CEO is either elected by members of Regional Council at the first meeting of each term or is appointed by the Province.

The 22-member Council sets policies, direction and budgets for York Region through Committee of the Whole and Council meetings that include the following reports:

- Audit
- Community and Health Services
- Finance and Administration
- Public Works – Environmental Services
- Public Works – Transportation Services

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

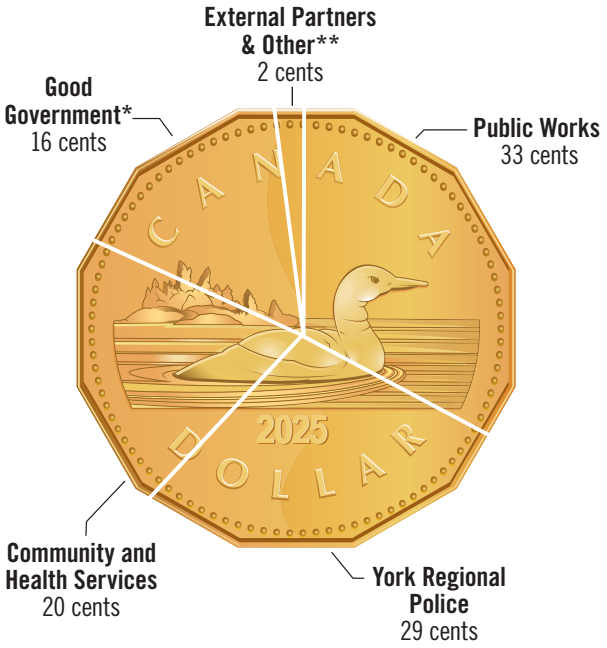
The following boards and corporations oversee and operate with varying degrees of Regional Council oversight:

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

York Region Budget

Each year, Regional Council approves an annual budget in alignment with the multi-year budget process. For 2025, the York Region budget was $4.8 billion and included $3.5 billion to maintain and operate York Region services and $1.26 billion in capital project funding.

Tax Levy Funding



* Good Government includes Corporate Management and Financial Initiatives
** Other includes York Region Rapid Transit Corporation, YorkNet and Courts and Tribunal Services



YORK REGIONAL COUNCIL

York Region's 2025 Community Report provides a clear view of the progress we continue to make together as a Region. Guided by a $4.8 billion budget in 2025, Regional Council remained focused on delivering essential services, strengthening communities and investing for the future in a responsible and sustainable way. This report reflects the combined efforts of York Regional Council, our senior government partners, dedicated staff and committed community organizations, working together to build a welcoming, inclusive and resilient York Region. Through these collective actions, we are strengthening a vibrant York Region that supports residents today while laying a strong foundation for future generations.

Eric Jolliffe
Chairman and CEO
The Regional Municipality of York



Mayor
Frank Scarpitti
City of Markham



Regional Councillor
Michael Chan
City of Markham



Regional Councillor
Jim Jones
City of Markham



Regional Councillor
Joe Li
City of Markham



Regional Councillor
Alan Ho
City of Markham



Mayor
John Taylor
Town of Newmarket



Regional Councillor
Tom Vegh
Town of Newmarket



Mayor
Steven Del Duca
City of Vaughan



Regional Councillor
Linda Jackson
City of Vaughan



Regional Councillor
Mario Ferri
City of Vaughan



Regional Councillor
Gino Rosati
City of Vaughan



Regional Councillor
Mario G. Racco
City of Vaughan



Mayor
Margaret Quirk
Town of Georgina



Regional Councillor
Naomi Davison
Town of Georgina



Mayor
David West
City of Richmond Hill



Regional Councillor
Godwin Chan
City of Richmond Hill



Regional Councillor
Joe DiPaola
City of Richmond Hill



Mayor
Tom Mrakas
Town of Aurora



Mayor
Virginia Hackson
Town of East
Gwillimbury



Mayor
Steve Pellegrini
Township of King



Mayor
Iain Lovatt
Town of
Whitchurch-Stouffville



CHIEF ADMINISTRATIVE OFFICER AND SENIOR LEADERSHIP TEAM

In 2025, York Region entered the third year of our 2023 to 2027 Strategic Plan with a clear focus on execution in a complex and evolving environment. Guided by Regional Council's priorities, York Region's Senior Management Team and more than 5,000 dedicated staff worked collaboratively to deliver services, infrastructure and community outcomes for the 1.3 million residents we proudly serve across our nine cities and towns. In 2025, 36 of 48 (75%) Strategic Plan performance measures were trending in the desired direction, demonstrating progress in how we deliver and manage results. Achievements captured in this Community Report reflect an organization committed to disciplined performance, value for money and continuous improvement, translating Council's Vision of strong, caring, safe communities into meaningful outcomes for our residents today and into the future.

Erin Mahoney
Chief Administrative Officer
The Regional Municipality of York

YORK REGION ORGANIZATIONAL STRUCTURE

YORK REGION RESIDENTS

YORK REGIONAL COUNCIL

ERIC JOLLIFFE
York Region Chairman and CEO

ERIN MAHONEY
Chief Administrative Officer

LINA BIGIONI
Chief of Staff to York Region Chairman

York Region Administration

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



LISA GONSALVES
Commissioner
Community and Health Services



DINO BASSO
Commissioner
Corporate Services



LAURA MIRABELLA
Commissioner
Finance and Regional Treasurer



LAURA MCDOWELL
Commissioner
Public Works



DAN KUZMYK
Regional Solicitor
and General Counsel


BUS
ONLY

STRONG, CARING, SAFE COMMUNITIES

York Region has several plans contributing to Regional Council's Vision of strong, caring, safe communities. York Region releases a series of plans, reports and strategies that help Council make decisions, set policies and plan for the future.



Accountability Framework

York Region adheres to an accountability framework focused on turning our plans into action to achieve Regional Council's commitments to our communities. This framework provides clarity on how York Region's Vision, Strategic Plan, multi-year budget, departmental plans and individual performance plans align.



Vision

In November 2021, Regional Council approved its renewed Vision, reaffirming their commitment to building strong, caring, safe communities. Vision outlines four Areas of Focus for our communities: Economic Vitality, Healthy Communities, Sustainable Environment and Good Government.



Strategic Plan

The 2023 to 2027 Strategic Plan is a four-year business plan that guides York Region towards Regional Council's Vision. The plan, as approved by Council in 2023, captures four priority areas:

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

This plan coincides with the Region's multi-year budgeting process and aligns with the term of Regional Council to ensure the organization continues to make progress on serving our communities. Progress on the Strategic Plan is reported to Council annually, with 2025 performance results outlined on pages 12 to 15 of this report.



Multi-Year Budgets

York Region's multi-year budget outlines the resource allocation and fiscal planning for the Regional Council term in alignment with the Strategic Plan and departmental plans. For 2025, the York Region budget was $4.8 billion.



Departmental Plans

Each of York Region's six departments (Office of the Chief Administrative Officer, Community and Health Services, Corporate Services, Finance, Public Works and Legal and Court Services) develop business planning documents that focus on specific areas within the Region. Departmental plans are informed by Master Plans, Council direction, federal and provincial directives and regulatory legislative requirements.

Individual Performance Plans

Individual staff complete annual performance plans to identify performance objectives and actions in alignment with departmental plans.



Alignment with Environmental, Social and Governance Strategies

Municipal governments around the world develop Environmental, Social and Governance (ESG) strategies. This global movement calls on municipal councils to evaluate their decisions through an ESG lens, with the goal of mitigating risks and identifying opportunities.

In 2025, York Region's ESG strategy, in alignment with Vision and the Corporate Strategic Plan, focused on integrating ESG considerations into longer-term processes such as procurement, external reporting, budgeting and business planning.

2023 TO 2027 STRATEGIC PLAN YEAR 3 (2025) ANNUAL REPORT

In 2025, 36 of 48 (75%) of the ***2023 to 2027 Strategic Plan*** performance measures were trending in the desired direction. Performance measures reported on the following pages demonstrate York Region's specific contributions to the well-being of our communities through delivery of 15 core services. Performance measures provide a transparent way to track progress toward the objectives set over this term of Regional Council.

ECONOMIC VITALITY

PRIORITY: FOSTER ECONOMIC PROSPERITY

Objective	Performance Measure	Service Area	Historical Data		Year 1 2023	Year 2 2024	Year 3 2025	Baseline Trend
			2021	2022				
1. Attract and retain businesses, grow employment opportunities and attract a skilled workforce	1.1. Maintain % of business engagements resulting in business retention, expansion and attraction (Minimum annual threshold of 35%)	Economic and Development Services	52%	46%	41%	50%	44%	○
	1.2. Increase # of kilometres of YorkNet fibre network[1]		86.3	53	190	290	270	○
2. Invest in a safe, effective transportation system that connects people, goods and services	2.1. Maintain # of York Region Transit service passenger trips per capita[1]	Transit	8.9	13.8	17.7	19.5	19.3	○
	2.2. Maintain % of on-time performance on all transit routes		95.65%	95.09%	94.07%	93.71%	94.09%	○
	2.3. Increase # of people living and jobs within 500 metres of a transit stop[1]	Economic and Development Services	273,200	301,900	308,500	328,600	330,160	○
	2.4. Maintain % of traffic signals reviewed and optimized annually	Regional Roads	N/A	7%	16%	18%	23%	○
	2.5. Increase % of residents satisfied with Regional roads		65%	63%	61%	52%	61%	●
	2.6. Increase % of residents satisfied with York Region Transit	Transit	70%	64%	64%	59%	69%	○
	2.7. Increase % of Regional roads with sidewalks and / or dedicated bike lanes in urban areas[1]	Regional Roads	86%	86%	86%	86%	87%	○
	2.8. Increase % of court services defaulted collection rate (Collection on unpaid Provincial Offences Act (POA) fines)	Court Services	41%	38%	48%	48%	47%	○

[1] Environmental, Social and Governance (ESG) priority performance measure

○ = Trending in the Desired Direction ● = Not Trending in the Desired Direction ▲ = Data Not Available for Reporting △ = No Trend Information

Note: Performance measure data from 2021 to 2022 may have been impacted due to COVID-19 pandemic

For more information visit york.ca/stratplan

2023 TO 2027 STRATEGIC PLAN YEAR 3 (2025) ANNUAL REPORT

HEALTHY COMMUNITIES

PRIORITY: SUPPORT COMMUNITY WELL-BEING

Objective	Performance Measure	Service Area	Historical Data		Year 1 2023	Year 2 2024	Year 3 2025	Baseline Trend
			2021	2022				
1. Protect and promote residents' well-being	1.1. Increase % of 17-year-old students in compliance with Immunization of School Pupils Act among designated cohorts of students	Public Health	N/A	N/A	35%	51%	81%	○
	1.2. Maintain paramedic response time for emergency response services to meet Council approved targets (CTAS 1 Patients - Paramedics arriving on scene within target time of 8 minutes)[1]	Paramedic Services	75%	74%	76%	75%	78.5%	○
	1.3. Maintain % of residents satisfied with York Region Paramedic Services		91%	88%	92%	87%	89%	○
	1.4. Maintain % of York Region long-term care (Newmarket and Maple Health Centres) residents overall rating the home as good or better	Long-Term Care	93%	94%	99%	94%	97%	○
	1.5. Increase # of regulated childcare spaces in York Region per 1,000 children (12 and under) [1]	Children's Services	368	369	372	399	413	○
	1.6. Increase % of individuals and families remaining stably housed after six months who were experiencing homelessness or were at risk of homelessness[1]	Community Housing	74%	81%	79%	82%	85%	○
	1.7. Decrease # of monthly social assistance cases per 100,000 households[1]	Social Assistance	1,751	2,155	2,065	3,014	3,176	●
2. Support safe communities	2.1. Maintain % of residents that rate York Region as a safe place to live	Police Services	95%	93%	91%	87%	83%	●
	2.2. Maintain Police emergency (Priority 1) response time (in minutes) [1]		6:52	7:06	7:21	7:20	6:34	○
	2.3. Maintain % of residents satisfied with York Region Police Services		86%	85%	83%	74%	78%	●
	2.4. Maintain % of municipal drinking water samples meeting Ontario Drinking Water Standards[1]	Water	100%	100%	99.98%	100%	100%	○
	2.5. Maintain % of residents satisfied with York Region's drinking water		86%	85%	84%	86%	88%	○
3. Sustain and increase affordable housing choices	3.1. Increase # of community housing units administered by York Region	Community Housing	6,717	6,717	6,982	6,982	7,079	○
	3.2. Increase # of rent benefits administered by York Region to support housing affordability based on household income		5,610	5,940	6,334	6,598	6,639	○
	3.3. % of Housing York Inc. survey respondents satisfied with Housing York Inc.'s services		N/A	80%	75%	81%	80%	○
	3.4. Increase # of units in planning and development at a stage ready for implementation based on funding, including Housing York Inc. and non-profit housing providers partnering with the Region		443	825	563	675	1,318	○

○ = Trending in the Desired Direction ● = Not Trending in the Desired Direction ▲ = Data Not Available for Reporting △ = No Trend Information

Note: Performance measure data from 2021 to 2022 may have been impacted due to COVID-19 pandemic

For more information visit york.ca/stratplan

2023 TO 2027 STRATEGIC PLAN YEAR 3 (2025) ANNUAL REPORT

SUSTAINABLE ENVIRONMENT

PRIORITY: DRIVE ENVIRONMENTAL STEWARDSHIP

Objective	Performance Measure	Service Area	Historical Data		Year 1 2023	Year 2 2024	Year 3 2025	Baseline Trend
			2021	2022				
1. Deliver and promote environmentally sustainable services	1.1. Maintain % of wastewater receiving treatment[1]	Wastewater	99.99%	99.99%	99.99%	99.99%	99.99%	○
	1.2. Maintain % of residential solid waste diverted from landfill[1]	Waste Management	92%	94%	94%	92%	90%	○
	1.3. Decrease # of megalitres of treated water consumed per 100,000 population[1]	Water	10,245	10,596	10,356	10,332	10,416	●
	1.4. Decrease # of tonnes of greenhouse gas emissions across Regional operations per capita [1, 2]	Corporate Leadership	55.0	59.2	60.1	60.8	64.7	●
2. Enhance and preserve green space	2.1. Maintain # of trees and shrubs planted annually through the Regional Greening Strategy Program[1]	Forestry	92,154	110,391	116,175	123,823	150,320	○
	2.2. Increase % of residents satisfied with York Region Forestry		75%	75%	80%	79%	83%	○
	2.3. Increase # of total hectares of environmental lands secured through the land conservation program (since 2001) [1]		1,547	1,560	1,560	1,628	1,629	○

[2] Historical Data was updated retroactively in some years to more accurately reflect provincial electricity grid emissions captured in the National Inventory Report

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2023 TO 2027 STRATEGIC PLAN YEAR 3 (2025) ANNUAL REPORT

GOOD GOVERNMENT

PRIORITY: EFFICIENTLY DELIVER TRUSTED SERVICES

Objective	Performance Measure	Service Area	Historical Data 2021	Historical Data 2022	Year 1 2023	Year 2 2024	Year 3 2025	Baseline Trend
1. Improve customer experience by leveraging digital transformation	1.1. Increase % of residents that agree their interaction with York Region was easy	Corporate Leadership	83%	80%	75%	83%	85%	○
	1.2. Increase % of residents who would speak positively about their experience with York Region staff		73%	69%	69%	78%	78%	○
	1.3. Decrease % of York Region staff reports on revised Council and Committee meeting agendas		11%	16%	8%	6%	12%	●
	1.4. Increase % of contact centre's customer transactions through a digital channel		N/A	N/A	56%	58%	56%	●
	1.5. Increase # of services that can be completed online (self-serve)		44	39	45	49	49	○
2. Deliver fiscally sustainable services	2.1. Maintain comparative dollar of operating cost per unit of service[3]	Corporate Leadership	N/A	$1	$1.08	$1.13	$1.22	●
	2.2. Maintain % of reserves to net debt ratio (minimum 120%)[1]		157%	193%	211%	249%	263%	○
	2.3. Increase % of invoices paid within 30 days		69.5%	73.3%	78.7%	75.8%	77%	○
	2.4. Maintain % of York Region residents rating 'Good' value for taxes		85%	78%	73%	62%	71%	●
	2.5. Maintain % of Regional core assets (Water/Wastewater, Roads) with a condition assessment rating of fair or better condition[1,4]		86%	91%	89%	87%	Data Available July 2026	○
	2.6. Increase % of goods and services purchased through a centralized procurement process[5]		81.4%	89.4%	58.8%	24%	40%	●
3. Attract and retain a skilled workforce	3.1. Maintain % of overall permanent voluntary employee turnover	Corporate Leadership	4.6%	5.3%	4.2%	5.2%	4.54%	○
	3.2. Maintain % of new hire success rate (1-year retention in position)		92%	88%	90%	89%	90%	○
	3.3. Increase % of permanent employees job promotion rate		4.4%	5.2%	4.9%	7%	6.31%	○
	3.4. % of overall job satisfaction		N/A	N/A	N/A	N/A	15.2 Net Promoter Score	△

[3] Historical data adjusted based on finalized figures

[4] Trend information is based on data from previous year due to reporting lag for this performance measure

[5] Historical data adjusted to align with MBNC data submission

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ECONOMIC VITALITY

Building the conditions for competitiveness and shared prosperity

In 2025, York Region's economic vitality efforts were shaped by a period of mixed signals and complex global economic challenges. Community opinion results showed improved confidence in personal financial outlooks for the first time since 2021, alongside continued concern about affordability and cost of living. These results reflect cautious optimism at a household level, occurring amid ongoing economic uncertainty and rising pressures that remain beyond local control.

In this environment, York Region focused its economic efforts on delivering value through long-term investments that strengthen competitiveness and resilience. Rather than reacting to short-term fluctuations, the Region prioritized actions that reinforces its role as a place where businesses can operate efficiently, workers can access opportunity and communities can grow sustainably.

Reliable infrastructure remains a foundation of economic vitality. Investments in transportation, servicing and digital connectivity supported productivity, enabled growth and reduced barriers to participation in the regional economy. Expansion of the YorkNet broadband infrastructure improved access to high-speed connectivity in underserved areas, supporting business operations, remote work and education and addressed gaps that can limit economic participation and investment.

Workforce development and innovation capacity also remained central. Continued investment in the York University Markham Campus and the planned York University School of Medicine in the City of Vaughan reflects a long-term strategy to strengthen talent pipelines, support research and attract high-value employment. These investments contribute to economic diversification and help align education, health care and industry over time.

York Region supported businesses directly as they navigated trade uncertainty, supply-chain disruption and changing market conditions. Economic development services emphasized retention, expansion and adaptation, providing advisory support, information and coordination with partners. These efforts helped stabilize local businesses and protect employment during a period of broader economic risks.

Together, these investments demonstrate a value-driven approach to economic vitality. By directing resources towards infrastructure, connectivity, talent and business readiness, York Region continues to position itself as a competitive place to live, work, invest and do business.



ECONOMIC VITALITY BY THE NUMBERS

- **$14 billion** 10-year capital plan supporting economic growth and infrastructure renewal
- **$10.7 billion** invested in Public Works over 10 years, supporting mobility, servicing and productivity
- **$8.8 billion** dedicated to growth-related capital projects that enable housing and employment
- **54,000** businesses operating across York Region
- **2,900** exporters and **9,000** importers supporting regional and global supply chains
- **12%** of all jobs located in exporting industries
- **900+** business and stakeholder meetings to support growth, retention and expansion
- **190+** kilometres of YorkNet fibre infrastructure in place
- **10** fibre service areas activated, improving access in underserved communities
- **$63.8 million** invested in YorkNet through the **10-year** capital plan to support economic and digital readiness
- **$25 million** committed to establishing the York University School of Medicine
- **$4.6 million** invested through the Innovation Investment Fund to foster economic growth and innovation
- **23.7 million** transit trips with a 94% on-time performance, enabling labour mobility
- **4,444 lane-kilometres** of Regional roads maintained
- **917** Regional and local traffic lights monitored
- **79** kilometres of active transportation network supporting workforce and community connectivity









HEALTHY COMMUNITIES

Delivering stability, safety and support where it matters

In 2025, residents continued to identify public safety, housing affordability and cost of living as the most significant issues affecting community well-being. Community opinion results showed consistently high confidence in the health, emergency and social services residents rely on most, even as pressures grew across communities. Together, these results highlight the challenges facing residents and the importance of effective, coordinated Regional services.

York Region's Healthy Communities efforts focused on addressing immediate safety and stability needs while maintaining essential services that protect quality of life. Investments and service delivery emphasized public safety, emergency response, housing stability and population health, recognizing outcomes in these areas are interconnected.

Public safety and emergency response remained a top priority in 2025. In response to resident concerns and increasing service demands, Regional Council invested in strengthening policing and paramedic capacity to support safe communities across York Region. Investments focused on increasing frontline response, investigative capacity and visibility in communities, while also ensuring emergency medical services could continue to meet performance expectations amid rising call volumes. At the same time, Paramedic Services continued to expand community-based care models that support earlier intervention and more appropriate use of emergency resources, helping balance response readiness with system efficiency.

York Region advanced proactive safety measures through infrastructure and planning. The first full year of implementation of the Vision Zero Traveller Safety Plan focused on reducing serious collisions and improving safety for pedestrians, cyclists and drivers through targeted design, engineering, enforcement and education measures.

Housings stability remained a foundational element of community well-being. Throughout 2025, York Region continued advancing housing solutions across the continuum, from emergency and transitional supports to longer-term housing supply. Investments in community housing improved stability for individuals, families and seniors, while homelessness programs and services continued to focus on the Region's human-rights based approach to connecting people to appropriate supports.

Public health and environmental protection services continued to deliver strong results. Regional drinking water systems achieved 100% compliance with provincial drinking water quality standards and perfect inspection results, reflecting sustained investment in infrastructure and operational excellence. Public Health programs, such as immunization, food safety inspections and disease prevention, remained essential, while rapid outbreak response protected vulnerable populations.

Services for seniors, families and children supported residents through changing needs and life stages, promoting independence, family stability and workforce participation.

Taken together, Healthy Communities investments in 2025 demonstrate how York Region delivered on resident priorities. By directing resources toward public safety, emergency response, housing stability, preventive safety and public health protection, the Region delivered measurable value for dollars while strengthening community safety and resilience.

HEALTHY COMMUNITIES BY THE NUMBERS

- **304 new** sworn and civilian York Regional Police members added over two years
- **33 new** paramedics added over one year
- **99,000+** incidents responded to by York Region Paramedic Services
- **3,200** residents supported through community paramedicine programs
- Vision Zero safety measures implemented at **214** locations
- **40,000+** residents benefited from Community Investment Fund projects
- **97 new** housing units opened at Mosaic House in the Town of Whitchurch-Stouffville
- **451** households from the subsidized housing waitlist housed
- **300** emergency and transitional housing beds available
- **5,600** residents supported through Homelessness Community Programs
- **1,200+** community housing units planned or underway
- **100%** compliance with Ontario drinking water quality systems
- **73,000+** vaccine doses administered
- **34,000+** public inspections conducted to reduce spread of disease and environmental hazards
- **40,000+** children and youth provided with dental screenings
- **3,000+ new** Canada-Wide Early Learning and Child Care funded spaces allocated to York Region
- **21,645** clients supported through the Ontario Works program
- **2,850** residents supported through the Transit Assistance Program









SUSTAINABLE ENVIRONMENT

Protecting environmental systems while supporting daily life

In 2025, residents continued to expect reliable environmental services that protect health, preserve natural resources and support sustainable growth. While environmental issues may not always surface as a top concern in community polling, the performance of these systems remains fundamental to quality of life and long-term resilience.

York Region's approach to environmental stewardship focused on delivering consistent, high-performing services while making long-term investments that reduce environmental impact and manage growth responsibly. Clean water, effective wastewater treatment, waste diversion and protection of natural assets were advanced through disciplined operations, asset management and infrastructure renewal.

Waste management remained a key area of performance. In 2025, York Region achieved a 90% waste diversion rate for the ninth consecutive year, reflecting sustained resident participation and system capacity. Organic material collected through green bin programs continued to be processed into renewable energy rather than sent to landfill, reducing greenhouse gas emissions and extending landfill life.

Water and wastewater systems continued to operate at a high standard. Wastewater treatment systems consistently met regulatory requirements, protecting waterways and public health. These results reflect ongoing investment in infrastructure, monitoring and asset renewal to support a growing population while minimizing environmental impacts.

Environmental stewardship also extended to natural and living infrastructure. Throughout 2025, York Region continued protecting and expanding the York Regional Forest, one of Canada's largest municipally owned reforestation efforts. Tree planting, forest management and greening initiatives strengthened biodiversity, increased canopy cover and improved climate resilience across communities. These investments support long-term environmental health while enhancing neighbourhood livability and mitigate health and stormwater impacts.

York Region advanced climate related action through energy efficiency, fleet electrification and lifecycle-based asset management practices that reduce emissions and long term costs. Environmental considerations were integrated into service planning and capital investment decisions to ensure sustainability objectives remain aligned with growth and affordability.

Together, these efforts demonstrate how York Region is protecting essential environmental systems while supporting everyday life. Through long term service planning, disciplined investment and consistent service performance, the Region continues to deliver environmental outcomes that benefit residents today and strengthen resilience for the future.



SUSTAINABLE ENVIRONMENT BY THE NUMBERS

- **90%** waste diversion achieved
- **118,000** tonnes of waste diverted from landfill and used to generate energy
- **99.99%** wastewater treatment compliance
- **127 billion** litres of clean drinking water delivered
- **100% compliance** with provincial drinking water quality standards
- **2,675** hectares protected and managed through the York Regional Forest
- **70,000** trees and shrubs planted across York Region
- **91%** of street trees rated in good or satisfactory condition
- **$31.1 billion** Regional asset portfolio managed for long-term performance
- **89%** of Regional assets in fair or better condition
- Processed over **361,000** tonnes of waste
- **60 new** electric buses added to the York Region Transit fleet









GOOD GOVERNMENT

Delivering trusted services with accountability and value

In 2025, residents continued to expect municipal government that is transparent, financially responsible and easy to work with. Community opinion results showed steady confidence in York Region as an organization residents trust for accurate information and reliable service deliver, even amid cost pressures and broader uncertainty.

York Region's approach to Good Government focused on how services are delivered as much as what is delivered. Strong governance, disciplined financial management and continuous improvement in customer service remained central to maintaining public confidence and delivering value for dollars.

Financial accountability continued to be a cornerstone of Regional governance. In 2025, York Region advanced a balanced and responsible budget, aligned to Regional Council priorities and supported by long-term financial planning. Despite inflationary pressures and external funding uncertainty, the Region maintained strong fiscal indicators and continued to receive national recognition for budget quality and transparency. These practices help protect affordability for residents while ensuring sustainability for future generations.

Procurement played a key role in delivering these outcomes. York Region strengthened centralized procurement practices to improve consistency, fairness and value for money across the organization. In 2025, procurement efforts also emphasized sourcing from Canadian suppliers where appropriate, supporting domestic businesses, supply-chain resiliency and economic stability. Updates to procurement thresholds and processes provided greater operational flexibility while maintaining strong oversight, accountability and compliance.

In 2025, York Region reinforced its commitment to local media as a key channel for informing residents, directing a minimum of 25% of all advertising investment to community-based outlets. Supporting local media helps ensure residents receive timely, accessible information and strengthens transparency and civic trust.

Building on service improvement, the Region strengthened access to justice through a new lease agreement with the Ministry of the Attorney General for dedicated space at 17150 Yonge Street in the Town of Newmarket, including two courtrooms. This agreement increases local capacity, makes more efficient use of public space and enhances collaboration with justice partners to better serve residents.

Customer service improvement was a major focus in 2025. Throughout the year, York Region consolidated multiple customer contact centres into a single, coordinated corporate contact centre to streamline processes, reduce duplication and improve consistency. This transformation is designed to simplify access for residents, improve response times and support the introduction of new and expanded online services that make interactions faster and more convenient.

Together, these efforts demonstrate Good Government in practice. By strengthening financial stewardship, modernizing procurement, supporting Canadian suppliers, investing in trusted communication and improving customer service, York Region continued to deliver accountable, efficient and responsive government services that support Council's Vision of strong, caring, safe communities.



GOOD GOVERNMENT BY THE NUMBERS

- **$4.8 billion** budget delivered in alignment with Council priorities
- **21** consecutive years of national recognition for budget quality and transparency
- **AAA/Aaa** credit ratings maintained, reflecting strong financial stewardship
- **40%** of goods and services purchased through centralized procurement
- **600,000+** customer interactions managed
- **One** corporate contact centre established to streamline service delivery
- Responded to **197,188** Court Services customer service inquiries
- **49** online services available for self-serve transaction, with more in development
- **25%** of Regional advertising dollars directed to local media outlets
- **5.6 million** visits to york.ca supporting access to services and information
- **185,000** subscribers to York Region's digital channels
- **Semi-annual** community opinion surveys informing service and policy decisions
- **266,00** automated speed enforcement and red light camera penalty orders processed by the Administrative Penalty Tribunal











Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to York Region for its annual financial report for the fiscal year ended December 31, 2024.

2025 AWARDS AND RECOGNITIONS

York Region continues to receive recognition for its commitment to innovation, excellence and community service. The following awards highlight our achievements and service delivery in 2025:

2025 Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award

2025 GFOA Special Recognition for Strategic Goals and Strategies

Recognized by Forbes as one of Canada's Top Employers for 2025

Hermes Creative Platinum Award for York Regional Forest 100th Anniversary campaign

2025 Canadian Urban Transit Associations Equity, Diversity and Inclusion Award

Urban and Community Forest Sustainability Standard (UCFS) Certification

Ontario Water Works Association 2025 Award for Best Tasting Water

Economic Developers Council of Ontario's 2025 Award of Excellence for the 2024-2027 Agriculture and Agri-Food Sector Strategy

Municipal Finance Officer's Association 2025 Excellence in Municipal Finance Award presented to Laura Mirabella, Commissioner of Finance

Lieutenant Governor's Medal of Distinction in Public Administration awarded to Lisa Gonsalves, Commissioner of Community and Health Services

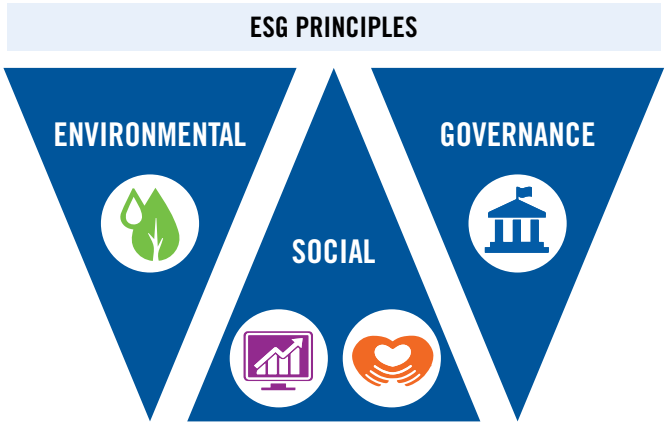
Association of Chartered Certified Accountants 2025 Public Sector Advocate of the Year presented to Michelle Morris, Director of Audit Services

Municipal Finance Officer's Association 2025 Engagement Award presented to Yvonne Mak, York Region's Supervisor of Budget Coordination

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) HIGHLIGHTS

In recent years, municipal governments have increasingly adopted Environmental, Social and Governance (ESG) frameworks to better understand performance beyond traditional finance measures. ESG provides a structured approach to evaluating how organizations manage environmental impacts, support communities and uphold strong governance practices. Applying an ESG lens enables York Region to assess emerging societal, fiscal and sustainability pressures, strengthen the organizations ability to mitigate risk, identify opportunities and support long-term resilience.

YORK REGION'S APPROACH TO ESG

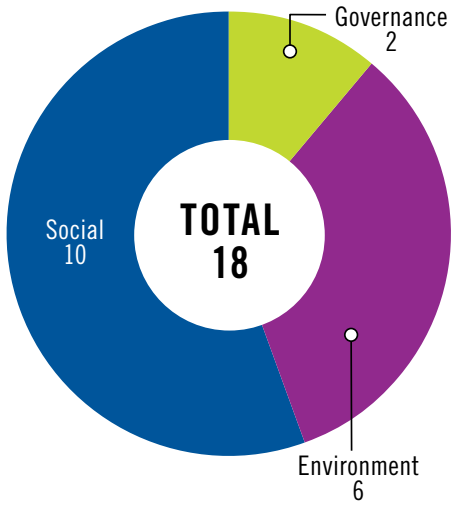


York Region's ESG approach builds on established priorities outlined in Vision, the Strategic Plan and other key Regional strategies. Together, these guiding documents provide a strong foundation for integrating ESG principles into core business planning, performance measurement and reporting.

Since initiating this work in 2023, the Region has aligned 18, or 38%, of Strategic Plan performance measures with ESG principles, informed by research into emerging industry standards. These measures, alongside external assessments such as those from Moody's Investors Service, indicate steady progress in advancing ESG priorities.

Strong ESG reporting focuses on selecting meaningful measures, embedding ESG considerations into priority areas and consistently monitoring and reporting on outcomes. This approach supports transparency, accountability and continuous improvement across the organization.

ESG PRIORITY STRATEGIC PLAN MEASURES



38% of Strategic Plan measures are in alignment with ESG principles

ESG PRINCIPLES AND PRIORITIES

The following sections highlight how York Region is advancing its commitments across environmental, social and governance priorities.

ENVIRONMENTAL PRIORITIES

York Region remains committed to protecting the natural environment, building resilient infrastructure and reducing greenhouse gas emissions while delivering essential services that support environmental stewardship and the transition to a circular economy.

The Climate Change Action Plan outlines 20 actions to achieve net-zero emissions by 2050 and strengthen resilience to current and future climate impacts.

The Greening Strategy, first introduced in 2001 and updated in 2022, has contributed to York Region being recognized as a Tree City of the World and becoming the first municipality globally certified by the Sustainable Forestry Initiative for its urban and community forests.

York Region's waste management master plan, known as the SM4RT Living Plan, advances circular economy principles through initiatives focused on waste reduction, reuse, recycling and recovery. Supporting this work, the Region has developed a Circular Economy Roadmap to guide its operations, programs and policies.

SOCIAL PRIORITIES

York Region continues to focus on enhancing safety, well-being and economic stability while addressing housing needs and strengthening supports for individuals experiencing homelessness. Responding to changing demographics, including an aging population, remains an important consideration.

The Community Safety and Well-Being Plan provides a long-term framework developed with residents and community partners to deliver proactive, targeted and community-driven actions. As of the end of 2024, 95% of local actions under the plan were either underway or completed.

Housing York Inc.'s 2025 to 2028 Strategic Plan reinforces its commitment to maintaining and expanding its housing portfolio, including emergency and transitional housing. In 2025, progress continued through the approval of a site selection framework and identification of potential locations for future development.

The 2024 to 2027 York Region Homelessness Service System Plan focuses on preventing and ending chronic homelessness through a human rights-based approach, with actions to enhance prevention, strengthen housing stability supports, coordinate services and advance intergovernmental advocacy.

Demographic trends continue to shape service delivery. By 2051, approximately 23% of York Region residents are expected to be over age 65. The 2024 to 2027 York Region Plan to Support Seniors: Navigating Forward Together outlines actions to promote health, inclusion and well-being for a growing and diverse older adult population.

GOVERNANCE PRIORITIES

Strong governance underpins York Region's commitment to accountability, transparency and fiscal responsibility. This includes rigorous financial management, regular performance evaluation and responsible stewardship of public resources.

The Audit Services branch in the Office of the Chief Administrative Officer supports accountability by evaluating compliance, assessing performance, identifying risks and recommending improvements, while investigating allegations of fraud.

York Region's Fiscal Strategy, first adopted in 2013 and updated annually, supports long-term financial sustainability by integrating capital, debt and reserve management.

The Corporate Asset Management Plan , approved in 2024, outlines the condition, performance and financial planning requirements for infrastructure assets over a 10-year horizon. As of 2026, asset replacement costs are estimated at $31.1 billion, with 95% of lifecycle funding needs addressed within the planning period

The Region continues to advance inclusion and workplace well-being. The Inclusion Charter for York promotes a shared commitment to building an inclusive community where all individuals feel respected and supported.

York Region's adoption of Canada's National Standard for Psychological Healthy and Safety reinforces its commitment to employee well-being. Ongoing enhancements, including the "Live the 13+ Factors" campaign launched in 2024, support mental health, inclusion, leadership and a positive workplace culture.

ESG SCORE FROM MOODY'S INVESTOR SERVICE

ESG considerations are increasingly reflected in credit rating methodologies. Moody's Investors Service continues to assess York Region's exposure to ESG-related risks as part of its broader credit analysis.

York Region's ESG Scores (September 16, 2025)
Numeric scale runs from 1 (positive) to 5 (highly negative)

Area	Score
Environmental	E-2
Social	S-2
Governance	G-1
Credit Impact Score	CIS-2 Neutral to low risk

Source: Moody's Investor Service

The Region maintained an ESG Credit Impact Score of CIS-2 in 2025, indicating low exposure to ESG risks. A governance score of G-1 reflects strong institutional frameworks, budget practices and fiscal management, contributing to the Region's continued Aaa credit rating.

2026 ESG OUTLOOK

As ESG standards and practices continue to evolve, York Region remains committed to strengthening its approach by incorporating leading practices and guidance from industry experts.

Ongoing work across the organization will continue to refine ESG integration, ensuring alignment with Council's Vision, the Strategic Plan and the Region's long-term priorities.



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

THE REGIONAL MUNICIPALITY OF YORK

Treasurer's Statement

Demonstrating The Regional Municipality of York's strong commitment to fiscal responsibility, results for the year ended December 31, 2025, indicate continued improvement in the Region's financial position. In 2025, spending was directed toward key priorities that advanced Regional Council's Vision of building 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 2025 budget book presented the budget on the same basis.

The Region's revenues exceeded expenses in 2025, resulting in an annual surplus of $976.1 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 $12.6 billion at the end of 2025, up from $11.6 billion a year earlier. Financial assets increased by $496.8 million from 2024 to 2025.

The Council approved Regional Fiscal Strategy, as detailed in the 2025 Budget, helps ensure long-term financial sustainability and fairness between current and future tax and ratepayers. Reserves, which are a key element of the Regional Fiscal Strategy, increased by $374.9 million to reach $6.4 billion at the end of 2025. Reserves 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.

Laura Mirabella

May 6, 2026

2025 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, 2025, including comparison to the previous year:

Consolidated Statement of Financial Position

($ Millions)	2025 Actual	2024 Actual	Variance	% Change
Financial Assets	8,210.4	7,713.6	496.8	6.4%
Liabilities	5,962.9	5,953.1	9.8	0.2%
Net Financial Assets	**2,247.5**	**1,760.5**	**487.0**	**27.7%**
Tangible Capital Assets	10,257.9	9,779.8	478.2	4.9%
Other Non-Financial Assets	46.3	35.5	10.8	30.6%
Accumulated Surplus	**12,551.8**	**11,575.7**	**976.1**	**8.4%**

Note: numbers may not add due to rounding

The Region's net financial assets, which are financial assets less liabilities, increased by $487.0 million in 2025. Combined with an increase of $478.2 million in tangible capital assets, this contributed to an increase of $1.0 billion in the Region's accumulated surplus, taking it to $12.6 billion.

OPERATING RESULTS

The table below summarizes results from the 2025 Consolidated Statement of Operations, including comparison to the accrual-based budget and the previous year:

Consolidated Statement of Operations

($ Millions)	2025 Budget	2025 Actual	2024 Actual	Budget to Actual Variance	Year over Year Variance
Revenues	4,168.2	3,995.7	3,680.3	(172.5)	315.4
Expenses	3,260.8	3,019.7	2,848.0	(241.1)	171.7
Annual Surplus, Full Accrual Basis	907.4	976.1	832.3	68.6	143.7

Note: numbers may not add due to rounding

The annual surplus of $976.1 million on the full accrual basis was $68.6 million higher than expected in the 2025 budget. At $4.0 billion, revenues were $172.5 million lower than budgeted largely because draws from development charge reserves used to fund capital projects, which are accounted for as revenues, were below plan. Expenses of $3.0 billion were $241.1 million below budget, mainly because of departmental underspending related to delays in construction projects and in finalizing terms of the Region's contribution to the Yonge North Subway Extension.

The surplus was $143.7 million higher than the previous year. Revenues were up by $315.4 million, while expenses increased by $171.7 million.

OPERATING SURPLUS

On the modified accrual basis of accounting used for the approved budget, the 2025 operating surplus was $16.8 million, primarily due to higher senior government revenues and departmental underspending, offset by York Regional Police costs and impacts relating to the cancellation of the Region's automated speed enforcement program. The figure differs slightly from budget, due to differences in accounting treatment. These are explained in the next section.

The surplus was allocated in accordance with the Reserve and Reserve Fund Policy. The policy provides guidance and direction for the distribution of the operating surplus to reserves and reserve funds that are below their target balance. The full $16.8 million operating surplus for 2025 was allocated to the Tax Levy Development Reserve. Details appear in the discussion later on the Accumulated Surplus, Reserves and Reserve Funds.

STRATEGIC FRAMEWORK

For the 2025 fiscal year, main elements guiding the Region's financial management were:

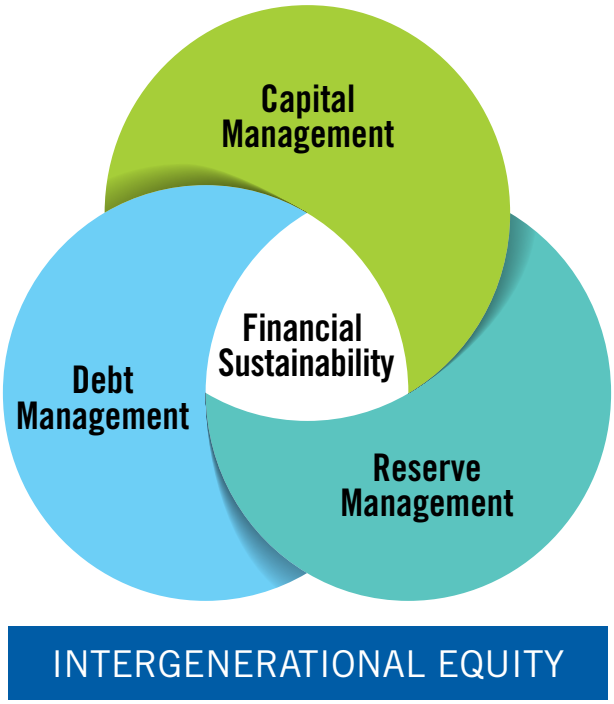
- Council's Vision and the 2023-2027 Strategic Plan
- Multi-year Budget (including Regional Fiscal Strategy)

VISION AND THE 2023-2027 STRATEGIC PLAN

The Regional budget provides the financial framework to accomplish the Strategic Plan and achieve Council's 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 a way that is fair to residents over time. It brings together three related elements and is founded on intergenerational equity, as shown in the diagram below.



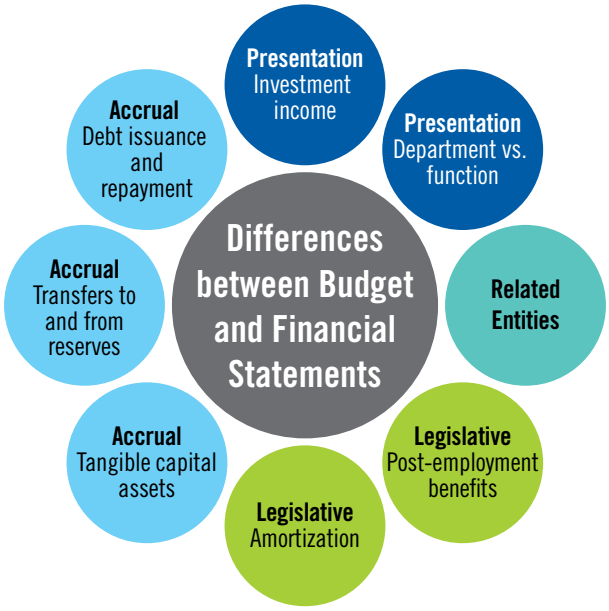
MULTI-YEAR BUDGET

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 2024, Council reviewed and approved the budget for 2025, the third year of the current multi-year budget, and the outlook for 2026. This Treasurer's statement reports on the outcomes.

The Region is required to prepare the budget on a modified accrual basis under the ***Municipal Act, 2001***. 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 2025 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	4,761.2	(593.0)	4,168.2
Expenses	4,761.2	(1,500.4)	3,260.8
Annual Surplus	-	907.4	907.4

Note: numbers may not add due to rounding

AUDIT FUNCTION

Regional Council's Audit Committee assists Regional Council in fulfilling its oversight responsibilities for the financial reporting process, the systems of internal controls, and the performance and independence of external and internal auditors.

The Audit Services branch in the Office of the Chief Administrative Officer advises on managing and controlling risk, performs independent appraisals of control systems and helps identify how 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 the development charge framework, debt issuance, budgeting, accounting and financial reporting. In addition to its Regional Fiscal Strategy, the Region has put in place various bylaws, policies and controls to reduce risk and improve 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 it determines to be 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.

Consolidated Statement of Financial Position

This statement is the Region's balance sheet, listing its assets, liabilities and accumulated surplus as of December 31, 2025.

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 between December 31, 2024, and December 31, 2025.

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 required portion of the Region's long-term debt each year. 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 $976.1 million or 8.4% from 2024 to reach $12.6 billion at the end of 2025. The increase is equal to the annual surplus and is calculated based on Public Sector Accounting Standards. It differs from the operating surplus, which compares actual outcomes to the operating budget approved by Council. The 2025 operating surplus is discussed in the Operating Surplus section above.

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

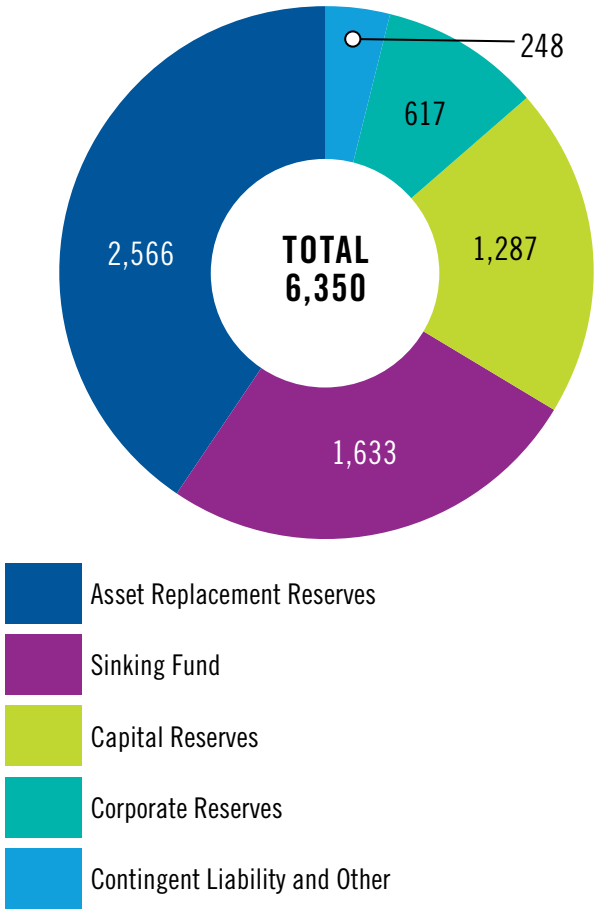
The accumulated surplus includes amounts the Region has identified for specific future needs. These amounts are called reserves and reserve funds. External rating agencies cite the Region's high level of reserves as a reason for its credit ratings, which are the highest available.

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 in the Outlook and Risk Management section below. These reserves are funded from the operating surplus and water and wastewater rate stabilization reserves, respectively.

Reserves and reserve funds totalled $6.4 billion at the end of 2025, up from $6.0 billion a year earlier. The following pie chart 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. Regularly setting aside funds for future needs creates better alignment over time 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 $2.6 billion by year end, having increased by $140.4 million or 5.8% during the year. Consistent with the Regional Fiscal Strategy, the Region does not currently need to issue debt supported by the tax levy or user rates to help sustain the replacement value of its $31.1 billion in tangible capital assets.

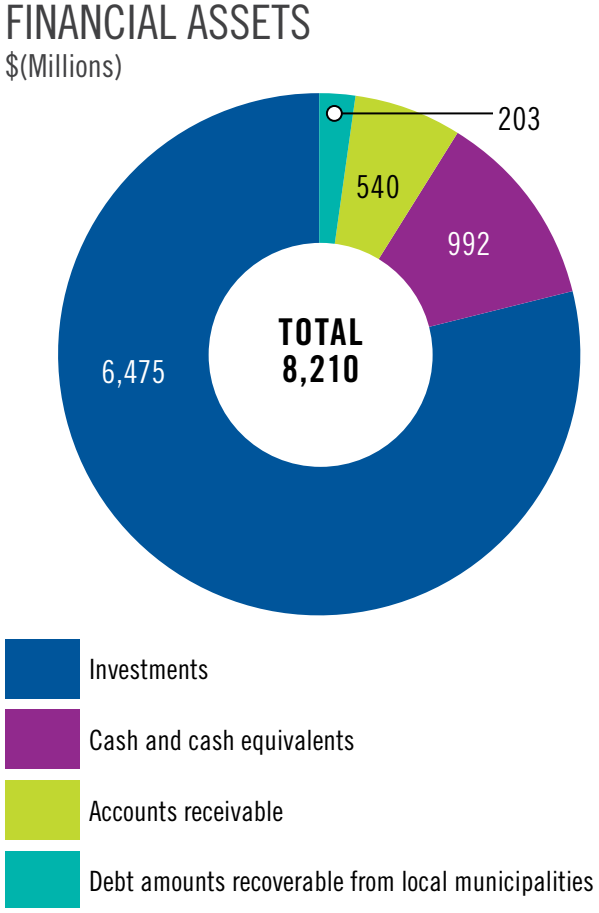
The Region's sinking fund reserve, which is a segregated fund that can only be used to repay existing debt, is the next largest balance. It grew by $93.1 million or 6.0% in 2025 to reach $1.6 billion by year-end.

Capital reserves, which help fund construction and other capital projects, increased by $121.4 million or 10.4% in 2025. Main drivers of the increase were contributions to reserves for social housing development, debt avoidance, rapid transit, transit and roads capital acceleration. These were partially offset by net drawdowns from Capital Contingency, IT Development and Police Infrastructure.

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 grew by $20.0 million or 2.4% 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 on the right shows the breakdown.



Note: numbers may not add due to rounding

These assets totalled $8.2 billion at the end of 2025, up by $496.8 million or 6.4% from the previous year, largely reflecting the Region's commitment to building reserves through the Fiscal Strategy. Within financial assets, cash and cash equivalents declined by $854.3 million in 2025, while investments increased $1.3 billion, as discussed below. In addition, accounts receivable increased by $37.1 million.

In line with the Region's Investment policy, the portfolio invests only in single A rated and above Schedule I bank deposit notes, primarily GICs, government bonds and high quality corporate issuers, and is well diversified by issuer, sector and maturity. The Region's investments are measured at amortized cost and any unrealized losses reflecting market movements are temporary in nature and may be avoided by holding to maturity or offset through reinvestment if advantageous.

Major Sources and Uses of Cash

Cash inflows from operations, which is the annual surplus adjusted for non-cash items such as amortization, drawdown of deferred revenues, contributed assets and other similar adjustments, amounted to $1.3 billion in 2025. The Region invested $844.5 million in tangible capital assets, offset by $1.5 million in asset sale proceeds. New debt of $360.0 million was issued and funds were also used to repay $307.2 million in existing debt. As a result, financing represented a net $52.8 million increase to cash and cash equivalents.

Because of favourable rates in 2025, the Region shifted toward longer-term investments from interest-bearing savings deposits, which are an element of cash and cash equivalents. As a result, investments stood at $6.5 billion at year-end compared to $5.2 billion the previous year, while cash and cash equivalents declined to $1.0 billion from $1.8 billion the previous year.

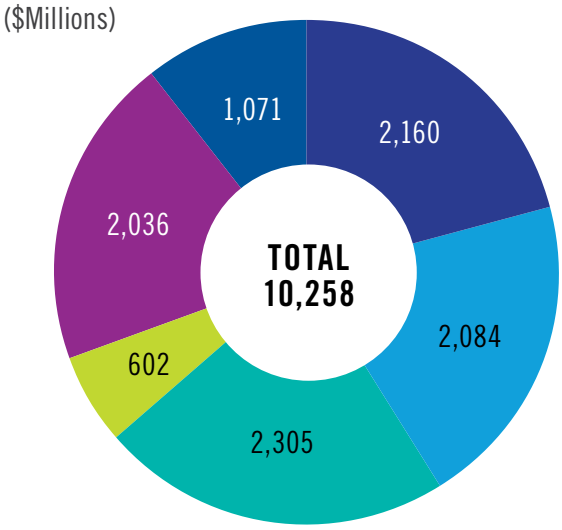
Tangible Capital Assets

Net book value, as reported in the Consolidated Statement of Financial Position, is the historical cost of a tangible capital asset less accumulated amortization. After considering additions of tangible capital assets, amortization expense of $363.9 million and the disposal of tangible capital assets during the year, the net book value of the Region's assets rose by $478.2 million, taking the total to $10.3 billion at the end of 2025.

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

NBV OF TANGIBLE CAPITAL ASSETS BY CATEGORY

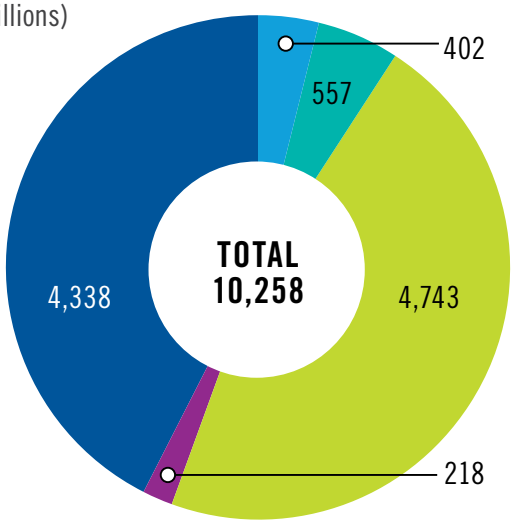
($Millions)



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

NBV OF TANGIBLE CAPITAL ASSETS BY SERVICE AREA

$(Millions)



- Environmental Services
- Protection to Persons & Property and Court Services
- Transportation Services
- Community and Health Services
- General Government and Economic and Development Services

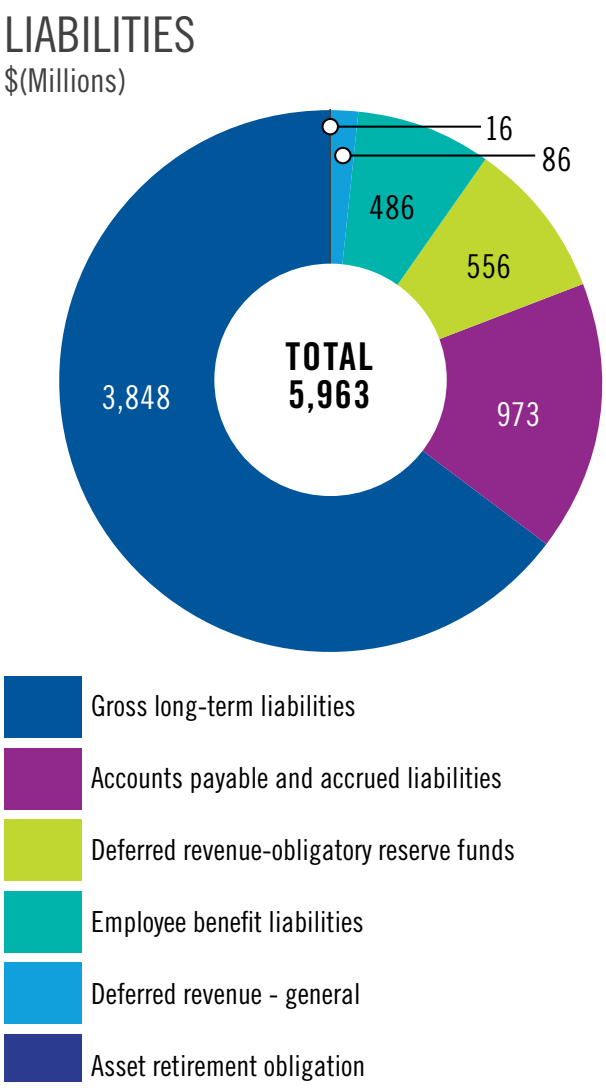
Note: numbers may not add due to rounding

The 2026 Corporate Asset Management Progress Report 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 89% 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 obligations and total debt. The pie chart below shows the breakdown.

Total liabilities ended the year at $6.0 billion, up only $9.8 million from the previous year.



Note: numbers may not add due to rounding

Liabilities Other Than Debt

Liabilities other than debt, including accounts payable and accrued liabilities, employee benefit liabilities, deferred revenue and assets retirement obligation, decreased by $39.0 million, ending the year at $2.1 billion. The change from 2024 reflects a net decrease in the development charge component. While employee benefit liabilities increased by $94.7 million, deferred revenue-obligatory reserve funds, which by law hold development charges, provincial gas tax allocations and funds from the federal Canada Community-Building Fund, fell by $78.8 million from 2024. General deferred revenue decreased by $50.8 million or 37.3% compared to 2024 largely due to funds collected in advance to support new water infrastructure in northeast Vaughan that were recognized in 2025.

Debt

Total debt increased by $48.8 million to reach $3.8 billion by the end of 2025.

Total debt includes funds borrowed by the Region on behalf of local municipalities. The local municipal borrowings, which totalled $203.0 million at the end of 2025, 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. As noted above, the reserve holding these dedicated funds totalled $1.6 billion at the end of 2025.

Excluding the sinking fund assets and local municipal borrowing, the Region's net outstanding debt ended the year at $2.0 billion, a decrease of $40.3 million from the previous year. The net decrease was primarily driven by debt repayment and maturities.

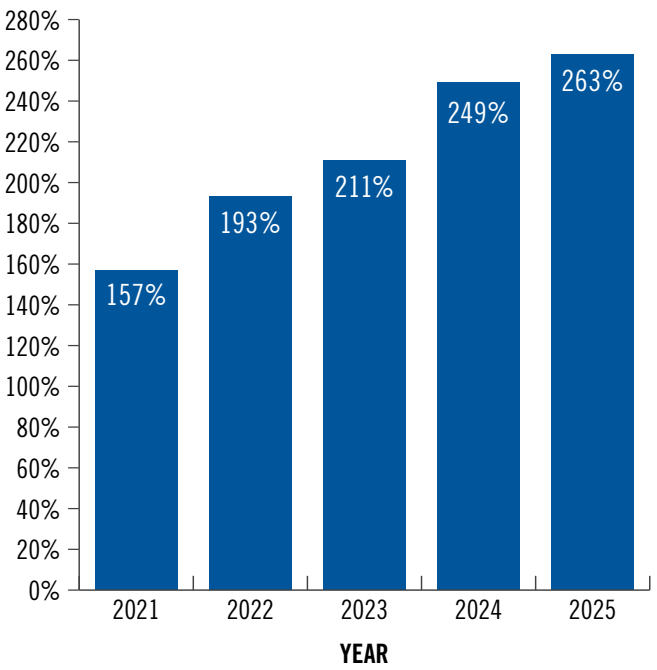
The Region continues to meet its commitment to keep its own debt, net of sinking fund assets and local municipal debt, below the peak of $2.9 billion that was reached in 2017.

Reserves to debt

The ratio of reserves to debt is an important marker of financial sustainability. Ontario municipalities can borrow only for capital projects. A high ratio generally 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. This ensures 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 2025 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

Percentage



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 $976.1 million in 2025, representing $4.0 billion in revenues, less expenses of $3.0 billion.

Revenues

The table below provides a summary of the revenues from the 2025 Consolidated Statement of Operations with comparisons to the accrual-based budget and the previous year:

Revenues

($ Millions)	2025 Budget	2025 Actual	2024 Actual	Budget to Actual Variance	Year Over Year Variance
Net taxation	1,506.3	1,512.3	1,431.7	6.0	80.6
Government transfers	1,047.1	1,042.5	908.7	(4.5)	133.9
User charges	429.8	434.8	415.1	5.0	19.7
Development charges	595.7	399.6	371.5	(196.1)	28.1
Investment income	230.2	248.0	243.4	17.8	4.6
Fees and services	221.5	230.3	205.1	8.8	25.2
Other	137.7	128.2	104.8	(9.5)	23.4
	4,168.2	3,995.7	3,680.3	(172.5)	315.4

Note: numbers may not add due to rounding

At $4.0 billion, actual 2025 revenues were $172.5 million lower than expected in the 2025 budget and $315.4 million higher than actual 2024 revenues.

- Net taxation revenue was consistent with plan, at $1.5 billion. The increase over 2024 was $80.6 million or 5.6%. This was in line with the approved tax levy increase of 4.28%, assessment growth of 1.49% and a year-over-year decrease in supplementary taxes of 0.14%.
- At $1.0 billion, revenue from provincial and federal transfers was consistent with budget expectations. Government transfers increased by $133.9 million or 14.7% year-over-year. This was due mainly to a change to the Canada-Wide Early Learning and Child Care grant, which is designed to reduce daycare fees to an average $10 a day by 2026, with funds flowing through to daycare providers. The province introduced a new funding model at the start of 2025 that increased funding. In addition, the Region received higher social assistance transfers to support Ontario Works program delivery.
- The budget projection for water and wastewater user charges was based on forecast consumption and user rates approved by Regional Council for the period April 1, 2022, to March 31, 2028, that are intended to cover the costs of providing services. Actual 2025 user charges were consistent with the budget at $434.8 million. The year-over-year increase was $19.7 million or 4.7%.
- 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 source of revenue was $196.1 million lower than budgeted in 2025 because development charge collections were lower than expected. As a result, fewer projects were funded directly and more debt than expected was issued. Year over year, development charge-related revenue was up $28.1 million or 7.6%.
- At $248.0 million, interest income and other earnings on investments were $17.8 million above budget, reflecting a shift toward longer-term investments from interest-bearing savings deposits. Year-over-year, interest income and other earnings on investments were up $4.6 million or 1.8%.
- Fee and service revenue was closely aligned with the budget. The increase from 2024 was $25.2 million or 12.3%, mainly attributed to new cameras added to the Region's automated speed enforcement program. In November 2025, the provincial government banned municipal automated speed enforcement programs in Ontario, which will reduce revenues in future years.
- Other revenues were aligned with the budget, with a year-over-year increase of $23.4 million or 22.3%. The increase is mainly attributable to higher capital project recoveries to support the North East Vaughan Water Servicing project.

Expenses

The table below provides a summary of the expenses from the 2025 Consolidated Statement of Operations with comparisons to the accrual-based budget and the previous year:

Expenses

($ Millions)	2025 Budget	2025 Actual	2024 Actual	Budget to Actual Variance	Year Over Year Variance
Expenses					
Community and Health Services[2]	1,250.6	1,236.5	1,069.9	(14.1)	166.6
Transportation Services[3]	642.5	401.3	571.6	(241.2)	(170.3)
Environmental Services	610.5	533.6	513.7	(76.8)	19.9
Protection to Persons and Property[4]	553.8	634.2	508.5	80.3	125.7
Other[5]	203.4	214.1	184.2	10.7	29.8
	3,260.8	3,019.7	2,848.0	(241.1)	171.7

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 $3.0 billion. This was $241.1 million less than the 2025 budget and $171.7 million higher than 2024.

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

- In Community and Health Services, spending was aligned with budget expectation, with spending only $14.1 million or 1.1% below plan.

  Spending rose by $166.6 million year-over-year. A major factor was the introduction of a new provincial funding model in 2025 for the Canada-Wide Early Learning and Child Care grant. As noted in the Revenue discussion above, this resulted in higher revenue and, because the funding flows through to operators, also increased expenses.

- Overall spending by Transportation Services was $241.2 million less than expected. A major reason was an in-year accounting adjustment triggered by the province's decision to end the longstanding requirement for municipalities to collect development charges to support GO Transit projects. When Metrolinx subsequently extinguished the liability that had accumulated over many years, the Region recorded the adjustment to expenses. Continued supply chain challenges, construction delays and delays in finalizing terms of the Region's contribution to the Yonge North Subway Extension also contributed.

  Spending decreased $170.3 million or 29.8% year-over-year mainly for the reasons mentioned above.

- Spending by Environmental Services was $76.8 million lower than planned, partially due to continued supply chain challenges and construction delays. Repair and maintenance activities that helped reduce unplanned expenditures during the year also contributed.

  Compared to 2024, expenses were $19.9 million higher due to the costs of operating a growing network of water and wastewater infrastructure.

- Spending on Protection to Persons and Property was above budget by $80.3 million. York Regional Police accounts for most of the spending within this category. The increase was driven mainly by higher compensation costs relating to a new collective agreement, as well as higher-than-budgeted overtime costs and temporary hiring, partially offset by lower-than-budgeted operational expenses.

  Spending was up $125.7 million year-over-year for the reasons discussed above and to meet service needs of a growing population.

- Spending in the "Other" category (which comprises General Government and Economic and Development Services) was $10.7 million higher than budgeted primarily due to the Region's contribution to York University's Markham campus. The total contribution was approved by Council and formalized in a funding agreement in a previous year. It was not included in the 2025 budget, however, because actual payments are triggered by construction milestones and the timing of these are uncertain.

  On a year-over-year basis, spending was $29.8 million higher than 2024, mostly for the reason outlined above and because internal staffing realignments shifted costs into the General Government category.

OUTLOOK AND RISK MANAGEMENT

This section discusses significant risks and uncertainties that influence the Region's financial outlook. These risks form part of the Region's overarching fiscal risk profile. Through Enterprise Risk Management and the Fiscal Strategy, the Region identifies, monitors and manages these risks to maintain long-term financial sustainability.

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 May 2026.

The legislative framework has changed significantly in the past several years. In 2022, Bill 23, ***More Homes Built Faster Act, 2022*** provided discounts and exemptions for certain residential developments and removed Housing Services as an eligible service. In 2025, Bill 17, ***Protect Ontario by Building Faster and Smarter Act, 2025*** and Bill 60, ***Fighting Delays, Building Faster Act, 2025*** were passed, which respectively deferred development charges to each occupancy for non-rental residential development and classified land as an eligible class of services.

In 2025, Council approved development charge deferrals to help address the Region's housing challenges, including deferral for non-luxury rentals until change of use.

The combined impact of the discounts, exemptions and deferrals are estimated to result in impacts of almost $1.4 billion on development charge collections over the next 10 years.

The Region created two new reserves in 2024, the Tax Levy Development Reserve and the Rate Supported Development Reserve, and Council 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's development charge collections forecast in support of the annual budget reflects legislation and Council-approved policies, and accounts for historic growth levels, recent housing market conditions and local municipalities' goal of achieving their housing targets.

Fiscal capacity risks in the Capital plan

The Region's 2025 10-year capital plan had nearly two thirds in growth-related spending, primarily funded from development charges, with a focus on investments needed to unlock growth capacity.

When infrastructure investments are required well in advance of collecting related development charges, the Region often uses debt to bridge the timing gap. Through the Regional Fiscal Strategy, Council approved the use of development charge-funded debt to support the timely placement of infrastructure, while also maintaining the Region's current AAA and Aaa ratings from S&P Global Ratings and Moody's Investors Service, respectively.

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 to help advance some key infrastructure projects, like the

York Durham Sewage System expansion. In the absence of this financing, the capital plan might have to be adjusted to ensure the Region remains fiscally sustainable. Similarly, unforeseen changes in development charge collections and/or growth-related capital needs might also require adjustment to the capital plan.

Several priority projects, including community housing and an expanded bus rapid transit network, are not included in the 2025 capital plan because they require senior government funding and would be unsustainable otherwise. The plan does include initial costs to move these projects toward a state of readiness as the Region continues to advocate for new funding opportunities.

Economic uncertainty

The Ontario economy in 2026 is expected to show below-historic growth as the province navigates international trade uncertainty and a sharp drop in immigration, with lower interest rates helping to bolster performance. Provincial and private sector forecasts, as outlined in the spring 2026 provincial budget, project real GDP growth to be between 0.5% to 1.6% for 2026.

The York Region 2024 to 2027 Economic Development Action Plan is the Region's strategic roadmap for strengthening the economy. It sets priorities and actions that guide how the Region and partners can act on new opportunities while addressing challenges and build a resilient, competitive and future-ready economy.

The Region continues to monitor economic conditions across key sectors, engage with local industry partners and support initiatives that strengthen overall business competitiveness. Ongoing work is helping enhance the resilience of the Region's businesses by supporting entrepreneurship and innovation, workforce development and market and trade diversification.

To help counter impacts on the auto parts sector, the provincial government recently designated York Region a Regional Technology Development Site. This initiative will help local small-to-medium enterprises take new technologies to commercialization. Priority areas include electric vehicles, connected and autonomous vehicles and mobility-related artificial intelligence, reflecting the shifting focus of the sector from traditional hardware toward more software-related products and services.

The Region's construction picture remains mixed. Private sector builds are sensitive to high material costs and trade uncertainty and residential housing faces the added constraint of slow-to-no population growth resulting from federal policies that have reduced immigration. On the other hand, public investment, including major projects like the Yonge North Subway Extension, continues to be strong. A shortage of skilled trades remains a bottleneck and ongoing tariff volatility is impacting construction costs tied to U.S. imports.

The Region's robust financial and professional services sector remains a stabilizing factor, as does its high proportion of knowledge workers. A "data centre boom" is emerging as a niche growth engine, with $2.1 billion in projected value by 2030, much of it concentrated in technology hubs like Markham and Vaughan.

A changing population

The 2021 census showed the Region's seniors' population, those aged 65 and over, was growing faster than any other age group. By 2051, seniors are expected to make up 23% 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. Between 2016 and 2021, recent immigrants accounted for 84% of York Region's population growth. Settlement and inclusion of newcomers requires a continuing and coordinated effort by community partners and all levels of government. The Region is responding to newcomers' needs through collective impact initiatives.

Shortage of affordable housing

Lack of affordable housing is a factor in the growing number of people experiencing homelessness in York Region. While the housing market cooled somewhat in 2025, average prices ranging from $599,299 for a condo to over $1.5 million for a detached home remain well above affordability thresholds for many households. The rental market has experienced some relief with a rise in the vacancy rate, but average monthly rents for purpose-built rental apartments, ranging from $1,297 for a bachelor to $2,658 for a 3-bedroom unit, are still beyond the reach of many lower-income renters. To respond to this challenge, Council continued to invest through the 2025 budget in new community housing, including housing built directly by the Region and with funding to support non-profits. Council also approved funding for Rapid Deployment Actions to address immediate homelessness needs. The Region also continues to deliver benefits like the Canada-Ontario Housing Benefit and other rent subsidies 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 York 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 increases. 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 enable interaction 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 conduct regular testing of employees on their security knowledge. It continues to improve its protocols to guard against and respond to emerging threats.

THE REGIONAL MUNICIPALITY OF YORK

Responsibility for Financial Reporting for the Year Ended December 31, 2025

Management's Report

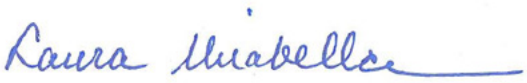
The management of The Regional Municipality of York is responsible for the accuracy and integrity of the accompanying Consolidated Financial Statements, which cover all operations under its legislative and financial responsibility, including the York Regional Police Service Board, Housing York Inc., York Region Rapid Transit Corporation and YTN Telecom Network Inc.

The Consolidated Financial Statements have been prepared by management following Canadian Public Sector Accounting Standards, providing users with a comprehensive view of York Region's assets and obligations. Users are encouraged to review the accompanying notes, which are integral to the statements.

Management has established a comprehensive financial management and internal controls framework to meet its obligations. This includes an organizational structure that separates authorization from recording functions, employs qualified staff and implements prudent budget policies, all subject to internal audit. These controls aim to protect York Region's assets, ensure compliance with Ontario's legislative authority and Regional Council policies and provide reasonable assurance over the representations in York Region's financial statements and reports.

The Region's Audit Committee receives the Consolidated Financial Statements before they are submitted to Regional Council and published. Internal and external auditors have access to the Committee and meet regularly to discuss their audit findings and evaluations.

The 2025 Consolidated Financial Statements have been examined by York Region's external auditors, KPMG LLP, Chartered Professional Accountants, Licensed Public Accountants. Their report precedes the Consolidated Financial Statements.



Laura Mirabella, Commissioner of Finance and Regional Treasurer

April 28, 2026

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Vaughan, ON L4K 0J3
Canada
Tel 905 265 5900
Fax 905 265 6390

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, 2025
- 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, 2025, 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.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 28, 2026

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Financial Position
As at December 31, 2025

	2025 $	2024 $
Financial assets		
Cash and cash equivalents (Note 4)	992,426,890	1,846,706,833
Accounts receivable (Note 5)	539,895,224	502,753,244
Investments (Note 4)	6,475,068,704	5,157,077,195
Debt amounts recoverable from local municipalities (Note 8)	203,048,944	207,100,456
Total	8,210,439,762	7,713,637,728
Liabilities		
Accounts payable and accrued liabilities	973,188,015	977,916,660
Employee benefits liabilities (Note 6)	485,505,520	390,757,083
Deferred revenue-general (Note 7)	85,517,204	136,349,222
Deferred revenue-obligatory reserve funds (Note 7)	555,583,263	634,400,263
Gross long-term liabilities (Note 8)	3,847,553,444	3,798,791,314
Asset retirement obligation (Note 9)	15,555,665	14,927,952
Total	5,962,903,111	5,953,142,494
Net financial assets	2,247,536,651	1,760,495,234
Non-financial assets		
Tangible capital assets (Note 14)	10,257,946,443	9,779,781,190
Inventory	17,158,836	8,778,804
Prepaid expenses	29,145,883	26,678,398
Total	10,304,251,162	9,815,238,392
Contractual rights and contingent assets (Note 10)		
Contractual obligations and commitments (Note 11)		
Contingent liabilities (Note 12)		
Accumulated surplus (Note 15)	12,551,787,813	11,575,733,626

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, 2025

	Budget (Note 2) $	2025 $	2024 $
Revenues			
Net taxation (Note 3)	1,506,311,385	1,512,270,129	1,431,663,731
Government transfers	1,047,097,725	1,042,548,912	908,692,817
User charges	429,788,471	434,834,390	415,130,179
Development charges	595,650,173	399,572,792	371,496,292
Investment income	230,200,000	247,992,461	243,435,323
Fees and services	221,527,760	230,302,506	205,099,901
Other	137,669,820	128,210,547	104,823,406
Total revenues	4,168,245,334	3,995,731,737	3,680,341,649
Expenses			
Community services	890,389,893	852,066,136	716,271,777
Transportation services	642,522,219	401,307,006	571,632,502
Environmental services	610,473,987	533,627,556	513,739,242
Protection to persons and property	553,848,160	634,176,072	508,465,703
Health and emergency services	238,719,350	240,037,892	234,181,425
General government	177,568,596	194,809,548	165,052,513
Social housing	121,451,855	144,392,466	119,468,847
Economic and development services	25,832,411	19,260,874	19,193,785
Total expenses	3,260,806,471	3,019,677,550	2,848,005,794
Annual surplus	907,438,863	976,054,187	832,335,855
Accumulated surplus, beginning of year	11,575,733,626	11,575,733,626	10,743,397,771
Accumulated surplus, end of year	12,483,172,489	12,551,787,813	11,575,733,626
Segment information is presented in Note 16.			

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

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Change in Net Financial Assets
Year ended December 31, 2025

	Budget $	2025 $	2024 $
Annual surplus	907,438,863	976,054,187	832,335,855
Amortization of tangible capital assets	386,199,279	363,908,330	345,673,546
Proceeds on disposal of tangible capital assets	-	1,489,453	1,617,467
Acquisition of tangible capital assets	(1,048,755,131)	(844,494,434)	(762,175,382)
Loss/(Gain) on disposal of tangible capital assets	-	931,398	(270,101)
Acquisition of inventory	-	(16,992,769)	(2,678,899)
Acquisition of prepaid expenses	-	(27,130,268)	(23,751,913)
Consumption of inventory	-	8,612,737	22,757,850
Use of prepaid expenses	-	24,662,783	25,303,567
Increase in net financial assets	244,883,011	487,041,417	438,811,990
Net financial assets, beginning of year	1,760,495,234	1,760,495,234	1,321,683,244
Net financial assets, end of year	2,005,378,245	2,247,536,651	1,760,495,234

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, 2025

	2025 $	2024 $
Operating		
Annual surplus	976,054,187	832,335,855
Items not involving cash:		
Amortization of tangible capital assets	363,908,330	345,673,546
Loss/(Gain) on disposal of tangible capital assets	931,398	(270,101)
Changes in non-cash assets and liabilities:		
Accounts receivable	(37,141,980)	(125,388,892)
Accounts payable and accrued liabilities	(4,728,645)	69,374,283
Employee benefit obligations - cash expense	92,096,279	19,676,541
Employee benefit obligations - non cash expense	2,652,158	3,767,366
Deferred revenue-general	(50,832,018)	69,308,855
Deferred revenue-obligatory reserve funds	(78,817,000)	121,055,527
Asset retirement obligation	627,713	2,514,673
Inventory	(8,380,032)	20,078,951
Prepaid expenses	(2,467,485)	1,551,654
Net change in cash and cash equivalents from operations	1,253,902,905	1,359,678,258
Capital		
Acquisition of tangible capital assets	(844,494,434)	(762,175,382)
Proceeds on disposal of tangible capital assets	1,489,453	1,617,467
Net change in cash and cash equivalents from capital	(843,004,981)	(760,557,915)
Investing		
Net change in investments	(1,317,991,509)	441,657,976
Financing		
Long-term debt issued	360,000,000	97,600,000
Long-term debt repaid	(307,186,358)	(9,473,057)
Net change in cash and cash equivalents from financing	52,813,642	88,126,943
Net change in cash and cash equivalents	(854,279,943)	1,128,905,262
Opening, cash and cash equivalents	1,846,706,833	717,801,571
Closing, cash and cash equivalents	992,426,890	1,846,706,833

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

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, and the cities of Markham, Richmond Hill and 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").

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 inter-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, 2025, 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, 2025.

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 remeasurement 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 bylaw 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, pay-on-demand bonds, 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.

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 consolidated financial 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 consolidated 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 bylaw 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 bylaw. 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.

Development administration fees are recognized in alignment with the satisfaction of the relevant performance obligations.

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.

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) 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. 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 proposed section, effective January 1, 2030.

iv. **PS 3155 - Intangible Assets**

PS 3155 - Intangible Assets will replace PSG 8 - Purchased Intangibles. The proposed standard is currently undergoing discussions and further changes are expected as a result of the re-exposure comments. 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 proposed section, effective January 1, 2031.

2. BUDGET FIGURES

Budget figures presented in the Consolidated Financial Statements are based on the 2025 budget approved by York Regional Council on November 28, 2024. 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 account.

Revenues	
Approved budget	$4,761,215,857
Reclassification of investment income	197,000,000
Transfer from reserves	(603,148,419)
Proceeds of debt issued for Regional purposes	(208,623,382)
Housing York Inc.	55,559,656
Related entities adjustments	(33,758,378)
Total revenues	4,168,245,334
Expenses	
Approved budget	4,761,215,857
Reclassification of investment income	197,000,000
Transfer to reserves	(869,628,784)
Acquisition of tangible capital assets	(1,048,755,131)
Debt principal repayments	(203,265,138)
Amortization	386,199,279
Post employment benefits	24,779,918
Spending funded by Metrolinx	501,640
Housing York Inc.	46,517,208
Related entities adjustments	(33,758,378)
Total expenses	3,260,806,471
Annual surplus	**$907,438,863**

3. NET TAXATION

Tax revenue of $1,512,270,129 (2024 - $1,431,663,731) is comprised of $1,490,885,724 (2024 - $1,409,409,430) in general tax levy and $21,384,405 (2024 - $22,254,301) of other tax amounts.

4. INVESTMENTS

Included in cash and cash equivalents are short-term investments of $223,000,000 (2024 - $298,062,000) with a market value of $222,945,530 (2024 - $297,821,623). Long-term investments of $6,475,068,704 (2024 - $5,157,077,195) have a market value of $6,361,154,529 (2024 - $5,048,643,641).

As at December 31, 2025, 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 $555,583,263 (2024 - $634,400,263) of restricted funds as required under legislation to fund obligatory reserve funds. The yields on investments held range from 1.04% to 6.00% (2024 - 0.87% to 6.64%).

5. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	2025 $	2024 $
Government of Canada	44,265,357	53,019,197
Government of Ontario	32,621,465	22,397,892
Other municipalities	250,748,433	197,645,338
Other receivables*	212,395,013	230,345,535
	540,030,268	503,407,962
Less: allowance for doubtful accounts	(135,044)	(654,718)
Total	539,895,224	502,753,244

* Other receivables include bond interest receivable and deferred development charges receivable.

Accounts receivable are assessed for collectability on an annual basis. In 2025, $79,775 was deemed uncollectable and written off (2024- $314,823).

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 15. In other cases, the liabilities are to be funded from future years' budgetary allocations. Net increase in the total amount is $94,748,437.

	2025 $	2024 $
Post employment benefits (a)	215,981,716	137,526,872
Workplace Safety and Insurance Board (WSIB) (c)	126,347,754	110,708,738
Long-term disability claims (d)	66,834,521	66,112,265
Vested sick leave benefits (e)	49,228,776	47,564,547
Subtotal	458,392,767	361,912,422
Vacation payable	27,112,753	28,844,661
Total	485,505,520	390,757,083

The following table sets out the accrued benefit liability for each plan as at December 31, 2025.

	Post employment benefits $	WSIB $	Long-term disability claims $	Vested sick leave benefits $	2025 Total $	2024 Total $
Accrued benefit obligation, beginning of year	136,388,395	134,066,581	47,400,508	38,679,229	356,534,713	336,858,172
Benefit service cost	6,458,935	21,299,555	6,721,453	3,348,287	37,828,230	36,422,511
Plan amendment and other adjustments	71,002,647	-	697,781	-	71,700,428	-
Interest accrued	6,145,721	6,121,799	2,135,700	1,736,605	16,139,825	15,258,034
Benefit payments	(6,092,569)	(17,352,769)	(6,602,535)	(3,524,332)	(33,572,205)	(32,004,004)
Actuarial loss	20,511,842	28,297,475	38,548,453	4,534,579	91,892,349	-
Accrued benefit obligation, end of year	234,414,971	172,432,641	88,901,360	44,774,368	540,523,340	356,534,713
Unamortized actuarial gain/ (loss)	(18,433,255)	(46,084,887)	(22,066,839)	4,454,408	(82,130,573)	5,377,709
Accrued benefit liability, end of year	215,981,716	126,347,754	66,834,521	49,228,776	458,392,767	361,912,422

The amortization of actuarial losses for the current year is in the amount of $4,384,067 (2024 - $4,298,932).

	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	4.25%	4.00%	3.75%	4.25%
Future health care cost rate	6.00%	N/A	N/A	N/A
Expected Average Remaining Service Life				
Regional Operations	14	10	8	6
Police Services	13	10	8	12
Water & Wastewater	15	10	8	6

a) Post-Employment Benefits

Employees who retire under the Ontario Municipal Employees Retirement System (OMERS) pension plan at age fifty five 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 the age of 65. Those retirees from age 65 to age 75 are eligible to receive a health care spending account. Additionally, eligible members have the option of either choosing to continue health and dental benefits after the age of 65, or select the health care spending account.

An independent actuarial valuation dated February 2, 2026 estimates the liability of these benefits to be $215,981,716 (2024 - $137,526,872), which is reported in the Consolidated Statement of Financial Position. This valuation includes a plan amendment of $71,700,428, resulting from recent updates to one of the Region's Collective Bargaining Agreements. The reserve balance at December 31, 2025 is $73,824,594 (2024 - $87,164,060).

b) Pension Agreement

The Region contributes to OMERS, a multi-employer plan on behalf of approximately 7,733 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 2025, employer contribution amounts to $79,747,333 (2024 - $79,732,753) and is recorded as an expense in the Consolidated Statement of Operations and Accumulated Surplus. Employee contributions also amount to $79,747,333 (2024 - $79,732,753).

Because OMERS is a multi-employer plan, the Region does not recognize any share of the pension deficit of $1.3 billion as at December 31, 2025 (2024 - $2.9 billion) based on the fair market value of the plan's assets, as this is a joint responsibility of all Ontario municipalities.

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 March 16, 2026 estimates the liability for all claims incurred to December 31, 2025 to be $126,347,754 (2024 - $110,708,738), which is reported in the Consolidated Statement of Financial Position. The worker's compensation reserve balance at December 31, 2025 is $98,014,865 (2024 - $96,838,335).

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 February 2, 2026 estimates the liability for the claims incurred to be $66,834,521 (2024 - $66,112,265) as at December 31, 2025, which is reported in the Consolidated Statement of Financial Position. The reserve balance at December 31, 2025 is $68,060,869 (2024 - $66,138,127).

e) Long-Term Disability Self-Funding Arrangement

An independent actuarial valuation report dated February 2, 2026 estimates the liability for both Regional operations and Police Services at $49,228,776 (2024 - $47,564,547), which is reported in the Consolidated Statement of Financial Position. The reserve balance at December 31, 2025 is $8,237,735 (2024 - $8,272,403).

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 $13,236 (2024 - $52,930).

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 $49,242,012 (2024 - $47,617,477).

7. DEFERRED REVENUE

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

	Balance at Dec 31, 2024 $	Inflows $	Amounts recognized into revenue $	Balance at Dec 31, 2025 $
Deferred capital grants	17,357,121	7,825,979	(15,927,763)	9,255,337
Deferred revenue - prepaid development charge credit agreements (PDCCA)	9,804,044	-	(7,426,241)	2,377,803
Other*	109,188,057	64,560,872	(99,864,865)	73,884,064
Total deferred revenue - general	136,349,222	72,386,851	(123,218,869)	85,517,204
Development charges	530,870,589	283,450,279	(399,572,792)	414,748,076
Gas Tax/Canada Community-Building Fund	103,529,674	57,332,134	(20,026,621)	140,835,187
Total deferred revenue - obligatory reserve funds	634,400,263	340,782,413	(419,599,413)	555,583,263

* Other deferred revenue includes funding for Water and Wastewater infrastructure and affordable social housing programs.

8. LONG-TERM LIABILITIES

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

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

	2025 $	2024 $
Outstanding long-term liabilities at the end of the year, including those incurred on behalf of local municipalities	3,842,446,563	3,784,863,039
Mortgages payable by Housing York Inc.	5,106,881	13,928,275
Gross long-term liabilities	3,847,553,444	3,798,791,314
Less recoverable from local municipalities		
Sinking fund debentures	69,988,951	75,988,951
Non-sinking fund debentures	133,059,993	131,111,505
	203,048,944	207,100,456
Net long-term liabilities at the end of the year	3,644,504,500	3,591,690,858

The total gross amount of the long-term liabilities to be retired by sinking funds is $3,690,000,000 (2024 - $3,630,000,000). The amount of sinking fund assets is $1,654,617,618 (2024 - $1,560,191,510). Longterm liabilities are primarily funded through a combination of development charges, water and sewer rates and tax levy.

The weighted average interest rate for the Region's debt is 3.50% and maturity dates range from March 2026 to December 2051.

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

2026	$ 213,875,687
2027	206,771,107
2028	201,240,991
2029	200,803,554
2030	171,014,133
Thereafter	2,338,595,977
Net sinking fund debt repayable according to actuarial recommendations	312,203,051
Total	$ 3,644,504,500

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 $114,606,525 (2024 - $109,288,884).

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 buildings as estimated of $13,271,500 (2024 - $12,714,803).

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 of $1,983,564 (2024 - $1,924,965).

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 of $300,601 (2024 - $288,184).

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 2025 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, 2025 $	Balance at Dec 31, 2024 $
Opening balance	12,714,803	1,924,965	288,184	14,927,952	12,413,279
Liability incurred during the year	-	-	-	-	928,780
Increase in liabilities due to accretion	527,080	54,107	11,698	592,885	592,440
Changes in estimates of liabilities	29,617	4,492	719	34,828	993,453
Closing balance	13,271,500	1,983,564	300,601	15,555,665	14,927,952

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, 2025. 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 (2024 - 17 L/Cs of $23,395,817).
- An agreement with Metrolinx to fund the construction of bus rapidways. The remaining funding Metrolinx has guaranteed the Region is $18,661,986 (2024 - $26,044,531).
- Rights to transit advertisements, solar revenue, revenue from Markham District Energy, and other lease revenue. Future revenue from these sources are approximately:

2026	9,603,499
2027	8,373,106
2028	8,510,917
2029	4,824,809
2030 and thereafter	9,005,208

b) Contingent Assets

As at December 31, 2025, 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, 2025. Consequently, no amount has been recorded in the consolidated financial statements.

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 2025, the Region paid $41,011,081 (2024 - $38,178,809) 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 2025, the Region paid $23,513,145 (2024 - $22,351,489) for purchases under this agreement, excluding reconciling items.

The Water Supply Agreements with both the 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 2025, Peel provided servicing for York wastewater flows for a total payment of $9,019,878 (2024 - $7,547,069) 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 are as follows:

2026	6,174,998
2027	4,855,380
2028	4,609,316
2029	4,404,395
2030 and thereafter	3,739,206

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.

In 2025, progress on the project continued with milestones such as issuing the request for qualifications for the stations, rails, and systems (SRS) contract, and awarding the tunneling contract. A contribution agreement is not in place at this time.

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 estimated to be $154,044,877, including forecasted future adjustments. As of December 31, 2025, the Region has paid $116,798,012 to this hospital and the remaining commitment is $37,246,865 (2024 - $44,974,077).

f) York University Capital Funding

Markham Centre Campus

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 2025, York University's Markham Centre Campus had received all instalments totaling $25,000,000.

Vaughan School of Medicine

In November 2025, Council committed $25,000,000 towards the construction of a School of Medicine for York University in Vaughan. A funding agreement is currently being negotiated between the parties and the first cohort of students is expected to begin attendance at the School in July 2028.

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 deducible under its Crime policy is $150,000.

The Region estimates that the liability as at December 31, 2025 for all outstanding public liability claims is $11,565,233 (2024 - $10,031,680). The total insurance reserve is $37,119,887 (2024 - $36,546,664).

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. 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 Bylaws 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 2025 amounts to $54,584,694 (2024 - $30,632,615) and the net surplus/(deficit) amounts to $15,923,783 (2024 - $1,257,156). Balances arising from operations of Court are consolidated within these financial statements and reported in protection to persons and property on the Consolidated Statement of Operations and Accumulated Surplus.

14. TANGIBLE CAPITAL ASSETS

COST	Balance at Dec 31, 2024 $	Additions/ Transfers $	Disposals $	Asset Retirement Obligations $	Balance at Dec 31, 2025 $
Land	788,462,747	17,890,960	(962,273)	-	805,391,434
Land improvements	524,440,103	3,529,491	-	-	527,969,594
Buildings	3,246,880,728	63,949,414	(96,199)	8,115	3,310,742,058
Equipment and machinery	969,010,906	30,523,687	(28,755,575)	-	970,779,018
Vehicles	520,752,411	51,940,959	(17,634,047)	-	555,059,323
Transit infrastructure	572,798,268	-	-	-	572,798,268
Roads infrastructure	3,143,703,489	164,862,027	(28,172,557)	-	3,280,392,959
Water and wastewater infrastructure	2,487,157,061	12,401,120	-	-	2,499,558,181
Assets under construction	1,660,601,299	499,388,661	-	-	2,159,989,960
	13,913,807,012	844,486,319	(75,620,651)	8,115	14,682,680,795

ACCUMULATED AMORTIZATION	Balance at Dec 31, 2024 $	Disposals $	Amortization expense $	Asset Retirement Obligations $	Balance at Dec 31, 2025 $
Land improvements	240,593,363	-	21,482,605	-	262,075,968
Buildings	1,192,769,529	(96,176)	81,890,157	131,434	1,274,694,944
Equipment and machinery	550,877,427	(28,750,934)	49,774,666	-	571,901,159
Vehicles	325,860,655	(17,163,982)	43,618,251	-	352,314,924
Transit infrastructure	103,205,633	-	48,954,091	-	152,159,724
Roads infrastructure	1,332,969,196	(27,188,708)	90,122,691	-	1,395,903,179
Water and wastewater infrastructure	387,750,019	-	27,934,435	-	415,684,454
	4,134,025,822	(73,199,800)	363,776,896	131,434	4,424,734,352

	Balance at Dec 31, 2024 $	Balance at Dec 31, 2025 $
Land	788,462,747	805,391,434
Land improvements	283,846,740	265,893,626
Buildings	2,054,111,199	2,036,047,114
Equipment and machinery	418,133,479	398,877,859
Vehicles	194,891,756	202,744,399
Transit infrastructure	469,592,635	420,638,544
Roads infrastructure	1,810,734,293	1,884,489,780
Water and wastewater infrastructure	2,099,407,042	2,083,873,727
Assets under construction	1,660,601,299	2,159,989,960
	9,779,781,190	10,257,946,443

The Region did not recognize any write-down of tangible capital assets in 2025 (2024 - $nil) as the assets replaced were already near the end of their useful lives.

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.

15. ACCUMULATED SURPLUS

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

	2025 $	2024 $
Surplus		
Invested in tangible capital assets	5,771,660,635	5,179,728,470
Investments in related entities	429,746,779	420,478,351
	6,201,407,414	5,600,206,821
Reserves and Reserve Funds		
Asset Replacement Reserves		
Capital replacement-water and sewer	954,810,930	878,159,301
Roads infrastructure	843,718,480	812,241,445
Regionally owned housing	338,518,839	299,729,372
Facilities rehabilitation and replacement	217,465,746	201,083,920
Transit vehicle replacement	107,984,442	129,494,374
Equipment/Vehicle replacement	103,275,730	104,653,105
	2,565,774,167	2,425,361,517
Sinking Fund	1,632,545,347	1,539,476,717
Corporate Reserves		
Rates stabilization	166,143,908	157,961,335
Fiscal/Tax stabilization	125,563,688	122,070,817
Pandemic management and recovery	115,006,062	118,411,023
Working capital	50,000,000	50,000,000
Waste management stabilization	44,084,918	41,532,846
Insurance	37,119,887	36,546,664
Fuel cost stabilization	29,553,947	24,237,224
Auto speed enforcement	11,384,540	-
Hospital financing	10,411,713	10,693,343
Land securement	6,513,730	4,588,698
Innovation	6,402,223	6,222,739
Court services	5,568,876	811,401
Innovation investment	4,321,181	9,102,339
Green energy	3,168,150	2,907,998
IT licensing and software development	1,332,490	1,295,134
	616,575,313	586,381,561

	2025 $	2024 $
Capital Reserves		
Debt avoidance	535,236,605	487,142,959
Social housing development	208,750,535	197,454,901
Rapid transit	158,567,091	109,268,952
Solid waste management	110,522,367	105,281,932
Roads capital acceleration	70,425,407	67,330,357
Non-profit housing capital	52,764,650	48,157,428
Capital contingency	29,195,314	46,662,722
Transit	47,978,470	46,345,461
Roads capital	44,779,081	30,314,460
IT development	19,692,300	20,932,560
Land banking	8,909,894	5,555,808
Police infrastructure	288,008	1,258,147
	1,287,109,722	1,165,705,687
Contingent Liability and Other		
Workers' compensation	98,014,865	96,838,335
Group benefits	73,824,594	87,164,060
Long-term disability	68,060,869	66,138,127
Sick leave	8,237,735	8,272,403
Seized funds	237,787	188,398
	248,375,850	258,601,323
Total Reserves and Reserve Funds	6,350,380,399	5,975,526,805
Total	12,551,787,813	11,575,733,626

16. SEGMENT DISCLOSURE

The Region is a municipal government which provides a wide range of services to its residents that include general government, protection to persons and property, transportation, environmental, health and emergency services, community services, social housing, and 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 administrating social housing providers, the rent supplement programs and managing a social housing wait list. Housing York Inc. is a non-profit housing corporation fully owned by the Region. It provides affordable rental units for its residents.

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.

	General government $	Protection to persons and property $	Transportation services $	Environmental services $	Health and emergency services $
REVENUE					
Net taxation	215,350,238	443,465,428	462,540,307	69,119,429	98,425,320
Provincial grants	15,384,645	18,459,337	17,060,572	34,950,808	133,038,637
Federal grants	-	-	17,976,134	2,465,829	(179,614)
Development charges	(31,414,305)	16,248,595	195,592,329	213,973,764	3,959,389
User charges	-	-	-	434,834,390	-
Investment income	246,305,026	-	-	-	-
Fees and services	5,200,257	62,748,143	95,837,490	22,164,541	748,119
Other	1,345,392	3,564,729	32,220,940	84,457,018	40,200
Total revenue	452,171,253	544,486,232	821,227,772	861,965,779	236,032,051
EXPENSES					
Salaries and benefits	140,879,521	535,987,025	85,461,663	75,511,095	179,457,440
Operating expenses	11,493,288	69,712,841	82,285,572	265,206,431	45,356,957
Amortization	21,992,802	18,794,700	199,820,788	106,168,580	4,562,391
Government transfers	20,000,000	7,586,225	1,784,777	10,800,173	10,239,437
Interest payments	443,937	2,095,281	31,954,206	75,941,277	421,667
Total expenses	194,809,548	634,176,072	401,307,006	533,627,556	240,037,892
Annual surplus/(deficit)	257,361,705	(89,689,840)	419,920,766	328,338,223	(4,005,841)

	Community services	Social housing	Economic and development services	Total 2025	Total 2024
	$	$	$	$	$
REVENUE					
Net taxation	129,960,614	82,324,823	11,083,970	1,512,270,129	1,431,663,731
Provincial grants	720,732,919	44,554,357	7,906,812	992,088,087	825,443,778
Federal grants	16,313,536	8,779,454	5,105,486	50,460,825	83,249,039
Development charges	22,770	739,566	450,684	399,572,792	371,496,292
User charges	-	-	-	434,834,390	415,130,179
Investment income	-	1,577,692	109,743	247,992,461	243,435,323
Fees and services	6,119,876	31,099,423	6,384,657	230,302,506	205,099,901
Other	2,406,205	1,999,719	2,176,344	128,210,547	104,823,406
Total revenue	875,555,920	171,075,034	33,217,696	3,995,731,737	3,680,341,649
EXPENSES					
Salaries and benefits	131,305,159	18,590,448	13,946,556	1,181,138,907	1,024,118,318
Operating expenses	561,722,061	112,591,762	3,971,680	1,152,340,592	1,190,285,194
Amortization	1,867,832	9,460,099	1,241,138	363,908,330	345,673,546
Government transfers	157,171,084	-	101,500	207,683,196	178,639,852
Interest payments	-	3,750,157	-	114,606,525	109,288,884
Total expenses	852,066,136	144,392,466	19,260,874	3,019,677,550	2,848,005,794
Annual surplus/(deficit)	23,489,784	26,682,568	13,956,822	976,054,187	832,335,855

17. FINANCIAL INSTRUMENTS

a) Establishing Fair Value

All financial instruments, except for the Equity Fund, are classified as Level 1 based on the fair value hierarchy. Level 1 is applicable when valuation is based on quoted prices in active markets for identical assets and liabilities. The Equity Fund is an externally managed pooled investment fund classified as Level 2, and is reported at cost by the Region. The carrying values of cash, accounts receivable, accounts payable, accrued liabilities, and 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, 2025 there were no significant balances of accounts receivable due from any single customer. There was $79,775 (2024 - $314,823) 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 $	2025 $	2024 $
Accounts payable and accrued liabilities	973,188,015	973,188,015	-	-	973,188,015	977,916,660
Liability for asset retirement obligation	15,555,665	123,365	3,404,691	12,027,609	15,555,665	14,927,952
Gross long-term liabilities	3,847,553,444	223,806,048	827,150,840	2,796,596,556	3,847,553,444	3,798,791,314
	4,836,297,124	1,197,117,428	830,555,531	2,808,624,165	4,836,297,124	4,791,635,926

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, 2025, 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.

18. COMPARATIVE FIGURES

Certain 2024 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)	2025	2024	2023	2022	2021
CONSOLIDATED FINANCIAL ACTIVITIES					
Analysis of Revenues					
Net taxation/user charges	1,947,105	1,846,794	1,751,881	1,669,453	1,610,746
Government transfer	1,042,549	908,693	869,046	721,406	694,158
Development charges	399,573	371,496	466,593	433,872	370,752
Fees and service charges	230,303	205,100	179,828	150,557	117,240
Other	376,203	348,259	243,070	160,164	177,576
	3,995,732	3,680,342	3,510,418	3,135,452	2,970,473
Analysis of Expenses by Object					
Salaries, wages and employee benefits	1,181,139	1,024,114	965,390	936,692	920,219
Operating and general expenses	1,152,341	1,190,290	1,179,366	932,539	836,058
Amortization	363,908	345,674	336,930	337,072	324,056
Transfers to others	207,683	178,640	160,405	137,586	109,754
Debt servicing	114,607	109,289	101,677	104,369	109,590
	3,019,678	2,848,006	2,743,769	2,448,257	2,299,677
Analysis of Expenses by Function					
Community services and housing	996,459	835,741	772,484	591,001	480,713
Transportation services	401,307	571,633	541,104	510,705	477,337
Environmental services	533,628	513,739	533,688	486,834	485,144
Protection to persons and property	634,176	508,466	475,647	451,160	436,471
Health and emergency services	240,038	234,181	236,279	254,670	259,551
General government	194,810	165,053	166,080	137,936	145,078
Economic and development services	19,261	19,194	18,487	15,950	15,383
	3,019,678	2,848,006	2,743,769	2,448,257	2,299,677
Annual Surplus	976,054	832,336	766,649	687,195	670,795
Accumulated Surplus	12,551,788	11,575,734	10,743,398	9,976,749	9,299,642
Net Financial Assets/ (Net Debt)	2,247,537	1,760,495	1,321,683	796,620	301,428

THE REGIONAL MUNICIPALITY OF YORK

Five Year Review (unaudited)

(in thousands of dollars)	2025	2024	2023	2022	2021
OUTSTANDING OBLIGATIONS					
Debt Outstanding					
Total long term liabilities	2,192,936	2,238,600	2,362,218	2,471,868	2,711,315
Overlapping debt of local municipalities	(203,049)	(207,100)	(167,451)	(137,245)	(144,668)
Net long term liabilities	1,989,887	2,031,500	2,194,767	2,334,623	2,566,647
Net long term liabilities per capita	1,530	1,588	1,744	1,884	2,090
Sinking Fund	1,654,618	1,560,192	1,308,797	1,078,205	857,303
Charges for Net Long Term Liabilities					
Recovered from:					
General tax rates and DCs	318,091	304,685	297,695	295,128	301,063
User rates	24,033	10,644	10,658	10,683	21,530
Total	342,124	315,329	308,353	305,811	322,593
Debt charges as a % of total expenses	11.3%	11.1%	11.2%	12.5%	14.0%
Remaining debt and financial obligation limit including growth cost supplement	341,146	410,974	219,064	236,723	295,523
Acquisitions of tangible capital assets	844,494	762,175	552,887	518,395	506,260

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. MONTEZ HILLCREST INC.
5. ENBRIDGE GAS DISTRIBUTION INC.
6. PROMENADE GENERAL PARTNER INC.
7. CANADIAN PROPERTY HOLDINGS
8. COSTCO WHOLESALE CANADA LTD.
9. CANADIAN NATIONAL RAILWAY CO.
10. RULAND PROPERTIES INC.

Top 10 Employers in York Region

1. CANADA'S WONDERLAND
2. SOUTHLAKE REGIONAL HEALTH CENTRE
3. TD WATERHOUSE INC
4. CORTELLUCCI VAUGHAN HOSPITAL
5. OAK VALLEY HEALTH
6. AMD TECHNOLOGIES INC.
7. UNITED PARCEL SERVICE CANADA LTD
8. AVIVA CANADA
9. MACKENZIE RICHMOND HILL HOSPITAL
10. CGI INFORMATION SYSTEMS

Based on 2025 employment survey

THE REGIONAL MUNICIPALITY OF YORK

Five Year Review (unaudited)

MISCELLANEOUS INFORMATION

	2025	2024	2023	2022	2021
General government					
Full time equivalent employees (1)	7,054	6,819	6,610	6,380	6,235
Unemployment rate (2)	6.5%	6.9%	6.3%	4.2%	6.0%
Acquisition of tangible capital assets (000s)	$844,494	$762,175	$552,887	$518,395	$506,260
Healthy communities					
New annual residential units/building permits	4,142	7,872	12,022	7,120	10,787
Annual building permit values (000s)	4,717,263	4,297,265	5,867,437	4,269,418	$5,192,673
Number of subsidized households	6,637	6,589	6,334	5,917	5,575
Average police emergency response time (minutes)	6:34	7:20	7:21	7:06	6:52
Roads and transit					
Total kilometres of roads in the Region	4,444	4,419	4,386	4,383	4,382
Number of people living and working within 500 meters of a transit stop	330,160	328,600	308,500	301,900	273,200
Percentage of regional roads with sidewalks and/or dedicated bike lanes in urban areas	87%	86%	86%	86%	86%
Percentage of on-time performance on all transit routes	94.1%	93.7%	94.1%	95.1%	95.6%
Number of transit service passenger trips per capita	19.3	19.5	17.7	13.8	8.9
Environment					
Number of trees and shrubs planted annually through the Regional greening strategy program	150,320	60,539	116,175	110,391	92,154
Percentage of solid waste diverted from landfill	90%	92%	94%	94%	92%
Number of per capita greenhouse gas emissions across Regional operations (tonnes) (3)	64.7	60.8	60.1	59.2	55.0
Number of megalitres of treated water consumed per 100,000 population	10,416	10,332	10,356	10,596	10,245
Annual water flows (thousands of cubic metres)	127,243	124,411	122,054	125,194	124,487
Annual wastewater flows (thousands of cubic metres)	123,381	122,617	120,298	122,663	121,763
Total kilometres of water distribution/transmission pipe	360	360	360	360	360
Total kilometres of wastewater mains	380	375	370	370	370
Demographics					
Population	1,300,861	1,279,529	1,258,161	1,239,424	1,228,180
Senior population (4)	221,141	217,516	213,882	210,701	179,314
Households	424,492	415,086	408,796	399,409	394,482
Median household income	$134,355	$131,334	$129,012	$124,770	$117,376

Notes:
1) As approved in the annual budget including in-year restatements
2) Based on Statistics Canada Information[new line]
3) Historical Data was updated retroactively in some years to more accurately reflect provincial electricity grid emissions captured in the National Inventory Report
4) 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, 2025
- 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, 2025, 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.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 28, 2026

THE REGIONAL MUNICIPALITY OF YORK

Sinking Fund Statement of Financial Position
As at December 31, 2025

	2025 $	2024 $
FINANCIAL ASSETS		
Investment - at amortized cost (Note 4)	1,555,413,358	1,533,203,549
Cash	95,137,533	24,735,214
Interest receivable	4,066,728	2,252,667
Total assets	1,654,617,619	1,560,191,430
LIABILITIES		
Actuarial requirement for retirement of the sinking fund		
(Note 5)	1,550,022,291	1,474,759,703
Fund balance	104,595,328	85,431,727
Total liabilities and fund position	1,654,617,619	1,560,191,430

THE REGIONAL MUNICIPALITY OF YORK

Sinking Fund Statement of Financial Activities and Change in Fund Balance
Year ended December 31, 2025

	Budget (Note 10) $	2025 $	2024 $
REVENUE			
Contributions from local municipalities	6,660,177	6,662,670	6,575,439
Contributions from regional corporation	204,822,501	204,820,008	198,801,097
	211,482,678	211,482,678	205,376,536
Net investment income (Note 6)	33,779,910	52,943,511	46,018,009
	245,262,588	264,426,189	251,394,545
EXPENSES			
Actuarial requirement for the year (Note 5)	(245,262,588)	(245,262,588)	(234,766,321)
Change in fund balance	-	19,163,601	16,628,224
Opening fund balance	85,431,727	85,431,727	68,803,503
Closing fund balance	85,431,727	104,595,328	85,431,727

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

THE REGIONAL MUNICIPALITY OF YORK

Sinking Funds Statement of Cash Flows
December 31, 2025

	2025 $	2024 $
OPERATING		
Change in fund balance	19,163,601	16,628,224
Changes in non-cash assets and liabilities	-	-
Interest receivable	(1,814,061)	(1,162,451)
Actuarial requirement for retirement of the sinking fund	75,262,588	234,766,321
Net change in cash from operations	92,612,128	250,232,094
INVESTING		
Net change in investments	(22,209,809)	(236,982,452)
Net change in cash	70,402,319	13,249,642
Opening, cash	24,735,214	11,485,572
Closing, cash	95,137,533	24,735,214

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, 2025

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 Postion. 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, 2025 and therefore, no adjustments were recognized.

	2025 Fair Value $	2025 Book Value $	2024 Fair Value $	2024 Book Value $
Debt investments issued or guaranteed by:				
Provincial governments	1,079,277,374	1,144,034,510	1,280,506,279	1,359,835,366
Corporations	411,412,200	411,378,848	176,157,600	173,368,183
	1,490,689,574	1,555,413,358	1,456,663,879	1,533,203,549

	2025 $	2024 $
Amortized cost, including accrued interest	1,555,413,358	1,533,203,549
Weighted average rate of return	3.27%	3.16%
Average term to maturity	6.10 years	6.89 years
Excess of fair value over amortized cost	(64,723,784)	(76,539,670)

5. ACTUARIAL REQUIREMENTS

	2025 $	2024 $
Actuarial requirements, beginning of year	1,474,759,703	1,239,993,382
Change in actuarial liability requirements	245,262,588	234,766,321
Less value of debentures matured, during the year	(170,000,000)	-
Actuarial requirements, end of year	1,550,022,291	1,474,759,703

6. INVESTMENT INCOME

	2025 $	2024 $
Investment revenues		
Interest from coupon bonds	11,710,134	5,083,954
Bond premium/(discount) amortized	805,792	720,379
Zero coupon discounts amortized	41,920,618	36,994,884
Realized capital gains	(1,884,559)	649,403
Total investment revenues	52,551,985	43,448,620
Other revenues		
Bank interest	391,570	2,480,820
Security lending	39,854	126,993
Total other revenues	431,424	2,607,813
Expenses		
Safekeeping and transaction fees	(39,898)	(38,424)
Total	52,943,511	46,018,009

7. SCHEDULE OF PROJECTED DEBENTURE

For the year ended December 31, 2025, 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	15,000,000
2034	15,000,000
2041	5,000,000
2043	5,000,000
	65,000,000

8. RISK EXPOSURE

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

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

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

9. CAPITAL MANAGEMENT

In managing capital, the sinking fund focuses on liquid resources available for reinvestment. The sinking fund's objective is to have sufficient liquid resources to meet its debenture obligations when they mature. The need for sufficient liquid resources is considered in the investment process. As at December 31, 2025, 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 2025 budget approved by the Sinking Fund Committee on July 15, 2025.

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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, 2025
- 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, 2025, 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.

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

We also:

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

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

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

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

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 28, 2026

THE REGIONAL MUNICIPALITY OF YORK

Residents' Trust Funds and Donation Account
Statement of Financial Position
As at December 31, 2025

	Trust $	Donation $	2025 $	2024 $
FINANCIAL ASSETS				
Cash	255,563	50,795	306,358	298,375
Residents' petty cash	6,500	-	6,500	6,500
Total assets	262,063	50,795	312,858	304,875
Fund balances	262,063	50,795	312,858	304,875

THE REGIONAL MUNICIPALITY OF YORK

Residents' Trust Funds and Donation Account
Statement of Financial Activities and Fund Balances
Year ended December 31, 2025

	Trust $	Donation $	2025 $	2024 $
Fund balance, beginning of year	254,784	50,091	304,875	291,521
Revenue - source of funds:				
Deposits on behalf of residents	379,150	170	379,320	379,792
Interest earned on deposits	-	534	534	1,577
	379,150	704	379,854	381,369
Expenses - use of funds:				
Withdrawals by residents	(371,871)	-	(371,871)	(368,015)
Net activity	7,279	704	7,983	13,354
Closing fund balance	262,063	50,795	312,858	304,875

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, 2025

1. RESIDENTS' TRUST FUNDS

The residents' 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 1-877-464-9675

Accessible formats or communication supports are available upon request.

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York Region