



2020 **COMMUNITY REPORT HIGHLIGHTS**

For the year ended December 31, 2020
The Regional Municipality of York
Ontario, Canada

york.ca



York Region



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Prepared by Corporate Services and Finance

york.ca

The logo for York Region, featuring a stylized white star or spark icon above the text "York Region" in a white serif font. The logo is set against a background of overlapping blue and teal geometric shapes.

York Region



OUR VISION

Strong, Caring, Safe Communities

OUR MISSION

Working together to serve our thriving communities – today and tomorrow

OUR VALUES

Integrity

Commitment

Accountability

Respect

Excellence

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Chairman & CEO
Wayne Emmerson



Mayor
Tom Mrakas
Town of Aurora



Mayor
Virginia Hackson
Town of East Gwillimbury



Mayor
Margaret Quirk
Town of Georgina



Regional Councillor
Robert Grossi
Town of Georgina



Mayor
Steve Pellegrini
Township of King



Mayor
Frank Scarpitti
City of Markham



Regional Councillor
Don Hamilton
City of Markham



Regional Councillor
Jack Heath
City of Markham



Regional Councillor
Joe Li
City of Markham



Regional Councillor
Jim Jones
City of Markham



Mayor
John Taylor
Town of Newmarket



Regional Councillor
Tom Vegh
Town of Newmarket



Mayor
David Barrow
City of Richmond Hill



Acting Mayor
Joe DiPaola
City of Richmond Hill



Regional Councillor
Carmine Perrelli
City of Richmond Hill



Acting Regional Councillor
Godwin Chan
City of Richmond Hill



Mayor
Maurizio Bevilacqua
City of Vaughan



Regional Councillor
Mario Ferri
City of Vaughan



Regional Councillor
Gino Rosati
City of Vaughan



Regional Councillor
Linda Jackson
City of Vaughan



Mayor
Iain Lovatt
Town of Whitchurch-Stouffville

REGIONAL COUNCIL

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

York Region Chairman and Chief Executive Officer

The York Region Chairman and Chief Executive Officer (CEO) is the head of Council. The Chairman and CEO is elected by the members of Regional Council at the first meeting of each term and serves a four-year term.

The 21-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
- Environmental Services
- Finance and Administration
- Planning and Economic Development
- Transportation Services

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

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

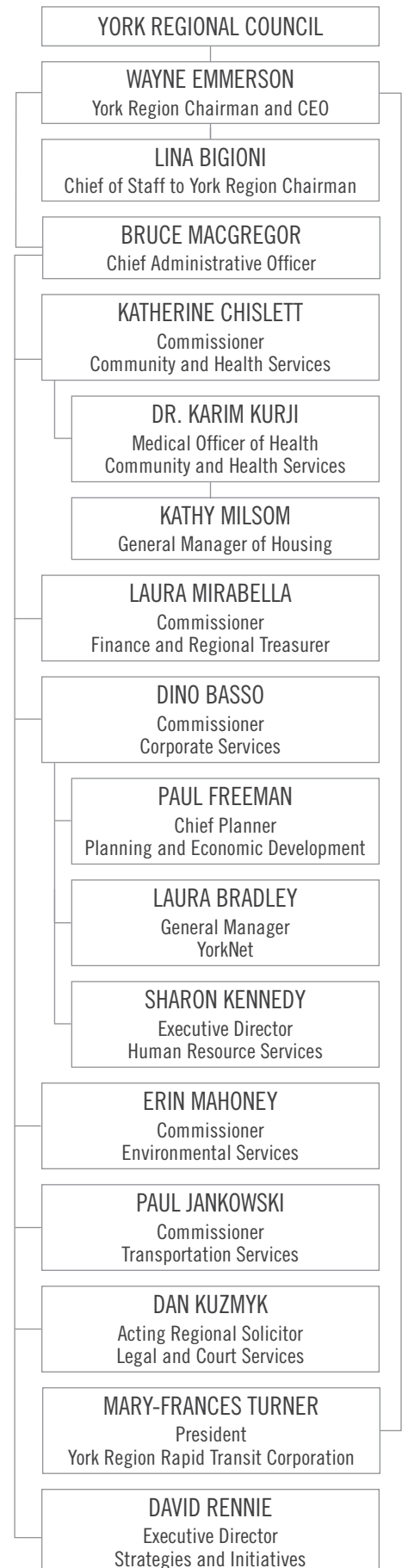
- York Region Rapid Transit Board of Directors
- York Regional Police Services Board
- Housing York Inc. Board of Directors
- York Net Board of Directors

Chief Administrative Officer

The Chief Administrative Officer (CAO) oversees the senior management team responsible for providing programs and services to residents and businesses in addition to providing financial, technical, property, legal, administrative and human resource services. The following positions include the Region's senior management team and senior staff responsible for advising Council and/or its Boards:

- Commissioner of Community and Health Services
- Commissioner of Finance and Regional Treasurer
- Commissioner of Corporate Services
- Commissioner of Environmental Services
- Commissioner of Transportation Services
- Regional Solicitor
- Executive Director of Strategies and Initiatives
- Executive Director of Human Resources
- Medical Officer of Health
- Chief Planner
- President of York Region Rapid Transit Corporation
- General Manager of Housing Services
- General Manager of York Telecom Network

YORK REGION ORGANIZATIONAL STRUCTURE





Wayne Emmerson, Chairman and CEO

A MESSAGE FROM THE YORK REGION CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The 2020 Community Report highlights the combined efforts of York Regional Council, York Region staff and community partners, shining a spotlight on our collaborative efforts to make our communities strong, caring and safe places to live, work, play and visit.

The report also highlights York Region's critical response to the COVID-19 global pandemic and efforts to balance the health and safety of residents with the economic interests of local businesses.

The accomplishments over the past year lay the foundation for the post-pandemic recovery of our communities, residents and businesses and will be essential to build the kind of communities future generations will want to call home.

In 2020, York Regional Council approved a \$3.3 billion budget, which included \$826 million for new infrastructure and \$2.5 billion

to support core Regional services. In 2020, capital spending included an investment of more than \$448 million in our Regional transportation network, including the acceleration of 14 roads capital projects. In December 2020, Regional Council also approved the creation of a Pandemic Management Reserve Fund to support any future tax-supported expenditure or revenue shortfall due to COVID-19.

Beyond the budget, 2020 proved to be one of the most challenging in York Region's history.

In early 2020, Regional Council and many areas of the organization began to turn attention to the rapidly evolving COVID-19 global pandemic. On February 29, York Region reported the first positive case of COVID-19 in the community, followed by the first pandemic-related death on March 22. This led to the official declaration of a state of emergency in The Regional Municipality of York on March 23.

By year end, York Region had responded to 17,737 cases of COVID-19 in the community, including 1,369 confirmed and suspected outbreaks and regrettably 359 fatalities. A response of this magnitude was only possible through a collaborative approach, and Regional Council continues to thank our partners at all levels of government, community stakeholders and residents for their support and commitment to the health and safety of all.

Throughout year one of the pandemic, Regional Council remained supportive of the health and well-being of residents and the economic vitality of the local business community. To slow the spread of the virus, while also reopening the economy, York Region was among the first municipalities to introduce the mandatory wearing of masks on York Region Transit and later in all indoor public spaces.

Regional Council strongly advocated to senior levels of government for a balanced approach to health and safety measures, focusing on the mental and physical health of residents and the interest of small businesses.

As COVID-19 vaccinations continue to be administered across our communities, Regional Council looks to 2021 with an eye on post-pandemic recovery. 2020 was a fast-changing and challenging year for all, but through collaboration, York Region, the local business community and our 1.2 million residents have demonstrated our collective strength. Together, we will continue to ensure York Region remains the best place to live, work, play and visit.

Wayne Emmerson
Chairman and CEO
The Regional Municipality of York



Bruce Macgregor, CAO

On behalf of York Region's Senior Management Team and the 4,900 committed staff who work diligently to deliver our core services across York Region, I am pleased to share The Regional Municipality of York's 2020 Community Report.

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

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

- Increase Economic Prosperity
- Support Community Health, Safety and Well-being
- Build Sustainable Communities and Protect the Environment
- Deliver Trusted and Efficient Services

A MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

2020 was a year unlike anything we have experienced in the 50-year history of York Region. The corporate response to the COVID-19 global pandemic saw more than 1,800 staff redeployed to ensure the health and safety of residents while also ensuring essential programs and services were uninterrupted. We also relied on the support of municipal partners who also redeployed staff to support the Region's overall response.

While a number of non-essential offerings were temporarily interrupted, the work of the Region continued, and I am proud to report 74% of the plan's key performance measures are trending in the desired direction. The complete list of all 31 performance measures is available on page 9 and 10.

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

The programs and services featured represent the dedication and commitment of York Regional Council, staff, municipal counterparts, stakeholders and partners in responding to the pandemic, while also maintaining the quality of life we are most proud of in York Region. As we work towards post-pandemic recovery, we will continue to seek out opportunities to drive innovation and place our residents and business owners at the forefront of all decisions.

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

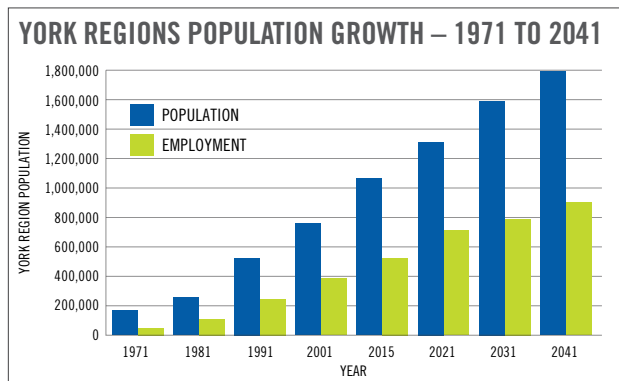
Bruce Macgregor
Chief Administrative Officer
The Regional Municipality of York

YORK REGION. WHO ARE WE?

We are growing

During 2020, York Region grew by approximately 11,100 people, accounting for 11.2% of the Greater Toronto and Hamilton Area (GTHA) growth.

The Provincial Growth Plan calls for York Region's population to grow from 1.2 million in 2019 to 2.02 million in 2051 and employment growth from 654,650 in 2019 to 990,000 in 2051.



We are educated

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

We work hard

York Region is home to 54,000 businesses and more than 599,600 jobs. It is the third largest business centre in Ontario and the destination of choice for more than 4,300 Information, Communication and Technology (ICT) businesses. This makes the Region the second largest ICT cluster in Canada. According to 2016 census data, the average household income is \$101,000 ranking York Region the second highest among all Ontario municipalities.

We are fiscally responsible

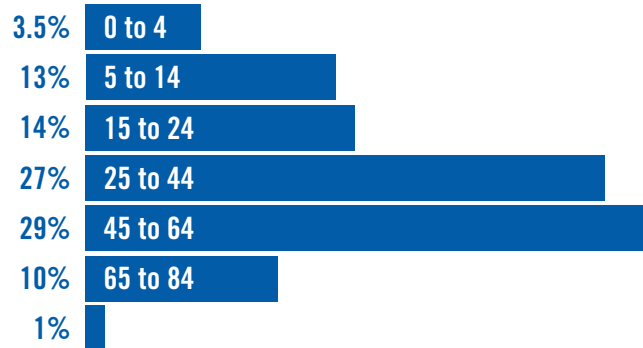
The 2020 York Region budget was \$3.3 billion and included \$2.5 billion to maintain and operate York Region services and \$826 million in capital project funding. With 2020 being the second year of the four-year budget, it aligns with the current term of York Regional Council and the 2019 to 2023 Strategic Plan: From Vision to Results.

We are diverse

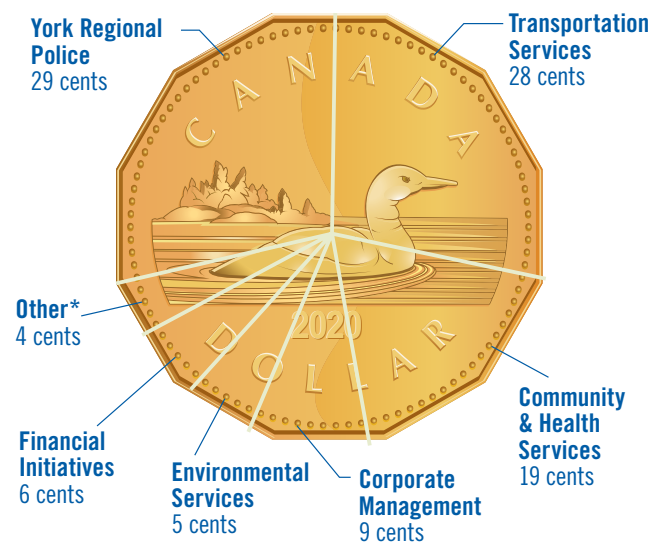
If York Region were a village of 100 people:

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

YEARS OLD



TAX LEVY FUNDING



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

We are committed to delivering quality services

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

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

**Comprised of
9
Municipalities**



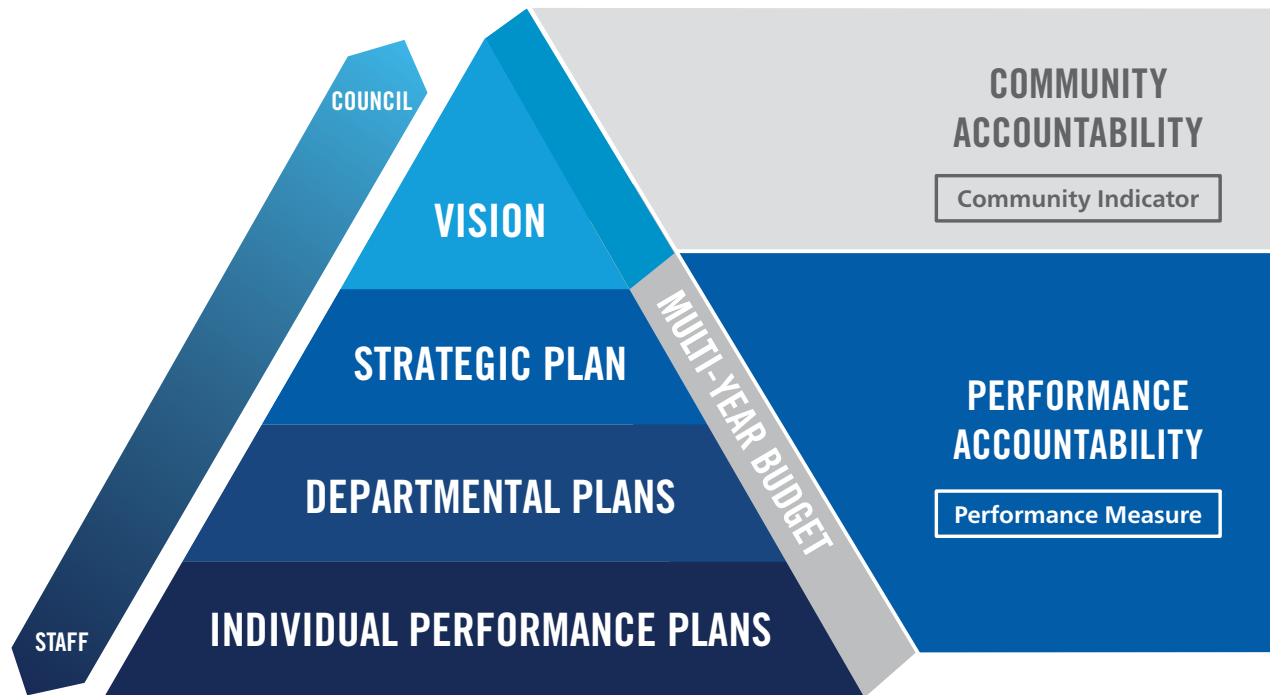
Total population estimate
1,213,602
(as of December 31, 2020)

Source: York Region, Corporate Services, Long Range Planning Branch, based on Statistics Canada data and CMHC Housing Completion data.
Note: Population totals do not total to estimated population due to rounding.

THE REGIONAL MUNICIPALITY OF YORK STRATEGIC PLANNING FRAMEWORK

The strategic planning process helps set the Region's ambition for the future and how best to achieve it.

Strategic planning in York Region is built on a Results-Based-Accountability (RBA) framework and includes two key components – **Community Accountability** and **Performance Accountability** – which consider the collective contribution and the York Region specific contribution to the well-being of our community.



YORK REGION HAS A NUMBER OF PLANS CONTRIBUTING TO ITS VISION OF **STRONG, CARING, SAFE COMMUNITIES**

VISION

Vision is Regional Council's commitment to the community, outlining the quality of life residents want now and in the future. Vision serves as the guiding start for the Region's corporate planning activities and ensures all York Region staff are working in the same direction, regardless of their role or function within the organization.

Vision outlines aspirations for our community and measures of success towards achieving this vision. York Region works with community partners towards achieving its vision of **strong, caring, safe communities**.



MULTI-YEAR BUDGET

York Region's **multi-year budget** outlines the financial framework to achieve the community results outlined in the Strategic Plan, and ultimately support Vision.

Multi-year budgeting aligns with the four-year term of Regional Council and provides the overall financial direction for York Region, while offering flexibility to make changes as conditions warrant.

DEPARTMENTAL PLANS

Each of York Region's six department areas develops business planning documents that focus on their specific services areas within the Region. These department plans support the community result areas set out in the Strategic Plan and help work toward Vision. Department-led plans are informed by master plans, Council direction, provincial and federal directives, including the plans such as the Regional Official Plan and regulatory and legislative requirements.

INDIVIDUAL PERFORMANCE PLANS

Organization-wide, individual staff complete annual performance plans to identify goals and activities in alignment with departmental and organizational plans.

STRATEGIC PLAN

In February 2019, The Regional Municipality of York released its *2019 to 2023 Strategic Plan: From Vision to Results*, which outlines four areas of focus to meet the community's changing needs.



Building on the success of the 2015 to 2019 Strategic Plan, the plan provides a detailed course of action within the following four community result areas:

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

This plan coincides with the Region's multi-year budgeting process and aligns with this term of Council to ensure it continues to make progress on serving our communities.

2019 TO 2023 STRATEGIC PLAN YEAR 2 (2020) PROGRESS REPORT



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

Result Area	Performance Measure	Historical Data			YEAR 1 2019	YEAR 2 2020	Baseline Trend
		2016	2017	2018			
Economic Vitality	Increase % of business engagements resulting in business retention, expansion and attraction	44%	45%	37%	53%	61%	●
	Maintain # of transit ridership per capita	20.7	20.8	20	19.8	9.5	●**
	Increase # of kilometres of bus rapidways	8.70	12.30	12.30	27.30	33.70	●
	Increase # of people and employment within 500 metres of transit	Data not available for reporting		241,000.00	257,000.00	265,000.00	●
	Maintain % of on-time performance on all transit routes	94.58%	94.14%	91.45%	91.48%	94.74%	●
	Increase # of road lane kilometres	4,174.51	4,229.70	4,265.12	4,293.00	4,318.00	●
Healthy Communities	Maintain % of residents that rate York Region as a safe place to live	96%	96%	94%	95%	96%	●
	Maintain police emergency (Priority 1) response time in minutes	7:12	7:06	7:00	6:50	6:44	●
	Maintain % of municipal drinking water samples meeting Ontario Drinking Water Standards	99.96%	99.93%	99.89%	100.00%	99.98%	●
	Increase % of regional roads with sidewalks and/or dedicated bike lanes in urban areas	Data not available for reporting		88%	84%	85%	●
	Increase % of 17-year-old students in compliance with Immunization of School Pupils Act	59.15%	86.43%	91.83%	92.00%	Data not available for reporting	▲**
	Increase % of food service premises with a certified food handler at all times	47%	52%	68%	77%	Data not available for reporting	▲**
	Increase % of York Region clients receiving help to improve their housing stability	Data not available for reporting					▲
	Maintain paramedic response time for emergency response services to meet Council approved targets	80%	78%	76%	76%	76%	●
	Increase # of advocacy activities related to long-term care beds	Data not available for reporting		3	13	10	●
	Decrease # of days to determine York Region residents' eligibility for social assistance	9	9	8	8	3	●
	Decrease # of children with an immediate need waiting for subsidized childcare	1,957	1,258	1,575	2,152	1,855	●
	Increase % of individuals and families remaining stably housed after six months who were homeless or at risk of homelessness	Data not available for reporting			83%	81%	●**



Result Area	Performance Measure	Historical Data			YEAR 1 2019	YEAR 2 2020	Baseline Trend	
		2016	2017	2018				
Sustainable Environment	Maintain % of wastewater receiving treatment	99.99%	99.97%	99.99%	100.00%	99.97%	●	
	Maintain % of residential solid waste diverted from landfill	91%	93%	94%	94%	93%	●	
	Decrease # of megalitres of treated water consumed per 100,000 population	10,718	9,605	9,855	10,004	10,368	●	
	Decrease # of per capita greenhouse gas emissions across Regional operations in tonnes	69.70	64.80	65.20	65.40	55.50	●	
	Increase % of growth occurring within the built-up areas	44.5%	46.9%	59.3%	75.0%	59.0%	●	
	Increase % of development applications meeting timeline commitments	Data not available for reporting			100%	100%	●	
	Maintain # of trees and shrubs planted annually through the Regional Greening Strategy Program	93,188	85,464	101,122	102,332	60,539	●**	
Good Government	Maintain / Improve comparative \$ of operating cost per unit of service*	0.86	0.91	1.00	1.01	0.95	●	
	Increase % of public-facing transactions that can be completed online or with a mobile device	Data not available for reporting			60%	73%	75%	●
	Increase % of reserve-to-debt ratio	79%	86%	99%	111%	117%	●	
	Maintain % of regional assets with a condition assessment rating of fair or better condition	Data not available for reporting	91%	90%	87%	86%	●	
	Maintain % of York Region residents that are satisfied with Regional government	86%	78%	75%	81%	87%	●	
	Increase # of open data sets	163	177	214	228	228	●	

*NOTE: 2018 as baseline year and considered trending in the right direction compared to inflation. 2020 data may be subject to change based on finalized FIR data.

LEGEND	● = Trending in the desired direction	● = Not trending in the desired direction	▲ = Collecting data
	**Performance measures negatively impacted due to the COVID-19 pandemic.		

For more information visit york.ca/stratplan

RESPONDING TO THE COVID-19 GLOBAL PANDEMIC



Responded to **17,737 cases** of COVID-19 in the community, including **359 fatalities** in 2020



Deployed **24 new programs, business solutions** and **online** projects to support the COVID-19 response



\$500 million repurposed from the Innovation Investment Reserve Fund to support local small businesses



Distributed more than **300,000 cloth facemasks** to lower-income households through the COVID-19 Community Coordination Table



30,070 inspections of workplaces, resulting in **16,754** COVID-19 education activities and **722** non-compliance charges



Reached **738,000 people** through #spiritofyr campaign, showing gratitude to front-line heroes and highlighting community resilience



4.6 million visits to all york.ca COVID-19 related web pages



Responded to more than **2,500 media requests** related to COVID-19

ECONOMIC VITALITY



6,339 housing completions in 2020



13.8% increase in average housing prices



5,832 new residential building permits issued in 2020, a **33% increase** over 2019



Almost **1% growth** in population
11.2% of the GTHA population growth



5.6% office market vacancy rate, significantly lower than Canada's high of **10.8%** in 2020



>350,000 sq. ft. of new retail space, with an additional **1,410,00** sq. ft. under construction



8.9% of the GTHA's total Industrial, Commercial and Institutional construction value



\$5.5 billion capital funding agreement signed with Province of Ontario to support Yonge North Subway Extension



6.5 kilometres of bus rapidway segments opened



33.7 kilometres of dedicated bus lanes, tree-lined sidewalks and bike lanes completed



133 lane kilometres of road rehabilitation and **86 lane kilometres** of road preservation projects delivered



YorkNet broadband network expanded by **56 kilometres**



\$25 million in capital funding for York University's Markham Centre Campus agreement signed

COMMUNITY HEALTH, SAFETY AND WELL-BEING



Responding to the COVID-19 global pandemic



Established **6** emergency child care locations to enable health care and other essential workers to stay on the job during COVID-19 pandemic response



Delivered new emergency income supports to low-income households



Created a self-isolation and transitional shelter to keep homeless people safe



Paramedic services responded to over **77,000 calls**, transporting patients to hospital within mandated timelines



Implemented speed enforcement pilot project in **12 community safety zones**



Provided a portable housing benefit to **258 households**



Built **194 new community housing units** in the City of Vaughan and City of Markham



Executed **30 search warrants** as part of Project Platinum



Seized more than \$150 million worth of illegal cannabis

BUILDING SUSTAINABLE COMMUNITIES AND PROTECTING THE ENVIRONMENT



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



Achieved **99.98%** in Chief Drinking Water Inspector's Annual Report Card



Reached 33.4% canopy cover across York Region



60,539 trees and shrubs planted



Launched **6** electric buses



\$24 million in federal investments for source water protection



Engaged more than **50,000** residents through 100 virtual outreach events

DELIVERING TRUSTED AND EFFICIENT SERVICES



More than **1,800** staff redeployed to help with organizational response to COVID-19



3,500 employees transitioned to working from home



Between **600** and **900** staff continued to work onsite delivering essential services



5.26 million visits to york.ca



More than **30** awards and accreditations received across various departments



Reached **10,000** followers on Instagram, **30,794** followers on Facebook and **38,258** on Twitter



4 Canada's Top Employer Awards



15 International Association of Business Communicators Awards

AWARDS AND HIGHLIGHTS



APEX Award of Excellence
MISA Excellence in Municipal System Award for YorkTrax
Certificate of Merit from the Peter J. Marshall Innovation Award Jury for YorkTrax



Trillium award from Landscape Ontario for their outstanding leadership and contribution to the field of horticulture specifically the irrigation sector, through the development and delivery of the Water Smart Irrigation Professional program
20 years of Forest Stewardship Council Certification for the Management of the York Regional Forest
Won the Arboriculture Award of Merit from the International Society of Arboriculture (Ontario Chapter) for Urban Forestry
Award of Excellence from the Ontario Water Works Association for the Water Reuse Research Demonstration Project



York Region Media Group's Newsmaker of the Year for Dr. Karim Kurji, Medical Officer of Health
Silver Award for Innovative Management from the Institute of Public Administration Canada for the new Ontario Works service delivery model
Silver Award for Innovative Management for the Ontario Works (OW) Transformation project
3M Health Care Quality Team Award (Across a Health System) for the partnership work done for the improving Stroke Outcomes Utilizing Data and Technology project
5 separate Commission on Accreditations of Rehabilitation Facilities International Accreditations for Maple and Newmarket Health Centres, Psychogeriatric Resource Consultants and Keswick and Maple Adult Day Programs



MarCom Gold Award for the redesign of the York Region Rapid Transit website, yrt.ca
Esri President's Award for York Region's Enterprise Geographic Information System
Greater Toronto Area Top Employer
Canada's Top Diverse Employer
Canada's Greenest Employer
Canada's Top Employer for Young People
International Association of Business Communicators Communications Department of the Year
Government Finance Officers Association (GFOA) for high-quality budget and financial reporting Distinguished Budget Presentation
Government Finance Officers Association (GFOA) Canadian Award for Excellence in Financial Reporting
High credit ratings in 2020 with both Moody's Investors Service and S&P Global Ratings reaffirmed their credit ratings for York Region. The Moody's rating is Aaa/Stable, the highest possible. While S&P's is slightly lower at AA+, in 2019 it upgraded the outlook for the Region from stable to positive and maintained that outlook in 2020.

2014

2019



GOVERNMENT FINANCE OFFICERS ASSOCIATION

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

The Regional Municipality of York
Ontario

Jeffrey A. Brown
Executive Director / CEO

2015

2016

2017

2018



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

Message from the **COMMISSIONER OF FINANCE AND REGIONAL TREASURER**

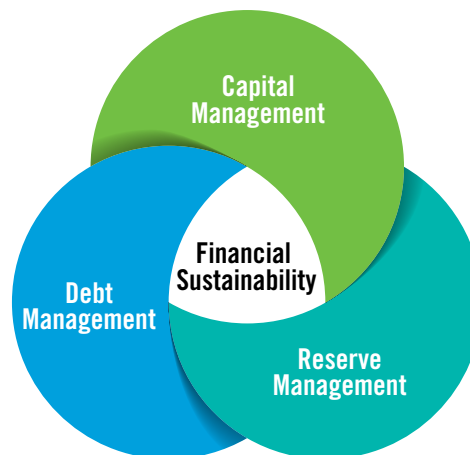
To the members of York Regional Council, residents and ratepayers of The Regional Municipality of York:

I am pleased to present this report on York Region’s financial performance for the year ended December 31, 2020.

It discusses our financial results for the year and includes highlights of our consolidated financial statements contained in the 2020 Community Report that can be found at york.ca/annualreports The consolidated financial statements have been prepared in compliance with legislation and on a basis consistent with Canadian Public Sector Accounting Standards. York Region’s external auditors, KPMG, have expressed their unmodified opinion that the financial statements fairly present the financial position of York Region as of December 31, 2020.

REGIONAL FISCAL STRATEGY

The purpose of the Regional Fiscal Strategy, adopted in 2014 and updated annually, is to help the Region achieve long-term financial sustainability in an equitable way over time. It brings together three related elements, as shown in the diagram below.



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

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

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

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

2020 HIGHLIGHTS

As a result of the strong operating performance, by year-end York Region had:

- Increased its financial assets, including cash, cash equivalents and investments, by \$692.5 million, to bring the total to \$5.2 billion
- Created a new Pandemic Management Reserve with a 2020 year-end balance of \$88.0 million that is available for continuing pandemic-related budget pressures
- Decreased its net debt as defined for public sector reporting purposes by \$371.1 million
- Seen an increase of \$720.3 million in its accumulated surplus

CHANGES IN FINANCIAL POSITION

The Consolidated Statement of Financial Position gives a picture of the Region's balance sheet at December 31, 2020. The table below provides a summary.

Consolidated Statement of Financial Position				
(\$ Millions)	2020 Actual	2019 Actual	Variance	% Change
Items				
Financial Assets	5,224.0	4,531.5	692.5	15.3%
Liabilities	5,415.3	5,093.9	321.4	6.3%
Net Debt	(191.4)	(562.4)	371.1	(66.0%)
Tangible Capital Assets	8,797.8	8,449.8	348.0	4.1%
Other Non-Financial Assets	22.4	21.2	1.2	5.7%
Accumulated Surplus	8,628.8	7,908.5	720.3	9.1%

Note: numbers may not add due to rounding

Financial Assets

The Region's financial assets which include cash and cash equivalents, investments and amounts owed to the Region by third parties, including debt issued by the Region on behalf of local municipalities totalled \$5.2 billion at the end of 2020, up by \$692.5 million or 15.3% from the previous year.

The main driver of the increase was growth in investments, which went from \$2.8 billion at the end of 2019 to \$3.4 billion a year later. This resulted from the Region building reserves, especially for asset renewal and growth-related infrastructure, through contributions from the operating budget. The Region also invests funds from third parties that are for specific purposes and are received before the spending is needed.

Tangible Capital Assets

Under full accrual accounting, assets that are expected to last for more than one year are capitalized. This means the upfront cost of building and acquiring tangible capital assets is shown not as an expense, but instead on the Consolidated Statement of Cash Flows in the year the spending occurs and amortization is recorded as an expense over the life of the asset. The budget as approved by Regional Council treats capital spending as an expense in the year it occurs. This facilitates approval of a capital budget that authorizes the expected cash outflows on capital projects over time.

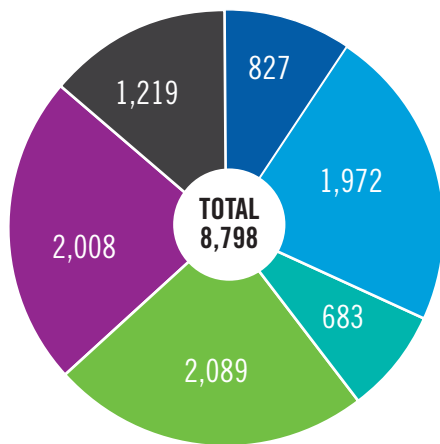
Net book value is the cost of an asset less its accumulated amortization and is reported on the Consolidated Statement of Financial Position.

The net book value of the Region’s assets increased by \$348.0 million in 2020 to a total of \$8.8 billion.

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

NBV OF TANGIBLE CAPITAL ASSETS BY CATEGORY

\$(MILLIONS)



Financial Liabilities

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

Liabilities other than debt increased by \$141.9 million, ending the year at \$1.7 billion.

Total debt, which is reported in the Consolidated Statement of Financial Position as gross long-term liabilities, increased by \$179.6 million to reach \$3.7 billion by the end of 2020.

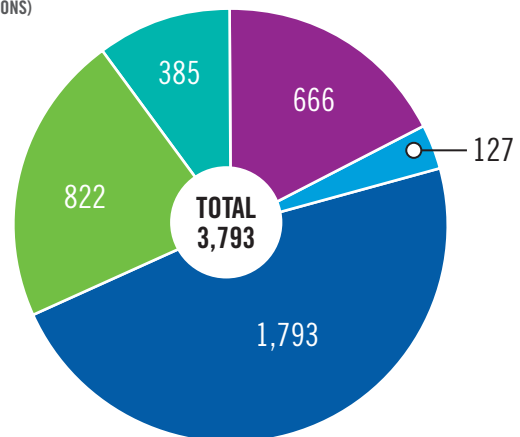
Accumulated Surplus

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

The Region has identified a number of specific future needs and earmarked a portion of the total accumulated surplus for them. These amounts are called reserves and reserve funds, and at 2020 year-end they totalled \$3.8 billion, up from \$3.3 billion a year earlier. The pie chart below provides a breakdown by reserve type.

RESERVE BREAKDOWN

\$(MILLIONS)



CONSOLIDATED STATEMENT OF OPERATIONS

Comparing actual results to the budget

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

Transfers from reserves and the proceeds of borrowings are sources of cash not revenues under full accrual accounting. Similarly, transfers and contributions into reserves and repayments of debt are uses of cash not expenses under full accrual accounting. In the budget approved by Council, these inflows and outflows are taken into account in balancing the budget as required by provincial statute.

For comparability, the 2020 budget provided an outlook for revenues and expense on a full accrual basis and the consolidated financial statements compare final results to that outlook.

RESULTS FOR 2020

Between 2019 and 2020, revenues and expenses decreased by \$115.4 million and \$146.5 million, respectively. The table below provides a summary.

Consolidated Statement of Operations					
\$(Millions)	2020 Budget	2020 Actuals	2019 Actuals	Budget to Actual Variance	Year over Year Variance
Revenues	2,893.9	2,826.5	2,941.9	(67.4)	(115.4)
Expenses	2,394.8	2,106.2	2,252.6	(288.7)	(146.5)
Annual Surplus, accrual basis	499.0	720.3	689.2	221.3	31.1

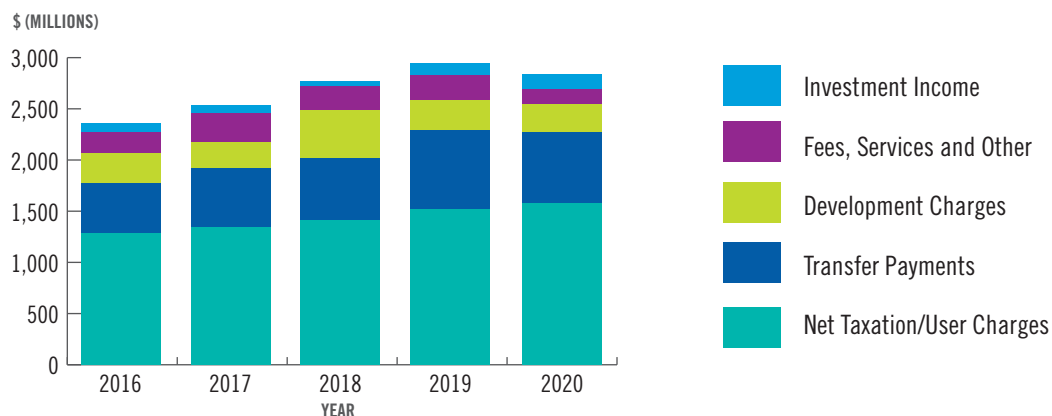
Note: numbers may not add due to rounding

Revenues

At just over \$2.8 billion, actual 2020 revenues were \$67.4 million lower than expected in the 2020 budget and \$115.4 million lower than actual 2019 revenues.

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

REVENUE COMPOSITION



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

In total, revenues over which the Region has control, comprising taxation and user charges, fees, services and interest earnings, amounted to about 66.0% of revenue in 2020. Over the past five years, these revenue sources have provided 64.9% of total revenues on average.

Among revenue sources over which the Region has limited control, transfer payments from senior governments have provided an average of 23.1% of revenues over the past five years. In 2019, the figure was higher than average at 26.5%, owing largely to the provincial donation of Metrolinx-related assets to the Region that was treated as a transfer payment. A similar transfer in 2020 was considerably smaller. As well, transfer payments for child care declined owing to pandemic-related closures. These decreases were partially offset by an unbudgeted \$90.6 million in pandemic-related transfers from senior governments.

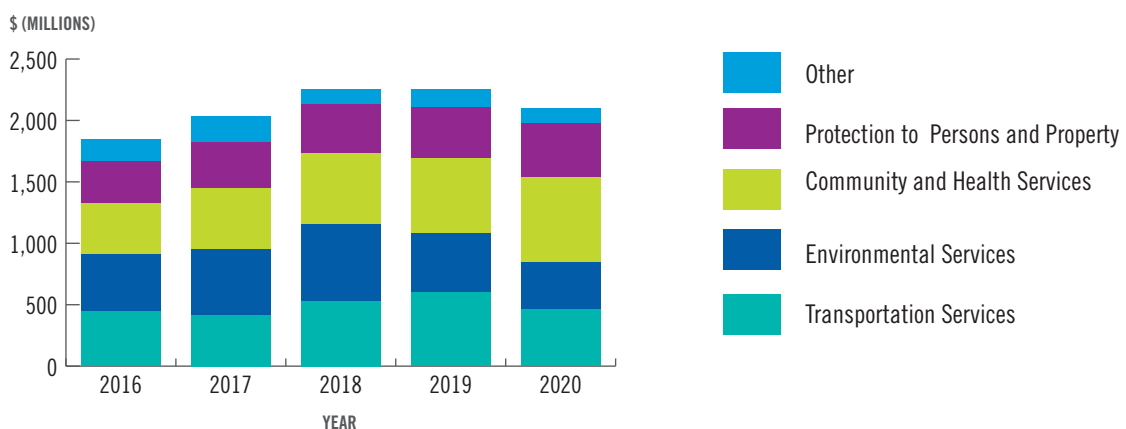
In general, transfer payment fluctuations reflect either specific, time-limited funding (such as for the transit projects) or decisions by other levels of government. The Region is accustomed to managing the impact of changes in the level of these payments as long as sufficient time to adjust is provided.

Drawdowns of development charges are used to pay for growth-related capital projects and can change sharply from year to year in line with the investments they fund. Over the past five years this source of revenue has averaged 12.0% of the Region's total. In the first two years, the level was fairly stable. In 2018 it increased sharply to 17.1% of total revenue, followed by a decline to 9.5% in 2020 as some construction activity was deferred and the Region relied on debt to fund a portion of growth-related capital costs.

Expenses

Total expenses were \$2.1 billion. This was a decrease of \$288.7 million from the full accrual budget plan and a \$146.5 million decrease from 2019.

EXPENSE COMPOSITION BY SERVICE



- Fluctuations in Transportation Services expense largely reflect the share of Metrolinx funding for bus rapidways that has been expensed each year. As noted above, this spending was fully funded by Metrolinx. Transportation has also seen amortization expense increase as a result of significant investments in tangible capital assets. In 2020, expenses fell in part because of reduced transit service in response to the pandemic.
- Fluctuations in Environmental Services expense largely reflect accounting adjustments discussed above. This had the effect of reducing operating spending in 2017, 2018 and 2020 and increasing the value of the Environmental Services capital portfolio. Operating spending was recorded as \$456.2 million in 2016 and \$388.3 million in 2020 after the

adjustment. Day-to-day Environmental Service expenses reflect the costs to operate and maintain a larger and more technically complex portfolio of assets, higher amortization expense and more stringent regulation, offset by the department's ongoing efforts to find savings. The department's share of total expense fell from 24.7% in 2016 to 18.4% in 2020 after the accounting adjustment.

- Community and Health Services expense rose from \$422.6 million or 22.9% of total spending in 2016 to \$698.7 million or 33.2% in 2020. A significant amount of the department's expense reflects the flow-through of provincial transfer payments for social programs to third parties, which fluctuates with provincial policy direction. As well, the significant increase in 2020 related to the Cortellucci Vaughan Hospital grant and the department's role in responding to COVID-19.
- Protection to Persons and Property largely reflects York Regional Police, whose budget is strongly tied to staffing costs. Expense has increased from \$338.7 million in 2016 to \$424.5 million in 2020, paralleling the Region's overall growth in salaries and benefits.

Outlook and Risk Management

Starting in March 2020, governments around the world took steps to curb the spread of COVID-19, which had triggered a global pandemic. In York Region, as ordered by the provincial government, most workplaces, schools and public facilities closed as an immediate response. Restrictions were eased over the summer but had to be tightened again as a second wave of infection emerged in the fall of 2020.

As this annual report was being finalized, the majority of York Region residents aged 65 and older had received at least one dose of a COVID-19 vaccine and immunization clinics were ongoing for other age groups.

The economic outlook for the Region appeared relatively good. Work carried out by the Conference Board of Canada in early 2021 suggested that the Region's Gross Domestic Product (GDP) fell by 5.6% in 2020 in real terms. The Conference Board's forecast was for the Region's GDP to expand by 5.9% in 2021 and a further 5.5% in 2022, which would be stronger than the forecast for Ontario as a whole as provided in the provincial budget.

Provincial and, to a lesser extent, federal decisions on programs, policies, regulation and funding have impacts on the Region's revenues and expenses.

In 2019, the province announced significant changes to funding for Community and Health Services programs, many of which are provincially subsidized, for the 2020 fiscal year. Several of these changes were delayed because of COVID-19 but are expected to go forward as the pandemic ends and will likely result in higher costs to the Region.

Population and economic growth in York Region have significant impacts on its fiscal picture, such as in the planning and building of large assets in the Region. Rate of population increase is currently slower than in the recent past and this trend may continue, resulting in delayed or reduced development charge collections. The Region is actively improving its capital planning to better understand the relationship between population growth and areas of increased settlement.

Through its strategic framework for financial management, including the Regional fiscal strategy and other financial plans and policies, the Region continues to mitigate and manage the risks and uncertainties it is exposed to. In addition to the risks and uncertainties outlined, there are other risks that may impact Regional performance and operations that are discussed in the 2020 Community Report.

CONCLUSION

The year just ended was without precedent for York Region. The pandemic and its impacts gave rise to numerous urgent needs to protect and help residents, as well as introducing new processes, restrictions and requirements mandated by the province. The Region's staff worked tirelessly to respond quickly and effectively, whether on site at an emergency centre or working from home. Staff across the Region came together in a multitude of ways to ensure that the work of Regional government could continue, and services would be delivered safely and effectively.

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

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

Sincerely,



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



THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Financial Position As at December 31, 2020¹

	2020 \$	2019 \$
ASSETS		
Financial Assets²		
Cash and cash equivalents	1,210,590,848	1,164,521,727
Accounts receivable	433,132,795	366,052,306
Investments	3,435,698,487	2,841,431,098
Debt amounts recoverable from local municipalities	144,539,560	159,468,322
Total	5,223,961,690	4,531,473,453
LIABILITIES³		
Accounts payable and accrued liabilities	829,373,301	826,367,635
Employee benefit obligations	277,071,145	242,104,066
Deferred revenue	108,669,469	125,691,131
Deferred revenue-obligatory reserve funds	469,631,807	348,719,019
Gross long-term liabilities	3,730,596,568	3,551,027,481
Total	5,415,342,290	5,093,909,332
Net Debt⁴	(191,380,600)	(562,435,879)
Non-Financial Assets⁵		
Tangible capital assets	8,797,833,079	8,449,791,134
Inventory	7,375,061	6,976,422
Prepaid expenses	15,019,410	14,190,872
Total	8,820,227,550	8,470,958,428
Contractual rights / contingent assets		
Contractual obligations and commitments		
Contingent liabilities		
Accumulated surplus⁶	8,628,846,950	7,908,522,549

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

THE REGIONAL MUNICIPALITY OF YORK

Consolidated Statement of Operations and Accumulated Surplus Year ended December 31, 2020¹

	Budget	2020	2019
	\$	\$	\$
REVENUES			
Net taxation	1,196,945,889	1,196,986,285	1,152,162,507
User charges	385,351,111	373,969,184	353,922,631
Transfer payments	653,113,345	690,974,305	779,442,274
Development charges	390,165,345	269,207,315	293,035,354
Fees and services	160,712,430	106,511,399	162,944,108
Investment income	72,253,779	145,005,476	119,274,291
Other	35,337,966	43,834,128	81,084,177
Total Revenues	2,893,879,865	2,826,488,092	2,941,865,342
EXPENSES			
General government	208,323,366	117,792,431	129,457,518
Protection to persons and property	412,636,322	424,523,626	405,658,455
Transportation services	591,925,514	465,126,763	607,643,630
Environmental services	514,667,781	388,324,551	482,288,832
Health and emergency services	177,471,001	245,578,745	158,928,796
Community services	379,908,886	357,675,385	352,435,658
Social housing	95,219,707	95,402,054	100,627,994
Planning and economic development	14,688,036	11,740,136	15,574,850
Total Expenses	2,394,840,613	2,106,163,691	2,252,615,733
Annual surplus²	499,039,252	720,324,401	689,249,609
Accumulated Surplus, Beginning of Year	7,908,522,549	7,908,522,549	7,219,272,940
Accumulated Surplus, End of Year	8,407,561,801	8,628,846,950	7,908,522,549

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

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



HOW TO CONTACT US

For information on York Region services and programs, please call Access York 1-877-464-9675

Accessible formats or communication supports are available upon request.

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