

The Regional Municipality of York

Committee of the Whole
Finance and Administration
May 4, 2023

Report of the Commissioner of Finance

2022 Accounts Receivable Write-off and Status Report

1. Recommendation

Council receive this report for information.

2. Summary

This report is to inform Council of the summary of accounts approved for write-off by the Regional Treasurer in 2022 and the status of the Region's Accounts Receivable as of December 31, 2022 as required by the Collection of Accounts Policy.

Key Points:

- The Regional Treasurer approved the write-offs of 65 accounts totalling \$47,833.39 in 2022
- As of December 31, 2022, the Accounts Receivable balance was \$78.8 million after write-offs
- As of March 31, 2023, 97.5% of the year-end Accounts Receivable balance has been collected

3. Background

Finance processes all general receivables and Community and Health Services processes receivables for Senior Services (including long-term care)

General receivables are comprised of billings from Regional departments. Finance processes the billings and works with operating departments to collect outstanding accounts. In 2022, general billings totalled \$439.8M, of which \$388.8M (88.4%) was for municipal water billings.

Seniors Services receivables are comprised of billings for long-term care residents and adult day programs. The Region's Community and Health Services Department processes these accounts and administers the collection of outstanding accounts. In 2022, Seniors Services billings were \$5.1M.

Total general and Seniors Services billings for 2022 were \$444.9M.

The Region also administers the Provincial Offences Act (POA) court program. Collections of fines are managed directly by the Region's Legal and Court Services Department and are outlined in a separate report to Council.

Regional staff undertake various initiatives to help facilitate the collection of accounts receivable

York Region's Collection of Accounts Policy provides avenues staff may pursue to support the collection of receivables. Staff send monthly reminder letters and follow up with emails and/or phone calls. The Finance Department works with relevant program areas to resolve any outstanding issues. When a receivable reaches 90 days, if there has not been a reasonable response from the customer or a foreseeable resolution, the account is forwarded to the Region's Legal Services staff. Legal staff may send a demand letter or pursue legal action, as warranted. An external collection agency may also be considered. When efforts to collect have been exhausted, the receivable is submitted to the Regional Treasurer or to Council for write-off.

The Region's Collection of Accounts Policy outlines requirements for the write-off and reporting of accounts receivable

The Region's Collection of Accounts policy:

- Authorizes the Regional Treasurer to approve the write-off of uncollectible accounts for amounts up to and including \$25,000
- Requires Regional Council to approve the write-off of accounts in excess of \$25,000
- Requires the Regional Treasurer to report to Council the accounts written-off for the fiscal year
- Requires the Regional Treasurer to report to Council on the status of outstanding accounts receivable as at the end of each fiscal year

4. Analysis

The Regional Treasurer approved the write-off of 65 accounts totalling \$47,833.39 in 2022

Figure 1 summarizes the write-offs in 2022 along with comparable details for the prior year.

Figure 1
Accounts Receivable Write-Off approved by the Regional Treasurer

Receivables	2022		2021	
	# of Accounts	Amount	# of Accounts	Amount
Traffic Collision Claims	33	\$13,022	40	\$13,919
Public Works	1	1,257	-	-
Long-Term Care Facilities	28	31,100	-	-
Seniors Services Day Programs	3	2,454	-	-
Total	65	\$47,833	40	\$13,919
Average		\$736		\$348

Uncollectible traffic collision claims costs in the amount of \$13,022 (2.12% of Traffic Collision billings) for damages to York Region property are due to insurance agencies not paying for:

- Full replacement cost of materials
- All or part of the administration fees
- Unidentified drivers or drivers with no insurance coverage

One uncollectible account from Public Works in the amount of \$1,257, for garbage dumped on a Regional road, was deemed uncollectible as the individual was unable to be located.

The total amount written off in 2022 represented 0.003% of general billings.

Seniors Services had \$33,554 (0.66% of billings) in uncollectible accounts from former residents of Newmarket and Maple Health Centres and day program clients.

The number and dollar value of write-offs fluctuate from year to year for both general and Seniors Services receivables, due to varying and unpredictable circumstances. In the

previous five years, general receivables write-offs represented anywhere from 0.003% to 0.007% of total billings, while Seniors Services write-offs represented anywhere from 0.000% to 0.657% of total billings.

As of December 31, 2022, the year-end Accounts Receivable balance was \$78.8M

Figure 2 summarizes the outstanding Accounts Receivable balance at year-end after the approved write-off of \$47,833, and provides a comparison with 2021

Figure 2
York Region Accounts Receivable as at December 31, 2022

Receivables	0 – 90 Days	90+ Days	Total
Local Municipalities	\$67,613,466	\$531,342	\$68,144,808
Other Municipalities	4,326,551	62,418	4,388,969
Federal and Provincial	1,524,980	16,735	1,541,715
Local Boards	1,190,865	-	1,190,865
Sundry ¹	2,066,960	877,211	2,944,172
Long-Term Care Facilities	531,412	91,588	623,000
Adult Day Programs	9,397	(168)	9,229
Total	\$77,263,630	\$1,579,127	\$78,842,757
% of Total Receivable	98.0%	2.0%	100.0%
2021 Comparison	\$87,918,162	\$2,976,605	\$90,894,667
% of Total Receivable	96.7%	3.3%	100.0%

¹Sundry receivables refer to accounts that do not fall into other categories. These may include invoices for traffic collision claims, road maintenance, waste disposal and police paid duty.

As of March 31, 2023, 97.5% of the year-end Accounts Receivable balance was collected

Of the \$78.8M outstanding at year-end, payments totalling \$76.8M (97.5%) were received as of March 31. Figure 3 shows the portion of 2022 outstanding receivables collected by March 31.

Receivables from municipalities and senior levels of governments are anticipated to be collected and most of the accounts under sundry and Seniors Services receivables are expected to be resolved as part of normal collection efforts. However, a relatively small

percentage under sundry (mostly traffic collision claims) may not be collected due to various reasons and could form part of the accounts submitted for write-off in 2023.

Figure 3
December 31, 2022, York Region Accounts Receivable Outstanding
as of March 31, 2023

Receivables	December 31, 2022 Balance	Collected as of March 31, 2023	Remaining Balance
Local Municipalities ¹	\$68,144,808	\$67,794,403	\$350,405
Other Municipalities	4,388,969	4,388,969	-
Federal and Provincial	1,541,715	736,094	805,621
Local Boards	1,190,865	1,190,865	-
Sundry ²	2,944,345	2,128,923	815,422
Senior Services	632,229	569,065	63,164
Total	\$78,842,931	\$76,843,547	\$1,999,385

¹ Local Municipalities amount largely reflects water and wastewater billing.

² Sundry receivables refer to accounts that do not fall into other categories. These may include invoices for traffic collision claims, road maintenance, waste disposal and police paid duty.

Details of the Region's receivables as at December 31, 2022, are included in Appendix A of this report.

5. Financial

The Regional Treasurer approved accounts for write-off totalling \$47,833.39. The write-offs were recognized as a bad debt expense and were deducted from the Region's accounts receivables for the 2022 Financial Statements. After write-offs, the Accounts Receivable balance as at December 31, 2022 was \$78.8M, of which 97.5% was collected as of March 31, 2023. The Finance Department continues to work closely with operating departments and Legal Services as part of regular collection efforts.

6. Local Impact

As of December 31, 2022, local municipalities owed \$68.1M of the \$78.2M general accounts receivable. Water billings account for \$67.5M (99.1% of Local Municipalities), of which 99.5% was received as of March 31, 2023. Regional staff continue to work with partners from local municipalities as part of the collection process.

Conclusion

The Regional Treasurer approved a write-off of 65 accounts totalling \$47,833.39 in 2022.

Of the \$78.8M receivables outstanding at December 31, 2022, \$76.8M or 97.5% was collected as of March 31, 2023.

For more information on this report, please contact Michelle Grover, Director Strategy and Transformation and Deputy Treasurer, 1-877-464-9675 ext.77201. Accessible formats or communication supports are available upon request.



Recommended by:

Laura Mirabella

Commissioner of Finance and Regional Treasurer



Approved for Submission:

Bruce Macgregor

Chief Administrative Officer

April 21, 2023

eDOCS# 14875041

Appendix A – Accounts Receivable Write-off and Status Report Attachment

Schedule 1

Schedule 1 lists the aging for General and Senior Services accounts receivable.

Accounts Receivable Aging As at December 31, 2022					
Receivables	Current	31 - 90 Days	90+ Days	Total	2021
Local Municipalities	\$65,176,374	\$2,437,092	\$531,342	\$68,144,808	\$81,005,916
Other Municipalities	787,227	3,539,324	62,418	4,388,969	1,263,017
Federal & Provincial Governments	1,452,549	72,431	16,735	1,541,715	930,809
Local Boards	1,187,152	3,713	-	1,190,865	333,481
Sundry ¹	1,317,710	749,347	877,124	2,944,182	6,778,064
Long-Term Care Facilities	470,713	60,699	91,588	623,000	572,911
Seniors Services Day Programs	9,442	45	(168)	9,229	10,470
TOTAL - DECEMBER 2022	\$70,401,166	\$6,862,561	\$1,579,040	\$78,842,768	\$90,894,667
% OF TOTAL - DECEMBER 2022	89.3%	8.7%	2.0%	100.0%	
TOTAL - DECEMBER 2021	\$64,868,523	\$23,049,639	\$2,976,505	\$90,894,667	
% OF TOTAL - DECEMBER 2021	71.4%	25.4%	3.3%	100.0%	

Note: Numbers may not add due to rounding

¹Sundry receivables refer to accounts that do not fall into the other categories. These may include invoices for: traffic collision claims, road maintenance, waste disposal and police paid duty.

Schedule 2

Schedule 2 lists the aging of Local Municipalities with Schedules 3 and 4 providing a further breakdown of the water billings and non-water billing receivables.

Local Municipality Aging As at December 31, 2022					
Municipality	Current	31 - 90 Days	90+ Days	Total	2021
Aurora	\$3,255,955	\$ -	\$ -	\$3,255,955	\$3,037,697
East Gwillimbury	1,248,147	479	350,405	1,599,031	1,455,016
Georgina	1,809,838	2,218,882	101,707	4,130,427	1,751,839
King	500	6,107	-	6,607	-
Markham	17,915,897	-	79,230	17,995,127	37,124,857
Newmarket	4,375,389	13,531	-	4,388,921	4,320,506
Richmond Hill	11,133,851	-	-	11,133,851	10,249,111
Vaughan	23,542,151	185,046	-	23,727,197	23,051,157
Whitchurch Stouffville	1,894,645	13,048	-	1,907,693	15,734
MUNICIPAL TOTAL - DECEMBER 2022	\$65,176,374	\$2,437,092	\$531,342	\$68,144,808	\$81,005,916
MUNICIPAL TOTAL - DECEMBER 2021	\$60,280,961	\$20,366,946	\$358,009	\$81,005,916	

Schedule 3

Schedule 3 lists Local Municipalities Water Billing receivable amounts. Payments received as of March 31, 2023, totaled \$67.2M. A balance of \$350,405 remains outstanding from East Gwillimbury. A water supply study was finalized in August 2022 and Regional staff continue to work with Town of East Gwillimbury staff to reach a resolution on this outstanding amount.

Local Municipalities Water Billing Aging As at December 31, 2022

Municipality	Current	31 - 90 Days	90+ Days	Total	2021
Aurora	\$3,255,955	\$ -	\$ -	\$3,255,955	\$3,027,809
East Gwillimbury	1,223,992	-	350,405	1,574,397	1,437,562
Georgina	1,809,838	2,217,967	-	4,027,805	1,732,202
King	-	-	-	-	-
Markham	17,882,742	-	-	17,882,742	37,023,263
Newmarket	4,371,192	-	-	4,371,192	4,297,733
Richmond Hill	11,024,199	-	-	11,024,199	10,161,418
Vaughan	23,491,155	-	-	23,491,155	22,520,031
Whitchurch Stouffville	1,885,245	-	-	1,885,245	-
MUNICIPAL TOTAL - DECEMBER 2022	\$64,944,318	\$2,217,967	\$350,405	\$67,512,691	\$80,200,017
% PAID AS OF MARCH 31, 2022	100.0%	100%	0%	99.5%	
MUNICIPAL TOTAL - DECEMBER 2021	\$59,855,554	\$19,994,058	\$350,405	\$80,200,017	

Schedule 4

Schedule 4 lists all Local Municipalities non-water receivable amounts. As of March 31st, 2023, all invoices have been paid.

Local Municipal Accounts Receivable Aging - Other than Water Billing

Municipality	Current	31 - 90 Days	90+ Days	Total	2021 Total
Aurora	\$ -	\$ -	\$ -	\$ -	\$9,888
East Gwillimbury	24,155	479	-	24,634	17,454
Georgina	-	915	101,707	102,621	19,637
King	500	6,107	-	6,607	-
Markham	33,155	-	79,230	112,385	101,594
Newmarket	4,198	13,531	-	17,729	22,772
Richmond Hill	109,652	-	-	109,652	87,693
Vaughan	50,996	185,046	-	236,042	531,126
Whitchurch Stouffville	9,400	13,048	-	22,448	15,734
MUNICIPAL TOTAL - DECEMBER 2022	\$232,056	\$219,125	\$180,937	\$632,117	\$805,898
% PAID AS OF MARCH 31, 2023	100.0%	100.0%	100.0%	100.0%	
MUNICIPAL TOTAL - DECEMBER 2021	\$425,407	\$372,888	\$7,603	\$805,898	

Schedule 5

Schedule 5 lists receivables related to other municipalities; all amounts have been paid.

Other Municipalities Aging As at December 31, 2022

	Current	31 - 90 Days	90+ Days	Total
Town of Bradford West Gwillimbury	\$229		\$ -	\$229
Region of Durham	768,857	3,511,869	-	4,280,727
Peel Regional Police	18,140	13,727	62,418	94,286
Toronto Police Services	-	13,727	-	13,727
TOTAL - DECEMBER 2022	\$787,227	\$3,539,324	\$62,418	\$4,388,969
% PAID AS OF MARCH 31, 2023	100.0%	100%	100%	100.0%
TOTAL - DECEMBER 2021	\$341	\$1,262,676	\$ -	\$1,263,017

Schedule 6

Schedule 6 lists Federal and Provincial receivables for items such as secondment charges, paid duty, and special projects for York Regional Police. Payments received as of March 31, 2023, totaled \$736,094. Amounts left owing are from the Ministry of Transportation and Provincial Offences, payments are expected in full.

Federal and Provincial Aging As at December 31, 2022

	Current	31 - 90 Days	90+ Days	Total
FEDERAL				
RCMP	\$30,000	\$ -	\$ -	\$30,000
PROVINCIAL				
Central East Corrections Centre	303,131	-	-	303,131
Criminal Intelligence Service Ontario	104,350	-	-	104,350
Ministry of Health	-	6,453	-	6,453
Ministry of Transportation	765,509	-	-	765,509
Ontario Police College	43,272	-	-	43,272
Ontario Provincial Police	143,735	-	16,696	160,431
Ontario Shared Services	63,342	-	-	63,342
Provincial Offences	(790)	65,978	40	65,228
TOTAL - DECEMBER 2022	\$1,452,549	\$72,431	\$16,736	\$1,541,716
% PAID AS OF MARCH 31, 2023	48.1%	27.7%	100.0%	47.7%
TOTAL - DECEMBER 2021	\$794,022	\$95,337	\$41,449	\$930,808

Schedule 7

Schedule 7 lists receivables for various local boards. All payments have been received.

Local Boards Aging As at December 31, 2022

	Current	31 - 90 Days	90+ Days	Total
CUPE Local 905	\$226,128	\$ -	\$ -	\$226,128
Housing York Inc.	959,944	-	-	959,944
Schools & School Boards	1,080	-	-	1,080
Toronto & Region Conservation	-	3,713	-	3,713
TOTAL - DECEMBER 2022	\$1,187,152	\$3,713	\$ -	\$1,190,865
% PAID AS OF MARCH 31, 2023	100.0%	100.0%	-	100.0%
TOTAL - DECEMBER 2021	\$303,981	\$7,336	\$22,164	\$333,481

Schedule 8

Schedule 8 lists other receivables (Sundry) that are not captured in the previous categories. Payments received as of March 31, 2023, totaled \$2.2M. Collections efforts for the remaining balances are ongoing.

Sundry Aging
As at December 31, 2022

	Current	31 - 90 Days	90 + Days	Total
PUBLIC WORKS	938,738	609,992	867,146	2,415,876
Environmental Services	576,255	557,974	633,310	1,767,539
Capital Recovery	-	-	99,950	99,950
Liquid Waste Disposal	80,754	26,586	25,712	133,053
Overstrength Wastewater Surcharge	13,611	10,478	5,398	29,487
Solid Waste Disposal	481,889	520,910	502,250	1,505,049
Transportation Services	\$362,483	\$52,018	\$233,836	\$648,337
Road Maintenance	9,487	2,260	3,252	14,998
Traffic Collision Claims	167,309	4,338	229,294	400,941
Transit	85,659	42,920	-	128,579
Transportation Services	40,746	-	710	40,036
User Utility Application Fees	59,283	2,500	2,000	63,783
OTHER	379,135	139,354	9,979	528,468
Community & Health Services	58,236	-	-	58,236
Corporate Services	474	3,155	-	3,628
Finance, Insurance & Risk	147,445	36,098	8,509	192,052
York Regional Police	172,980	100,102	1,469	274,552
TOTAL SUNDRY	\$1,317,874	\$749,346	\$877,124	\$2,944,345
% PAID AS OF MARCH 31, 2023	92.3%	98.9%	23.5%	73.5%
TOTAL - DECEMBER 2022	\$3,008,882	\$1,266,493	\$2,502,689	\$6,778,064