

**THE  
REGIONAL MUNICIPALITY  
OF YORK**

**2022**

**CONSOLIDATED  
FINANCIAL  
STATEMENTS**



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## INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of  
The Regional Municipality of York

### ***Opinion***

We have audited the consolidated financial statements of The Regional Municipality of York (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2022
- 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, 2022, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

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



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- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 25, 2023

## THE REGIONAL MUNICIPALITY OF YORK

### Consolidated Statement of Financial Position As at December 31, 2022

	2022	2021
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents (Note 4)	807,414,018	1,801,084,445
Accounts receivable (Note 5)	462,161,268	427,956,752
Investments (Note 4)	5,010,725,424	3,354,679,653
Debt amounts recoverable from local municipalities (Note 8)	137,244,751	144,667,716
<b>Total</b>	6,417,545,461	5,728,388,566
<b>Liabilities</b>		
Accounts payable and accrued liabilities	885,559,546	867,751,439
Employee benefits obligations (Note 6)	344,007,788	313,607,453
Deferred revenue-general (Note 7)	102,372,694	96,673,938
Deferred revenue-obligatory reserve funds (Note 7)	726,999,233	580,309,287
Gross long-term liabilities (Note 8)	3,550,073,706	3,568,618,052
<b>Total</b>	5,609,012,967	5,426,960,169
<b>Net financial assets</b>	808,532,494	301,428,397
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 14)	9,148,461,162	8,972,426,338
Inventory	9,227,041	9,332,545
Prepaid expenses	21,169,165	16,454,942
<b>Total</b>	9,178,857,368	8,998,213,825
Contractual rights and contingent assets (Note 9)		
Contractual obligations and commitments (Note 10)		
Contingent liabilities (Note 11)		
<b>Accumulated surplus (Note 15)</b>	9,987,389,862	9,299,642,222

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, 2022

	Budget (Note 2) \$	2022 \$	2021 \$
<b>Revenues</b>			
Net taxation (Note 3)	1,284,179,910	1,281,693,565	1,232,742,032
Government transfers	649,721,113	721,406,437	694,158,339
Development charges	593,634,041	433,871,575	370,752,206
User charges	376,034,053	387,759,922	378,003,651
Fees and services	126,355,792	150,557,348	117,240,452
Investment income	93,007,598	124,954,639	115,144,705
Other	59,226,770	35,209,269	62,431,333
<b>Total Revenues</b>	<b>3,182,159,277</b>	<b>3,135,452,755</b>	<b>2,970,472,718</b>
<b>Expenses</b>			
Transportation services	537,666,182	510,647,764	477,337,016
Environmental services	532,090,248	486,801,880	485,144,440
Community services	417,493,297	484,728,551	384,763,952
Protection to persons and property	455,242,752	451,155,142	436,470,673
Health and emergency services	240,602,902	254,638,010	259,550,562
General government	153,055,578	137,856,492	145,078,142
Social housing	90,503,729	105,926,785	95,949,346
Planning and economic development	16,793,595	15,950,491	15,383,315
<b>Total Expenses</b>	<b>2,443,448,283</b>	<b>2,447,705,115</b>	<b>2,299,677,446</b>
<b>Annual surplus</b>	<b>738,710,994</b>	<b>687,747,640</b>	<b>670,795,272</b>
Accumulated surplus, beginning of year	9,299,642,222	9,299,642,222	8,628,846,950
<b>Accumulated surplus, end of year</b>	<b>10,038,353,216</b>	<b>9,987,389,862</b>	<b>9,299,642,222</b>
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, 2022

	Budget	2022	2021
	\$	\$	\$
<b>Annual surplus</b>	738,710,994	687,747,640	670,795,272
Amortization of tangible capital assets	341,005,715	337,000,294	324,055,705
Proceeds on disposal of tangible capital assets	-	3,984,750	7,591,021
Acquisition of tangible capital assets	(839,605,198)	(518,395,440)	(506,260,106)
Contributed assets	-	(52,000)	-
Loss on disposal of tangible capital assets	-	1,427,572	20,121
Change in inventory	-	105,504	(1,957,484)
Change in prepaid expenses	-	(4,714,223)	(1,435,532)
Increase in net financial assets	240,111,511	507,104,097	492,808,997
Net financial assets / (Net debt), Beginning of year	301,428,397	301,428,397	(191,380,600)
<b>Net financial assets, End of year</b>	<b>541,539,908</b>	<b>808,532,494</b>	<b>301,428,397</b>

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, 2022

	2022	2021
	\$	\$
<b>Operating</b>		
<b>Annual surplus</b>	687,747,640	670,795,272
Items not involving cash:		
Amortization of tangible capital assets	337,000,294	324,055,705
Loss on disposal of tangible capital assets	1,427,572	20,121
Contributed tangible capital assets	(52,000)	-
Changes in non-cash assets and liabilities:		
Accounts receivable	(34,204,516)	5,176,043
Accounts payable and accrued liabilities	17,808,107	38,378,138
Employee benefit obligations	30,400,335	36,536,308
Deferred revenue-general	5,698,756	(11,995,531)
Deferred revenue-obligatory reserve funds	146,689,946	110,677,480
Inventory	105,504	(1,957,484)
Prepaid expenses	(4,714,223)	(1,435,532)
Net change in cash and cash equivalents from operations	1,187,907,415	1,170,250,520
<b>Capital</b>		
Acquisition of tangible capital assets	(518,395,440)	(506,260,106)
Proceeds on disposal of tangible capital assets	3,984,750	7,591,021
Net change in cash and cash equivalents from capital	(514,410,690)	(498,669,085)
<b>Investing</b>		
Net change in investments	(1,656,045,771)	81,018,834
<b>Financing</b>		
Long-term debt issued	-	300,000,000
Long-term debt repaid	(11,121,381)	(462,106,672)
Net change in cash and cash equivalents from financing	(11,121,381)	(162,106,672)
<b>Net change in cash and cash equivalents</b>	(993,670,427)	590,493,597
Opening, cash and cash equivalents	1,801,084,445	1,210,590,848
Closing, cash and cash equivalents	807,414,018	1,801,084,445

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



The Corporation of the Regional Municipality of York (the "Region") was incorporated as a municipality in 1971 by the Province of Ontario. The local municipalities within the regional boundaries include the towns of Aurora, East Gwillimbury, Georgina, Newmarket, Whitchurch-Stouffville, the Township of King, the City of Markham, the City of Richmond Hill and the City of Vaughan.

## 1) SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Region were prepared in accordance with generally accepted accounting principles (GAAP) established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada (CPA Canada).

### a) Basis of Consolidation

- i. The consolidated financial statements reflect the assets, liabilities, revenue, expenses in the operating fund, capital fund and reserves and reserve funds of the Region and all entities which are accountable to and controlled by the Region. Consolidated entities include all committees of Council, York Region Police Services Board, Housing York Inc., York Region Rapid Transit Corporation (YRRTC) and YTN Telecom Network Inc. (YorkNet). All governmental balances and transactions were eliminated from the consolidated financial statements.
- ii. The financial activities of the Sinking Fund are disclosed separately in the Sinking Fund Statement of Financial Position, and Statement of Financial Activities and Change in Fund Balance.
- iii. Funds held in trust by the Region for the residents of Newmarket Health Centre and Maple Health Centre and their operations are not included in the consolidated financial statements. The financial activities and position of the trust funds and donations received on behalf of the Centres are reported separately in the Residents' Trust Funds and Donation Account Statement of Financial Position, and Statement of Financial Activities.

### b) Basis of Accounting

#### i. Accrual Basis of Accounting

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are the cost of goods or services acquired in the period, whether or not payment has been made or invoices received.

#### ii. Revenues

Property tax revenue is recognized on an accrual basis when it meets the definition of an asset, the tax is authorized by the passing of the tax levy by-law and the taxable event has occurred. Supplementary and omitted taxes are recognized when additional billings are issued according to Regional Council approved tax rate for properties that are added to the assessment roll during the year. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals and tax write-offs such as tax rebates are recorded in the Region's Consolidated Statement of Operations and Accumulated Surplus when the result of the appeal process is known.

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 (to a maximum of 5 years). Development charges are collected under the authority of Sections 33 to 37 of the *Development Charges Act, 1997*, when the building permit is issued and reported as deferred revenue in the Consolidated Statement of Financial Position. Revenues are recognized when amounts are used to fund the growth-related portion of the qualifying capital projects.

User charges are recognized as they are earned and measurable.

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 activity is performed and when the services are rendered.

Other revenues consist of third party funding and other recoveries including capital recovery are recorded when they are earned and measurable.

#### iii. Government Transfers

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.

#### iv. 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.

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.

## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Consolidated Financial Statements December 31, 2022

v. **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, 2022, all material assets have been disclosed and reported within the Region's Statements.

vi. **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.

vii. **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.

viii. **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.

ix. **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.

x. **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 represents expenditures incurred for projects currently underway. Upon completion, the relating assets under construction will be transferred to the appropriate capital asset category and amortization will commence.

xi. **Inventory**

Inventory is valued at the lower of cost and net realizable value.

xii. **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. For further details regarding the Region's contractual rights, please refer to Note 9 (a).

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. For further details regarding the Region's contractual obligations, including the nature, extent and timing of these types of transactions, please refer to Note 10.

**xiii. Contingent Assets and Liabilities**

Contingent assets and contingent liabilities arise from circumstances when the Region is uncertain whether it has an asset and/or liability on the date of the Statements. The existence of the asset and/or liability is ultimately dependent upon the occurrence or nonoccurrence of a future event that is outside of the Region's control.

For the year ended December 31, 2022, the Region is not aware of any contingent assets. However, disclosure regarding the Region's contingent liabilities, including the nature, extent and estimated amount can be found in Note 11.

**xiv. 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.

**xv. Deferred Revenue - Obligatory Reserve Funds**

Development charges, collected and accrued under the authority of Section 33 to 37 of the *Development Charges Act, 1997* are recorded as Deferred Revenue - Obligatory Reserve Funds. Accrued development charges are supported by deferral agreements which are financing arrangements secured by letters of credit, certified cheques or titles to property.

Gas tax revenues 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.

**xvi. Employee Benefits Obligation**

The cost of employee benefits is recognized when entitlements are earned or the event that obligates the Region occurs. Costs include projected future payments, health care continuation costs and fees paid to independent administrators of these plans, calculated on a present value basis.

Employee benefit liabilities are based on actuarial valuations using the projected benefit method, prorated on service and management's best estimate of salary escalation, retirement ages of employees and expected health costs. Actuarial valuations, where necessary for accounting purposes, are performed triennially.

The discount rate used to determine the accrued benefit obligation was determined by reference to market interest rates at the measurement date with cash flows that match the timing and amount of expected benefit payments. Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized actuarial gains/losses for event-triggered liabilities, such as those determined as claims related to Workers Safety and Insurance Board (WSIB) are amortized over the average expected period during which the benefits will be paid. The cost of plan amendments is accounted for in the period they are adopted.

Where applicable, the Region has set aside reserve funds intended to fund these obligations, either in full or in part. These reserve funds were created under municipal by-law and do not meet the definition of a plan asset under PS3250 Retirement Benefits. Therefore, for the purpose of these financial statements the plans are considered unfunded.

**xvii. Liabilities for Contaminated Sites**

PS3260 Liability for Contaminated Sites requires the recognition of a liability for the remediation of contaminated sites in the financial statements when the recognition criteria outlined in the standard are met.

**xviii. 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.

**xix. 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 the useful life of capital assets, future employee benefits, and claims provisions.

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.

## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Consolidated Financial Statements December 31, 2022

#### xx. 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 PS2700. For additional information, see Note 16.

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.

#### xxi. Future Accounting Pronouncements

While the timing of standard adoption can vary, certain standards must be adopted concurrently. The requirements in PS 1201 - Financial Statement Presentation, PS 3450 - Financial Instruments, PS 2601 - Foreign Currency Translation, and PS 3041 - Portfolio Investments, must be implemented at the same time. The Region has not adopted any new accounting standards for the year ended on December 31, 2022.

- (i) Standards applicable for fiscal years beginning on or after April 1, 2022 (in effect for the Region for the year ending on December 31, 2023):

PS 1201 - Financial Statement Presentation, replaces PS 1200 - Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. The new statement reports the changes in the values of financial assets and financial liabilities arising from their remeasurement at current exchange rates and/or fair value, and the government's proportionate share of other comprehensive income arising from the results of Government Business Enterprise ("GBEs") and partnerships.

PS 2601 - Foreign Currency Translation, replaces PS 2600 - Foreign Currency Translation. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported at fair value, to be adjusted to reflect the exchange rates in effect at the consolidated financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses. However, the new standard also provides an election that will allow for the continued recognition of all exchange gains and losses directly in the Consolidated Statement of Operations and Accumulated Surplus.

PS 3041 - Portfolio Investments, replaces PS 3040 - Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of portfolio investments to conform to PS 3450 - Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 - Temporary Investments, will no longer apply.

PS 3280 - Asset Retirement Obligations, establishes the accounting and reporting requirements for legal obligations associated with the retirement of Tangible Capital Asset ("TCA") controlled by a government or government organization. A liability for a retirement obligation can apply to TCA either in productive use or no longer in productive use. Upon adoption of this standard, PS 3270 - Solid Waste Landfill Closure and Post-closure Liability, will no longer apply.

PS 3450 - Financial Instruments, establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments can be elected to be measured at cost, amortized cost or fair value. Unrealized gains and losses arising from changes in fair value are presented in the new Statement of Remeasurement Gains and Losses.

- (ii) Standards applicable for fiscal years beginning on or after April 1, 2023 (in effect for the Region for the year ending on December 31, 2024):

PS 3160 - Public Private Partnerships ("P3s"), identifies requirements on how to account for and disclose transactions in which public sector entities procure major infrastructure assets and/or services from private sector entities. Recognition of assets arising from P3 arrangements is ultimately dependent on whether public sector entities control the purpose and use of the assets, access to the future economic benefits and exposure to the risks associated with the assets, and significant residual interest in the asset, if any, at the end of the term of P3s. Measurement of the asset and related liability will also be dependent on the overall model used to compensate the private sector entity.

PS 3400 - Revenue, establishes standards on how to account for and report on revenue, specifically differentiating between revenue arising from transactions that include performance obligations, referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non-exchange transactions.

PSG-8 - Purchased Intangibles, provides guidelines on accounting and reporting for purchased intangibles. Concurrently, PS 1000 - Financial Statement Concepts, has been amended to remove the prohibition against recognizing intangibles purchased in an exchange transaction in public sector financial statements.

## 2) BUDGET FIGURES

Budget figures presented in the Consolidated Financial Statements are based on the 2022 budget approved by York Regional Council on December 16, 2021. In the Statement of Operations and Accumulated Surplus, some accrual budget numbers have been reallocated for comparability purposes. The following table reconciles the approved budget with the budget figures as presented in these consolidated financial statements using the accrual basis of accounting.

<b>Revenues</b>	
Approved budget	\$ 3,661,447,708
Reclassification of investment income	86,171,753
Transfer from reserves	(614,594,166)
Funding from Metrolinx	34,659,858
Housing York Inc.	45,005,981
Related entities adjustments	(30,531,857)
Total revenues	3,182,159,277
<b>Expenses</b>	
Approved budget	3,661,447,708
Reclassification of investment income	86,171,753
Transfer to reserves	(647,655,464)
Acquisition of tangible capital assets	(839,605,198)
Debt principal repayments	(197,324,820)
Amortization	341,005,715
Post employment benefits	31,054,608
Spending funded by Metrolinx	1,429,051
Housing York Inc.	37,456,787
Related entities adjustments	(30,531,857)
Total expenses	2,443,448,283
Annual surplus	\$ 738,710,994

## 3) TAX REVENUE

Tax revenue of \$1,281,693,565 (2021 - \$1,232,742,032) is comprised of \$1,272,994,934 (2021 - \$1,219,091,916) in general tax levy and \$8,698,631 (2021 - \$13,650,116) of other tax amounts.

## 4) INVESTMENTS

Included in cash and cash equivalents are short-term investments of \$80,000,030 (2021 - \$41,139,000) with a market value of \$80,000,030 (2021 - \$41,153,489). Investments of \$5,010,725,424 (2021 - \$3,354,679,653) have a market value of \$4,629,069,730 (2021 - \$3,370,153,216).

As at December 31, 2022, 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 investment's 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 investments include \$726,999,233 (2021 - \$580,309,287) of restricted funds as required under legislation to fund obligatory reserve funds. The yields on investments held range from 0.59% to 5.95% (2021 - 0.31% to 3.71%).

## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Consolidated Financial Statements December 31, 2022

#### 5) ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	2022 \$	2021 \$
Government of Canada	48,167,640	66,937,661
Government of Ontario	28,072,997	16,289,924
Other municipalities	150,549,218	155,721,898
Other receivables	235,433,176	189,007,269
	462,223,031	427,956,752
Less: Allowance for Doubtful Accounts	(61,763)	-
	462,161,268	427,956,752

Accounts receivable are assessed for collectability on an annual basis. In 2022, \$134,650 was deemed uncollectable and written off (2021 - \$31,682).

#### 6) EMPLOYEE BENEFITS OBLIGATIONS

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. In other cases, the liabilities are to be funded from future years' budgetary allocations. Net increase in the total amount is \$30,400,335.

	2022 \$	2021 \$
Post employment benefits (a)	123,410,114	113,756,202
Workplace Safety and Insurance Board (WSIB) (c)	79,447,159	65,569,843
Long-term disability claims (d)	66,476,667	60,543,718
Vested sick leave benefits (e)	44,782,662	42,848,187
Vacation payable	29,891,186	30,889,503
	344,007,788	313,607,453

## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Consolidated Financial Statements December 31, 2022

The following table sets out the accrued benefit liability for each plan as at December 31, 2022.

	Post employment benefits \$	WSIB \$	Long-term disability claims \$	Vested sick leave benefits \$	Total \$
Accrued benefit liability, beginning of year	113,756,202	65,569,843	60,543,718	42,848,187	282,717,950
Current service cost & prior period cost amendment	7,390,673	15,126,586	10,420,722	3,606,629	36,544,610
Amortization of loss	2,701,361	5,521,081	1,718,797	573,805	10,515,044
Interest cost	4,543,484	3,758,818	2,338,979	1,294,013	11,935,294
Benefit payments	(4,981,606)	(10,529,169)	(8,545,549)	(3,539,972)	(27,596,296)
Accrued benefit liability, end of year	123,410,114	79,447,159	66,476,667	44,782,662	314,116,602
Unamortized actuarial (gain)/loss	1,047,957	34,498,715	(23,288,384)	(8,610,568)	3,647,720
Accrued benefit obligation, end of year	124,458,071	113,945,874	43,188,283	36,172,094	317,764,322

The amortization of actuarial losses for the current year is in the amount of \$10,515,044 (2021 - \$12,756,529).

	Post employment benefits	WSIB	Long-term disability	Vested sick leave benefits
Expected inflation rate	2.00%	2.00%	2.00%	2.00%
Expected level of salary increases	3.00%	3.00%	3.00%	3.00%
Interest discount rate	4.50%	4.50%	4.50%	4.50%
Future health care cost rate	6.00%	4.00%	N/A	6.00%
Expected Average Remaining Service Life				
Regional Operations	14	10	8	6
Police Services	13	10	8	13

#### a) Post-Employment Benefits

Employees who retire under OMERS pension plan at age fifty or greater with a minimum of twenty years of service with the Region, are entitled to continued coverage for extended health and dental benefits until age of 65. Those retirees from age 65 to age 75 are eligible to receive a health care spending account.

An independent actuarial valuation dated January 25, 2023 estimates the liability of these benefits to be \$123,410,114 (2021 - \$113,756,202), which is reported in the Consolidated Statement of Financial Position. The reserve balance at December 31, 2022 is \$74,880,157 (2021 - \$52,231,057).

#### b) Pension Agreement

The Region contributes to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer plan on behalf of approximately 6,891 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 2022, employer contribution amounts to \$70,341,713 (2021 - \$67,895,089) and is recorded as an expense in the Consolidated Statement of Operations and Accumulated Surplus. Employee contributions also amount to \$70,341,713 (2021 - \$67,895,089).

Because OMERS is a multi-employer plan, the Region does not recognize any share of the pension deficit of \$6.7 billion at December 31, 2022.

#### c) Workplace Safety and Insurance Board

Under the *Workplace Safety and Insurance Act*, the Region is a self-insured employer (Schedule II) for all of its employees.

An independent actuarial valuation dated January 25, 2023 estimates the liability for all claims incurred to December 31, 2022 to be \$79,447,159 (2021 - \$65,569,843), which is reported in the Consolidated Statement of Financial Position. The worker's compensation reserve balance at December 31, 2022 is \$79,409,680 (2021 - \$65,569,843).

## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Consolidated Financial Statements December 31, 2022

#### d) Long-Term Disability Claims

In October 2002, the Region adopted a self-insured arrangement for its long-term disability benefit program. Under this arrangement, the Region funds its own claims through a segregated reserve and contracts with an insurance carrier to adjudicate and administer all claims on an Administrative Services Only basis. An independent actuarial valuation dated January 25, 2023 estimates the liability for the claims incurred to be \$66,476,667 (2021 - \$60,543,718) as at December 31, 2022, which is reported in the Consolidated Statement of Financial Position. The reserve balance at December 31, 2022 is \$66,466,525 (2021 - \$60,543,718).

#### e) Liability for Vested Sick Leave Benefits

An independent actuarial valuation report dated January 25, 2023 estimates the liability for both Regional operations and Police Services at \$44,782,662 (2021 - \$42,848,187), which is reported in the Consolidated Statement of Financial Position. The reserve balance at December 31, 2022 is \$7,930,576 (2021 - \$8,496,227).

##### 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 \$23,040 (2021 - \$4,817).

##### Police Services

For Police Services members hired before July 22, 2013, the sick leave benefit plan provides for an accumulative 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 \$44,805,702 (2021 - \$42,853,004).

## 7) DEFERRED REVENUE

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

	Balance at December 31, 2021 \$	Inflows \$	Amounts recognized into revenue \$	Balance at December 31, 2022 \$
Deferred capital grants	27,894,880	34,985,978	(33,741,191)	29,139,667
Security deposits and agreements	50,981,343	2,787,853	(18,842)	53,750,354
Other*	17,797,715	11,914,975	(10,230,017)	19,482,673
Total deferred revenue - general	96,673,938	49,688,806	(43,990,050)	102,372,694
Development charges	469,789,083	578,827,324	(433,871,575)	614,744,832
Gas Tax/Canada Community-Building Fund	110,520,204	55,230,099	(53,495,902)	112,254,401
Total deferred revenue - obligatory reserve funds	580,309,287	634,057,423	(487,367,477)	726,999,233

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



## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Consolidated Financial Statements December 31, 2022

#### 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:

	2022 \$	2021 \$
Outstanding long-term liabilities at the end of the year, including those incurred on behalf of local municipalities	2,444,039,520	2,677,344,265
Sinking fund debenture	1,078,205,363	857,303,321
Mortgages payable by Housing York Inc.	27,828,823	33,970,466
Gross long-term liabilities	3,550,073,706	3,568,618,052
Less recoverable from local municipalities		
Sinking fund debentures	28,100,000	28,100,000
Non-sinking fund debentures	109,144,751	116,567,716
	137,244,751	144,667,716
Net long-term liabilities at the end of the year	\$ 3,412,828,955	3,423,950,336

The total gross amount of the long-term liabilities to be retired by sinking funds is \$2,301,794,712 (2021 - \$2,522,696,755). The amount of sinking fund assets is \$1,078,205,363 (2021 - \$857,303,321). Long-term liabilities are financed through a combination of development charges, water and sewer rates and tax levy.

Interest rates and maturity dates for the debts range from 1.70% to 5.72% and from May 2023 to December 2051.

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

2023	203,307,040
2024	204,632,269
2025	205,531,440
2026	195,386,416
2027	188,281,835
Thereafter	2,041,874,129
Net sinking fund debt repayable according to actuarial recommendations	373,815,826
Total	\$ 3,412,828,955

##### 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 \$104,368,994 (2021 - \$109,590,325).

## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Consolidated Financial Statements December 31, 2022

#### 9) 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, 2022. 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 18 L/Cs of \$135,224,643 (2021 - 40 L/Cs of \$168,860,175).
- An agreement with Metrolinx to fund the construction of bus rapidways. The remaining funding Metrolinx has guaranteed the Region is \$29,553,004 (2021 - \$47,696,898).
- Rights to transit advertisements, solar revenue and other lease revenue. Future revenue from these sources for the next 5 years are approximately:

2023	\$ 6,723,393
2024	3,705,376
2025	2,850,388
2026	2,243,134
2027	2,211,480

##### b) Contingent Assets

As at December 31, 2022, 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, 2022.

#### 10) CONTRACTUAL OBLIGATIONS AND COMMITMENTS

##### a) Water Supply Agreements with 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 2022, the Region paid \$40,265,475 (2021 - \$34,255,975) 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 2022, the Region paid \$20,983,400 (2021 - \$21,253,384) for purchases under this agreement, excluding reconciling items.

The Water Supply Agreements with both City of Toronto and Region of Peel continue into perpetuity unless terminated by both parties and are revisited every 5 years.

##### b) Peel Wastewater Servicing Agreement

The York-Peel Wastewater Servicing Agreement with the Region of Peel provides servicing based on increasing projected flows through 2031 at a price determined annually, based on the Region's proportionate share of operating cost and includes a contribution for future asset management. In 2022, Peel provided servicing for York wastewater flows for a total payment of \$6,438,147 (2021 - \$6,157,605) before reconciling items. The York-Peel Wastewater Servicing Agreement with the Region of Peel continues into perpetuity unless terminated by both parties and is revisited every 5 years.

##### c) Operating Leases

Under the terms of various operating lease agreements, future minimum payments for the next 5 years are as follows:

2023	\$ 7,265,155
2024	5,820,858
2025	5,570,161
2026	5,455,814
2027	4,432,076

**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 9(a).

In 2020, the Region signed a preliminary agreement with the Province to work towards delivering the Yonge North Subway Extension. 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. This is a critical rapid transit link that includes up to 5 subway stations in York Region. The total project cost is estimated to be approximately \$5,600,000,000. While the formal contribution agreement has yet to be negotiated, the current estimate for the Region's share of the project is \$1,120,000,000.

York Region allocated \$36,344,175 from the Public Transit Infrastructure Fund (phase 1) to the planning, design, and engineering (PDE) phase of the Yonge North Subway Extension project. The Region's remaining commitment to the PDE work is \$36,344,175.

**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, the only remaining commitment, is approximately \$154,597,474, including forecasted future adjustments. As of December 31, 2022, the Region has paid \$94,549,246 to this hospital and the remaining commitment is \$60,048,228 (2021 - \$76,088,470).

**f) York University Markham Centre Campus Capital Funding**

In 2014, Council approved a memorandum of understanding (MOU) between the Region and York University to provide up to \$25,000,000 in financial support towards a new campus located in the Markham Centre. Construction started in October 2020 for York University's Markham Centre Campus, which is expected to welcome their first students in the Fall of 2023. Once open, 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 2022, York University's Markham Centre Campus had received three instalments of \$5,000,000 in total. The fourth and final instalment of \$20,000,000 would be payable upon substantial completion expected in 2023.

**11) 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. Prior to July 1, 2021 the SIR was \$500,000 for several years. The Region's Property policy includes a deductible of \$100,000 per occurrence for most losses and the deductible under its Crime policy is \$150,000.

The Region estimates that the liability as at December 31, 2022 for all outstanding public liability claims is \$6,760,671 (2021 - \$8,140,239). The total insurance reserve is \$34,070,341 (2021 - \$32,503,860).

**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.

## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Consolidated Financial Statements December 31, 2022

#### 12) LIABILITY FOR CONTAMINATED SITES

The Region recognized an estimated liability of \$619,886 (2021 - \$828,659) for remediation of a contaminated site not in productive use. The liability is based on estimated cost of remediating the site with known contamination prepared by a third-party environmental consulting firm.

The estimated liability is included in accounts payable and accrued liabilities in the Consolidated Statement of Financial Position. The Region estimates the liability will be recoverable from a third-party.

#### 13) PROVINCIAL OFFENCES ADMINISTRATION

The Region administers prosecutions and the collection of related fines and fees under the authority of the *Provincial Offences Act* ("POA"). The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the *Highway Traffic Act*, *Compulsory Automobile Insurance Act*, *Trespass to Property Act*, *Liquor License Act*, Municipal By-laws and minor federal offences. Offenders may pay their fines online, by mail, by phone, or in-person at any POA court in Ontario, at which time their receipt is recorded in the Integrated Courts Offences Network system ("ICON"). The Region recognizes fine revenue on a gross basis when the receipt of funds is recorded by ICON regardless of the location where payment is made.

Gross revenue is comprised primarily of fines levied under Part I, II and III of the *Provincial Offences Act* (including delay penalties). The gross revenue for 2022 amounts to \$14,378,814 (2021 - \$20,410,600 after Safe Restart and Municipal Recovery Funding) and the net surplus/(deficit) amounts to \$(3,714,161) (2021 - \$2,996,589). Balances arising from operations of POA offices are consolidated with these financial statements and reported in protection to persons and property on the Consolidated Statement of Operations and Accumulated Surplus.

## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Consolidated Financial Statements December 31, 2022

#### 14) TANGIBLE CAPITAL ASSETS

COST	Balance at December 31, 2021 \$	Additions/Transfers \$	Disposals \$	Balance at December 31, 2022 \$
Land	657,093,131	33,942,883	(1,597,969)	689,438,045
Land improvements	399,759,490	19,586,076	-	419,345,566
Buildings	2,898,940,267	115,993,128	(15,720,030)	2,999,213,365
Equipment and machinery	913,339,381	43,468,602	(25,424,814)	931,383,169
Vehicles	463,441,389	63,717,760	(26,245,259)	500,913,890
Transit infrastructure	539,363,104	-	-	539,363,104
Roads infrastructure	2,682,219,854	255,270,246	(21,221,412)	2,916,268,688
Water and wastewater infrastructure	2,301,813,710	134,894,131	-	2,436,707,841
Assets under construction	1,437,307,370	(148,425,386)	-	1,288,881,984
Total	12,293,277,696	518,447,440	(90,209,484)	\$12,721,515,652

  

ACCUMULATED AMORTIZATION	Balance at December 31, 2021 \$	Disposals \$	Amortization expense \$	Balance at December 31, 2022 \$
Land improvements	184,354,819	-	18,052,634	202,407,453
Buildings	974,271,438	(15,306,490)	79,772,502	1,038,737,450
Equipment and machinery	431,961,451	(25,244,545)	58,705,070	465,421,976
Vehicles	290,800,863	(26,147,608)	37,000,849	301,654,104
Transit infrastructure	56,775,064	-	16,943,245	73,718,309
Roads infrastructure	1,077,127,220	(18,098,519)	99,108,222	1,158,136,923
Water and wastewater infrastructure	305,560,503	-	27,417,772	332,978,275
Total	3,320,851,358	(84,797,162)	337,000,294	3,573,054,490

  

	Balance at December 31, 2021 \$	Balance at December 31, 2022 \$
Land	657,093,131	689,438,045
Land improvements	215,404,671	216,938,113
Buildings	1,924,668,829	1,960,475,915
Equipment and machinery	481,377,930	465,961,193
Vehicles	172,640,526	199,259,786
Transit infrastructure	482,588,040	465,644,795
Roads infrastructure	1,605,092,634	1,758,131,765
Water and wastewater infrastructure	1,996,253,207	2,103,729,566
Assets under construction	1,437,307,370	1,288,881,984
Total	8,972,426,338	9,148,461,162

In 2022, the Region received \$52,000 in contributed assets (2021 - nil) from external parties.

The Region recognized a write-off of tangible capital assets of \$3,716,702 in 2022 (2021 - \$1,341,050), mainly due to replacing capital assets that were close to the end of their useful life.

#### Unrecognized Assets

The Region has a collection of items such as textual records, artwork, artifacts and historical furniture that are held to document the Region's cultural history. The value of the collection has been excluded from the Consolidated Statement of Financial Position.

## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Consolidated Financial Statements December 31, 2022

#### 15) ACCUMULATED SURPLUS

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

	2022 \$	2021 \$
<b>Surplus</b>		
Invested in tangible capital assets	4,806,914,639	4,710,254,065
Investments in related entities	374,792,363	336,215,422
	5,181,707,002	5,046,469,487
<b>Reserves and Reserve Funds</b>		
Asset Replacement Reserves		
Roads infrastructure	823,303,235	773,886,999
Capital replacement-water and sewer	743,012,199	677,362,409
Regionally owned housing	233,367,103	206,842,257
Facilities rehabilitation and replacement	168,703,495	162,219,930
Equipment/vehicle replacement	98,996,868	94,959,875
Transit vehicle replacement	64,494,640	101,327,178
	2,131,877,540	2,016,598,648
Sinking Fund	1,067,533,830	849,447,585
Corporate Reserves		
Rates stabilization	122,096,780	94,619,954
Pandemic Management and Recovery Reserve Fund	120,276,176	106,515,000
Tax stabilization	61,048,892	59,977,103
Fiscal stabilization	53,365,769	51,736,345
Working capital	50,000,000	50,000,000
Waste management stabilization	38,207,278	35,679,810
Insurance	34,070,341	32,503,860
Fuel cost stabilization	24,316,249	23,683,357
Hospital financing	10,940,507	20,037,160
Innovation investment	6,294,779	5,848,574
Innovation	5,833,362	5,691,429
Land securement	5,246,180	1,655,927
Cannabis contingency	2,914,320	2,843,411
Green energy	2,362,470	2,134,297
Court services	2,255,629	4,515,225
IT licensing and software development	1,214,099	1,185,094
	540,442,831	498,626,546
Capital Reserves		
Debt reduction	385,420,970	293,407,213
Solid waste management	96,379,172	82,881,950
Non-profit housing capital	86,617,827	78,412,185
Social housing development	66,004,701	67,721,208
Roads capital acceleration	52,636,654	48,328,842
General capital	45,582,670	45,318,725
Rapid Transit	44,704,932	31,500,000
Roads capital	25,763,930	18,920,581
IT development	22,842,228	24,344,306
Land bank	7,957,732	7,764,111
Police infrastructure	1,969,591	1,842,713

## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Consolidated Financial Statements December 31, 2022

	2022 \$	2021 \$
Transit	1,039,108	1,023,656
Move Ontario	-	5,737
	836,919,515	701,471,227
Contingent Liability and Other		
Workers' compensation	79,409,680	65,569,843
Group benefits	74,880,157	52,231,057
Long-term disability	66,466,525	60,543,718
Sick leave	7,930,576	8,496,227
Seized funds	222,206	187,884
	228,909,144	187,028,729
Total Reserves and Reserve Funds	4,805,682,860	4,253,172,735
<b>Total</b>	<b>9,987,389,862</b>	<b>9,299,642,222</b>

## 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 planning 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

The department 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

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

### Health and emergency services

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

### Community services

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

### Social housing

Social housing is responsible for administering social housing providers, the rent supplement programs and managing a social housing wait list. Housing York Inc. is a non-profit housing corporation fully owned by the Region. It provides affordable rental units for its residents.

### Planning and economic development

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

## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Consolidated Financial Statements December 31, 2022

	General government \$	Protection to persons and property \$	Transportation services \$	Environmental services \$	Health and emergency services \$
<b>REVENUES</b>					
Net taxation	150,109,939	384,308,206	402,868,018	68,737,279	81,329,240
Provincial grants	-	17,076,472	41,576,108	(61,393)	160,329,608
Federal grants	442,822	19,578	34,029,383	2,014,795	228,733
Development charges	1,238,507	12,832,089	174,849,981	229,893,760	5,255,032
User charges	-	-	-	387,759,922	-
Fees and services	2,969,357	27,530,309	61,506,091	22,175,192	716,950
Investment income	124,916,215	-	-	-	-
Other	1,442,511	3,327,641	2,007,409	20,725,543	221,957
Total revenue	281,119,351	445,094,295	716,836,990	731,245,098	248,081,520
<b>EXPENSES</b>					
Salaries and benefits	86,724,380	385,510,366	74,194,281	63,702,120	183,821,800
Operating expenses	26,776,261	42,102,271	231,088,172	236,161,953	48,084,435
Amortization	22,910,988	14,966,035	177,154,044	105,637,138	5,153,919
Government transfers	1,000,926	6,597,776	1,515,247	10,750,383	17,262,501
Interest payments	443,937	1,978,694	26,696,020	70,550,286	315,355
Total expenses	137,856,492	451,155,142	510,647,764	486,801,880	254,638,010
Annual Surplus (Deficit)	143,262,859	(6,060,847)	206,189,226	244,443,218	(6,556,490)



## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Consolidated Financial Statements December 31, 2022

	Community services	Social housing	Planning and economic development	Total 2022	Total 2021
	\$	\$	\$	\$	\$
<b>REVENUES</b>					
Net taxation	112,198,218	70,882,631	11,260,034	1,281,693,565	1,232,742,032
Provincial grants	401,356,682	44,277,893	2,502,682	667,058,052	611,415,826
Federal grants	883,906	10,453,101	6,276,067	54,348,385	82,742,513
Development charges	-	8,417,108	1,385,098	433,871,575	370,752,206
User charges	-	-	-	387,759,922	378,003,651
Fees and services	5,631,649	23,936,883	6,090,917	150,557,348	117,240,452
Investment income	-	-	38,424	124,954,639	115,144,705
Other	1,637,893	5,140,596	705,719	35,209,269	62,431,333
Total revenue	521,708,348	163,108,212	28,258,941	3,135,452,755	2,970,472,718
<b>EXPENSES</b>					
Salaries and benefits	113,862,551	15,604,589	13,271,608	936,691,695	920,218,691
Operating expenses	268,305,833	77,533,981	2,005,558	932,058,464	836,058,424
Amortization	2,155,332	8,403,513	619,325	337,000,294	324,055,705
Government transfers	100,404,835	-	54,000	137,585,668	109,754,301
Interest payments	-	4,384,702	-	104,368,994	109,590,325
Total expenses	484,728,551	105,926,785	15,950,491	2,447,705,115	2,299,677,446
Annual Surplus (Deficit)	36,979,797	57,181,427	12,308,450	687,747,640	670,795,272

#### 17) COMPARATIVE FIGURES

Certain 2021 comparative figures have been reclassified to conform to the current presentation.



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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, 2022
- 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, 2022, and its results of operations and its change in fund balance for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

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



Page 3

- 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.

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

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 25, 2023

## THE REGIONAL MUNICIPALITY OF YORK

### Sinking Fund Statement of Financial Position As at December 31, 2022

	2022 \$	2021 \$
<b>FINANCIAL ASSETS</b>		
Investment - at amortized cost (Note 4)	1,053,946,321	795,266,800
Cash	23,362,256	62,036,445
Interest receivable	896,711	-
<b>Total Assets</b>	<b>1,078,205,288</b>	<b>857,303,245</b>
<b>LIABILITIES</b>		
Actuarial requirement for retirement of the sinking fund (Note 5)	1,019,824,810	803,612,437
Fund balance	58,380,478	53,690,808
<b>Total Liabilities and Fund Position</b>	<b>1,078,205,288</b>	<b>857,303,245</b>

## THE REGIONAL MUNICIPALITY OF YORK

### Sinking Fund Statement of Financial Activities and Change in Fund Balance For the Year ended December 31, 2022

	Budget (Note 10) \$	2022 \$	2021 \$
<b>REVENUE</b>			
Local Municipalities	2,607,420	2,607,421	2,607,420
Regional Corporation	192,345,076	192,345,076	182,239,407
	194,952,496	194,952,497	184,846,827
Net investment income (Note 6)	21,259,877	25,949,546	25,876,405
	216,212,373	220,902,043	210,723,232
<b>EXPENSES</b>			
Actuarial requirement for the year	(216,212,373)	(216,212,373)	(204,710,863)
Payments to Regional Corporation	-	-	(334,897)
<b>Change in Fund Balance</b>	<b>-</b>	<b>4,689,670</b>	<b>5,677,472</b>
<b>Opening Fund Balance</b>	<b>58,380,478</b>	<b>53,690,808</b>	<b>48,013,336</b>
<b>Closing Fund Balance</b>	<b>58,380,478</b>	<b>58,380,478</b>	<b>53,690,808</b>

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

## THE REGIONAL MUNICIPALITY OF YORK

### Sinking Funds Statement of Cash Flows Year ended December 31, 2022

	2022 \$	2021 \$
<b>OPERATING</b>		
Change in fund Balance	4,689,670	5,677,472
Changes in non-cash assets and liabilities		
Interest receivable	(896,711)	2,308,892
Actuarial requirement for retirement of the sinking fund	216,212,373	24,710,788
Net change in cash from operations	220,005,332	32,697,152
<b>INVESTING</b>		
Net change in investments	(258,679,521)	(99,105,903)
<b>Net change in cash</b>	(38,674,189)	(66,408,751)
Opening, cash	62,036,445	128,445,196
<b>Closing, cash</b>	23,362,256	62,036,445

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, 2022

#### 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, except that investments are recorded at fair value to better reflect their ability to meet debt obligations. The significant accounting policies are summarized below.

##### a) Investments

Investments are comprised of cash and fixed income securities and are valued based on cost plus accrued investment/interest income.

The sinking fund invests in debentures issued or guaranteed by Provincial and Municipal governments and corporate bonds; the fair value of investments recorded in the financial statements is based on the latest bid prices and the change in fair value is included in the statement of operations and changes in surplus as investment income. 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.

Investment income includes investment income and interest income, net of bank service charges, audit fees and unrealized gain (loss) on the increase/decrease in the fair value of the investments.

#### 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 face value represents the original cost of the investment at the purchase date. 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, 2022 and therefore, no adjustments were recognized.

	2022 Fair Value \$	2022 Face Value \$	2021 Fair Value \$	2021 Face Value \$
Debt investments issued or guaranteed by:				
Provincial governments	839,114,656	970,337,148	811,683,512	795,266,800
Corporations	81,999,770	83,609,173	-	-
	921,114,426	1,053,946,321	811,683,512	795,266,800

## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Sinking Fund Financial Statements December 31, 2022

	2022	2021
Amortized cost, including accrued interest	\$1,053,946,321	\$795,266,800
Weighted average rate of return	2.55%	3.01%
Average term to maturity	9.5 Years	11.2 Years
Excess of fair value over amortized cost	(132,831,895)	16,416,712

#### 5) ACTUARIAL REQUIREMENTS

	2022 \$	2021 \$
Actuarial requirements, beginning of year	803,612,437	856,901,574
Change in actuarial liability requirements	216,212,373	126,710,863
	1,019,824,810	983,612,437
Less value of debentures matured, during the year	-	(180,000,000)
Actuarial requirements, end of year	1,019,824,810	803,612,437

#### 6) INVESTMENT INCOME

	2022 \$	2021 \$
Investment Revenues:		
Interest From Coupon Bonds	1,652,768	1,074,073
Bond Premium/(Discount) Amortized	167,201	-
Zero Coupon Discounts Amortized	22,691,366	17,084,413
Realized Capital Gains	594,467	6,762,651
Total Investment Revenues	25,105,802	24,921,137
Other Revenues:		
Bank Interest	832,100	932,921
Security Lending	37,791	45,041
Total Other Revenues	869,891	977,962
Expenses		
Safekeeping and Transaction Fees	(26,147)	(22,694)
Total	25,949,546	25,876,405

#### 7) SCHEDULE OF PROJECTED DEBENTURE

For the year ended December 31, 2022, the following is a list of the projected maturities of 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
2041	5,000,000
2043	5,000,000
	35,000,000



## THE REGIONAL MUNICIPALITY OF YORK

### Notes to the Sinking Fund Financial Statements December 31, 2022

#### 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 BBB 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, 2022, 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 2022 budget approved by the Sinking Fund Committee on July 18, 2022.



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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, 2022
- 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, 2022, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

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



Page 3

- 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.

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

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

April 25, 2023

## THE REGIONAL MUNICIPALITY OF YORK

### Residents' Trust Funds and Donation Account

#### Statement of Financial Position

As at December 31, 2022

	Trust \$	Donation \$	2022 \$	2021 \$
<b>FINANCIAL ASSETS</b>				
Cash	227,122	38,899	266,021	285,351
Residents' petty cash	6,500	-	6,500	6,500
<b>Total assets</b>	<b>233,622</b>	<b>38,899</b>	<b>272,521</b>	<b>291,851</b>
<b>Fund balances</b>	<b>233,622</b>	<b>38,899</b>	<b>272,521</b>	<b>291,851</b>

## THE REGIONAL MUNICIPALITY OF YORK

### Residents' Trust Funds and Donation Account

#### Statement of Financial Activities and Fund Balances

Year ended December 31, 2022

	Trust \$	Donation \$	2022 \$	2021 \$
Fund balances, beginning of year	254,285	37,566	291,851	292,857
<b>Source of funds:</b>				
Deposits on behalf of residents	314,002	390	314,392	335,340
Interest earned on deposits	-	943	943	303
	314,002	1,333	315,335	335,643
<b>Use of funds:</b>				
Withdrawals	(334,665)	-	(334,665)	(336,649)
<b>Net activity</b>	<b>(20,663)</b>	<b>1,333</b>	<b>(19,330)</b>	<b>(1,006)</b>
<b>Closing fund balance</b>	<b>233,622</b>	<b>38,899</b>	<b>272,521</b>	<b>291,851</b>

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, 2022

#### 1) RESIDENTS' TRUST FUNDS

The residents's trust funds for residents of Newmarket Health Centre and Maple Health Centre (the "facilities") were established in accordance with the Regional Municipality of York 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 financial statements of the Region Municipality of York ("Region") - Residents' Trust Funds and Donation Account are prepared by management in accordance with generally accepted accounting principles for local governments 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 Regional Municipality of York (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 upon receipt and interest income is reported on the accrual basis of accounting. Withdrawals are reported in the period in which they are made.