



## Auditors' Report

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

We have audited the consolidated statement of financial position of the Regional Municipality of York as at December 31, 1999, and the consolidated statements of financial activities and of cash flows for the year then ended. These financial statements are the responsibility of the Municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Regional Municipality of York as at December 31, 1999, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

Chartered Accountants

Toronto, Ontario  
May 26, 2000

**THE REGIONAL MUNICIPALITY OF YORK**  
**Consolidated Statement of Financial Position**  
For the year ended December 31, 1999

	<u>1999</u>	<u>1998</u>
	\$	\$
<b>Financial Assets</b>		
Cash and short term investments (Note 2)	622,445,276	438,942,945
Accounts receivable (Note 3)	71,123,146	57,503,471
Other	3,107,939	1,965,810
Long term investments (Note 2)	23,619,765	58,341,466
<b>Total Assets</b>	<b>720,296,126</b>	<b>556,753,692</b>
 <b>Liabilities</b>		
Accounts payable	85,932,726	73,852,210
Other	3,545,519	6,339,703
Accrued interest on long term liabilities	1,673,334	1,744,227
Employee benefits payable	24,073,504	22,614,140
	<b>115,225,083</b>	<b>104,550,280</b>
Net long term liabilities (Note 5)	220,554,145	222,958,243
Sinking fund debenture retirement	105,435,391	84,705,286
<b>Total Liabilities</b>	<b>441,214,619</b>	<b>412,213,809</b>
 <b>Municipal Position</b>		
Capital fund (Note 6)	1,419,189	(6,927,995)
Reserves and Reserve Funds	523,963,301	398,784,488
Total fund balances	<b>525,382,490</b>	<b>391,856,493</b>
Amounts to be recovered (Note 7)	(246,300,983)	(247,316,610)
<b>Total Municipal Position</b>	<b>279,081,507</b>	<b>144,539,883</b>
 <b>Total Liabilities and Municipal Position</b>	 <b>720,296,126</b>	 <b>556,753,692</b>

---

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

**THE REGIONAL MUNICIPALITY OF YORK**

**Consolidated Statement of Financial Activities**

For the year ended December 31, 1999

	Budget (Unaudited) \$	<u>1999</u> \$	<u>1998</u> \$
<b>Revenues</b>			
Net taxation/user charges	422,909,594	<b>442,518,776</b>	412,905,505
Transfer payments	88,510,381	<b>75,588,440</b>	61,021,687
Fees and services	24,503,254	<b>20,632,416</b>	23,993,664
Development contributions	0	<b>92,975,977</b>	117,894,897
Interest	0	<b>20,866,407</b>	13,774,873
Other	17,489,353	<b>9,679,288</b>	8,223,275
<b>Total Revenues</b>	<b>553,412,582</b>	<b>662,261,304</b>	637,813,901
<b>Expenditures</b>			
<b>Current</b>			
General government	31,014,496	<b>27,890,072</b>	16,790,979
Protection to persons and property	76,971,161	<b>79,257,476</b>	74,552,051
Transportation services	28,917,218	<b>28,486,047</b>	23,460,683
Environmental services	65,197,779	<b>65,092,364</b>	60,514,132
Health services	26,731,064	<b>20,542,976</b>	21,205,651
Social and family services	161,945,239	<b>142,033,939</b>	138,254,485
Social housing	76,970,000	<b>63,474,171</b>	72,780,763
Planning and development	2,787,233	<b>2,667,088</b>	2,286,007
<b>Total current</b>	<b>470,534,190</b>	<b>429,444,133</b>	409,844,751
<b>Capital</b>			
General government	9,907,955	<b>9,011,553</b>	3,698,817
Protection to persons and property	13,569,236	<b>5,365,617</b>	2,847,672
Transportation services	80,420,394	<b>52,392,080</b>	33,393,036
Environmental services	108,527,565	<b>27,533,112</b>	13,116,717
Health services	2,903,207	<b>970,776</b>	508,021
Social and family services	5,779,319	<b>2,730,920</b>	1,395,050
Planning and development	540,520	<b>271,489</b>	97,859
<b>Total capital</b>	<b>221,648,196</b>	<b>98,275,547</b>	55,057,172
<b>Total Expenditures</b>	<b>692,182,386</b>	<b>527,719,680</b>	464,901,923
<b>Net Revenues/(Expenditures)</b>	<b>(138,769,804)</b>	<b>134,541,624</b>	172,911,978
<b>Financing</b>			
New debt issued	32,686,979	<b>13,781,000</b>	0
Debt principal repayment	(16,014,927)	<b>(15,482,518)</b>	(15,535,786)
Debt issue cost		<b>(63,010)</b>	0
Interest earned on own sinking funds		<b>(639,570)</b>	(439,068)
Accrued interest on long term liabilities		<b>(70,893)</b>	(132,862)
Employee benefits		<b>1,459,364</b>	1,178,829
<b>Increase/(decrease) in amounts to be recovered</b>	<b>16,672,052</b>	<b>(1,015,627)</b>	(14,928,887)
<b>Change in Fund Balance</b>	<b>(122,097,752)</b>	<b>133,525,997</b>	157,983,091

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

**THE REGIONAL MUNICIPALITY OF YORK**  
**Consolidated Statement of Changes in Financial Position**  
For the year ended December 31, 1999

	<u>1999</u>	<u>1998</u>
	\$	\$
<b>Operations</b>		
Net revenues	<u>134,541,624</u>	172,911,978
Uses:		
Increase in accounts receivable	(13,619,675)	(22,173,710)
Increase in other assets	(1,142,129)	(252,084)
Decrease in other liabilities	(2,794,184)	(1,375,739)
Decrease in accrued interest on long term liabilities	(70,893)	(132,862)
	<u>(17,626,881)</u>	(23,934,395)
Sources:		
Increase in accounts payable	12,080,516	29,217,819
Increase in employee benefits payable	1,459,364	1,178,829
	<u>13,539,880</u>	30,396,648
 Net increase in cash from operations	 <u>130,454,623</u>	 179,374,231
<b>Investing</b>		
Decrease in long-term investments	<u>34,721,701</u>	17,277,549
Net decrease in cash from investing	<u>34,721,701</u>	17,277,549
<b>Financing</b>		
Long-term debt issued	13,717,990	0
Long-term debt repaid	(15,482,518)	(15,535,786)
Interest earned on own sinking funds	(639,570)	(439,068)
Temporary borrowings issued	20,730,105	19,535,619
Net increase in cash from financing	<u>18,326,007</u>	3,560,765
 <b>Net change in cash and cash equivalents</b>	 <b>183,502,231</b>	 200,212,545
 Opening cash and cash equivalents	 <u>438,942,945</u>	 238,730,400
 Closing cash and cash equivalents	 <u>622,445,276</u>	 438,942,945

---

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

**THE REGIONAL MUNICIPALITY OF YORK**

**Schedule of Current Fund Operations**

For the year ended December 31, 1999

	Budget (Unaudited) \$	<b>1999</b> \$	1998 \$
<b>Revenues</b>			
Net taxation/user charges	422,909,594	<b>442,518,776</b>	412,905,505
Transfer payments	87,458,215	<b>73,825,830</b>	55,831,190
Fees and services	24,503,254	<b>20,632,416</b>	23,993,664
Other	15,051,851	<b>6,014,213</b>	4,365,502
Total Revenues	<u>549,922,914</u>	<u><b>542,991,235</b></u>	497,095,861
<b>Expenditures</b>			
General government	31,014,496	<b>27,890,072</b>	16,790,979
Protection to persons and property	76,971,161	<b>79,257,476</b>	74,552,051
Transportation services	28,917,218	<b>28,486,047</b>	23,460,683
Environmental services	65,197,779	<b>65,092,364</b>	60,514,132
Health services	26,731,064	<b>20,542,976</b>	21,205,651
Social and family services	161,945,239	<b>142,033,939</b>	138,254,485
Social Housing	76,970,000	<b>63,474,171</b>	72,780,763
Planning and development	2,787,233	<b>2,667,088</b>	2,286,007
Total Expenditures	<u>470,534,190</u>	<u><b>429,444,133</b></u>	409,844,751
<b>Net Revenues</b>	<u>79,388,724</u>	<u><b>113,547,102</b></u>	87,251,110
<b>Financing and Transfers</b>			
Debt principal repayments	(16,014,927)	<b>(15,482,518)</b>	(15,535,786)
Accrued interest on long term liabilities	0	<b>(70,893)</b>	(132,862)
Employee benefits	0	<b>1,459,364</b>	1,178,829
Transfer to reserves and reserve funds	(28,800,000)	<b>(68,356,384)</b>	(46,871,235)
Transfer to capital operations	(34,573,797)	<b>(31,096,671)</b>	(25,890,056)
Net Financing and Transfers	<u>(79,388,724)</u>	<u><b>(113,547,102)</b></u>	(87,251,110)
<b>Change in Current Fund</b>	0	<b>0</b>	0
Surplus (deficit) beginning of year	0	<b>0</b>	0
<b>Surplus (deficit) end of year</b>	<u>0</u>	<u><b>0</b></u>	0

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

**THE REGIONAL MUNICIPALITY OF YORK**  
**Schedule of Capital Fund Operations**  
For the year ended December 31, 1999

	Budget (Unaudited) \$	<b>1999</b> \$	1998 \$
<b>Revenues</b>			
Transfer payments	1,052,166	<b>1,762,610</b>	5,190,497
Other	2,437,502	<b>3,665,075</b>	3,857,773
<b>Total Revenues</b>	<b>3,489,668</b>	<b>5,427,685</b>	9,048,270
<b>Expenditures</b>			
General government	9,907,955	<b>9,011,553</b>	3,698,817
Protection to persons and property	13,569,236	<b>5,365,617</b>	2,847,672
Transportation services	80,420,394	<b>52,392,080</b>	33,393,036
Environmental services	108,527,565	<b>27,533,112</b>	13,116,717
Health services	2,903,207	<b>970,776</b>	508,021
Social and family services	5,779,319	<b>2,730,920</b>	1,395,050
Planning and development	540,520	<b>271,489</b>	97,859
<b>Total Expenditures</b>	<b>221,648,196</b>	<b>98,275,547</b>	55,057,172
<b>Net Revenues/(Expenditures)</b>	<b>(218,158,528)</b>	<b>(92,847,862)</b>	(46,008,902)
<b>Financing and Transfers</b>			
Proceeds from long term debt	32,686,979	<b>13,781,000</b>	0
Debt issue costs		<b>(63,010)</b>	0
Interest earned on own sinking funds		<b>(639,570)</b>	(439,068)
Transfer from current fund	34,573,797	<b>31,096,671</b>	25,890,056
Transfer from reserve fund	150,897,752	<b>57,019,955</b>	16,518,405
<b>Net Financing and Transfers</b>	<b>218,158,528</b>	<b>101,195,046</b>	41,969,393
<b>Change in Capital Fund</b>	0	<b>8,347,184</b>	(4,039,509)
Opening Capital Fund Balance	0	<b>(6,927,995)</b>	(2,888,486)
<b>Closing Capital Fund Balance</b>	<b>0</b>	<b>1,419,189</b>	(6,927,995)

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

**THE REGIONAL MUNICIPALITY OF YORK**  
**Schedule of Reserves and Reserve Funds**  
For the year ended December 31, 1999

	Budget (Unaudited) \$	1999 \$	1998 \$
<b>Revenues</b>			
Development contribution	0	92,975,977	117,894,897
Interest	0	20,866,407	13,774,873
<b>Total Revenues</b>	<b>0</b>	<b>113,842,384</b>	<b>131,669,770</b>
<b>Net Transfers from (to) other funds</b>			
Transfer from current fund	28,800,000	68,356,384	46,871,235
Transfer to capital fund	(150,897,752)	(57,019,955)	(16,518,405)
<b>Net Financing and Transfers</b>	<b>(122,097,752)</b>	<b>11,336,429</b>	<b>30,352,830</b>
<b>Change in Reserve Fund Balance</b>	<b>(122,097,752)</b>	<b>125,178,813</b>	<b>162,022,600</b>
Opening Balance	398,784,488	398,784,488	236,761,888
<b>Ending Balance</b>	<b>276,686,736</b>	<b>523,963,301</b>	<b>398,784,488</b>

**Analyzed as follows:**

**Set aside for specific purposes by Council**

-Equipment Replacement	802,167	134,350
-Working Capital	16,577,843	9,513,775
-Group Benefits	1,226,398	804,934
-Vacation Pay	646,453	615,731
-OMERS (Type 3)	94,604	94,604
<b>Total Reserves</b>	<b>19,347,466</b>	<b>11,163,394</b>

**Set aside for specific purposes by legislation, regulation or agreement:**

-Sick Leave	7,943,511	4,509,934
-Emergency 911	20,218	19,256
-Development charges and subdivider contributions	286,668,136	236,058,453
-Insurance	4,721,750	4,279,379
-Capital reserve (water)	35,940,767	27,429,684
-Capital reserve (sewer)	42,005,863	31,070,778
-Solid waste management	35,649,032	32,864,654
-Provincial highways	2,734,992	2,661,647
-Capital reserve	36,042,198	18,556,714
-Workers' compensation schedule II	4,319,881	3,608,529
-Children's centres capital repairs	91,902	91,889
-Alternative Community Living	92,001	45,433
-Transit	5,199,264	0
-Yonge Street	375,551	4,507,292
-Social housing	13,766,674	4,171,600
-Social assistance	16,461,511	7,058,210
-GTA crime abatement	99,370	100,000
-Traffic safety	596,667	1,318,538
-Roads capital	11,140,457	9,068,241
-Child benefit	736,761	200,863
-Seized funds	9,330	0
<b>Total Reserve Funds</b>	<b>504,615,835</b>	<b>387,621,094</b>
<b>Total Reserves and Reserve Funds</b>	<b>523,963,301</b>	<b>398,784,488</b>

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

**THE REGIONAL MUNICIPALITY OF YORK**  
**Notes to the Financial Statements**  
December 31, 1999

---

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

## **1. ACCOUNTING POLICIES**

The consolidated financial statements of The Regional Municipality of York are the representations of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs and Housing, and standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations.

The focus of PSAB financial statements is on the financial position of the Municipality and the changes thereto. The Consolidated Statement of Financial Position includes all the assets and liabilities of the Municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Municipal position represents the financial position and is the difference between assets and liabilities. This provides information about the Municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

### a) Basis of Consolidation

- i) These consolidated financial statements reflect the assets, liabilities, sources of financing and expenditures in the Current Fund, Capital Fund, Reserves and Reserve Funds, and include the activities of all committees of Council and the York Region Police Services Board. The 1998 comparative figures have been reclassified to conform with current presentation.

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between Reserve Funds and any other fund of the Municipality and the resulting interest income and expenditures.

- ii) Funds held in trust by the Region for the residents of Newmarket Health Centre and Maple Health Centre and their related operations are not included in the financial statements. The financial activity 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

Sources of financing and expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

#### ii) Capital Assets

The historical cost and accumulated depreciation for capital assets are not recorded for municipal purposes. Capital assets are reported as an expenditure on the Consolidated Statement of Financial Activities in the year of acquisition.



**THE REGIONAL MUNICIPALITY OF YORK**  
**Notes to the Financial Statements**  
December 31, 1999

---

iii) Development Charges

Development Charges, collected under the authority of Sections 33 to 35 of the Development Charges Act 1997, are reported as Reserve Funds in the Consolidated Statement of Financial Position in accordance with this Act.

iv) Capital Outlay to be Recovered in Future Years

Capital outlay to be recovered in future years, which represents the outstanding principal portion of unmatured long term liabilities for municipal expenditure or capital funds transferred to other organizations, is reported on the Consolidated Statement of Financial Position, under 'Amounts to be recovered'.

**2. CASH AND INVESTMENTS**

	<u>1999</u>	<u>1998</u>
	\$	\$
Unrestricted Cash and Short Term Investments	<b>122,101,740</b>	98,499,923
Restricted Cash and Short Term Investments	<b><u>500,343,536</u></b>	<u>340,443,022</u>
	<b><u>622,445,276</u></b>	<u>438,942,945</u>

Short term investments and long term investments, which are recorded at cost adjusted for amortization of discount or premium, have a market value of \$679,558,370, (1998 - \$436,433,511) and \$24,391,027, (1998 - \$61,716,359) respectively at the end of the year.

**3. ACCOUNTS RECEIVABLE**

The balance for accounts receivable, net of the Allowance for Doubtful Accounts on the Consolidated Statement of Financial Position totaled \$71,123,146 for 1999, (1998 - \$57,503,471). This amount is comprised of the following receivables:

	<u>1999</u>	<u>1998</u>
	\$	\$
Government of Canada	<b>1,658,444</b>	906,161
Government of Ontario	<b>17,972,297</b>	14,003,644
Other Municipalities	<b>40,807,183</b>	31,209,610
Others	<b><u>10,737,943</u></b>	<u>11,433,290</u>
	<b>71,175,867</b>	57,552,705
Less		
Allowance for Doubtful Accounts	<b><u>52,721</u></b>	<u>49,234</u>
	<b><u>71,123,146</u></b>	<u>57,503,471</u>

**4. CAPITAL FINANCING**

Capital expenditure on the Consolidated Statement of Financial Activities includes capital assets and transfers to the Capital Fund in the amount of \$31,096,671, (1998 - \$25,890,056) which have been financed from general municipal revenues of the current year.

**THE REGIONAL MUNICIPALITY OF YORK**  
**Notes to the Financial Statements**  
December 31, 1999

---

**5. NET LONG TERM LIABILITIES**

- a) The balance for net long term liabilities reported on the Consolidated Statement of Financial Position is made up of the following which have been approved by the Ontario Municipal Board or the Council of the Regional Municipality of York.

	<u>1999</u>	<u>1998</u>
Total long term liabilities incurred by the Municipality including those incurred on behalf of former school boards, the York Region Board of Education and area municipalities and outstanding at the end of the year amount to	<b>369,509,501</b>	396,376,495
In addition, the Municipality has assumed responsibility for the payment of principal and interest charges on certain long term liabilities issued by other municipalities. At the end of the year, the principal amount of this liability is	<b>208,882</b>	208,882
Of the long term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by others for a principal amount of	<b>(137,527,351)</b>	(165,777,920)
The balance in the Markham-Stouffville Hospital Debt Retirement Fund which has been accumulated to the end of the year to retire the outstanding long term liability included above amounts to	<b>(5,243,238)</b>	(4,478,248)
The balance in the Debt Retirement Fund for the Police Services Board which has been accumulated to the end of the year to retire the outstanding long term liability included above amounts to	<b>(923,863)</b>	(599,834)
The balance in the Debt Retirement Fund for the Regional Administrative Building which has been accumulated to the end of the year to retire the outstanding long term liability included above amounts to	<b>(4,873,137)</b>	(2,373,350)
The balance in the Debt Retirement Fund for the Newmarket Water Storage Facility which has been accumulated to the end of the year to retire the outstanding long term liability included above amounts to	<b>(387,867)</b>	(188,900)
The balance in the Ministry of the Environment Sinking Fund which has been accumulated to the end of the year to retire the outstanding long term liabilities included above, amounts to	<b><u>(208,882)</u></b>	<b><u>(208,882)</u></b>
Net Long Term Liabilities at the end of the year	<b><u>220,554,145</u></b>	<b><u>222,958,243</u></b>

**THE REGIONAL MUNICIPALITY OF YORK**  
**Notes to the Financial Statements**  
December 31, 1999

---

- b) Long term liabilities, including the 1999 current portion not segregated on the Consolidated Statement of Financial Position, is repayable as follows:

2000	17,062,603
2001	19,113,254
2002	18,092,168
2003	16,599,850
2004	15,917,600
Thereafter	<u>133,768,670</u>
	<u>220,554,145</u>

- c) Charges for Net Long Term Liabilities

Total charges for the year for net long term liabilities which are included in the Consolidated Statement of Financial Activities, are as follows:

	<u>1999</u>	<u>1998</u>
	\$	\$
Principal payments including contributions to the Ministry of the Environment Debt Retirement Fund	<b>16,067,428</b>	15,535,786
Interest	<u>17,077,452</u>	<u>17,834,569</u>
Total charges for Net Long Term Liabilities at the end of the year	<u>33,144,880</u>	<u>33,370,355</u>

## 6. MUNICIPAL POSITION – CAPITAL FUND

Approval of Council has been obtained for the pending issues of long term liabilities and for those commitments to be financed from revenues beyond the term of Council.

## 7. AMOUNTS TO BE RECOVERED

Amounts to be recovered include the gross amount of the following liabilities at year end, some of which have been funded through reserves as outlined in Note 8(a) and (c).

	<u>1999</u>	<u>1998</u>
	\$	\$
Accrued interest payable on long term liabilities	<b>1,673,334</b>	1,744,227
Capital outlay financed by long term liabilities and to be Recovered in future years	<b>220,554,145</b>	222,958,243
Vacation payable	<b>3,281,626</b>	2,871,527
Vested sick leave benefits	<u>20,791,878</u>	<u>19,742,613</u>
	<u>246,300,983</u>	<u>247,316,610</u>

**THE REGIONAL MUNICIPALITY OF YORK**  
**Notes to the Financial Statements**  
December 31, 1999

---

**8. CONTRACTUAL OBLIGATIONS AND COMMITMENTS**

a) Liability for Vested Sick Leave Benefits  
Regional Operations

Under the sick leave benefit plan, unused sick leave can accumulate and employees may become 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.

The liability for these accumulated days to the extent that they have vested and could be taken in cash by an employee on termination amounted to \$6,223,623, (1998 - \$5,936,785) at the end of the year.

An amount of \$1,194,440, (1998 - \$309,799) was paid to employees who left the municipality's employment during 1999.

A reserve has been established to provide for this past service liability and is reported on the Consolidated Statement of Financial Position. A payroll surcharge is included in the budgets of all Regional departments, with the exception of Police Services, to fund the reserve. The reserve balance at the end of the year is \$5,428,804 (1998- \$4,509,934). Anticipated past service payments to employees who are eligible to retire are:

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$13,380	\$1,102	\$48,700	\$90,765	\$87,646

On December 9, 1999, the Council of the Regional Municipality of York adopted a Short Term Disability plan to replace the accumulated sick leave plan for employees in Regional Operations in 2000. Under the proposed plan, employees with five years or more of service will be given the option to receive a cash payout of fifty per cent the balance in their sick leave bank as at December 31, 1999 or defer payment until termination of employment with the region. The liability for vested sick leave benefits will be substantially reduced in future years as a result of this initiative.

Police Services

The Police Services Board sick leave plan is similar to that of the Regional Operations. The 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 \$14,568,255 (1998 - \$13,805,828). In 1999, a reserve was established to provide for a portion of the Police Services past service liability and the balance at the end of the year is \$2,514,706. Anticipated past service payments to employees who are eligible to retire are:

<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
\$75,520	\$60,069	\$89,705	\$117,477	\$229,568

b) Water Agreement

Under the terms of agreements with the Ministry of the Environment and the City of Toronto, the Region is entitled to purchase water at rates established every year. Payments in respect of these agreements amounted to \$15,918,698 (1998 - \$14,516,767). Payments under these agreements are financed by area municipalities based on water consumption.

c) Vacation Pay Liability

As at December 31, 1999, the Region estimated its vacation pay liability to be approximately \$3,281,626 (1998 - \$2,871,527). A reserve has been established to provide for this vacation pay liability and is reported on the Consolidated Statement of Financial Position. The reserve balance at the end of the year is \$646,453 (1998 - \$615,731). Vacation pay is normally charged to operations in the period in which it is paid.

# THE REGIONAL MUNICIPALITY OF YORK

## Notes to the Financial Statements

December 31, 1999

---

d) Pension Agreement

The Region contributes to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer plan on behalf of approximately 2,672 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.

The amount contributed to OMERS for current service was \$3,717 (1998 - \$2,257,658) and is included as an expenditure on the Consolidated Statement of Financial Activities.

The latest actuarial valuation indicates that current member and employer contribution rates are sufficient to fund future benefits. Currently, OMERS members and employers are enjoying a full contribution holiday. From August 1, 1998 through to December 31, 2001, member and employer contribution rates are 0%. In 2002, rates will begin to rise gradually so that by January 1, 2004, they will return to normal.

## 9. CONTINGENT LIABILITIES

a) Long Term Liabilities

The Municipality is contingently liable for long term liabilities for which the responsibility for the payment of principal and interest has been assumed by other municipalities, school boards and unconsolidated local boards, municipal enterprises and utilities. The total amount outstanding as at December 31, 1999 is \$137,527,351, (1998 - \$165,777,920) and is not recorded on the Consolidated Statement of Financial Position.

b) Workers' Compensation

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

According to an independent actuarial valuation conducted in 1999, the estimated liability for all claims incurred to December 31, 1998 was \$472,000. The estimated costs for 1999 injuries are \$218,000.

An amount of \$4,319,881, (1998 - \$3,608,529) has been provided for in the financial statements to meet the Region's possible future liability.

c) Public Liability Insurance

During 1999, the Region insured public liability through participation in a reciprocal insurance exchange, Ontario Municipal Insurance Exchange (OMEX).

Public liability insurance limits are at \$50,000,000. The Region increased its level of self-insured retention, from the various deductible levels under the independent insurance policies, to \$100,000 on January 1, 1999 under the OMEX policies.

Insurance premiums, claims under the deductible provisions of policies and claims in excess of insurance limits are paid from a Self-Insurance Reserve Fund established by the Region. The Region makes annual contributions to the reserve on the basis of type of coverage, deductibles and insurance limits. Contributions in 1999 were \$935,987, (1998 - \$398,475) and are reported in the Consolidated Statement of Financial Activities.

The Region estimates, based on past years' claim trends, that the liability as at December 31, 1999 for all outstanding public liability claims is \$1,590,845, (1998 - \$594,630).

Environmental impairment liability is fully self-insured by the Region. The combined total reserves available for public liability and environmental impairment is \$4,721,750, (1998 - \$4,279,379).

# THE REGIONAL MUNICIPALITY OF YORK

## Notes to the Financial Statements

December 31, 1999

---

d) Contingencies

In the normal course of its operations, the Region is subject to various litigations and claims. The ultimate outcome of these claims cannot be determined at this time. However, the Region's management believes that the ultimate disposition of these matters will not have a material adverse effect on its financial position.

### 10. CURRENT FUND SURPLUS

The Current Fund surplus for the Region of York for the fiscal year ended December 31, 1999 in the amount of \$29,790,672 was transferred to the Capital Reserve as authorized by Bylaw A-233-97-106.

### 11. LOCAL SERVICES REALIGNMENT

Pursuant to Bill 26, the Province of Ontario has passed responsibility for the delivery and /or financing of certain services down to the municipalities. The associated costs have been reflected in the budgets and financial statements for 1999. The additional services that the Region is responsible for are Children's Services, Go Transit, Land Ambulance, Ontario Works, Property Assessment under the Ontario Property Assessment Corporation (OPAC), Public Health and Social Housing.

### 12. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the Year 2000 as 1900 or some other date, resulting in errors when information using Year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the Region of York, including those related to customers, suppliers, or other third parties, have been fully resolved.

### 13. COMPARATIVE FIGURES

Certain of the comparative figures have been restated to conform to the current year's presentation.



## Auditors' Report

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

We have audited the statement of financial position of the Sinking Fund of the Regional Municipality of York as at December 31, 1999, and the Sinking Fund statement of financial activities for the year then ended. These financial statements are the responsibility of the Municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Sinking Fund of the Regional Municipality of York as at December 31, 1999, and the financial activities of the Sinking Fund for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

Chartered Accountants

Toronto, Ontario  
May 26, 2000

**THE REGIONAL MUNICIPALITY OF YORK**  
**Sinking Fund Statement of Financial Position**  
as at December 31, 1999

	<u>1999</u>	<u>1998</u>
	\$	\$
<b>Financial Assets</b>		
Investments – at amortized cost (Note 1)	105,432,764	84,705,043
Due from Area Municipality	2,373	0
Due from Region	254	243
<b>Total Assets</b>	<u>105,435,391</u>	<u>84,705,286</u>
<b>Liabilities</b>		
Actuarial requirement for retirement of the Sinking fund (Note 2)	103,273,245	82,422,438
<b>Fund balance</b>	<u>2,162,146</u>	<u>2,282,848</u>
<b>Total Liabilities and Fund Position</b>	<u>105,435,391</u>	<u>84,705,286</u>

**THE REGIONAL MUNICIPALITY OF YORK**  
**Sinking Fund Statement of Financial Activities**  
For the year ended December 31, 1999

	Budget (Unaudited)	<u>1999</u>	<u>1998</u>
	\$	\$	\$
<b>Revenues</b>			
Contributions from:			
Area Municipalities	4,231,766	4,231,766	4,231,766
Board of Education	6,310,530	6,310,530	6,310,530
Regional Corporation	3,148,204	3,148,204	3,148,204
Total Contributions	13,690,500	13,690,500	13,690,500
Supplementary Payment-Area Municipality	2,373	2,373	0
Interest earned	7,007,362	7,037,232	5,845,119
Total Revenues	20,700,235	20,730,105	19,535,619
<b>Expenditures</b>			
Actuarial requirement for the year	(20,850,807)	(20,850,807)	(19,387,613)
<b>Change in Fund Balance</b>	<u>(150,572)</u>	<u>(120,702)</u>	148,006

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, 1999

---

**1. INVESTMENTS**

All investments are purchased with the intention of holding them until maturity and are recorded at cost price adjusted annually for amortization of discount or premium on a present value basis as determined at the date of purchase with the amount of such amortization included in the interest earned on the Statement of Continuity. The investments have a market value of \$105,020,412, (1998- \$88,201,003).

**2. ACTUARIAL REQUIREMENTS**

The actuarial requirements of the sinking fund represent the amounts levied during the year as set out in the sinking fund debenture by-law plus interest thereon capitalized at a rate of 6% or 8% per annum compounded annually. Any excess revenue over these requirements is included in the sinking fund balance.



## Auditors' Report

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

We have audited the statement of financial position of the Residents' Trust Funds and Donation Account for the Regional Municipality of York as at December 31, 1999, and the statement of financial activities of the trust funds and donation account for the year then ended. These financial statements are the responsibility of the Municipality's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust funds and donation account for the Regional Municipality of York as at December 31, 1999, and the financial activities of the trust funds and donation account for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements.

Chartered Accountants

Toronto, Ontario  
May 26, 2000

**THE REGIONAL MUNICIPALITY OF YORK**  
**Residents' Trust Funds & Donation Account**  
**Statement of Financial Position**  
as at December 31, 1999

	<u>Trust</u>	<u>Donation</u>	<u>1999</u>	<u>1998</u>
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and bank	140,426	10,604	<b>151,030</b>	150,466
Investments	365,000	0	<b>365,000</b>	385,000
Residents' petty cash	5,000	0	<b>5,000</b>	5,000
<b>Total Assets</b>	<u>510,426</u>	<u>10,604</u>	<u><b>521,030</b></u>	<u>540,466</u>
<b>Liabilities</b>				
Other liabilities	0	0	<b>0</b>	15,336
Due to residents	510,426	10,604	<b>521,030</b>	525,130
<b>Total Liabilities</b>	<u>510,426</u>	<u>10,604</u>	<u><b>521,030</b></u>	<u>540,466</u>

**THE REGIONAL MUNICIPALITY OF YORK**  
**Residents' Trust Funds & Donation Account**  
**Statement of Financial Activities**  
for the year ended December 31, 1999

	<u>Trust</u>	<u>Donation</u>	<u>1999</u>	<u>1998</u>
	\$	\$	\$	\$
Balance, beginning of year	525,130	15,336	<b>540,466</b>	541,138
Source of funds:				
Deposits on behalf of residents	1,770,962	8,612	<b>1,779,574</b>	285,411
Interest earned on deposits	2,250	804	<b>3,054</b>	16,983
Matured investment proceeds	0	0	<b>0</b>	100,000
	<u>1,773,212</u>	<u>9,416</u>	<u><b>1,782,628</b></u>	<u>402,394</u>
Use of funds:				
Withdrawals	(1,767,916)	(14,148)	<b>(1,782,064)</b>	(303,066)
Investing				
Matured investments not reinvested	(20,000)	0	<b>(20,000)</b>	(100,000)
Net activity	<u>(14,704)</u>	<u>(4,732)</u>	<u><b>(19,436)</b></u>	<u>(672)</u>
Balance, end of year	<u>510,426</u>	<u>10,604</u>	<u><b>521,030</b></u>	<u>540,466</u>

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, 1999

---

**1. ACCOUNTING POLICIES**

- 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 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.

**2. BASIS OF ACCOUNTING**

- a) Cash and investments (short and long term) are recorded at cost.
- b) Revenues and expenditures are reported on the accrual basis of accounting.

**3. INVESTMENTS**

The investments have a market value of \$365,000.