

Consolidated financial statements of

# **The Regional Municipality of Peel**

December 31, 2020

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## Independent Auditor's Report

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

### Opinion

We have audited the consolidated financial statements of the Regional Municipality of Peel, which comprise the statement of financial position as at December 31, 2020, and the statements of operations, change in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Regional Municipality of Peel as at December 31, 2020, and the results of its operations, change in net financial assets and its 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 ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated financial statements* section of our report. We are independent of the Regional Municipality of Peel in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Regional Municipality of Peel'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 Regional Municipality of Peel or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Regional Municipality of Peel's financial reporting process.

**Auditor's Responsibilities for the Audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 these consolidated financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Regional Municipality of Peel's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Regional Municipality of Peel'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 consolidated 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 Regional Municipality of Peel to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Regional Municipality of Peel to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

Chartered Professional Accountants  
Licensed Public Accountants  
May 20, 2021

# The Regional Municipality of Peel

## Consolidated Statement of Financial Position

As at December 31, 2020

(All dollars in \$000)

	2020	2019
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 410,257	\$ 543,539
Accounts receivable (Note 3)	184,615	161,700
Loans receivable (Note 4)	16,830	13,660
Portfolio investments (Note 2)	2,400,900	1,894,325
Recoverable gross long-term debt from area municipalities (Note 9)	211,307	241,387
	<b>3,223,909</b>	<b>2,854,611</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 5)	762,037	686,027
Deferred revenue (Note 6)	125,405	119,467
Landfill closure and post-closure liability (Note 7)	66,774	56,904
Employee future benefits and post-employment liabilities (Note 8)	162,066	131,212
Other liabilities	4,355	4,277
Long-term debt (Note 9)	1,494,742	1,389,327
Mortgages payable on income-producing properties (Note 9)	114,210	132,483
	<b>2,729,589</b>	<b>2,519,697</b>
<b>NET FINANCIAL ASSETS</b>	<b>494,320</b>	<b>334,914</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 12)	11,993,294	11,627,537
Prepaid expenses	22,205	24,707
Inventory	8,291	5,977
	<b>\$ 12,023,790</b>	<b>\$ 11,658,221</b>
<b>ACCUMULATED SURPLUS (Note 10)</b>	<b>\$ 12,518,110</b>	<b>\$ 11,993,135</b>

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

# The Regional Municipality of Peel

## Consolidated Statement of Operations

For the year ended December 31, 2020  
(All dollars in \$000)

	2020 Budget (Note 13)	2020 Actual	2019 Actual
<b>REVENUES</b>			
Levies on area municipalities	\$ 1,134,235	\$ 1,130,614	\$ 1,083,265
Direct charges on ratepayers	446,462	450,726	412,930
Contributions – other governments	750,770	796,291	798,861
Contributions – developers	441,272	270,996	252,359
Contributed tangible capital assets	-	119,996	105,973
Investment income	74,974	80,974	78,220
Fees, service charges and other	166,597	197,444	170,128
<b>Total revenues</b>	<b>3,014,310</b>	<b>3,047,041</b>	<b>2,901,736</b>
<b>EXPENSES (Note 14)</b>			
General government	55,045	66,755	56,248
Protection to property and persons	529,744	560,347	502,822
Transportation services	140,424	131,482	138,264
GO Transit	7,920	7,920	12,301
Gas tax transferred to area municipalities	34,791	34,791	69,712
Environmental services	632,128	640,877	651,305
Health services	211,654	223,412	184,608
Social and family services	649,670	611,792	584,757
Social housing	231,177	214,593	231,060
Planning and development	10,081	10,381	9,999
Assessment/other	19,904	19,716	19,431
<b>Total expenses</b>	<b>2,522,536</b>	<b>2,522,066</b>	<b>2,460,507</b>
Annual surplus	491,774	524,975	441,229
Accumulated surplus, beginning of year	11,993,135	11,993,135	11,551,906
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 10)</b>	<b>\$ 12,484,909</b>	<b>\$ 12,518,110</b>	<b>\$ 11,993,135</b>

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

## The Regional Municipality of Peel

### Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2020  
(All dollars in \$000)

	2020 Budget (Note 13)	2020 Actual	2019 Actual
<b>ANNUAL SURPLUS</b>	\$ 491,774	\$ 524,975	\$ 441,229
Acquisition of tangible capital assets	(558,675)	(559,495)	(551,620)
Amortization of tangible capital assets	277,865	295,659	284,890
Contributed tangible capital assets	-	(119,996)	(105,971)
Write-down of tangible capital assets	-	-	41,514
(Gain) loss on sale of tangible capital assets	-	(2,518)	958
Proceeds on sale of tangible capital assets	-	20,593	1,250
	210,964	159,218	112,250
Acquisition of inventory	-	(12,249)	(11,545)
Acquisition of prepaid expenses	-	(4,576)	(13,238)
Consumption of inventory	-	9,935	11,158
Use of prepaid expenses	-	7,078	16,280
Change in net financial assets	\$ 210,964	\$ 159,406	\$ 114,905
Net financial assets, beginning of year	334,914	334,914	220,009
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ 545,878	\$ 494,320	\$ 334,914

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

# The Regional Municipality of Peel

## Consolidated Statement of Cash Flows

For the year ended December 31, 2020  
(All dollars in \$000)

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 524,975	\$ 441,229
Items not involving cash		
Amortization of tangible capital assets	295,659	284,890
(Gain) loss on sale of tangible capital assets	(2,518)	958
Contributed tangible capital assets	(119,996)	(105,971)
Write-down of tangible capital assets	-	41,514
Change in non-cash assets and liabilities		
Accounts receivable	(22,915)	4,466
Recoverable gross long-term debt from area municipalities	-	9
Accounts payable and accrued liabilities	76,010	46,082
Deferred revenue	5,938	(20,520)
Change in landfill closure and post-closure liability	9,870	13,126
Change in employee future benefits and post-employment liabilities	30,854	10,034
Other liabilities	78	98
Prepaid expenses	2,502	3,042
Inventory	(2,314)	(387)
Net change in cash and cash equivalents from operating activities	798,143	718,570
<b>CAPITAL ACTIVITIES</b>		
Proceeds on sale of tangible capital assets	20,593	1,250
Cash used to acquire tangible capital assets	(559,495)	(551,620)
Net change in cash and cash equivalents from capital activities	(538,902)	(550,370)
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposals and redemptions of investments	819,177	369,376
Acquisition of investments	(1,325,752)	(389,023)
(Increase) in loans receivable	(3,170)	(1,774)
Net change in cash and cash equivalents from investing activities	(509,745)	(21,421)
<b>FINANCING ACTIVITIES</b>		
Proceeds on debt issuance	200,000	-
Repayment of long-term debt	(4,289)	(4,168)
Accrual for interest payments	(2,359)	671
Contributions to sinking fund	(46,679)	(46,688)
Investment income earned on sinking fund	(11,178)	(9,851)
Repayment of mortgages payable	(18,273)	(19,125)
Net change in cash and cash equivalents from financing activities	117,222	(79,161)
Net change in cash and cash equivalents	(133,282)	67,618
Cash and cash equivalents, beginning of year	543,539	475,921
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 410,257</b>	<b>\$ 543,539</b>
Cash paid for interest	\$ 176,623	\$ 68,335
Cash received from interest	62,054	60,410

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



## THE REGIONAL MUNICIPALITY OF PEEL

### *Notes to the Consolidated Financial Statements*

For the year ended December 31, 2020  
(All dollars in \$000)

The Regional Municipality of Peel ("Region") is an upper-tier municipality in the Province of Ontario ("Province"), Canada. The provisions of provincial statutes such as the *Municipal Act*, *Municipal Affairs Act* and related legislation guide its operations.

### 1. Significant Accounting Policies

The consolidated financial statements ("financial statements") of the Region are the representation of management and are prepared in accordance with Canadian public sector accounting standards ("PSAS"), as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada").

The focus of these financial statements is on the financial position of the Region and the changes thereto. The consolidated statement of financial position includes all the financial assets and liabilities of the Region as well as non-financial assets. Financial assets are those assets that could provide resources to discharge existing liabilities or finance future operations. Net financial assets form a part of the financial position and are the difference between financial assets and liabilities. This provides information about the Region's overall future revenue requirements and its ability to finance activities and meet its obligations. Non-financial assets are normally used to deliver services. Their value lies with their service potential rather than their ability to generate future cash inflows. They form part of the financial position, as they provide resources that the Region can employ in the future to meet its objectives. The accumulated surplus is made up of the combination of net financial assets and non-financial assets.

Significant aspects of the accounting policies adopted by the Region are as follows:

#### a) Basis of Presentation

The financial statements reflect the financial activities of all entities that are accountable to and controlled by the Region, which include:

- Peel Police Services Board ("Peel Police")
- Peel Housing Corporation ("PHC")

All inter-departmental and inter-organizational transactions are eliminated on consolidation. Also included are the Regional contributions to the local conservation authorities, and the funding thereof. The Region is required, by legislation, to reimburse the Municipal Property Assessment Corporation for the cost of Assessment Services that are not administered or controlled by the Region.

Funds held in trust by the Region for residents of Peel Manor and Sheridan Villa Senior Citizens' Residences, the Tall Pines and Malton Village Long-Term Care Centres, and the Vera M. Davis Community Care Centre in the amount of \$219 (2019 – \$213), are not

included in the financial statements. The financial activity and position of the trust funds are reported separately in the trust funds financial statements.

The Region maintains separate funds for the purpose of providing for periodic repayments on debt to be retired by means of sinking funds. The financial activity and position of this fund are disclosed separately in the debt retirement funds and the sinking funds financial statements.

**b) Basis of Accounting**

**i) Accrual Method of Accounting**

The Region follows the accrual method of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are the cost of goods or services acquired in the period, whether or not payment has been made or invoices received.

**ii) Cash and Cash Equivalents**

Cash and cash equivalents include short-term, highly liquid investments with a term to maturity of 90 days or less as at December 31.

**iii) Investment Income**

Investment income earned on surplus current fund, capital fund, reserves and reserve funds (other than obligatory reserve funds) are reported as revenue in the period earned. Investment income on unspent obligatory reserve funds is added to obligatory reserve fund balances.

Temporary investments are carried at the lower of cost and market value. Portfolio investments are carried at cost, unless there are impairments in value, at which time they are written down to recognize the loss in value. Discounts or premiums are amortized using the effective interest method.

**iv) Loans Receivable**

Loans receivable are valued at cost. Recoverability is reviewed annually and a valuation allowance is recorded when recoverability is impaired. A loan receivable is written off when it is no longer recoverable. Recoveries of loans receivable previously written off are recognized in the year received. Interest revenue is recognized as it is earned.

**v) Non-Financial Assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

**a. Tangible Capital Assets**

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The Region does not have any tangible capital assets recognized at nominal value. The cost, less residual value, of tangible capital assets, excluding land and landfill sites, are amortized on a straight-line basis over their estimated useful lives as follows:

Assets	Useful life – years
Land improvements	5 – 99
Buildings	20 – 100
Building improvements	8 – 100
Leasehold improvements	2 – 40
Equipment and furnishings	3 – 80
Linear	15 – 90
Linear improvements	50
Structures	20 – 60
Vehicles	3

Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is in service.

**b. Contributions of Tangible Capital Assets**

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are also recorded as revenue.

**c. Interest Capitalization**

The Region capitalizes interest costs associated with the acquisition or construction of a tangible capital asset relating to certain projects.

**d. Natural Resources**

Natural resources that have not been purchased are not recognized as assets in the financial statements.

**vi) Deferred Revenue – Development Charges**

Development charges, collected under the authority of Sections 33 to 35 of the [Development Charges Act, 1997](#), are reported as deferred revenue in the consolidated statement of financial position in accordance with PSAS. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period in which the funds are expended on qualifying capital projects. Development charges will also be applied to cover costs for servicing debt including interest on borrowings and contributions to sinking funds to retire debt.

**vii) Tax Revenue**

Property tax revenue is recognized on an accrual basis when the tax is authorized by the passing of the tax levy by-law. Taxes are levied on properties listed on the assessment roll at the time the by-law is passed based on the approved budget and tax rates. Supplementary taxation is recognized as additional billings issued to properties that are added to the assessment roll during the year.

At year-end, the Region evaluates the likelihood of having to repay taxes as a result of tax appeals or other changes and recognizes a liability if the amount can be reasonably estimated.

**viii) Government Transfers**

Government transfers are recognized in the financial statements in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made, and there are no stipulations that give rise to a liability.

**ix) Employee Future Benefits and Post-Employment Liabilities**

The Region accounts for its participation in the Ontario Municipal Employee Retirement System ("OMERS"), a multi-employer public sector pension fund, as a defined contribution plan.

Vacation entitlements are accrued for as entitlements are earned.

Other post-employment benefits and compensated absences are accrued in accordance with the projected benefit method, pro-rated on service and management's best estimate of salary escalation and retirement ages of employees. Actuarial valuations, where necessary for accounting purposes, are generally performed triennially. The discount rate used to determine the accrued benefit obligation was determined by reference to the Region's short and long-term rate of borrowing. Unamortized actuarial gains/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 Workplace Safety and Insurance Board ("WSIB"), are recorded when determined.

Costs related to prior-period employee services arising out of plan amendments are recognized in the period in which the plan is amended.

Where applicable, the Region has set aside Reserves intended to fund these obligations, either in full or in part. These Reserves were created under municipal by-law and do not meet the definition of a plan asset under *PSAS 3250 Retirement Benefits*. Therefore, for the purposes of these financial statements, the plans are considered unfunded.

**x) Landfill Liability**

The costs to close an existing landfill site and to maintain closed landfill sites are based on the future estimated expenditures required over a twenty-five year period, discounted using the Region's long-term borrowing rate. These costs are reported as a liability on the consolidated statement of financial position. Landfill sites are amortized using the units of production method based upon capacity used during the year.

**xi) Liability for Contaminated Sites**

A liability for the remediation of a contaminated site is recognized as the best estimate of the amount required to remediate the contaminated site when the following specified criteria are present:

- Contamination exceeding an environmental standard exists,
- The Region is either directly responsible or accepts responsibility,
- It is expected that the future economic benefit will be given up, and
- A reasonable estimate of the amount is determinable.

If the likelihood of the Region's obligation to incur these costs is either not determinable, or if an amount cannot be reasonably estimated, the costs are disclosed as contingent liabilities in the Notes to the financial statements.

**xii) Foreign Currency Translation**

Monetary assets and liabilities denominated in foreign currencies are translated at the prevailing rates of exchange at the year-end date. Revenue and expenses are translated at the exchange rate prevailing on the transaction date. Realized and unrealized exchange gains and losses are included in the consolidated statement of operations.

**xiii) Use of Estimates**

The preparation of these financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the period. Significant estimates relate to accounts receivable, accrued liabilities, landfill closure and post-closure liability, liabilities for contaminated sites, employee future benefits and post-employment liabilities and expenses. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

## 2. Cash and Cash Equivalents and Portfolio Investments

Cash and cash equivalents and portfolio investments reported on the consolidated statement of financial position have cost and market values as follows:

<b>2020</b>		
	<b>Cost</b>	<b>Market Value</b>
Cash	\$ 397,975	\$ 397,975
Cash equivalents	12,282	12,284
<b>Cash and cash equivalents</b>	<b>\$ 410,257</b>	<b>\$ 410,259</b>
<b>Portfolio investments</b>	<b>\$2,400,900</b>	<b>\$2,508,790</b>
<b>2019</b>		
	<b>Cost</b>	<b>Market Value</b>
Cash	\$ 537,816	\$ 537,816
Cash equivalents	5,723	5,734
<b>Cash and cash equivalents</b>	<b>\$ 543,539</b>	<b>\$ 543,550</b>
<b>Portfolio investments</b>	<b>\$1,894,325</b>	<b>\$1,941,361</b>

Included in the Region's investment portfolio is a Region of Peel debenture at a coupon rate of 1.96 per cent (2019 – 1.96 to 4.53 per cent) with a carrying value \$2,508 (2019 – \$3,037).

## 3. Accounts Receivable

The balance for accounts receivable is comprised of the following:

	<b>2020</b>	<b>2019</b>
Federal and provincial governments	\$ 40,461	\$ 33,441
Other municipalities	25,571	20,638
Wastewater and water billings	76,366	66,815
Accrued interest	12,871	9,249
Sundry	29,346	31,557
<b>Total</b>	<b>\$ 184,615</b>	<b>\$ 161,700</b>

#### 4. Loans Receivable

The balance for loans receivable includes the following:

- a) A 30-year memorandum of understanding at 5.196 per cent with Credit Valley Conservation ("CVC") to be used to finance the renovation of their head office facility.
- b) A 20-year loan agreement at 5.12 per cent with Abbeyfield Houses of Caledon to be used to finance the construction of affordable housing for senior citizens.
- c) A loan to Shalimar International Housing Corporation; interest to be charged based on the prevailing capital market rate beginning September 1<sup>st</sup>, 2031; all principal and interest owing to be repaid by September 2<sup>nd</sup>, 2046.
- d) A loan to Ahneen Co-operative Homes; interest to be charged based on the prevailing capital market rate beginning February 1<sup>st</sup>, 2027; all principal and interest owing to be repaid by February 2<sup>nd</sup>, 2042.
- e) A loan to Forum Italia Non-Profit Housing Corporation; interest to be charged based on the prevailing capital market rate beginning July 2<sup>nd</sup>, 2025; all principal and interest owing to be repaid by July 2<sup>nd</sup>, 2040.
- f) A loan to Grace Retirement and Community Enterprises Inc.; interest to be charged based on the prevailing capital market rate beginning August 2<sup>nd</sup>, 2018; all principal and interest owing to be repaid by August 2<sup>nd</sup>, 2033.
- g) A loan to Chegoggin Co-operative Homes; interest to be charged based on the prevailing capital market rate beginning December 2<sup>nd</sup>, 2027; all principal and interest owing to be repaid by December 2<sup>nd</sup>, 2042.
- h) A loan to Indo-Canadian Non-Profit Housing; interest to be charged based on the prevailing capital market rate beginning September 2<sup>nd</sup>, 2026; all principal and interest owing to be repaid by September 2<sup>nd</sup>, 2041.
- i) An interest-free subsidy agreement with Erin Court Co-operative Homes; repayable through future operational surpluses.
- j) A loan to Las Americas Co-operative Homes; interest to be charged based on the prevailing capital market rate beginning July 2<sup>nd</sup>, 2028; all principal and interest owing to be repaid by July 2<sup>nd</sup>, 2043.

	2020	2019
CVC – memorandum of understanding	\$ 5,554	\$ 5,695
Abbeyfield Houses of Caledon – loan agreement	178	192
Shalimar International Housing – loan agreement	767	767
Ahneen Co-operative Homes – loan agreement	671	671
Forum Italia Non-Profit Housing – loan agreement	1,525	1,500
Grace Retirement and Community Enterprises Inc. – loan agreement	2,328	2,471
Cheggoggin Co-operative Homes – loan agreement	1,723	1,647
Indo-Canadian Non-Profit Housing – loan agreement	1,566	296
Erin Court Co-operative Homes – subsidy agreement	454	421
Las Americas Co-operative Homes – loan agreement	2,064	-
<b>Total</b>	<b>\$ 16,830</b>	<b>\$ 13,660</b>

k) Future Repayments

Estimated future receipts of loans receivable are as follows:

	Total
2021	\$ 163
2022	174
2023	182
2024	192
2025	202
Subsequent to 2025	15,917
<b>Total</b>	<b>\$ 16,830</b>

## 5. Accounts Payable and Accrued Liabilities

The balance for accounts payable and accrued liabilities is comprised of the following:

	2020	2019
Trade accounts payable	\$ 493,412	\$ 429,906
Provincial government	246,063	236,754
Other municipalities	22,562	19,367
<b>Total</b>	<b>\$ 762,037</b>	<b>\$ 686,027</b>



## 6. Deferred Revenue

Deferred revenues set aside for specific purposes by legislation, regulation or agreement as at December 31, are composed of the following:

	Balance at December 31, 2019	Inflows	Revenue Earned	Remittances	Balance at December 31, 2020
Development Charges	\$ -	\$ 270,996	\$ 270,926	\$ 70	\$ -
Federal Gas Tax	26,862	42,800	42,509	-	27,153
Provincial Gas Tax	84	543	540	-	87
General – Region	62,703	106,648	75,841	-	93,510
General – PHC	4,578	77	-	-	4,655
	94,227	150,068	118,890	-	125,405
York/Peel Water Supply Agreement	25,240	122	-	25,362	-
<b>Total</b>	<b>\$ 119,467</b>	<b>\$ 421,186</b>	<b>\$ 389,816</b>	<b>\$ 25,432</b>	<b>\$ 125,405</b>

In 2001, the Region entered into a Long-Term Water Supply Agreement (“Agreement”) with the Region of York (“York”) to supply potable water. The Agreement stipulates a maximum day water demand in each year to be supplied to York. New infrastructure, constructed and used jointly by both Regions since the inception of the Agreement, has been funded through agreed cost-sharing based on allocating the flow capacity available to the Region and York on a project-by-project basis.

In 2013, negotiations with York on the cost-share split for the Hanlan Feedermain resulted in a reduction to the maximum day water demand supplied to York. The reduction in flow requirement impacts the majority of infrastructure which forms part of this agreement. As such, a credit for the investment made by York to-date for this jointly used infrastructure was warranted. Although it was agreed that the remaining balance of the credit would be paid to York upon completion of the Hanlan Feedermain project, the credit balance in the amount of \$25,362 was paid to York during 2020, in advance of the project completion, which is expected to occur in 2021.

## 7. Landfill Closure and Post-Closure Liability

*The Environmental Protection Act* sets out regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites.

Landfill closure and post-closure care are activities for landfill sites that are expected to occur in perpetuity and requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of groundwater

and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance.

The Region has twenty landfill sites, nineteen of which are closed. The Caledon site has capacity but is not currently accepting waste. To fill the remaining unused 5 per cent capacity would result in an estimated remaining life of one year. For the Caledon site and the closed sites, the estimated liability for these expenditures is calculated for a twenty-five year period.

The estimated liability of \$66,774 (2019 – \$56,904) included in the financial statements represents the sum of the discounted future cash flows for closure and post-closure care activities discounted at the Region's long-term borrowing rate of 3.20 per cent (2019 – 4.00 per cent).

As at December 31, the Region maintained a reserve of \$15,381 (2019 – \$15,297), which will be used to fund expected future costs.

## 8. Employee Future Benefits and Post-Employment Liabilities

Employee future benefits and post-employment liabilities reported on the consolidated statement of financial position consist of the following:

	2020	2019
Retirement benefits:		
- Peel Police	\$ 84,089	\$ 77,675
- Peel Police (LTD recipients)	7,090	3,808
- Peel Region	10,905	10,149
- Peel Region (LTD recipients)	3,747	3,865
	105,831	95,497
Workplace Safety and Insurance Board	56,235	35,715
<b>Total</b>	<b>\$162,066</b>	<b>\$131,212</b>

### a) Retirement Benefits

The liability for retirement benefits is for the Region's and the Peel Police's share of costs associated with extending the coverage for health, dental, and life insurance benefits to qualifying employees. Benefit coverage, except for life insurance coverage, and health care spending account for Peel Police, ceases at the age of 65. The valuation treats enrolled members in receipt of long-term disability for two years or less, or WSIB benefits, as continuing to receive active service benefits.

The Peel Region liability is based on the actuarial valuations as at December 31, 2020, with estimates to December 31, 2022.

The Peel Police liability is based on the actuarial valuations as at December 31, 2019, with estimates to December 31, 2023.

The following significant actuarial assumptions adopted in the valuations were based on management's best estimates.

- Future discount rates:
  - Peel Police
    - 3.15 per cent per year for Retiree Benefit
    - 2.90 per cent per year for LTD
  - Peel Region
    - 3.20 per cent per year for Retiree Benefit
    - 2.60 per cent per year for LTD
- Future inflation rate
  - 1.75 per cent per year
- Future salaries
  - Escalate at 2.75 per cent per year
- Future dental premium rates:
  - Peel Police
    - Initial rate of 4.50 per cent, grading up over 5 years and then down over 15 years to an ultimate rate of 4.05 per cent
  - Peel Region
    - Escalate at 4.00 per cent per annum
- Future health care premium rates:
  - Peel Police
    - Blended initial rate of 4.05 per cent, grading up over 7 years and then down over 13 years to an ultimate blended rate of 4.05 per cent
  - Peel Region
    - Drugs - 7.15 per cent in 2020 reducing by 0.15 per cent each year to ultimate rate of 4.0 per cent in 2041
    - Vision - 2.20 per cent in 2020 reducing by 0.20 per cent each year to ultimate rate of 0.0 per cent in 2031

The following are the actuarial results for the accrued benefit liability reported on the consolidated statement of financial position:

**Retirement Benefits Liability**

	<b>2020</b>	<b>2019</b>
Accrued benefit obligation at January 1	\$ 104,574	\$ 100,147
Add: actuarial loss in the year	16,483	-
Add: benefit service cost	9,311	4,827
Add: interest accrued	4,049	3,789
Deduct: benefit payments	(5,073)	(4,190)
Accrued benefit obligation at December 31	129,344	104,573
Deduct: unamortized actuarial loss	(23,513)	(9,076)
<b>Liability at December 31</b>	<b>\$ 105,831</b>	<b>\$ 95,497</b>

### Retirement Benefits Expense

	2020	2019
Current period benefit cost	\$ 9,311	\$ 4,827
Actuarial loss	16,483	-
Interest on accrued benefit obligation	4,049	3,789
Amortization of actuarial losses	1,382	668
<b>Total</b>	<b>\$31,225</b>	<b>\$ 9,284</b>

The actuarial loss is the result of assumptions used in the above noted valuations that varied from assumptions used in prior valuations. These assumptions pertained to the distribution of covered employees, discount rate, escalation of health care rates, projected mortality rates, and benefit coverage. The actuarial loss will be amortized over the expected average remaining service life of employees.

#### b) Workplace Safety and Insurance Board

The Region is a Schedule II employer under the [Workplace Safety and Insurance Act](#), and, therefore, self-insures the entire risk of their own WSIB claims and is responsible for reimbursing the WSIB for all costs relating to its workers' claims.

The liability reported in the consolidated statement of financial position is based on the actuarial valuation as at December 31, 2020, with estimates to December 31, 2022, that estimated potential liabilities of the Region under the provisions of the [Workplace Safety and Insurance Act](#).

The result of the actuarial valuation is as follows:

### WSIB Liability

	2020	2019
Accrued benefit obligation at January 1	\$ 50,977	\$ 47,975
Add: plan amendment	15,497	-
Add: actuarial loss in the year	42,211	-
Add: estimated cost of claims (service cost)	7,084	6,881
Add: interest accrued	1,993	1,821
Deduct: expected benefits paid	(5,992)	(5,700)
Accrued benefit obligation at December 31	111,770	50,977
Deduct: unamortized actuarial loss	(55,535)	(15,262)
<b>Liability at December 31</b>	<b>\$ 56,235</b>	<b>\$ 35,715</b>

### WSIB Benefits Expense

	2020	2019
Current period benefit cost	\$ 7,084	\$ 6,881
Plan amendment	15,497	-
Actuarial loss	42,211	-
Interest on accrued benefit obligation	1,933	1,821
Amortization of actuarial losses	1,938	1,938
<b>Total</b>	<b>\$ 68,663</b>	<b>\$ 10,640</b>

## 9. Long-Term Debt

Under the terms of the [Municipal Act, 2001](#), Regional Council has approved the issuing of debentures to finance its own capital expenses and tangible capital assets, and those of the area municipalities within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs. Debentures issued for such purposes are direct, joint and several obligations of the Region and local municipalities.

In 2020, the Region issued \$Nil (2019 – \$74,760) in debenture debt, of which \$Nil (2019 – \$48,150) was on behalf of the City of Mississauga, \$Nil (2019 - \$23,000) was on behalf of the City of Brampton, and \$Nil (2019 – \$3,610) was on behalf of the Town of Caledon.

### a) Net Long-Term Debt

The total for long-term liabilities reported in the consolidated statement of financial position consists of the following:

	2020	2019
Total long-term liabilities incurred by the Region including amounts incurred on behalf of area municipalities	\$1,879,102	\$1,715,821
Less: Total value of Region's sinking fund deposits	(383,187)	(325,452)
Less: Value of Town of Caledon sinking fund assumed by the Region	(1,173)	(1,042)
<b>Total long-term liabilities</b>	<b>1,494,742</b>	<b>1,389,327</b>
Mortgages payable by Peel Housing Corporation	114,210	132,483
<b>Total mortgages payable on income-producing properties</b>	<b>114,210</b>	<b>132,483</b>
Recoverable from lower-tiers		
City of Mississauga	176,434	205,193
City of Brampton	23,000	23,004
Town of Caledon	16,821	18,138
Less: Town of Caledon debt assumed by Region	(4,948)	(4,948)
<b>Total recoverable gross long-term debt from area municipalities</b>	<b>211,307</b>	<b>241,387</b>
<b>Net Long-Term Debt at December 31</b>	<b>\$1,397,645</b>	<b>\$1,280,423</b>

Serial debt and sinking fund debentures issued by the Region mature between December 2021 and June 2053 and have interest rates ranging between 2.50 per cent and 5.10 per cent.

Mortgages of \$114,158 (2019 – \$132,483) on PHC properties are secured by a first charge on specific assets of PHC with amortization periods ranging from five to fifty years and interest rates ranging from 0.69 per cent to 6.75 per cent.

Sinking funds were established to provide for the orderly retirement of sinking fund debentures issued by the Region totaling \$1,632,000 (2019 – \$1,433,000). These debentures mature between December 2021 and June 2053.

b) Future Principal Repayments

Estimated future principal repayments for the Region, including sinking fund contributions and PHC, are as follows:

	Peel Housing Corporation	Region of Peel	Total
2021	\$ 18,453	\$ 166,586	\$ 185,039
2022	18,305	47,725	66,030
2023	17,590	47,861	65,451
2024	16,329	48,003	64,332
2025	14,292	48,150	62,442
Subsequent to 2025	29,241	511,377	540,566
Net sinking fund debt repayable	-	413,733	413,733
<b>Total</b>	<b>\$ 114,210</b>	<b>\$1,283,435</b>	<b>\$ 1,397,645</b>

Total interest charges in the amount of \$69,445 (2019 – \$66,724) are reported in the consolidated statement of operations. The charges consist of \$4,838 (2019 – \$4,707) for interest on PHC mortgages and \$64,607 (2019 – \$62,018) for debenture debt.

## 10. Accumulated Surplus

The accumulated surplus consists of the following balances:

	2020	2019
Investment in tangible capital assets and social housing	\$ 11,871,825	\$ 11,486,601
Reserves and reserve funds	2,295,972	2,130,555
Capital fund	(1,553,963)	(1,547,397)
Current fund	48,310	37,022
Less: unfunded liabilities		
Retiree benefits:		
– Peel Police	(45,473)	(38,110)
– Peel Region	(5,843)	(5,843)
Workplace Safety and Insurance Board	(21,589)	(8,512)
Landfill closure and post-closure costs	(66,774)	(56,904)
Other	(4,355)	(4,277)
<b>Total Accumulated Surplus</b>	<b>\$ 12,518,110</b>	<b>\$ 11,993,135</b>

a) Surplus Management Strategy

The Region has a surplus management strategy that permits year-end transfers to and from reserves to manage the level of surplus carried forward into the next fiscal year. Such transfers are made to ensure that future commitments of the Region can be met, and are based on management's planning of infrastructure replacement, property tax rate and user rate stabilization, potential exposure to program funding shortfalls and contingent liabilities. The allocation of these transfers and their purpose is disclosed

annually to Regional Council following completion of the year-end audit. The financial statements include the transfers made to reserves under the surplus management strategy.

b) **Reserves and Reserve Funds**

Reserves and reserve funds are established by Regional Council as appropriate, and are included in the accumulated surplus position of the Region.

## **11. Pension Agreements**

The Region makes contributions to OMERS on behalf of approximately 8,458 eligible employees. OMERS is a defined benefit pension plan, fully funded by equal contributions from participating employers and employees, and by the investment earnings of the OMERS Fund. OMERS pensions are calculated using a defined benefit formula, taking into account length of service and average annual wage (based upon the highest 60 consecutive months of earnings), that is designed to integrate with the pension payable from the Canada Pension Plan.

During the year, the Region's contribution to OMERS for current service was \$75,307 (2019 – \$71,499). The Region's contributions are reported in the consolidated statement of operations. Employee contributions also amount to \$75,307 (2019 – \$71,499).

For the December 31, 2020 year end, the funded portion of the OMERS pension plan increased to 97 per cent (2019 – 97 per cent). Pension plan assets decreased to \$105,000,000 (2019 – \$109,000,000) primarily due to negative investment returns.

## 12. Tangible Capital Assets

2020

(All dollars in \$000)

<b>Cost</b>	<b>Balance at December 31, 2019</b>	<b>Additions</b>	<b>Disposals &amp; Write-downs</b>	<b>Balance at December 31, 2020</b>
	\$			
Land	1,221,511	\$ 26,963	\$ (16,240)	\$ 1,232,234
Land improvements	41,387	-	-	41,387
Buildings and building improvements	2,504,398	15,992	-	2,520,390
Leasehold improvements	29,698	124	-	29,822
Linear and linear improvements	8,512,731	307,508		8,820,239
Structures	237,931	9,097	-	247,028
Vehicles	102,753	19,224	(10,697)	111,280
Equipment and furnishings	2,133,900	125,256	(2,848)	2,256,308
Construction work in progress	1,222,597	175,327	-	1,397,924
	\$			
<b>Total cost</b>	<b>16,006,906</b>	<b>\$ 679,491</b>	<b>\$ (29,785)</b>	<b>\$ 16,656,612</b>

<b>Accumulated Amortization</b>	<b>Balance at December 31, 2019</b>	<b>Disposals</b>	<b>Amortization</b>	<b>Balance at December 31, 2020</b>
	\$			
Land improvements	19,103	\$ -	\$ 1,273	\$ 20,376
Buildings and building improvements	768,055	-	47,482	815,537
Leasehold improvements	14,441	-	832	15,273
Linear and linear improvements	2,504,833	-	147,003	2,651,836
Structures	112,624	-	5,697	118,321
Vehicles	52,895	(8,980)	10,981	54,896
Equipment and furnishings	907,418	(2,730)	82,391	987,079
	\$			
<b>Total accumulated amortization</b>	<b>4,379,369</b>	<b>\$ (11,710)</b>	<b>\$ 295,659</b>	<b>\$ 4,663,318</b>

<b>Net Book Value</b>	<b>Net Book Value December 31, 2020</b>
Land	\$ 1,232,234
Land improvements	21,011
Buildings and building improvements	1,704,853
Leasehold improvements	14,549
Linear and linear improvements	6,168,403
Structures	128,707
Vehicles	56,384
Equipment and furnishings	1,269,229
Construction work in progress	1,397,924
<b>Total net book value</b>	<b>\$ 11,993,294</b>



## 12. Tangible Capital Assets (Continued)

2019

(All dollars in \$000)

Cost	Balance at December 31, 2018	Additions	Disposals & Write-downs	Balance at December 31, 2019
Land	\$ 1,198,182	\$ 23,329	\$ -	\$ 1,221,511
Land improvements	41,387	-	-	41,387
Buildings and building improvements	2,432,436	75,595	(3,633)	2,504,398
Leasehold improvements	28,117	1,581	-	29,698
Linear and linear improvements	8,173,877	438,361	(99,507)	8,512,731
Structures	237,931	-	-	237,931
Vehicles	93,860	18,284	(9,391)	102,753
Equipment and furnishings	2,095,723	68,178	(30,001)	2,133,900
Construction work in progress	1,190,334	32,263	-	1,222,597
<b>Total cost</b>	<b>\$ 15,491,847</b>	<b>\$ 657,591</b>	<b>\$ (142,532)</b>	<b>\$ 16,006,906</b>

Accumulated Amortization	Balance at December 31, 2018	Disposals	Amortization	Balance at December 31, 2019
Land improvements	\$ 17,830	\$ -	\$ 1,273	\$ 19,103
Buildings and building improvements	722,872	(1,943)	47,126	768,055
Leasehold improvements	13,348	-	1,093	14,441
Linear and linear improvements	2,422,168	(59,683)	142,348	2,504,833
Structures	106,933	-	5,691	112,624
Vehicles	50,669	(8,022)	10,248	52,895
Equipment and furnishings	859,469	(29,162)	77,111	907,418
<b>Total accumulated amortization</b>	<b>\$ 4,193,289</b>	<b>\$ (98,810)</b>	<b>\$ 284,890</b>	<b>\$ 4,379,369</b>

Net Book Value	Balance at December 31, 2019
Land	\$ 1,221,511
Land improvements	22,284
Buildings and building improvements	1,736,343
Leasehold improvements	15,257
Linear and linear improvements	6,007,898
Structures	125,307
Vehicles	49,858
Equipment and furnishings	1,226,482
Construction work in progress	1,222,597
<b>Total net book value</b>	<b>\$ 11,627,537</b>

### a) Construction in Progress

Assets under construction having a value of \$1,397,924 (2019 – \$1,222,597) have not been amortized. Amortization of these assets will commence when the asset is put into service.

b) **Contributed Tangible Capital Assets**

Contributed tangible capital assets transferred to the Region in 2020 amounted to \$119,996 (2019 – \$105,971). The majority of tangible capital assets transferred were from developers and included water and wastewater local mains as well as land.

c) **Works of Art and Cultural Assets**

The Region manages and controls various works of art and non-operational historical cultural assets including buildings, artifacts, paintings and sculptures located at Region sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

d) **Write-Downs**

The write-down of tangible capital assets during the year was \$Nil (2019 – \$41,514) in the consolidated statement of operations.

e) **Interest Capitalization**

In 2020, the Region capitalized \$159 (2019 – \$183) of interest cost.

### 13. Budget Data

The budget amounts presented in the consolidated financial statements are based on the 2020 operating and capital budgets approved by Regional Council on December 19, 2019. The following reconciles the approved budget to the budget amounts presented in the consolidated financial statements using the accrual basis of accounting, in accordance with PSAS. Budgets established for tangible capital asset acquisitions are on a project-oriented basis, the costs of which may be carried over one or more fiscal years. Where amounts were budgeted for on a project-oriented basis, the budget amounts used are based on actual projects that took place during the year to reflect the same basis of accounting that was used to report the actual results.

	Revenues	Expenses
<b>Operating Budget</b>		
Council Approved Budget	\$ 2,566,195	\$ 2,566,195
In-year budget adjustments	34,358	34,358
Board Approved Peel Housing Corporation	100,912	100,912
Adjustment for intercompany transactions	(60,518)	(60,518)
PSAB Adjustments		
Contributions to reserves/reserve funds	-	(489,158)
Contributions from reserves/reserve funds	(51,672)	-
Payment to sinking fund for debt retirement	-	(46,679)
Other liabilities	-	(9,870)
Other adjustments	-	-
<b>Adjusted Operating Budget</b>	<b>2,589,275</b>	<b>2,095,240</b>
<b>Capital Budget</b>		
Council Approved Budget	1,058,495	1,058,495
Timing difference between budget and spending	(385,889)	(385,889)
Board Approved Peel Housing Corporation	35,500	35,500
PSAB Adjustments		
Contributions from reserves/reserve funds	(353,876)	-
Acquisition of tangible capital assets	-	(558,675)
Amortization	-	277,865
<b>Adjusted Capital Budget</b>	<b>354,230</b>	<b>427,296</b>
<b>Other</b>		
Reserve fund interest and other revenue	70,805	-
<b>Budget as presented in Financial Statements</b>	<b>\$ 3,014,310</b>	<b>\$ 2,522,536</b>

## 14. Expenses by Object

The consolidated statement of operations reports expenses for the Region by functions or by business programs. The following is a summary of expenses by object.

	2020	2019
Salary and wages	\$ 984,701	\$ 882,412
Services and rents	405,686	391,886
Materials and supplies	93,761	85,633
Grants and transfer payments	559,997	601,144
Debt charges	69,522	66,724
Intra-government transfers	(47,378)	(44,995)
Amortization	295,659	284,890
Other operational expenses	160,118	192,813
<b>Total</b>	<b>\$ 2,522,066</b>	<b>\$ 2,460,507</b>

## 15. Contractual Obligations and Contingent Liabilities

- As at December 31, 2020 outstanding contractual obligations for capital works amounted to approximately \$492,279 (2019 – \$533,832). Regional Council has authorized the financing of these obligations.
- As at December 31, 2020 the Region has been named as defendant or co-defendant in a number of outstanding legal actions. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. A provision of \$10,447 (2019 – \$8,642) has been made for those claims not expected to be covered by insurance.
- Under the terms of various operating lease agreements, future minimum payments are as follows:

2021	\$ 2,412
2022	1,514
2023	1,171
2024	785
2025	333
Subsequent to 2025	3,161
<b>Total</b>	<b>\$ 9,376</b>

- Under a renewed 10-year service agreement, effective January 1, 2020, the Region has contracted the operations of the South Peel wastewater and water treatment systems to the Ontario Clean Water Agency ("OCWA").

Included in the consolidated statement of operations are the 2020 charges from OCWA totaling \$43,059 (2019 – \$40,300). The consolidated statement of financial position

reflects only the capital assets of the wastewater and water treatment facilities and the service charges due to or from OCWA.

- e) The Peel Regional Police provide policing services to the Greater Toronto Airports Authority ("GTAA"). Under a service agreement, the GTAA provides funding to fully offset any costs incurred by the Peel Regional Police. In 2020, the Peel Regional Police received \$18,114 (2019 – \$17,035) from the GTAA.
- f) Under contracts approved by the Region in 2005 with amendments in 2012 and 2016, Waste Management of Canada Corporation ("WMCC") will provide waste disposal capacity at current market rates (additional 22 years until December 31, 2042) in addition WMCC and other private third party corporations will provide waste transfer services to the Region. The 2020 annual cost is \$16,700.
- g) Under separate contracts approved by the Region in 2014, two private waste management companies provide services including, but not limited to: bi-weekly, alternating garbage cart and recycling cart collection, bi-weekly bulky item collection, weekly organics cart collection, seasonal yard waste collection, garbage exemption collection periods, and manual (bag based) garbage, recycling and organics bin collection at specified locations. Each contract term is for an eight-year-plus-nine-month period which began on January 2016, with two additional, separate twelve-month period extension options, based on satisfactory service, performance and pricing. The 2020 annual cost for the two contracts is \$45,600.
- h) The Region has issued letters of credit for \$15,085 (2019 – \$24,931) in order to meet the credit requirements and conditions of certain agreements related to capital projects.
- i) The Region has identified a contaminated site on a piece of land downloaded from the federal government. The Region is currently working with the federal government to determine who accepts responsibility for the remediation of this site and has, therefore, not recognized a liability for this site in the consolidated statement of financial position.

## **16. Liability for Contaminated Sites**

As at December 31, 2020, management has not identified any contaminated sites that meet the specified criteria and no liability (2019 – \$Nil) for contaminated sites has been recorded in these consolidated financial statements.

## **17. Municipal Act, 2001**

Since the introduction of Current Value Assessment ("CVA") taxation in 1998, provincial legislation mandates a limit to assessment-related tax increases for the commercial, industrial and multi-residential classes. The purpose of this limit is to ensure that the impact of CVA reform is manageable for taxpayers in these three property classes. These assessment-related tax adjustments are capped using a number of Council-adopted parameters which include the optional capping tools and capping program enhancements. Adoption of the capping parameters is designed to maximize the number of properties moving to full CVA-based taxation. The Region's 2020 Tax Capping Policy – Selection of Options staff report presented to Regional Council on May 14, 2020 details the capping

options selected for implementation in the 2020 taxation year. The legislation permits the costs of capping to be funded by limiting the property tax decreases within the subject property class.

While the local municipalities have the jurisdiction responsibility for managing the tax collection system, the Region is responsible for acting as the “banker” in order to balance out the overall impact of the capping initiative on a broader Regional basis. Implementation may cause some year-to-year variances. Such post-billing capping variances are written-off at the local municipal level and funded between the Region, the local municipality and the school board based on the tax rate prorated shares of the write-offs.

The multi-residential and industrial capping programs are in the final year of the four-year phase-out. Therefore, beginning in the 2020 taxation year, all properties in the multi-residential and industrial capped classes are now taxed at full CVA tax level. During the year ended December 31, 2020, the Region has implemented the four-year phase-out of the capping program for the commercial property class.

## **18. Segmented Information**

The Region of Peel is a diversified municipal government institution providing a wide range of services to its residents that include: general government, protection to property and persons, transportation, environmental, health and social and family services. The Region also controls and administers Peel Housing Corporation, a non-profit housing organization.

For management reporting purposes, the Region’s operations and activities are reported by Program Services. Program Services were created for the purpose of recording specific activities to attain certain objectives in accordance with regulations, restrictions or limitations. Regional services are provided by divisions and their activities are reported in Program Services.

Divisions disclosed in the Segmented Information, along with the services they provide, are as follows:

### **General Government**

General government comprises divisions under Finance, Corporate Services and the Executive Office, Council and Digital & Information Services. The divisions provide direct support to the various citizen-facing Regional services, as well as Council and Committee. These divisions also supply financial and administrative leadership for the Regional Corporation.

Also included are corporate expenses and revenues that are not directly attributable to any individual service, but do impact the overall tax requirement.

### **Protection to Property and Persons**

Protection to property and persons consists of Police Services and the conservation authorities. Police Services partners with the community to maintain social order and contribute to a safe environment in which to live, work and visit. Funding is provided to support the operating costs, special projects and land purchases for three conservation authorities in the Region.

#### Transportation Services

Transportation services is responsible for Roads and TransHelp services. The mandate of the Roads division is to provide safe, reliable and secure roads while respecting the environment. TransHelp provides transit services to Peel residents unable to utilize conventional modes of public transportation.

#### GO Transit

GO Transit includes the Region's apportionment of capital costs billed by GO Transit.

#### Gas Tax Transferred to Local Municipalities

This segment includes the Federal Gas Tax revenue that is transferred to local municipalities.

#### Environmental Services

Environmental services is responsible for Water, Wastewater and Waste Management Services. The Water Program sustainably delivers high quality drinking water, and the related support services, in an efficient and reliable manner. The mandate of Wastewater is to manage, collect and treat municipal wastewater. Waste Management provides environmentally sustainable waste management services to residents and small businesses while maximizing recovery of valuable resources.

#### Health Services

Health services includes Public Health and Paramedic Services. Public Health is mandated by the [\*Ontario Health Protection and Promotion Act\*](#) and other legislation. Public Health provides programs and services in six key areas: communicable disease control and prevention; clinical services; enforcement; youth and adult illness prevention; early childhood development; and health surveillance. The mandate of Paramedic Services is to decrease suffering and improve and promote community safety.

#### Social and Family Services

Children's services plans, manages and coordinates a Region-wide early learning and child care system. Long-Term Care operates five long-term care facilities for seniors. Ontario Works delivers 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 waiting list.

Peel Housing Corporation is a non-profit housing company providing over 16,000 residents with affordable rental units.

#### Planning and Development

Regional planning provides planning policy and research and development planning services that respond to the growth and change experienced in Peel.

#### Assessment Services

Assessment Services is the funding to the Municipal Property Assessment Corporation, which administers province-wide property assessment services for municipalities.

Appendix I  
2020 Region of Peel Consolidated Financial Statements  
Segmented Information

For the year ended December 31, 2020  
(All dollars in \$000)

	General Government		Protection to Property & Persons		Transportation Services		Go Transit		Gas Tax Transferred To Area Municipalities		Environmental Services	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Operations Revenue												
Levies on area municipalities	1,130,614	1,083,265	-	-	-	-	-	-	-	-	-	-
Direct charges on ratepayers	-	-	-	-	-	-	-	-	-	-	450,726	412,930
Contributions - other governments	46,776	17,946	17,860	17,439	13,870	28,745	-	-	49,043	69,712	18,097	39,116
Contributions - developers	1,620	516	866	1,182	17,417	30,570	4,500	-	-	-	248,013	206,207
Contributed capital assets	-	-	-	-	6,105	4,114	-	-	-	-	113,891	99,048
Investment income	19,527	15,611	6,885	6,689	6,027	6,823	-	-	-	-	33,183	33,410
Fees and service charges	35,790	15,705	28,573	29,025	4,556	5,069	-	-	-	-	14,042	17,167
	1,234,327	1,133,043	54,184	54,335	47,975	75,321	4,500	-	49,043	69,712	877,952	807,878
Expenses												
Salaries and wages	76,178	68,051	439,026	396,140	47,688	46,115	-	-	-	-	68,481	65,258
Services and rents	28,833	30,308	37,495	32,735	28,771	35,040	-	-	-	-	185,044	182,139
Materials and supplies	2,436	2,738	13,185	13,217	8,825	8,662	-	-	-	-	49,345	45,876
Grants and transfer payments	33,613	32,397	50,942	48,271	100	16	-	-	34,791	69,712	-	-
Debt charges	2,286	2,330	-	-	545	566	-	-	-	-	60,081	57,783
Intra-government transfers	(113,563)	(100,853)	(16,766)	(15,453)	(29,212)	(27,352)	-	-	-	-	60,671	54,224
Amortization	12,759	9,444	14,078	13,533	54,422	53,946	-	-	-	-	187,450	181,116
Other operating expenses	24,213	11,833	22,387	14,379	20,343	21,271	7,920	12,301	-	-	29,805	64,909
	66,755	56,248	560,347	502,822	131,482	138,264	7,920	12,301	34,791	69,712	640,877	651,305
	-	-	-	-	-	-	-	-	-	-	-	-
Annual Surplus (Deficit)	1,167,572	1,076,795	(506,163)	(448,487)	(83,507)	(62,943)	(3,420)	(12,301)	14,252	0	237,075	156,573



Appendix I  
2020 Region of Peel Consolidated Financial Statements  
Segmented Information

For the year ended December 31, 2020  
(All dollars in \$000)

	Health Services		Social & Family Services		Social Housing		Planning & Development		Assessment Services		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Operations Revenue												
Levies on area municipalities	-	-	-	-	-	-	-	-	-	-	1,130,614	1,083,265
Direct charges on ratepayers	-	-	-	-	-	-	-	-	-	-	450,726	412,930
Contributions - other governments	122,756	96,995	472,371	462,319	55,518	66,589	-	-	-	-	796,291	798,861
Contributions - developers	216	483	586	168	(2,222)	13,233	-	-	-	-	270,996	252,359
Contributed capital assets	-	-	-	-	-	2,811	-	-	-	-	119,996	105,973
Investment income	1,601	1,692	3,289	3,559	10,136	10,125	-	-	326	311	80,974	78,220
Fees and service charges	565	1,145	26,541	20,419	84,510	78,919	2,867	2,679	-	-	197,444	170,128
	125,138	100,315	502,787	486,465	147,942	171,677	2,867	2,679	326	311	3,047,041	2,901,736
Expenses												
Salaries and wages	169,592	138,191	159,426	138,035	17,458	21,320	6,851	9,302	-	-	984,701	882,412
Services and rents	8,644	10,349	24,522	14,082	72,402	67,480	259	322	19,716	19,431	405,686	391,886
Materials and supplies	7,739	6,375	11,250	7,815	970	921	11	29	-	-	93,761	85,633
Grants and transfer payments	5,348	2,360	387,019	394,359	48,154	53,999	30	30	-	-	559,997	601,144
Debt charges	-	-	285	-	6,324	6,045	-	-	-	-	69,522	66,724
Intra-government transfers	21,912	18,398	18,515	19,456	11,731	6,879	(666)	(294)	-	-	(47,378)	(44,995)
Amortization	8,321	7,999	3,336	3,620	15,289	15,214	6	18	-	-	295,659	284,890
Other operating expenses	1,856	936	7,439	7,390	42,266	59,202	3,890	592	-	-	160,118	192,813
	223,412	184,608	611,792	584,757	214,593	231,060	10,381	9,999	19,716	19,431	2,522,066	2,460,507
	-	-	-	-	-	-	-	-	-	-	-	-
Annual Surplus (Deficit)	(98,274)	(84,293)	(109,005)	(98,292)	(66,651)	(59,383)	(7,514)	(7,320)	(19,390)	(19,120)	524,975	441,229