

(Unaudited)

Consolidated financial statements of

# **The Regional Municipality of Peel**

December 31, 2019

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## **Table of Contents**

Independent Auditor’s Report..... 1-2

Consolidated Statement of Financial Position..... 3

Consolidated Statement of Operations ..... 4

Consolidated Statement of Change in Net Financial Assets ..... 5

Consolidated Statement of Cash Flows..... 6

Notes to the Consolidated Financial Statements ..... 7-31

## 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, 2019, 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, 2019, 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.

## Appendix I

### 2019 Region of Peel Consolidated Financial Statements

**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  
April 16, 2020

# The Regional Municipality of Peel Consolidated Statement of Financial Position

As at December 31, 2019

(All dollars in \$000)

	2019	2018
<b>FINANCIAL ASSETS</b>		
Cash and cash equivalents (Note 3)	\$ 543,539	\$ 475,921
Accounts receivable (Note 4)	161,700	166,166
Loans receivable (Note 5)	13,660	11,886
Portfolio investments (Note 3)	1,894,325	1,874,678
Recoverable gross long-term debt from area municipalities (Note 10)	241,387	194,491
	<b>2,854,611</b>	<b>2,723,142</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities (Note 6)	686,027	639,945
Deferred revenue (Note 7)	119,467	139,987
Landfill closure and post-closure liability (Note 8)	56,904	43,778
Employee future benefits and post-employment liabilities (Note 9)	131,212	121,178
Other liabilities	4,277	4,179
Long-term debt (Note 10)	1,389,327	1,402,458
Mortgages payable on income-producing properties (Note 10)	132,483	151,608
	<b>2,519,697</b>	<b>2,503,133</b>
<b>NET FINANCIAL ASSETS</b>	<b>334,914</b>	<b>220,009</b>
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 14)	11,627,537	11,298,558
Prepaid expenses	24,707	27,749
Inventory	5,977	5,590
	<b>\$ 11,658,221</b>	<b>\$ 11,331,897</b>
<b>ACCUMULATED SURPLUS (Note 11)</b>	<b>\$ 11,993,135</b>	<b>\$ 11,551,906</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, 2019

(All dollars in \$000)

	2019 Budget (Note 13)	2019	2018
<b>REVENUES</b>			
Levies on area municipalities	\$ 1,082,016	\$ 1,083,265	\$ 1,043,679
Direct charges on ratepayers	413,683	412,930	401,482
Contributions – other governments	724,379	798,861	796,150
Contributions – developers	486,832	252,359	257,130
Contributed tangible capital assets	-	105,973	64,734
Investment income	63,775	78,220	67,559
Fees, service charges and other	154,692	170,128	174,541
<b>Total revenues</b>	<b>2,925,377</b>	<b>2,901,736</b>	<b>2,805,275</b>
<b>EXPENSES (Note 15)</b>			
General government	55,430	56,248	80,068
Protection to property and persons	504,573	502,822	480,911
Transportation services	138,696	138,264	149,139
GO Transit	-	12,301	14,470
Gas tax transferred to area municipalities	34,791	69,712	34,283
Environmental services	604,171	651,305	585,966
Health services	187,511	184,608	175,352
Social and family services	626,044	584,757	605,922
Social housing	261,847	231,060	190,749
Planning and development	10,336	9,999	9,656
Assessment/other	19,448	19,431	18,980
<b>Total expenses</b>	<b>2,442,847</b>	<b>2,460,507</b>	<b>2,345,496</b>
Annual surplus	482,530	441,229	459,779
Accumulated surplus, beginning of year	11,551,906	11,551,906	11,092,127
<b>ACCUMULATED SURPLUS, END OF YEAR (Note 11)</b>	<b>\$ 12,034,436</b>	<b>\$ 11,993,135</b>	<b>\$ 11,551,906</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, 2019  
(All dollars in \$000)

	2019 Budget (Note 13)	2019	2018
<b>ANNUAL SURPLUS</b>	\$ 482,530	\$ 441,229	\$ 459,779
Acquisition of tangible capital assets	(549,810)	(551,620)	(559,463)
Amortization of tangible capital assets	265,208	284,890	279,267
Contributed tangible capital assets	-	(105,971)	(64,734)
Write-down of tangible capital assets	-	41,514	-
Loss on sale of tangible capital assets	-	958	162
Proceeds on sale of tangible capital assets	-	1,250	1,336
	197,928	112,250	116,347
Acquisition of inventory	-	(11,545)	(11,850)
Acquisition of prepaid expenses	-	(13,238)	(5,023)
Consumption of inventory	-	11,158	11,505
Use of prepaid expenses	-	16,280	4,613
Change in net financial assets	\$ 197,928	\$ 114,905	\$ 115,592
Net financial assets, beginning of year	220,009	220,009	104,417
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	\$ 417,937	\$ 334,914	\$ 220,009

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, 2019  
(All dollars in \$000)

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 441,229	\$ 459,779
Items not involving cash		
Amortization of tangible capital assets	284,890	279,267
Loss on sale of tangible capital assets	958	162
Contributed tangible capital assets	(105,971)	(64,734)
Write-down of tangible capital assets	41,514	-
Change in non-cash assets and liabilities		
Accounts receivable	4,466	(8,179)
Recoverable gross long-term debt from area municipalities	9	9
Accounts payable and accrued liabilities	46,082	46,793
Deferred revenue	(20,520)	21,882
Change in landfill closure and post-closure liability	13,126	5,966
Change in employee future benefits and post-employment liabilities	10,034	9,940
Other liabilities	98	(304)
Prepaid expenses	3,042	(410)
Inventory	(387)	(345)
Net change in cash and cash equivalents from operating activities	718,570	749,826
<b>CAPITAL ACTIVITIES</b>		
Proceeds on sale of tangible capital assets	1,250	1,336
Cash used to acquire tangible capital assets	(551,620)	(559,463)
Net change in cash and cash equivalents from capital activities	(550,370)	(558,127)
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposals and redemptions of investments	369,376	763,305
Acquisition of investments	(389,023)	(1,217,260)
(Increase) in loans receivable	(1,774)	(601)
Net change in cash and cash equivalents from investing activities	(21,421)	(454,556)
<b>FINANCING ACTIVITIES</b>		
Repayment of long-term debt	(4,168)	(4,051)
Accrual for interest payments	671	671
Contributions to sinking fund	(46,688)	(46,683)
Investment income earned on sinking fund	(9,851)	(7,788)
Repayment of mortgages payable	(19,125)	(22,113)
Net change in cash and cash equivalents from financing activities	(79,161)	(79,964)
Net change in cash and cash equivalents	67,618	(342,821)
Cash and cash equivalents, beginning of year	475,921	818,742
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<b>\$ 543,539</b>	<b>\$ 475,921</b>
Cash paid for interest	\$ 68,335	\$ 81,024
Cash received from interest	60,410	68,191

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, 2019  
(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 \$213 (2018 – \$218), 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. Adoption of Accounting Policies**

Effective January 1, 2019, the Region adopted a new Canadian public sector accounting standard PS 3430 Restructuring Transactions on a prospective basis. The new standard provides guidance on accounting for, and reporting assets and liabilities transferred in restructuring transactions by both transferors and recipients. The adoption of this new standard has not had a material impact on these financial statements.

### 3. 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>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>
<b>2018</b>		
	<b>Cost</b>	<b>Market Value</b>
Cash	\$ 448,933	\$ 485,645
Cash equivalents	26,988	27,198
<b>Cash and cash equivalents</b>	<b>\$ 475,921</b>	<b>\$ 512,843</b>
<b>Portfolio investments</b>	<b>\$1,874,678</b>	<b>\$1,897,374</b>

Included in the Region's investment portfolio are Region of Peel debentures at coupon rates that vary from 1.96 to 4.53 per cent (2018 – 1.57 to 6.70 per cent) with a carrying value \$3,037 (2018 – \$7,934).

### 4. Accounts Receivable

The balance for accounts receivable is comprised of the following:

	<b>2019</b>	<b>2018</b>
Federal and provincial governments	\$ 33,441	\$ 45,573
Other municipalities	20,638	20,518
Wastewater and water billings	66,815	61,305
Accrued interest	9,249	7,394
Sundry	31,557	31,376
<b>Total</b>	<b>\$ 161,700</b>	<b>\$ 166,166</b>

## **5. 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.

**Appendix I**  
**2019 Region of Peel Consolidated Financial Statements**

(Unaudited)

	<b>2019</b>	<b>2018</b>
CVC – memorandum of understanding	\$ 5,695	\$ 5,831
Abbeyfield Houses of Caledon – loan agreement	192	206
Shalimar International Housing – loan agreement	767	767
Ahneen Co-operative Homes – loan agreement	671	671
Forum Italia Non-Profit Housing – loan agreement	1,500	1,449
Grace Retirement and Community Enterprises Inc. – loan agreement	2,471	2,518
Cheggoggin Co-operative Homes – loan agreement	1,647	-
Indo-Canadian Non-Profit Housing – loan agreement	296	-
Erin Court Co-operative Homes – subsidy agreement	421	444
<b>Total</b>	<b>\$ 13,660</b>	<b>\$ 11,886</b>

j) Future Repayments

Estimated future receipts of loans receivable are as follows:

	<b>Total</b>
2020	\$ 156
2021	163
2022	174
2023	182
2024	192
Subsequent to 2024	12,793
<b>Total</b>	<b>\$ 13,660</b>

## 6. Accounts Payable and Accrued Liabilities

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

	<b>2019</b>	<b>2018</b>
Trade accounts payable	\$ 429,906	\$ 386,758
Provincial government	236,754	236,554
Other municipalities	19,367	16,633
<b>Total</b>	<b>\$ 686,027</b>	<b>\$ 639,945</b>

## 7. 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, 2018	Inflows	Revenue Earned	Development Charge Remittances	Balance at December 31, 2019
Development Charges	\$ -	\$ 307,367	\$ 252,359	\$ 55,008	\$ -
Federal Gas Tax	31,597	85,158	89,893	-	26,862
Provincial Gas Tax	82	777	775	-	84
General – Region	73,720	75,511	86,528	-	62,703
General – PHC	4,408	170	-	-	4,578
	109,807	161,616	177,196	-	94,227
York/Peel Water Supply Agreement	30,180	510	5,450	-	25,240
<b>Total</b>	<b>\$ 139,987</b>	<b>\$469,493</b>	<b>\$435,005</b>	<b>\$ 55,008</b>	<b>\$119,467</b>

In 2019, the Region received a decision from the Local Planning Appeal Tribunal regarding an amendment to the Region's Development Charges By-law No. 46-2015 to reduce development charges collected for certain services. The Tribunal's Decision requires the Region to remit a portion of previously collected development charges retroactive to the date the By-law was originally enacted. The amount owing in development charge remittances of \$55,008 as of December 31, 2019 has been reflected in Contributions – developers in the consolidated statement of operations and included in Accounts payable and accrued liabilities in the consolidated statement of financial position as at December 31, 2019.

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. The credit in the amount of \$25,240 (2018 – \$30,180) will be used to fund York's share of the construction costs of jointly used infrastructure in the future. In 2017, it was agreed that the remaining balance of the credit will be paid to York upon completion of the Hanlan Feedermain project.

## 8. 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 \$56,904 (2018 – \$43,778) 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 4.00 per cent (2018 – 4.00 per cent).

As at December 31, the Region maintained a reserve of \$15,297 (2018 – \$16,172), which will be used to fund expected future costs.

## 9. 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:

	2019	2018
Retirement benefits:		
- Peel Police	\$ 77,675	\$ 72,936
- Peel Police (LTD recipients)	3,808	4,036
- Peel Region	10,149	9,427
- Peel Region (LTD recipients)	3,865	4,004
	95,497	90,403
Workplace Safety and Insurance Board	35,715	30,775
<b>Total</b>	<b>\$131,212</b>	<b>\$121,178</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 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, 2017, with estimates to December 31, 2019, 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**

	<b>2019</b>	<b>2018</b>
Accrued benefit obligation at January 1	\$ 47,975	\$ 45,031
Add: estimated cost of claims (service cost)	6,881	6,683
Add: interest accrued	1,821	1,712
Deduct: expected benefits paid	(5,700)	(5,451)
Accrued benefit obligation at December 31	50,977	47,975
Deduct: unamortized actuarial loss	(15,262)	(17,200)
<b>Liability at December 31</b>	<b>\$ 35,715</b>	<b>\$ 30,775</b>

**WSIB Benefits Expense**

	<b>2019</b>	<b>2018</b>
Current period benefit cost	\$ 6,881	\$ 6,684
Interest on accrued benefit obligation	1,821	1,712
Amortization of actuarial losses	1,938	1,938
<b>Total</b>	<b>\$ 10,640</b>	<b>\$ 10,334</b>

## 10. 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 2019, the Region issued \$74,760 (2018 – \$53,270) in debenture debt, of which \$48,150 (2018 – \$46,270) was on behalf of the City of Mississauga, \$23,000 (2018 - \$Nil) was on behalf of the City of Brampton, and \$3,610 (2018 – \$7,000) 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:

	<b>2019</b>	<b>2018</b>
Total long-term liabilities incurred by the Region including amounts incurred on behalf of area municipalities	\$1,715,821	\$1,672,413
Less: Total value of Region's sinking fund deposits	(325,452)	(269,046)
Less: Value of Town of Caledon sinking fund assumed by the Region	(1,042)	(909)
<b>Total long-term liabilities</b>	<b>1,389,327</b>	<b>1,402,458</b>
Mortgages payable by Peel Housing Corporation	132,483	151,608
<b>Total mortgages payable on income-producing properties</b>	<b>132,483</b>	<b>151,608</b>
Recoverable from lower-tiers		
City of Mississauga	205,193	181,491
City of Brampton	23,004	-
Town of Caledon	18,138	17,948
Less: Town of Caledon debt assumed by Region	(4,948)	(4,948)
<b>Total recoverable gross long-term debt from area municipalities</b>	<b>241,387</b>	<b>194,491</b>
<b>Net Long-Term Debt at December 31</b>	<b>\$1,280,423</b>	<b>\$1,359,575</b>

Serial debt and sinking fund debentures issued by the Region mature between December 2020 and June 2053 and have interest rates ranging between 1.45 per cent and 5.10 per cent.

Mortgages of \$132,483 (2018 – \$151,608) 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 1.04 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 \$1,433,000 (2018 – \$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
2020	\$ 18,176	\$ 50,950	\$ 69,126
2021	18,362	161,264	179,626
2022	18,286	42,403	60,689
2023	17,648	42,539	60,187
2024	16,466	42,681	59,147
Subsequent to 2024	43,545	415,836	459,381
Net sinking fund debt repayable	-	392,267	392,267
<b>Total</b>	<b>\$ 132,483</b>	<b>\$1,147,940</b>	<b>\$ 1,280,423</b>

Total interest charges in the amount of \$66,724 (2018 – \$68,002) are reported in the consolidated statement of operations. The charges consist of \$4,707 (2018 – \$5,810) for interest on PHC mortgages and \$62,018 (2018 – \$62,192) for debenture debt.

## 11. Accumulated Surplus

The accumulated surplus consists of the following balances:

	2019	2018
Investment in tangible capital assets and social housing	\$ 11,486,601	\$ 11,141,972
Reserves and reserve funds	2,130,555	1,952,537
Capital fund	(1,547,397)	(1,471,423)
Current fund	37,022	27,064
Less: unfunded liabilities		
Retiree benefits:		
– Peel Police	(38,110)	(35,932)
– Peel Region	(5,843)	(5,843)
Workplace Safety and Insurance Board	(8,512)	(8,512)
Landfill closure and post-closure costs	(56,904)	(43,778)
Other	(4,277)	(4,179)
<b>Total Accumulated Surplus</b>	<b>\$ 11,993,135</b>	<b>\$ 11,551,906</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.

## **12. Pension Agreements**

The Region makes contributions to OMERS on behalf of approximately 8,400 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 \$71,499 (2018 – \$69,386). The Region's contributions are reported in the consolidated statement of operations. Employee contributions also amount to \$71,499 (2018 – \$69,386).

For the December 31, 2019 year end, the funded portion of the OMERS pension plan increased to 97 per cent (2018 – 96 per cent). Pension plan assets increased to \$109,000,000 (2018 – \$97,000,000) primarily due to strong investment returns.

### 13. Budget Data

The budget amounts presented in the consolidated financial statements are based on the 2019 operating and capital budgets approved by Regional Council on January 31, 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	\$ 2,496,064	\$ 2,496,064
In-year budget adjustments	900	900
Board Approved Peel Housing Corporation	135,684	135,684
Adjustment for intercompany transactions	(86,704)	(86,704)
PSAB Adjustments		
Contributions to reserves/reserve funds	-	(462,495)
Contributions from reserves/reserve funds	(56,983)	-
Payment to sinking fund for debt retirement	-	(46,683)
Other liabilities	-	(13,126)
Other adjustments	(14,141)	(14,141)
<b>Adjusted Operating Budget</b>	<b>2,474,820</b>	<b>2,009,499</b>
<b>Capital Budget</b>		
Council Approved Budget	1,270,891	1,270,891
Timing difference between budget and spending	(597,991)	(597,991)
Board Approved Peel Housing Corporation	45,050	45,050
PSAB Adjustments		
Contributions from reserves/reserve funds	(327,848)	-
Acquisition of tangible capital assets	-	(549,810)
Amortization	-	265,208
<b>Adjusted Capital Budget</b>	<b>390,102</b>	<b>433,348</b>
<b>Other</b>		
Reserve fund interest and other revenue	60,455	-
<b>Budget as presented in Financial Statements</b>	<b>\$ 2,925,377</b>	<b>\$ 2,442,847</b>

**Appendix I**  
**2019 Region of Peel Consolidated Financial Statements**

(Unaudited)

**14. Tangible Capital Assets**

**2019**

(All dollars in \$000)

<b>Cost</b>	<b>Balance at December 31, 2018</b>	<b>Additions</b>	<b>Disposals &amp; Write-downs</b>	<b>Balance at December 31, 2019</b>
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>

<b>Accumulated Amortization</b>	<b>Balance at December 31, 2018</b>	<b>Disposals</b>	<b>Amortization</b>	<b>Balance at December 31, 2019</b>
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>

<b>Net Book Value</b>	<b>Balance at December 31, 2019</b>
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>

**Appendix I**  
**2019 Region of Peel Consolidated Financial Statements**

(Unaudited)

**14. Tangible Capital Assets (Continued)**

<b>2018</b>				
(All dollars in \$000)				
<b>Cost</b>	<b>Balance at December 31, 2017</b>	<b>Additions</b>	<b>Disposals &amp; Write-downs</b>	<b>Balance at December 31, 2018</b>
Land	\$ 1,171,054	\$ 27,512	\$ (384)	\$ 1,198,182
Land improvements	41,387	-	-	41,387
Buildings and building improvements	2,387,055	45,381	-	2,432,436
Leasehold improvements	25,650	2,467	-	28,117
Linear and linear improvements	7,933,055	240,822	-	8,173,877
Structures	231,884	6,047	-	237,931
Vehicles	87,920	12,725	(6,785)	93,860
Equipment and furnishings	2,049,402	51,154	(4,833)	2,095,723
Construction work in progress	952,245	238,089	-	1,190,334
<b>Total cost</b>	<b>\$ 14,879,652</b>	<b>\$ 624,197</b>	<b>\$ (12,002)</b>	<b>\$ 15,491,847</b>
<b>Accumulated Amortization</b>	<b>Balance at December 31, 2017</b>	<b>Disposals</b>	<b>Amortization</b>	<b>Balance at December 31, 2018</b>
Land improvements	\$ 16,550	\$ -	\$ 1,280	\$ 17,830
Buildings and building improvements	677,176	-	45,696	722,872
Leasehold improvements	12,270	-	1,078	13,348
Linear and linear improvements	2,282,147	-	140,021	2,422,168
Structures	101,276	-	5,657	106,933
Vehicles	47,555	(5,674)	8,788	50,669
Equipment and furnishings	787,552	(4,830)	76,747	859,469
<b>Total accumulated amortization</b>	<b>\$ 3,924,526</b>	<b>\$ (10,504)</b>	<b>\$ 279,267</b>	<b>\$ 4,193,289</b>
<b>Net Book Value</b>	<b>Balance at December 31, 2018</b>			
Land	\$ 1,198,182			
Land improvements	23,557			
Buildings and building improvements	1,709,564			
Leasehold improvements	14,769			
Linear and linear improvements	5,751,709			
Structures	130,998			
Vehicles	43,191			
Equipment and furnishings	1,236,254			
Construction work in progress	1,190,334			
<b>Total net book value</b>	<b>\$ 11,298,558</b>			

- a) **Construction in Progress**  
 Assets under construction having a value of \$1,222,597 (2018 – \$1,190,334) 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 2019 amounted to \$105,971 (2018 – \$64,734). 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 \$41,514 (2018 – \$Nil). The write-downs related to water and wastewater linear assets disposals that were not previously recorded and the reduction in the useful life of a building owned by PHC.
- e) **Interest Capitalization**  
 In 2019, the Region capitalized \$183 (2018 – \$151) of interest cost.

## 15. 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.

	<b>2019</b>	2018
Salary and wages	\$ 882,412	\$ 850,232
Services and rents	391,886	371,743
Materials and supplies	85,633	88,592
Grants and transfer payments	601,144	594,364
Debt charges	66,724	68,002
Intra-government transfers	(44,995)	(42,571)
Amortization	284,890	279,267
Other operational expenses	192,813	135,867
<b>Total</b>	<b>\$ 2,460,507</b>	<b>\$ 2,345,496</b>

## 16. Contractual Obligations and Contingent Liabilities

- a) As at December 31, 2019 outstanding contractual obligations for capital works amounted to approximately \$533,832 (2018 – \$557,399). Regional Council has authorized the financing of these obligations.

- b) As at December 31, 2019 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 \$8,642 (2018 – \$8,997) has been made for those claims not expected to be covered by insurance.
- c) Under the terms of various operating lease agreements, future minimum payments are as follows:

2020	\$ 2,347
2021	1,252
2022	767
2023	664
2024	332
Subsequent to 2024	2,257
<b>Total</b>	<b>\$ 7,619</b>

- d) Under a 10-year service agreement, effective January 1, 2010, 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 2019 charges from OCWA totaling \$40,300 (2018 – \$38,495). 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 2019, the Peel Regional Police received \$17,035 (2018 – \$16,561) 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 23 years until December 31, 2042) in addition WMCC and another private third party corporation will provide waste transfer services to the Region. The 2019 annual cost is \$16,600.
- 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 2019 annual cost for the two contracts is \$42,900.

- h) The Region has issued letters of credit for \$24,931 (2018 – \$13,685) 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.

## **17. Liability for Contaminated Sites**

As at December 31, 2019, management has not identified any contaminated sites that meet the specified criteria and no liability (2018 – \$Nil) for contaminated sites has been recorded in these consolidated financial statements.

## **18. 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 with the capping enhancements providing a four-year phase-out and/or immediate exit from the capping program for an eligible municipality. In 2018, the Province provided municipalities with additional flexibility such as the option to limit the capping protection to reassessment-related changes prior to 2018, and exclusion of vacant land from the four-year phase-out eligibility criteria providing that the remaining properties are within 50 per cent of CVA level taxes. The Region’s 2018 Tax Capping Policy – Selection of Options staff report presented to Regional Council on May 10, 2018 details the capping options selected for implementation in the 2018 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.

## **19. 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**  
**2019 Region of Peel Consolidated Financial Statements**

**Segmented Information**

For the year ended December 31, 2019

(All dollars in \$000)

	General Government		Protection to Property & Persons		Transportation Services		Go Transit		Gas Tax Transferred To Area Municipalities		Environmental Services	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Operations Revenue</b>												
Levies on area municipalities	1,083,265	1,043,679	-	-	-	-	-	-	-	-	-	-
Direct charges on ratepayers	-	-	-	-	-	-	-	-	-	-	412,930	401,482
Contributions - other governments	17,946	16,529	17,439	18,935	28,745	22,518	-	-	69,712	34,283	39,116	72,048
Contributions - developers	516	450	1,182	2,672	30,570	49,594	-	1,500	-	-	206,207	189,219
Contributed capital assets	-	-	-	-	4,114	2,956	-	-	-	-	99,048	61,778
Investment income	15,611	16,225	6,689	5,561	6,823	5,696	-	-	-	-	33,410	26,757
Fees and service charges	15,705	29,656	29,025	27,736	5,069	7,434	-	-	-	-	17,167	25,815
	1,133,043	1,106,539	54,335	54,904	75,321	88,198	-	1,500	69,712	34,283	807,878	777,099
<b>Expenses</b>												
Salaries and wages	68,051	72,682	396,140	386,122	46,115	44,392	-	-	-	-	65,258	60,252
Services and rents	30,308	26,421	32,735	30,698	35,040	31,985	-	-	-	-	182,139	173,269
Materials and supplies	2,738	3,348	13,217	12,181	8,662	9,157	-	-	-	-	45,876	48,849
Grants and transfer payments	32,397	30,430	48,271	47,596	16	48	-	-	69,712	34,283	-	-
Debt charges	2,330	2,966	-	-	566	586	-	-	-	-	57,783	57,882
Intra-government transfers	(100,853)	(88,558)	(15,453)	(16,968)	(27,352)	(26,890)	-	-	-	-	54,224	50,704
Amortization	9,444	10,368	13,533	12,614	53,946	54,291	-	-	-	-	181,116	176,715
Other operating expenses	11,833	22,411	14,379	8,668	21,271	35,570	12,301	14,470	-	-	64,909	18,295
	56,248	80,068	502,822	480,911	138,264	149,139	12,301	14,470	69,712	34,283	651,305	585,966
<b>Annual Surplus (Deficit)</b>	1,076,795	1,026,471	(448,487)	(426,007)	(62,943)	(60,941)	(12,301)	(12,970)	-	-	156,573	191,133

**Appendix I**  
**2019 Region of Peel Consolidated Financial Statements**

**Segmented Information**

For the year ended December 31, 2019

(All dollars in \$000)

	Health Services		Social & Family Services		Social Housing		Planning & Development		Assessment Services		Total	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
<b>Operations Revenue</b>												
Levies on area municipalities	-	-	-	-	-	-	-	-	-	-	1,083,265	1,043,679
Direct charges on ratepayers	-	-	-	-	-	-	-	-	-	-	412,930	401,482
Contributions - other governments	96,995	95,703	462,319	486,325	66,589	49,809	-	-	-	-	798,861	796,150
Contributions - developers	483	625	168	52	13,233	13,018	-	-	-	-	252,359	257,130
Contributed capital assets	-	-	-	-	2,811	-	-	-	-	-	105,973	64,734
Investment income	1,692	1,713	3,559	3,093	10,125	8,256	-	-	311	258	78,220	67,559
Fees and service charges	1,145	1,323	20,419	18,612	78,919	60,797	2,679	3,168	-	-	170,128	174,541
	100,315	99,364	486,465	508,082	171,677	131,880	2,679	3,168	311	258	2,901,736	2,805,275
<b>Expenses</b>												
Salaries and wages	138,191	130,322	138,035	136,501	21,320	10,328	9,302	9,633	-	-	882,412	850,232
Services and rents	10,349	11,725	14,082	13,084	67,480	65,105	322	476	19,431	18,980	391,886	371,743
Materials and supplies	6,375	7,595	7,815	7,379	921	50	29	33	-	-	85,633	88,592
Grants and transfer payments	2,360	664	394,359	423,067	53,999	58,246	30	30	-	-	601,144	594,364
Debt charges	-	-	-	0	6,045	6,568	-	-	-	-	66,724	68,002
Intra-government transfers	18,398	16,994	19,456	16,872	6,879	6,303	(294)	(1,028)	-	-	(44,995)	(42,571)
Amortization	7,999	6,585	3,620	3,645	15,214	15,031	18	18	-	-	284,890	279,267
Other operating expenses	936	1,467	7,390	5,374	59,202	29,118	592	494	-	-	192,813	135,867
	184,608	175,352	584,757	605,922	231,060	190,749	9,999	9,656	19,431	18,980	2,460,507	2,345,496
<b>Annual Surplus (Deficit)</b>	(84,293)	(75,988)	(98,292)	(97,840)	(59,383)	(58,869)	(7,320)	(6,488)	(19,120)	(18,722)	441,229	459,779