

# 2014 ANNUAL FINANCIAL REPORT

The Regional Municipality of Peel, Ontario, Canada  
for the year ended December 31, 2014

 **Region of Peel**  
*Working for you*



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## List of Acronyms

GTA	Greater Toronto Area	PHC	Peel Housing Corporation
OCWA	Ontario Clean Water Agency	PSAB	Public Sector Accounting Board
OMERS	Ontario Municipal Employee Retirement System	WSIB	Workplace Safety and Insurance Board

# 2014 ANNUAL FINANCIAL REPORT

Prepared by the Corporate Finance Division, Finance Department  
and the Communications Division, Service Innovation,  
Information and Technology Department

The Regional Municipality of Peel, Ontario, Canada  
for the year ended December 31, 2014

 **Region of Peel**  
*Working for you*



# Region of Peel: Working for You

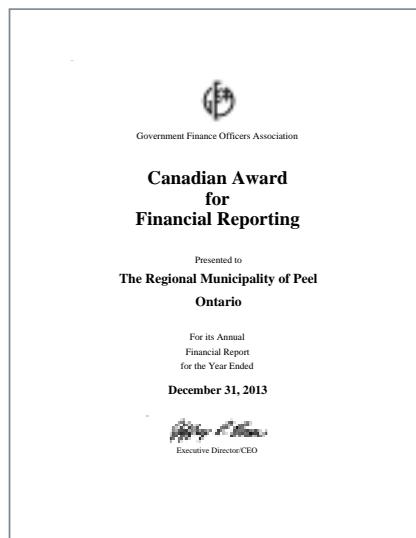
Peel was incorporated in 1974 based on the principle that certain community and infrastructure services, such as community health, social assistance, water and sanitary sewers and waste collection, are more cost effectively administered over a larger geographic area.

Peel is governed by the Regional Chair and a 24-member Council, representing its member municipalities. The current Regional Council was elected in October 2014 and the 25 members are serving their four-year term to 2018.

Peel serves 1.43 million residents and approximately 126,150 businesses in Brampton, Caledon and Mississauga. With a diverse cultural heritage, extensive rural areas and dynamic urban centres, Peel is one of Canada's fastest growing municipalities. Situated in the heart of southern Ontario's major urban centres, Peel is the second largest municipality in Ontario and its population is expected to reach 1.77 million by 2031. Peel delivers essential services such as

- Affordable Housing
- Early Learning and Childcare
- Long Term Care
- Ontario Works
- Paramedic Services
- Police Services
- Public Health
- Transportation  
(roads and accessible transportation)
- Waste Management
- Water and Wastewater
- Heritage, Arts and Culture

Responsible management, innovative programs and responsiveness to the needs of the people have been key factors in the economic growth and development of the Region of Peel.



# Message from the Regional Chair and Chief Executive Officer and Chief Administrative Officer

On behalf of Peel Regional Council and the employees of the Region of Peel, it is our pleasure to provide you with the Region's 2014 Annual Financial Report.

In 2014, the Region of Peel celebrated an important milestone – its 40th anniversary. Throughout our 40 year history, we have worked with other levels of government, community agencies and key stakeholders to improve the quality of life in Peel. Our services touch the lives of Peel residents and businesses every day and we continuously challenge ourselves to look for new and better ways to serve our community.

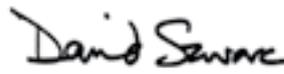
Delivering value for money to tax and utility rate payers is at the heart of the Region of Peel's strategy and it involves a sustainable, disciplined and integrated approach to financial planning.

By adhering to this approach, we have retained a Triple-A (AAA) credit rating, responded to the pressures of growth with minimal tax impacts, while keeping our infrastructure in a state of good repair.

We are financially healthy and well positioned to deliver value to tax and utility rate payers for many years to come.



Frank Dale  
Regional Chair and Chief Executive Officer



David Szwarc  
Chief Administrative Officer

# Corporate Organization Chart

**PEEL CITIZENS**  
1.43 million residents

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**REGIONAL COUNCIL**  
Regional Chair Frank Dale and 24 Councillors

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**EXECUTIVE OFFICE**  
Chief Administrative Officer David Szwarc

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**6 OPERATING DEPARTMENTS**  
Corporate Services, Finance, Health Services, Human Services, Public Works, Service Innovation, Information and Technology

## Executive Leadership Team



<b>Back Row</b> (Left to Right)	<b>Janet Menard</b> Commissioner of Human Services	<b>Dan Labrecque</b> Commissioner of Public Works	<b>Janette Smith</b> Commissioner of Health Services	<b>Stephen VanOfwegen</b> Commissioner of Finance and Chief Financial Officer
<b>Front Row</b> (Left to Right)	<b>Lorraine Graham-Watson</b> Commissioner of Corporate Services	<b>David Szwarc</b> Chief Administrative Officer	<b>Gilbert Sabat</b> Commissioner of Service Innovation, Information and Technology	



# 2014 - 2018 Peel Regional Council

Frank Dale  
Regional Chair



George Carlson



Bonnie Crombie



Johanna Downey



Chris Fonseca



Grant Gibson



Annette Groves



Nando Iannicca



Jennifer Innis



Linda Jeffrey



John Kovac



Matt Mahoney



Sue McFadden



Martin Medeiros



Gael Miles



Elaine Moore



Michael Palleschi



Carolyn Parrish



Karen Ras



Pat Saito



Barb Shaughnessy



John Sprovieri



Ron Starr



Allan Thompson



Jim Tovey

# 2014 Accomplishments

Service excellence is a primary goal of the Region of Peel. It is what shapes the Peel Strategic Plan. Peel is committed to continuously improving client satisfaction while delivering citizen-focused services. These are some of our 2014 accomplishments:

- 2014 marked the 40th anniversary of the Region of Peel. Over the last 40 years, Peel has seen unprecedented growth and has averaged 25,000 new residents per year. For four decades, Peel has built and maintained critical infrastructure and provided on a daily basis, the wide range of health, social and housing services that are fundamental to the quality of life experienced in Peel. With this spirit of public service and caring in mind, the theme for the 40th anniversary celebration was Touching Lives for 40 Years.
- Peel maintained the Triple-A credit rating based upon excellent cash and reserve balances.
- Green House Gas levels were reduced to below 1990 levels and are projected to be 20 per cent below 1990 levels by 2020. The combined efforts of departments across the Corporation have put Peel on a path toward achieving its Green House Gases reduction goals and helping ensure that Peel is a sustainable community now and into the future.
- Despite high population growth, Peel saw an 8.1 per cent reduction in residential water demand, which was attributed to efforts such as Water Smart Peel, our long-term water efficiency strategy that is aimed at increasing awareness and understanding about water efficiency; and a cool and wet 2014 summer.
- The Region of Peel and Peel Regional Police Employees United Way Campaign for 2013 raised \$432,600 in support of the Peel Region United Way. Over \$4.5 million was raised for the United Way of Peel in the past 10 years.
- Peel Renovates Program was launched in 2014 to assist low-income individuals, families, seniors and persons with disabilities with one-time funding assistance for home renovations required to address accessibility and safety concerns. The program which will provide grants is to enable participants to remain in their home and live with greater independence.
- Peel Regional Council approved the design and construction of a co-located Fire and Paramedic station at Highway 50 and Cross Country Boulevard in the Town of Caledon. The estimated completion timeframe for this facility is 2016.
- In 2014, Regional Council approved the report of the Chair and Vice-Chair of the Aging Population Term of Council Priority Steering Committee which was established in 2013 to assess and determine the appropriate roles for the Region of Peel to support the aging population in Peel. Staff will now action the recommendations contained in the report.
- Regional Council approved the transfer of the assets and the future operating responsibilities of the Children's Safety Village in Brampton to the Region of Peel for operation by Peel Regional Police.

# 2014 Awards

Peel Council and staff receive numerous awards for their leadership and innovation in municipal government. These are some of our 2014 awards:

- Peel was recognized in early 2014 with a Smart Commute Regional Employer Award for 2013 for the outstanding effort in encouraging employees to walk, cycle, take transit, carpool and telework. The Region of Peel is a leader in sustainable transportation and Smart Commute Brampton-Caledon has the highest participation rate in the Greater Toronto Area.
- The Ontario Public Works Association presented the 2013 Project of the Year Award in Transportation for the Mississauga Road Environmental Assessment project. The award recognizes Peel's commitment to preserving the environment, delivering on important projects and engaging stakeholders such as the Ministry of Natural Resources, Credit Valley Conservation, local municipalities, Hydro, CN Rail and the development industry.
- The Region of Peel received the Ontario Power Authority 2014 Community Conservation Award for energy conservation actions completed by departments across the organization.
- Peel Regional Police was named one of Toronto's Top Employers in 2014 and one of Canada's Top Employers for Young People.
- Peel Regional Police achieved the Level 4 Gold Certification in Organizational Effectiveness. Since being awarded with Level 1 Certification in 2009, significant strides have been made towards achieving the goal of service excellence, employee satisfaction and wellness.
- Peel Regional Police was awarded the LEED (Leadership in Energy and Environmental Design) Canada Silver Award for its Material Management Centre.
- The Canadian Award for Financial Reporting was awarded for the fourteenth consecutive year to Peel's Corporate Finance, Accounting Services team by the Government Finance Officers Association. This award is considered the highest form of recognition for excellence in government accounting and financial reporting, and was awarded for the 2013 Annual Financial Report.
- Peel was awarded the GFOA Distinguished Budget Award for its 2013 budget, for the seventh consecutive year. The budget document provided Council with key information to make difficult decisions to achieve an appropriate balance between Peel's services and the financial impact to its residents and businesses.

# Message from the Treasurer and Director, Corporate Finance

For the year ended December 31, 2014, we are pleased to provide the financial statements of the Corporation of the Region of Peel. In addition to key 2014 financial results, this report highlights ongoing financial policies, practices, budget initiatives and financial performance related to the delivery of Peel's programs and services.

In 2014, Peel continued to provide a balance between the service demands of one of the fastest growing regions in Ontario and the need to maintain Peel's fiscal strength. Peel Region's population, forecasted to reach 1.77 million by 2031, is growing by an annual increase of 1.6 per cent, or by approximately 22,000 persons. Population growth is expected to remain a feature of changes in Peel over the long run.

Regional Council approved the Long Term Financial Planning Strategy ("the Finance Strategy"), to address the increasing financial pressure that Peel's growing and evolving community is putting on its services and programs. The Finance Strategy applies a disciplined, comprehensive and integrated approach that identifies and manages the risks to the Region's long-term financial sustainability.

Activities undertaken to promote fiscal sustainability include the initiation of a development charge by-law update, managing the cash flow for the top 25 capital projects to minimize the need to issue debt and to better forecast short-term and long-term cash flow needs, and using a 20-year state of good repair plan for utility asset replacement.

To assess the Region's financial health, an annual financial condition scorecard was developed that utilizes financial performance indicators in three key areas; financial sustainability, financial vulnerability and financial flexibility. The 2014 Financial Condition Scorecard indicated that the Region was overall financially healthy and included recommended actions to maintain the Region's financial condition. Actions included an increase to the capital reserve contribution for tax supported programs by one percent, and move to a Utility Rate supported 20-year capital forecast for state of good repair requirements including a Council endorsement of a phased-in plan to increase the reserve contributions in 2014.

The Finance Strategy also supports the following Term of Council Priorities:

- Impact of the Aging Population on Health and Human Services
- Redevelopment of Peel Manor including Adult Day program expansion within the redevelopment project
- Impact of the *Accessibility for Ontarians with Disabilities Act* on Accessible Transportation
- Waste Reduction and Resource Recovery Strategy including Peel Energy Recovery Centre
- Long Term Affordable Housing Strategy
- Sustainable Growth Management

The Finance Strategy seeks to keep the tax rate in line with inflation, adequate capital reserves for tax and utility funded programs, and focus on value for tax and utility rate dollars.

One of the challenges facing the Region is to prudently manage financial resources and, at the same time, invest in the new capital infrastructure necessary to support a growing diverse community. The Region is committed to ensuring growth pays for growth without impacting existing taxpayers. In 2014, the need continued for key regional infrastructure like water, wastewater and roads to be constructed well in advance of development. In contrast to prior years however, the issuance of long-term debt was not undertaken to fund the growth capital, leading to an improvement in the Region's net long-term debt position.

In water and wastewater operations, rates are being influenced by declining per household water consumption and normal inflationary pressures, as well as the need to maintain a network of buildings and pipe systems serving more than 307,000 households and businesses within Peel Region and 117,000 households in York Region.

The existing inventory of infrastructure is aging, requiring not only additional investment in asset replacement, but also in preventive and planned maintenance and repairs. To address this, a series of annual increases to reserve contributions continue to be made to maintain the existing infrastructure in a state of good repair. In 2014, total reserve contributions amounted to \$282.7 million.

Based upon high levels of liquidity and consistent, positive operating results, Peel's Triple-A, stable credit rating was reaffirmed by both Moody's Investors Service and Standard and Poor's Ratings Services in 2014. The ratings also take into consideration the Region's growing, diversified economy and strong population growth, as well as its prudent and conservative fiscal policies.

## **The Regional Economy**

Broad changes in the Canadian and Ontario economies remained positive with a low inflation environment facilitating growth in real Gross Domestic Product (GDP) and employment. There was acceleration in the growth of GDP from 2.0 per cent in 2013 to 2.5 per cent in 2014 attributed in part to an accommodating macroeconomic policy environment in which historically low interest rates continued to support demand and encourage investment.

Peel also continued to show a number of positive economic changes in 2014. The following are examples of positive changes in key economic indicators in Peel in 2014:

- Estimated total population in Peel increased to 1.43 million persons;
- Peel's total taxable assessment base continued to increase, posting a growth of 1.70 per cent;
- Total number of business bankruptcies registered in Peel fell by 12.1 per cent, to 87 cases. This was the sixth consecutive annual decline in business bankruptcies in Peel;
- The total value of building permits issued, increased by 39.3 per cent in 2014 to reach \$3.62 billion; and
- The unemployment rate declined from 8.9 per cent in 2013 to 8.1 per cent in 2014.

These positive changes continued to reflect the positive macroeconomic environment in the Canadian economy alongside the influence key strategic advantages specific to Peel, which continue to make Peel a desirable destination for residents and businesses.

Some areas of the economy such as the housing/construction sector, the labour market and social assistance continued to struggle in 2014 including the following:

- As forecasted, the total number of housing starts recorded in Peel declined by 26.8 per cent to 4,607 units; and
- Peel's labour market continued to show recession related weaknesses as reflected in a flat performance in employment. Total employment in Peel Region was 613,600 persons compared with 615,700 in 2013. Since the post-recession recovery started in 2010, employment growth in Peel has remained weak. In addition, the long-term shift from full-time employment to part-time employment remained evident in 2014. Other long-term labour market shifts include an increase in the proportion of employment in services while the proportion of employment in the goods producing sector has trended downwards, and an increase in the proportion of the employed labour force in self-employment.

The current shifts in Peel's labour market may present a short-term challenge, but may be the source of future opportunities for building a new entrepreneurial community that can contribute to longer-term investment growth and employment creation in Peel.

Peel's economy is also positioned to take advantage of economic opportunities as they emerge. The key challenge is likely to be related to the fragile global recovery and the continuation of global rebalancing of production due to efficiency differential among economies. However, the recent depreciation of the Canadian currency and the strengthening of the United States economy should present important opportunities for growth in Peel. The continuation of a positive macroeconomic environment should also support short to medium term growth in Peel.

Over the longer term, Peel's growth prospects remain positive. The Region is expected to become the home of an increased number of persons, with an expected annual average growth in population of more than one per cent to 2031. Its business sector is expected to expand, underpinning an increase in employment by a similar annual average rate of one per cent through to 2031. As well, the positive impact of a number of strategic advantages in Peel will continue to provide a strong foundation for growth. These advantages include:

- **Location:** Peel Region's economy is located in the Greater Toronto Area ("GTA"), one of the largest economic centres in Canada. This allows Peel's residents and businesses to benefit from economic activities within Peel and also the broader GTA;
- **Close proximity to United States:** Peel is located in close proximity to the large United States market, reachable from the Region by way of road, rail or air transportation;

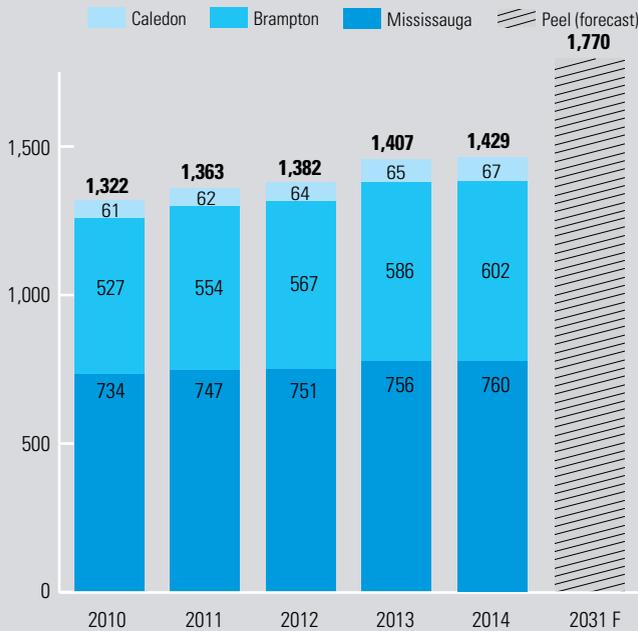
- **Highly developed transportation infrastructure:** Peel is serviced by a highly developed series of transportation networks — comprising five major highways, three intermodal railway terminals and Toronto Pearson International Airport — allowing for easy access to major economic centres including the United States; and
- **Attractive to residents and businesses:** With its location and infrastructure advantage, Peel will continue to be an attractive destination for residents and businesses. In the long-term, the Region is expected to reach a population of 1.77 million by 2031. The number of jobs in Peel is expected to reach 870,000 by 2031.

As such, Peel Region is expected to continue to experience growth particularly in areas such as population, households and employment over the long-term.

The following is further discussion on some of the prime economic indicators evident in Peel Region during the year.

## Population from 2010 to 2014 with Forecast to 2031

2.01% Average Annual Growth  
(Thousands)

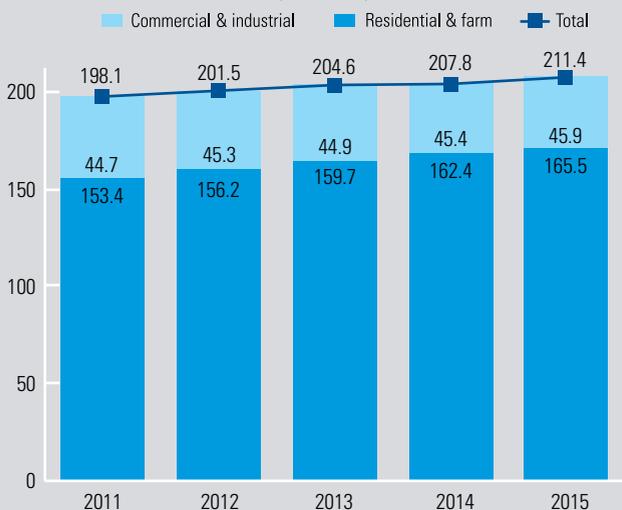


## Total population

Peel is the second-largest among GTA municipalities, with population climbing to an estimated 1.43 million as Mississauga, Brampton and Caledon all registered higher population levels.

## Taxable Assessment from 2011 to 2015

Average annual growth = 1.66% on total normalized assessment  
(\$ Billions)



Source: Municipal Property Assessment Corporation

## Total taxable assessment base

The total taxable assessment base increased by 1.70 per cent, comparable with the growth of 1.56 per cent achieved in 2013. Growth was led by the residential sector where growth accelerated by 1.87 per cent in 2014 compared with 1.69 per cent in 2013. Growth in the non-residential sector increased by 1.09 per cent compared with the 1.11 per cent decline registered in 2013. All three Peel area municipalities contributed to the growth observed. The growth observed marked the second consecutive year in which the annual growth in Peel's total taxable assessment showed slight acceleration, around the two per cent mark.

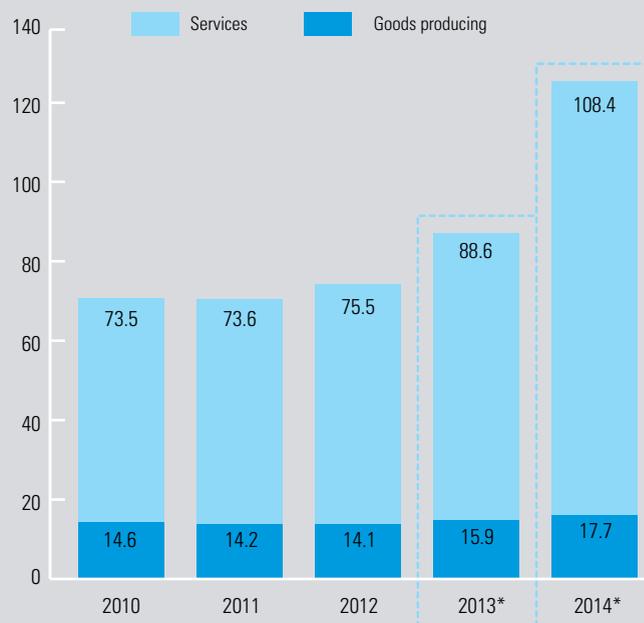
## Peel's business sector

There were 126,150 classified business establishments in 2014. This represented an increase of 21,600, or 20.7 per cent compared with the number of businesses recorded in 2013. The service sector, led by increases in the transportation and warehousing, professional, scientific and technical sub-sector, grew by 22.3 per cent or 19,750 businesses. The goods producing sector rose by 11.7 per cent or 1,850 businesses.

When the additional (unclassified) businesses in Peel are added to the classified businesses, the total number of business establishments in Peel jumps to 143,892 in 2014.

In 2014, there were further methodological changes to the way business establishment counts in Canada are generated. A key change in 2014 was that the data now captures all classified (has a North America Industry Classification System or NAICS code assigned) and non-classified (no NAICS code yet established) locations. Previously, non-classified businesses were excluded. Due to ongoing changes in methodology or in business industrial classification strategies used by Statistics Canada's Business Register, increases or decreases in the number of active businesses reported in the data on Canadian business patterns can be

**Peel Business Establishments by Major Category**  
(Thousands)



Source: Statistics Canada

North American Industrial Classification System (NAICS)

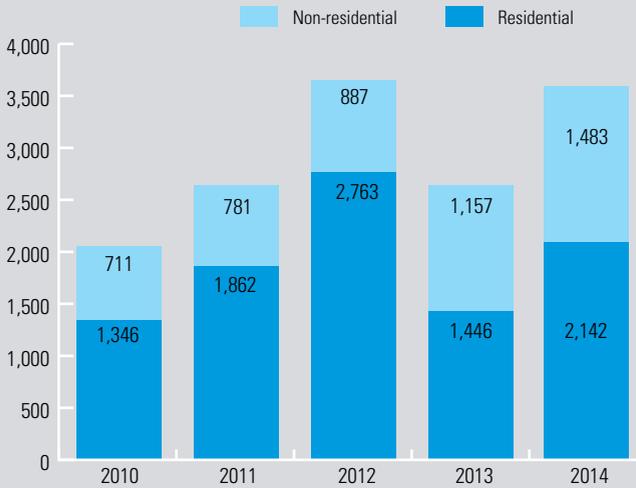
\* 2013 change in Statistics Canada methodology to incorporate businesses which are now required to auto-code a NAICS in order to record their tax form information with the Canada Revenue Agency.

\* 2014 methodology adjusted to be consistent with 2013

created. As such, care should be taken in interpreting the data from one year to another. For this analysis, attempts were made to adjust for the change which occurred in 2014, to increase comparability of the number of businesses with 2013.

## Building Permits Issued from 2010 to 2014

(\$ Millions)



## Building Permits

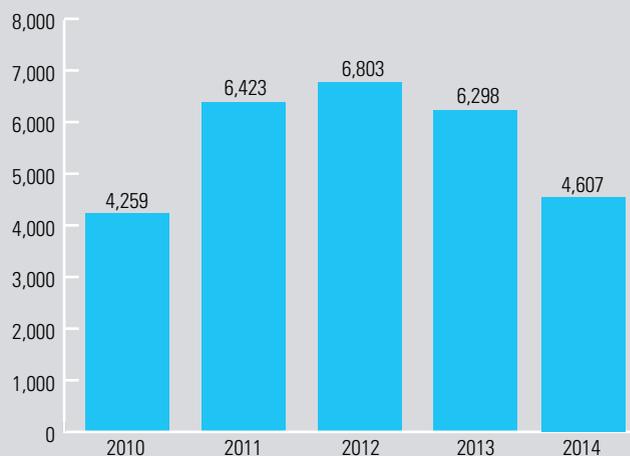
In 2014, the total value of building permits issued in Peel was \$3.62 billion. This represented an increase of 39.3 per cent relative to the \$2.60 billion in total building permits issued in 2013. The growth observed compared favourably with the 28.7 per cent decline observed in 2013. The rebound in building intentions in Peel in 2014 reflected two main factors. First, there was a lower than normal level of building permits issued in 2013 as it was the year following the implementation of a new Development Charges (“DC”) By-law for the Region of Peel (October 2012). Prior to the implementation date, developers brought forward building permit applications to take advantage of the old and lower DC rates. This supported activities in 2012 but stymied growth in the succeeding year 2013. The second factor was the implementation of new By-laws in Peel’s three area municipalities between June and August 2014. This triggered the usual acceleration of building permits application ahead of the implementation of the new By-laws to fuel the 39.3 per cent increase in the total value of building permits issued in Peel in 2014. With the increase, the total value of building permits issued in Peel of \$3.62 billion, returned to a level similar to the post-recession high of \$3.65 billion that was observed in 2012.

## Housing Starts

In 2014, the number of housing starts recorded in Peel was 4,607 units, down 26.8 per cent from 6,298 units recorded in 2013. This was the second consecutive annual decline in housing starts in Peel, pushing total starts to the lowest level since 2010 when a total of 4,259 units were recorded. Following a downward trend for seven years, the number of housing starts fell to its lowest level of 3,745 units in 2009, which was during the great recession. In 2010, the market rebounded and since then, registered annual growth until 2013 when growth was interrupted with a 7.4 per cent decline. The decline continued in 2014, when housing starts in Peel were down 26.8 per cent. This pushed the level of housing starts in Peel to below the 10-year average annual average number of starts recorded prior to the housing boom which started in 2002, and which is estimated to be the long-term sustainable level of starts in Peel. The decline in starts observed in 2014 may reflect a combination of factors including the continuation of elevated unemployment rates in Peel, and consumer preference for resale units combined with the availability of ample supply of units in the resale housing market.

### Housing Starts from 2010 to 2014

5,678 Annual Average



## Employed Labour Force (Thousands)



Source: Labour Force Survey, Statistics Canada

## Unemployment Rate



Source Labour Force Survey, Statistics Canada

## Labour market conditions

In 2014, total labour force and employment in Peel's labour market contracted. The labour force in Peel fell by 1.3 per cent, or by 9,200 persons, to reach 668,000 persons. Total employment in Peel's labour market declined by 0.3 per cent, or by 2,100 positions, to reach 613,600 positions. This is a similar level to the total employment recorded in the two preceding years.

Although total employment fell in 2014, Peel's unemployment rate declined from 8.9 per cent in 2013 to 8.1 per cent in 2014, reflecting the net withdrawal of persons from the labour market. This was the lowest unemployment rate in Peel since a rate of 6.6 per cent in 2008.

Directly related to unemployment, the total Ontario Works caseload was 204,540 cases, representing an increase of 1.9 per cent compared with the 200,707 cases recorded in 2013. This marked the seventh consecutive annual increase in Ontario Works caseload in Peel. The elevated Ontario Works caseload level in Peel in 2014 was not unexpected and was influenced by the relatively weak labour market conditions and higher population.

## Employment Profile

	2010	2011	2012	2013	2014	Change 2014/2013
Total labour force	658.6	652.6	675.0	675.6	668.0	-1.1%
Employed labour force	593.5	597.7	614.4	615.7	613.6	-0.3%
Full-time	494.1	503.2	515.0	515.7	505.9	-1.9%
Part-time	99.4	94.5	99.4	100.0	107.7	7.7%
Unemployed	65.2	54.9	60.6	59.9	54.4	-9.2%
Unemployment rate (%)	9.9	8.4	9.0	8.9	8.1	-9.0%
Employment by Industry						
Goods producing	129.1	139.6	128.8	135.1	126.5	-6.4%
Services producing	464.4	458.1	485.6	480.6	487.1	1.4%

Source: Labour Force Survey: Statistics Canada

## Corporate Planning Process

The foundation for planning at the Region of Peel is the Strategic Plan. The Strategic Plan is part of the strong and integrated planning process ensuring the delivery of services to the community as mandated by Regional Council. The renewal of the *Strategic Plan 2011 – 2014, Charting Our Course*, is currently underway with the new term of Council.

The Strategic Plan establishes a framework for its work with community partners and, furthermore, enables the Region to establish priorities to support a broad range of interests. It is the Region's high-level plan that focuses on the future of Peel and it builds on the successes and lessons of the Region's previous plans. The process for developing the Strategic Plan is inclusive. The Region uses focus groups with employees, volunteers, multicultural community agencies and community stakeholders and partners for direct input.

The Term of Council Outcomes, also under renewal, were introduced as a second step to help the Region chart its course, providing high-level priorities, outcomes, target setting and actions for specific areas of focus. The business planning and budget process aligns resources and recommends the investments necessary to ensure the long-term sustainability of Regional services while also making progress on the Term of Council Outcomes.

The Finance Strategy addresses the increasing financial pressure that Peel's growing and evolving community is putting on its services and programs. The Finance Strategy builds on existing financial planning practices and applies a more disciplined comprehensive and integrated approach that identifies and manages the risks to the Region's financial condition. The Finance Strategy is used to inform the development of the annual business plan and budget and utilizes a model to forecast operating budget changes

for 10 years based on changes to economic and demographic drivers.

The annual business planning and budget process begins each spring with the Chief Administrative Officer and the Executive Leadership Team meeting to establish objectives for the upcoming budget year and acquire a better understanding of the pressures being faced by the various programs. Subsequent to this review a report recommending an approach for the upcoming year's budget, including a target is provided to Council. Council considers the report and provides staff with high-level direction on developing the business plan.

In developing the business plan, key principles are followed including:

- Ensuring financial sustainability and flexibility while minimizing vulnerability;
- Identifying efficiencies to help offset inflationary pressures;
- Assessment growth to fund service demands (growth pays for growth);
- Addressing the most urgent needs in the community as identified through the strategic planning process;
- Aligning resources to achieve desired outcomes;
- Commitment to measure the success of the plan; and
- Providing value for money.

In the fall, the Chief Administrative Officer and the Chief Financial Officer meet with senior management and key staff from every program area to align resources to areas of greatest risk and establish the program's budget recommendation to Council. The Region's Corporate Planning Process includes the preparation of an annual Current and Capital Budget with a further nine-year capital forecast.

The Current Budget includes the expenses and revenues approved by Regional Council for the period from January 1 to December 31 each year. A four-year operating forecast is also included in the business plan.

The one-year Capital Budget includes the expenditures and financing sources to acquire, construct and maintain Regional assets approved for capital spending.

The 10-Year Capital Plan provides the long-term view of the Regional infrastructure and non-growth related asset acquisition or construction requirements as well as the related financing sources.

## **Audit and Risk Committee**

The Audit and Risk Committee (formerly Audit Committee) was established in 1995 to assist Regional Council and associated Boards and Agencies in discharging their governance, accountability and stewardship responsibilities.

The Audit and Risk Committee is responsible to review and advise on:

- The integrity, quality and transparency of the Region's financial, management and operational information;
- The effectiveness of the financial and management reporting processes;
- The effectiveness of risk management and control processes and practices;
- The performance of the internal audit function and assessing the effectiveness of the external audit function; and
- Ethical business conduct and compliance with the Region of Peel's Code of Conduct.

The Committee is comprised of the Regional Chair (Ex-officio), the Chair and Vice-Chair of the Management Committee and also at least one member from each of the area municipalities.

The primary role of Internal Audit at the Region of Peel is to assist the Audit and Risk Committee in ensuring the organization is operating in a fiscally responsible and accountable manner and also providing assurance that Regional programs are working effectively and being delivered efficiently. Value-added advice and assurance that assists in the achievement of business and organization goals is also provided.

## **Financial Management and Control**

The Finance Strategy builds on existing financial planning practices and applies a more disciplined comprehensive and integrated approach that identifies and manages the risks to the Region of Peel's long-term financial sustainability and credit rating. The Finance Strategy is founded on maintaining the financial condition of the Region by achieving a balance among the three pillars of sustainability: financial vulnerability, financial flexibility and financial sustainability. As part of the Finance Strategy, the Peel Financial Management By-law was authorized — establishing the financial principles to guide decision making and monitor and report on the execution of the Finance Strategy.

In addition to the Financial Management By-law, the financial management and control of the Region of Peel is governed by the Purchasing By-law, the Development Charges By-law and various other by-laws and financial management policies that establish the objectives, responsibilities, controls and reporting requirements for risk management, financial planning, debt/investment management, and revenue and expenditure control. Council allocates funds through the approval of the Current and Capital Budgets.

## 2014 Budget

The 2014 Budget provided a balance between meeting the service demands of a growing and changing population and managing revenues in a fragile economy. It supported the Region's commitment to deliver value for money and quality services to its residents that remain affordable to the taxpayer.

Peel's growing population continues to pressure Council to increase service volumes. In addition to population growth in the community, other key service drivers considered in preparing the budget included: aging infrastructure, protecting the environment, ensuring the safety of citizens, inflation, continuing impacts of the recession, legislative compliance and long-term financial sustainability. To help mitigate these pressures, the budget also incorporated the tax room created by the ongoing upload of Ontario Works benefit costs to the province of Ontario. This tax room was earmarked to help address Peel's housing waitlist and other poverty issues.

The approved 2014 Current Budget included a 0.6 per cent tax increase for the Region's portion of the municipal tax bill, or an average of \$27 per household assessed at \$431,000. Service-level enhancements incorporated into the budget include the following:

- 40,000 more trips for accessible transportation services;
- 400 more subsidized child care spaces and elimination of the waitlist for child care subsidy;
- 360 additional rent supplement subsidies;
- 128 low-income families supported by Peel Renovates assistance;

- 17 additional agencies supported through Community Investment Program;
- 6,000 additional records immunization records assessed;
- 22 additional front-line Peel Regional Police Officers; and
- A pilot for extended operational hours at the Community Recycling Centres.

The 10-Year Capital Plan (2014–2023) of \$5.9 billion represented the long-term commitment by the Region of Peel to serving Peel residents and ratepayers through prudent asset management and maintenance of Regional infrastructure.

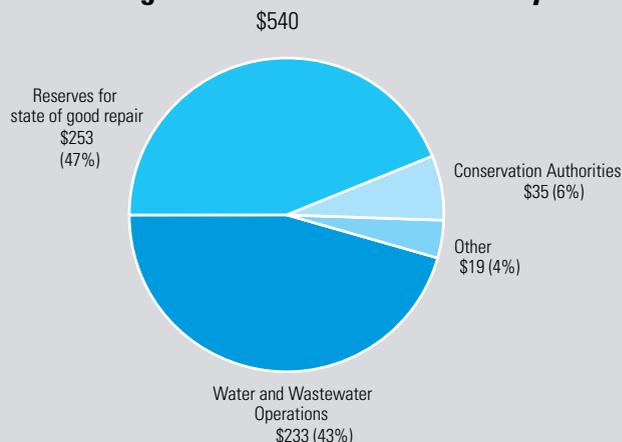
The 2014 Budget reflected Council's commitment to deliver quality services to Peel residents and businesses in the most cost-effective way, ensuring the needs of the most vulnerable and the service demands of a growing and changing community are met.

## 2014 Water and Wastewater Rates

The Region continued to enjoy the lowest combined water and wastewater rates in the GTA despite an average budget increase of 7.4 per cent or \$39 per year for an average household.

The following chart depicts how an annual homeowner's utility bill of \$540 supported water and wastewater services.

## 2014 Average Annual Homeowner's Utility Bill



## Water and Wastewater Operations

The Region operates and maintains two major water treatment facilities and two major wastewater treatment facilities on Lake Ontario, as well as pumping stations, reservoirs, wells and more than 7,900 kilometres of watermain and wastewater pipes. The Region also ensures the accuracy of more than 307,000 water meters and timely delivery of water bills based on actual readings. The Region's operations include the supply of water to the Region of York under the terms and conditions of the York-Peel Water Supply Agreement, under which by 2031, 1.0 million York residents will receive Peel water in addition to the 1.77 million residents in Peel Region.

### State of Good Repair

The Region's utility rate supported capital infrastructure has an estimated replacement value over \$17.4 billion. Reserves are maintained to ensure adequate funding is available to plan and invest in state of good repair infrastructure needs.

## Conservation Authorities

Peel actively supports Conservation Authorities that help protect our natural environment.

### Other

Corporate supports are required from Council, Executive Office and Corporate Services in providing water and wastewater programs.

## 2014 Audited Consolidated Financial Statements

The consolidated financial statements in the 2014 Annual Financial Report have been prepared in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada. The statements and related information are the responsibility of management and include the financial activities of all entities deemed to be controlled by Peel including the Peel Regional Police Services Board and the Peel Housing Corporation.

The *Ontario Municipal Act, 2001* requires the Region to appoint an independent auditor to express an opinion as to whether the financial statements present fairly the Region's financial position and operating results. As part of the annual audit, the auditors provide a written audit findings report and audit management letter dealing with the adequacy of the internal financial control system as well as an audit opinion on the results of the financial statement audit. Their opinion is based upon an examination conducted in accordance with Canadian generally accepted auditing standards, performing such tests and other procedures they consider necessary to obtain reasonable assurance that the consolidated financial statements are free of material misstatement and are prepared in accordance with public sector accounting standards.

The Region of Peel continues to demonstrate an entrenched tradition of administering a well-managed organization. Management's ability to achieve their financial results is an outcome of consistent, dependable and progressive budgetary performance, capital budgeting and exemplary financial reporting.

The Region of Peel maintains its exceptionally strong financial position through the maintenance of reserves, strategic management of debt and a reliance on pay-as-you-go financing, with these policies underpinned by continuing growth in population and taxable assessment.

## **2014 Financial Results**

The Region of Peel is a diversified municipal government institution that provides a wide range of services to its residents in the areas of General Government, Protection to Persons and Property, Transportation, Environmental, Health

and Regional Planning Services. Peel Housing Corporation and Peel Regional Police are overseen by Boards with a majority of Regional Council appointees.

## **Consolidated Statement of Financial Position**

The consolidated statement of financial position reports the Region's financial and non-financial assets, liabilities and accumulated surplus as at December 31 of the current year on a comparative basis.

PSAB standards for reporting require the Region to distinguish between financial and non-financial assets. Financial assets are those assets on hand, which could provide resources to discharge liabilities or finance future operations. The difference between financial assets and liabilities, or net financial assets, is an indicator of the Region's ability to finance future activities and to meet its liabilities and commitments. Non-financial assets represent economic resources that will be employed by the Region of Peel to deliver programs and provide services in the future.

In 2014, net financial assets decreased by \$36.8 million to a net debt position of \$97.6 million.

Contributing to the decline were higher balances for current liabilities as well as lower overall balances for accounts receivable. The Region's cash and investment balances also declined, but were more than offset by the decline to the liabilities for long-term debt and mortgages payable.

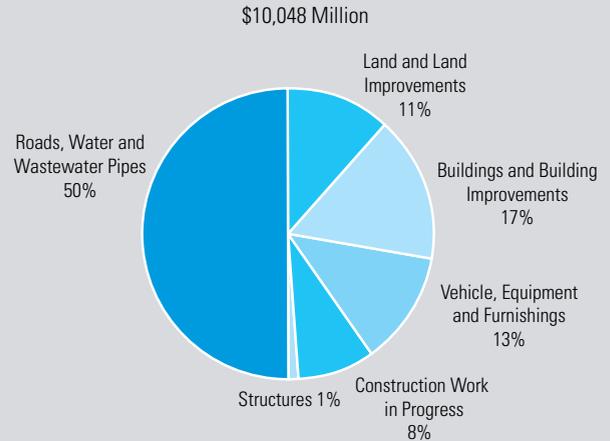
In 2014, the Region's net long-term debt position declined by \$33.9 million. The Region did not issue external debt for its own purpose. The

decline mainly resulted in an \$11 million decrease in outstanding debt due to principal payment, a \$36 million decrease due to sinking fund provision payments and \$22 million mortgage principal reduction for Peel Housing Corporation. The Region's net long-term debt position is offset by \$36 million debt issuance on behalf of City of Mississauga.

Total non-financial assets are predominately for tangible capital assets but also include supplies of inventories and prepaid expenses. The \$413.5 million increase in tangible capital assets to \$10,048.5 million is a result of the significant capital acquisitions that occurred during the year. Total historical cost is \$13,218.8 million and the total accumulated amortization is \$3,170.3 million, implying that 76.0 per cent of the service potential of the assets remains to deliver programs and provide services. While the net book value or remaining useful life can be used as an input to estimate future capital spending requirements, the Capital Asset Management program continues to roll out across the Region of Peel to ensure that assets are maintained and replaced based on a comprehensive risk assessment. In addition to using existing reserves to fund this, Regional Council, in the 2014 operating budget, provided one per cent and seven per cent solutions to increase reserve contributions for the state of good repair in the tax rate and utility rate capital plans, respectively.

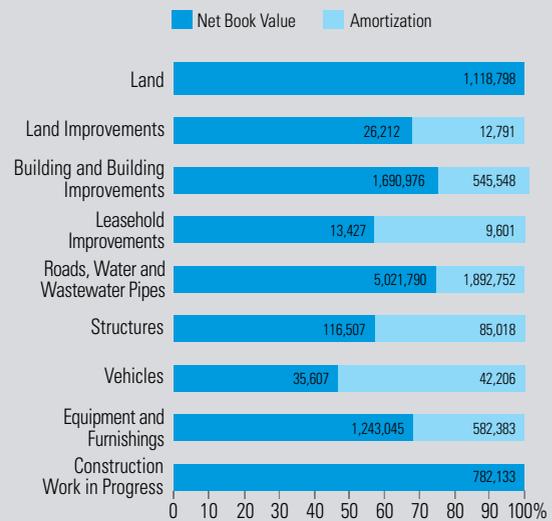
Another important indicator in the statement of financial position is the accumulated surplus position, which represents the net assets of the Region of Peel. The change to this position is equal to the annual surplus reported in the consolidated statement of operations. In 2014, the increase in the accumulated surplus to

### Tangible Capital Assets Net Book Value

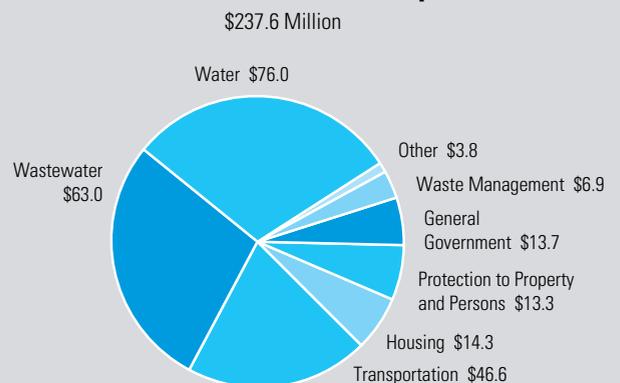


### Tangible Capital Assets: Net Book Value & Amortization

(\$ Thousands)

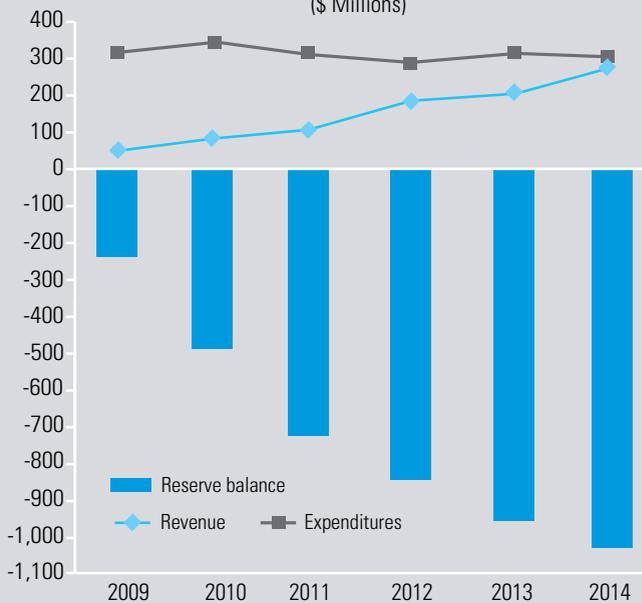


### 2014 Annual Amortization Expense



## Development Charge Activity 2009 to 2014

(\$ Millions)



\$9,977.4 million is mainly due to investments in tangible capital assets. Other balances included in the accumulated surplus are disclosed in note 9 of the financial statements.

## Development Charges

Pursuant to the provincial *Development Charges Act 1997*, municipalities are permitted to levy development charges against new development to fund the cost of growth-related infrastructure.

Beginning in 2010, the Region of Peel has needed to fund a portion of growth-related infrastructure by issuing debt to counteract the lag between construction of the infrastructure and the collection of revenue when property is developed. To efficiently manage capital projects, Council requested management to focus on the progress and report to Council on

the top 25 capital projects based on remaining gross budget value. The top 25 capital projects represent two percent of the total number of active capital projects, but are equivalent to more than half of the total remaining value of active capital projects. While non-residential growth continues to lag forecasts in the 2012 DC Background Study, in 2014, total revenue collected from development charges amounted to \$265.4 million, while growth related capital expenditures were \$299.2 million. The \$33.8 million revenue shortfall did not necessitate the issue of debenture debt by the Region as was the case in previous years. This was a prime reason the Region's long-term debt position improved. At the end of 2014, the Development Charges Reserve Fund was in a negative balance of \$1.073 billion, funded 100 per cent from the proceeds of debt issued in past years.

Through the Growth Management Committee, Regional Council adopted a resolution in 2014 directing staff to initiate a new Development Charges Background Study to ensure the growth capital program is sustainable. Subsequent testing completed on the 2015 Capital Plan suggested an overall rate increase of approximately 20 per cent is required to the Development Charges program sustainable. The Development Charges By-law update is expected to be adopted by the third quarter of 2015.

## Consolidated Statement of Operations

The consolidated statement of operations reports the Region of Peel's changes in economic resources and accumulated surplus for 2014, on a comparative basis. Since annual revenue exceeded expenses, the Region of Peel's accumulated surplus increased during the year.

For the year on a consolidated basis, the Region of Peel reported revenues of \$2,355.9 million and expenses of \$1,977.6 million, resulting in annual surplus of \$378.3 million. A large percentage of the surplus was attributed to revenue that was received and used to finance the acquisition of tangible capital assets, including revenue from development charges used to acquire growth capital. It was also attributed to the increasing contributions to the State of Good Repair reserves.

## Revenues Compared with Prior Year

In 2014, total revenues increased by \$208.9 million from the \$2,147.0 million reported in the prior year. Reported contributions of tangible capital assets increased by \$75.4 million. The assets assumed from developers at no cost to the Region of Peel and recognized as revenue at a value based on their discounted replacement cost. Contributions from developers continued to recover as revenue received from development charges for growth infrastructure climbed by \$55.2 million. Contributions from other governments increased due to higher provincial subsidies to address pressures in Social and Family Services for social assistance and children's services.

## Expenses Compared with Prior Year

In 2014, total expenses increased by \$74.8 million, or 3.9 per cent to \$1,977.6 million.

The increase was in part due to economic and inflationary pressures on salaries, materials, fuel, hydro, service contracts social assistance caseload, as well as the cost related to service level enhancement for accessible transportation services, police services and additional subsidies for child care and rent supplements for housing.

As a result of Peel's continuing investment in capital infrastructure, amortization of tangible capital assets and debt financing costs increased, primarily in Transportation, Water and Wastewater Services. Partially offsetting these increases were lower costs related to the uploading of the Ontario Works benefit costs by the Province and various operational efficiencies.

## Budget Comparison

Peel Council approves the Region's operating and capital budgets each year on a cash basis. Since the audited financial statements are prepared on a full accrual basis, adjustments are required to convert the budget from a cash basis to a full accrual basis. The adjustments include the additions of revenues and expenses from the capital budget, the recognition of contributed assets as revenue, amortization expenses, as well as the removal of inter-fund reserve transfers. Given that certain budget information is not available in full accrual format, the assumption of using budget adjustments that equal the actual full accrual adjustments are used. The full accrual budget estimates are unaudited and for financial statement presentation only. Detailed budget reconciliation from cash basis to full accrual basis is disclosed under note 11 of the financial statements.

## Revenues Compared with Budget

Levies on area municipalities were slightly below budget due to the negative impact of higher than expected negative tax re-assessments mitigated by greater than anticipated supplementary taxation.

Lower direct charges for water and wastewater service were the result of conservation efforts and exceptionally wet weather in the summer that decreased the demand for water.

The revenue from contributions – other governments is slightly below budget which is attributed to revenues received from other governments to finance capital expenditures were below the estimate. This is in proportion to the current-year capital budget based on the sources of financing from the 10-Year Capital Plan.

As previously discussed, it was anticipated that debenture proceeds would be used as a front-end source of revenue to finance the construction of growth-related capital infrastructure, with the payments of principal and interest to be funded from the future collection of development charges as the land is developed. When comparing actual revenues in 2014 with budget, it should be noted that \$329.5 million reported in the budget for contribution – developers reflects the longer-term intention to fund growth-related capital from development charges. When compared with the actual contributions received of \$265.5 million, the negative variance was not unexpected and is predominantly a reflection of the need to use borrowings in the short-term to fund growth capital at the time of construction.

The \$134.3 million revenue reported for contributed capital assets, representing assets assumed from developers, had a significant influence on the overall positive revenue variance of \$40.8 million.

It should be noted that these contributions are anticipated annually. However, determining an amount for budget purposes is not feasible due to the uncertainty regarding the nature and quantity of assets to be assumed. Fees, service charges and income from investments also had a positive impact on total revenues exceeding budget.

## Expenses Compared with Budget

Total expenses were over budget by \$17.6 million. The main driver behind the deficit is the exclusion of outstanding liability for GO Transit from the 2014 budget. This represents an unfinanced liability due to the decision to limit funding for GO Transit to the growth capital plan funded through development charges. Higher actual expenses for Transportation Services were driven by a severe winter that increased winter maintenance costs and the increased usage of taxis for accessible transportation. An unanticipated expense related to the disposal of an asset partially offset by underspending on corporate self-insured benefits lead to higher General Government costs.

Lower actual expenses in Environmental Services were driven by operational efficiencies in Water and Wastewater Services and lower operating costs in Waste Management and the delayed commissioning of the Heart Lake Community Recycling Centre.

Social and Family Services costs were under budget primarily due to lower administrative costs and lower expenditures in the employment program from policy changes and the redeployment of resources to assist with the Social Assistance Management System implementation.

## Outlook for 2015 and Beyond

The financial outlook, as reported to Regional Council during the development of the 2015 tax-supported budget, is focused on maintaining existing service levels to a growing population. To maintain existing service levels in 2014 to the population in 2015, \$19.4 million is required for base pressures including adjustments for annualization, the impact of inflation on contract services and wages, impact of the economy on the demand for human services including the caseload for general assistance and increased legislation and regulations. Some of the service level enhancements approved were additional accessible transportation trips, additional paramedic service hours, increases to subsidized child care spots and support for additional children with special needs, as well as extension of operational hours at the community recycling centres. Mitigating these pressures were the uploading of some of the social benefit costs and Police Services costs by the Ontario government, and assessment growth of 1.70 per cent. The budget also provides for a one per cent levy increase to support the long-term financial investment in the state of good repair of regional tax-supported assets.

Changing legislation, provincial subsidy and the fluctuating economy will continue to influence budget increases over the next four years. Ontario Works benefit costs will be incrementally uploaded until 2018 at which time the Province will fund 100 per cent of the mandatory benefit costs. Peel's tax rate will also benefit from the upload of some of the cost of Prisoner Transport and Court Security in Police Services for the years 2015 to 2018. Staff have projected that Peel's taxpayers can expect to see an average net levy tax increase of 2.9 per cent over the next three years based on current Council directed service levels.

Utility rates established in 2015 were influenced by annualization, inflation, economic factors as well as a 3.5 per cent increase infrastructure levy in water and wastewater for six years to improve the sustainability of the water and wastewater capital plan.

Main base pressures include the increase in the Ontario Clean Water Agency service contract, chemical and natural gas cost increases, and the impact of inflation on labour costs. In order to recognize the trend of declining water consumption, the budget reflects a 2 per cent decline in the demand for water.

Utility rates will continue to be influenced by commodity prices, consumption, operating costs and the need to support state of good repair of assets in the water and wastewater programs. For the period 2016 to 2018, rates are forecasted to increase on average by 5.3 per cent annually.

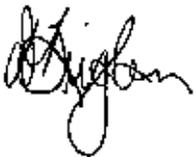
Peel is currently updating its Strategic Plan to incorporate a 20-year vision that will anticipate and respond to the changing needs of the community. The Strategic Plan along with the identified areas of focus, outcomes and strategic objectives will inform the 2015-2018 Term of Council Outcomes. The 2015-2018 Term of Council Outcomes will inform service delivery and our operating and capital budgets.

## Conclusion

Through ongoing collaboration and regular consultation with Council, staff will continue to present a well-balanced annual budget each year based on the nine financial principles to ensure fiscal sustainability. These principles include the use of:

- A 10-year operating budget model to mitigate significant fluctuations in tax and utility rates
- Reserve funding geared towards specific purposes including State of Good Repair
- Capital expenditure reviews in the context of affordability
- Quality and efficiency improvements and using innovative approaches for financing
- User fees where appropriate
- Prudent investing to maximize investment returns
- Borrowing only when necessary and at affordable levels
- Collaboration with area municipalities to support economic viability and
- Asset plans to guide asset maintenance and replacement.

With a focused approach on the nine financial principles, the Region will continue to maintain its strong financial position well into the future.



David Bingham, CPA, CMA  
Treasurer and Director,  
Corporate Finance  
May 25, 2015



# 2014 FINANCIAL STATEMENTS

The Regional Municipality of Peel, Ontario, Canada  
for the year ended December 31, 2014

 **Region of Peel**  
*Working for you*



## **Independent Auditor's Report**

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

We have audited the accompanying consolidated financial statements of the Regional Municipality of Peel, which comprise the consolidated statement of financial position as at December 31, 2014, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditor's Responsibility**

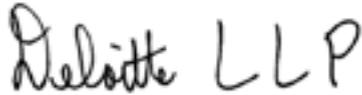
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

## Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Regional Municipality of Peel as at December 31, 2014 and the results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

The image shows a handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Professional Accountants, Chartered Accountants  
Licensed Public Accountants  
May 7, 2015

# The Regional Municipality of Peel

## Consolidated Statement of Financial Position

As at December 31, 2014 (All dollars in \$000)

	2014	2013 (Restated - see Note 2)
<b>FINANCIAL ASSETS</b>		
Cash and short-term investments (Note 3)	\$ 424,718	\$ 194,440
Accounts receivable		
Federal and provincial governments	31,987	25,835
Other municipalities	43,190	55,351
Wastewater and water billings	48,641	44,763
Accrued interest	9,472	12,636
Sundry	16,010	26,115
Long-term loan receivable (Note 4)	8,508	7,114
Long-term investments (Note 3)	1,555,224	1,820,790
Recoverable gross long-term debt from area municipalities (Note 8)	92,387	68,765
	2,230,137	2,255,809
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities		
Trade accounts payable	299,207	307,533
Provincial government	168,809	132,719
Other municipalities	5,633	1,816
Deferred revenue (Note 5)	136,559	128,401
Landfill closure and post-closure liability (Note 6)	23,485	25,426
Employee future benefits and post-employment liabilities (Notes 2 and 7)	92,874	87,832
Other liabilities	4,906	4,871
Long-term debt (Note 8)	1,353,836	1,364,136
Mortgages payable on income-producing properties (Note 8)	242,403	263,863
	2,327,712	2,316,597
<b>NET DEBT</b>	(97,575)	(60,788)
<b>NON-FINANCIAL ASSETS</b>		
Tangible capital assets (Note 12)	10,048,495	9,635,006
Prepaid expenses	21,199	19,580
Inventory	5,261	5,289
	\$10,074,955	\$ 9,659,875
<b>ACCUMULATED SURPLUS</b> (Note 9)	\$ 9,977,380	\$ 9,599,087

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, 2014 (All dollars in \$000)

	2014 Budget (Note 11)	2014	2013 (Restated - see Note 2)
<b>REVENUES</b>			
Levies on area municipalities	\$ 905,898	\$ 897,166	\$ 871,471
Direct charges on ratepayers	317,708	303,374	284,392
Contributions – other governments	561,247	525,107	499,700
Contributions – developers	329,496	265,487	210,292
Contributed capital assets	-	134,335	58,911
Investment income	54,733	71,260	65,547
Fees, service charges and other	146,028	159,191	156,732
<b>Total revenues</b>	<b>2,315,110</b>	<b>2,355,920</b>	<b>2,147,045</b>
<b>EXPENSES</b> (Notes 2 and 13)			
General government	60,062	64,359	51,645
Protection to property and persons	500,424	499,173	477,118
Transportation services	115,663	118,881	115,824
GO Transit	-	36,389	47,694
Gas tax transferred to area municipalities	31,127	31,170	29,523
Environmental services	523,345	510,842	483,669
Health services	73,282	72,206	70,802
Social and family services	458,018	443,864	423,045
Social housing	174,724	177,473	181,281
Planning and development	5,787	5,719	4,866
Assessment/other	17,603	17,551	17,393
<b>Total expenses</b>	<b>1,960,035</b>	<b>1,977,627</b>	<b>1,902,860</b>
Annual surplus	355,075	378,293	244,185
Accumulated surplus, beginning of year	9,599,087	9,559,087	9,354,902
<b>ACCUMULATED SURPLUS, END OF YEAR</b> (Note 9)	<b>\$ 9,954,162</b>	<b>\$ 9,977,380</b>	<b>\$ 9,599,087</b>

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

# The Regional Municipality of Peel

## Consolidated Statement of Change in Net Debt

For the year ended December 31, 2014 (All dollars in \$000)

	2014 Budget (Note 11)	2014	2013 (Restated - see Note 2)
<b>ANNUAL SURPLUS</b>	\$ 355,075	\$ 378,293	\$ 244,185
Acquisition of tangible capital assets	(521,274)	(529,002)	(439,660)
Amortization of tangible capital assets	242,967	237,573	218,806
Contributed tangible capital assets	-	(134,335)	(58,911)
Write-down of tangible capital assets	-	8,755	-
Loss on sale of tangible capital assets	-	1,683	394
Proceeds on sale of tangible capital assets	-	1,837	1,570
	76,768	(35,196)	(33,616)
Acquisition of inventory	-	(12,101)	(10,738)
Acquisition of prepaid expenses	-	(6,018)	(6,701)
Consumption of inventory	-	12,129	10,514
Use of prepaid expenses	-	4,399	5,738
Change in net debt	\$ 76,768	\$ (36,787)	\$ (34,803)
Net financial assets (debt), beginning of year	(60,788)	(60,788)	(25,985)
<b>NET FINANCIAL ASSETS (DEBT), END OF YEAR</b>	\$ 15,980	\$ (97,575)	\$ (60,788)

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

# The Regional Municipality of Peel Consolidated Statement of Cash Flows

	2014	2013 (Restated - see Note 2)
For the year ended December 31, 2014 (All dollars in \$000)		
<b>OPERATING ACTIVITIES</b>		
Annual surplus	\$ 378,293	\$ 244,185
Items not involving cash		
Amortization of tangible capital assets	237,573	218,806
Loss on sale of tangible capital assets	1,683	394
Contributed tangible capital assets	(134,335)	(58,911)
Write-down of tangible capital assets	8,755	-
Change in employee future benefits and post-employment liabilities	5,042	5,089
Change in landfill closure and post-closure liability	(1,941)	264
Change in non-cash assets and liabilities		
Accounts receivable	(15,400)	(34,023)
Recoverable gross long-term debt from area municipalities	(23,622)	(48,306)
Accounts payable and accrued liabilities	31,581	41,220
Deferred revenue	8,158	73,383
Other liabilities	35	53
Prepaid expenses	(1,619)	(963)
Inventory	28	(224)
Net change in cash and short-term investments from operating activities	525,031	440,967
<b>CAPITAL ACTIVITIES</b>		
Proceeds on sale of tangible capital assets	1,837	1,570
Cash used to acquire tangible capital assets	(529,002)	(439,660)
Net change in cash and short-term investments from capital activities	(527,165)	(438,090)
<b>INVESTING ACTIVITIES</b>		
Proceeds from disposals and redemptions of investments	392,993	185,035
Acquisition of investments	(127,427)	(729,958)
(Increase) decrease in long-term loan receivable	(1,394)	(334)
Net change in cash and short-term investments from investing activities	264,172	(545,257)
<b>FINANCING ACTIVITIES</b>		
Proceeds on debt issuance	36,607	330,378
Repayment of long-term debt	(11,262)	(5,256)
Accrual for interest payments	446	797
Contributions to sinking fund	(32,969)	(23,513)
Investment income earned on sinking fund	(2,813)	(1,466)
Sinking fund assumed from area municipality	(309)	-
Repayment of mortgages payable	(21,460)	(20,460)
Net change in cash and short-term investments from financing activities	(31,760)	280,480
Net change in cash and short-term investments	230,278	(261,900)
Cash and short-term investments, beginning of year	194,440	456,340
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<b>\$ 424,718</b>	<b>\$ 194,440</b>
Cash paid for interest	\$ 64,656	\$ 63,071
Cash received from interest	62,841	61,888

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, 2014 (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, 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 (debt) 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 debt and non-financial assets.

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

#### a) Basis of statement 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 Housing Corporation

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 \$187 (2013 – \$182), 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 debt retirement fund and sinking funds. The financial activity and position of this fund are disclosed separately in the debt retirement fund 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 short-term investments**

Cash and short-term investments include short-term, highly liquid investments with a term to maturity of 90 days or less at acquisition.

**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) 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 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 does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

**d. Natural resources**

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

**v) 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 Canadian public sector accounting standards. 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.

**vi) 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 are issued for 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.

**vii) 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.

**viii) 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.

Sick leave benefits were discontinued in 1986. The remaining balance is adjusted for contract increases and subject to payout when an employee leaves the Region’s employment.

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 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 Canadian public sector accounting standard PS 3250 *Retirement Benefits*. Therefore, for the purposes of these financial statements, the plans are considered unfunded.

**ix) 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.

**x) 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.

**xi) Use of estimates**

The preparation of the periodic financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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, 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. Restatement of employee future benefits and post-employment liabilities

In 2014, full actuarial valuations were completed for the Region and the Police Services Board with respect to non-pension retirement liabilities for extended health care, dental, health care spending account and life insurance. As part of the process, it was noted, that the previous valuations treated enrolled members in receipt of long-term disability and WSIB benefits as inactive. Based on a review of the benefits provisions for the Region and the Police Services Board, it was determined that treatment of such members as continuing to receive active services benefits was more appropriate. As a result, revised valuations of the benefit liabilities were completed, and have been reflected in the financial statements retroactively, as follows:

	Previous	2013 Adjustment	Restated
<b>STATEMENT OF FINANCIAL POSITION</b>			
Future benefits and post-employment liabilities	\$ 78,227	\$ 9,605	\$ 87,832
Accumulated surplus	9,608,692	(9,605)	9,599,087
<b>STATEMENT OF OPERATIONS</b>			
Expense – general government	51,392	253	51,645
Expense – protection to property and persons	477,348	(230)	477,118
Accumulated surplus, beginning of year	9,364,484	(9,582)	9,354,902
Accumulated surplus, end of year	9,608,692	(9,605)	9,599,087

### 3. Investments

Cash and short-term investments have a market value of \$426,707 (2013 – \$197,249) at the end of the year. Long-term investments have a market value of \$1,624,203 (2013 – \$1,855,472), at the end of the year. Included in the Region’s investment portfolio are Region of Peel debentures at coupon rates that vary from 3.45 to 6.65 per cent (2013 – 3.20 to 6.65 per cent) with a carrying value \$21,461 (2013 - \$21,283).

In early 2014, securities held and managed on behalf of the United Way of Peel Region for \$nil (2013 – \$3,375) and Credit Valley Conservation for \$nil (2013 – \$2,723) were redeemed and funds returned, discharging the liabilities to the United Way of Peel Region and the Credit Valley Conservation.

### 4. Long-term loan receivable

The balance for long-term 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 (“Abbeyfield”) to be used to finance the construction of affordable housing for senior citizens.
- c) An interest free subsidy agreement with Cervantes Lions Non-Profit Housing Corporation due on the day immediately following the fifteenth anniversary of the expiry of the housing provider’s operating agreement with the Region.
- d) A loan to Shalimar International Housing Corporation; interest to be charged at the prevailing capital market rate beginning September 1st , 2031; all principal and interest owing to be repaid by September 2nd, 2046.
- e) A loan to Ahneen Co-operative Homes; interest to be charged at the prevailing capital market rate beginning February 1st , 2027; all principal and interest owing to be repaid by February 2nd , 2042.
- f) A bridge loan at 3.4 per cent to Supportive Housing in Peel to facilitate the development of a housing project pending receipt of provincial funding.

	<b>2014</b>	<b>2013</b>
CVC – memorandum of understanding	\$ 6,302	\$ 6,406
Abbeyfield Houses of Caledon – loan agreement	255	265
Cervantes Lions Housing – subsidy agreement	443	443
Shalimar International Housing – loan agreement	432	-
Ahneen Co-operative Homes – loan agreement	96	-
Supportive Housing in Peel – bridge loan	980	-
<b>Total</b>	<b>\$ 8,508</b>	<b>\$ 7,114</b>

- g) Future repayments  
Estimated future receipts of long-term receivables are as follows:

	<b>Total</b>
2015	\$ 120
2016	127
2017	133
2018	140
2019	148
Subsequent to 2019	7,840

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<b>Total</b>	<b>\$ 8,508</b>
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## 5. Deferred Revenue

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

	<b>Balance at December 31, 2013</b>	<b>Inflows</b>	<b>Revenue Earned</b>	<b>Balance at December 31, 2014</b>
Development Charges	\$ -	\$ 265,376	\$ 265,376	\$ -
Federal Gas Tax	22,290	39,551	32,164	29,677
Provincial Gas Tax	70	356	353	73
General – Region	32,667	39,325	36,327	35,665
General - PHC	4,153	87	-	4,240
	59,180	79,319	68,844	69,655
York/Peel Water Supply Agreement	69,221	4,187	6,504	66,904
<b>Total</b>	<b>\$ 128,401</b>	<b>\$ 348,882</b>	<b>\$ 340,724</b>	<b>\$ 136,559</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. The credit in the amount of \$66.9 million (2013 - \$69.2 million) will be used to fund York’s share of the construction costs of jointly used infrastructure in the future.

## 6. 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 one active and 20 inactive landfill sites. The Caledon site is still in operation and has an estimated remaining life of 1 year, which represents 5 per cent of its total capacity. For the site that is still open, the estimated liability is recognized as the landfill site capacity is used. For inactive sites, the estimated liability for these expenditures is calculated for a twenty-five year period.

The estimated liability of \$23,485 (2013 – \$25,426) 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 4.75 per cent (2013 – 4.75 per cent).

As at December 31, the Region maintained a reserve of \$21,186 (2013 – \$22,908), which will be used to fund expected future costs.

## 7. 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:

	2014	2013 (Restated see Note 2)
Retiree benefits Peel Police Services Board	\$ 55,247	\$ 51,282
Retiree benefits Peel Police Services Board (LTD recipients)	6,372	6,620
Retiree benefits Peel Region	7,738	7,250
Retiree benefits Peel Region (LTD recipients)	3,253	2,985
Workplace Safety and Insurance Board	20,264	19,695
<b>Total</b>	<b>\$ 92,874</b>	<b>\$ 87,832</b>

### a) Retirement benefits

The liability for retirement benefits is for the Region’s and the Peel Police Services Board’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 Services Board, ceases at the age of 65. The valuation treats enrolled members in receipt of long-term disability or WSIB benefits as continuing to receive active service benefits.

The liability is based on the actuarial valuations for the Region as at December 31 2014, and for the Police Services Board as at December 31, 2013, with estimates to December 31, 2014.

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

- Future discount rates                      4.85 per cent per year for Police  
    4.75 per cent per year for Region
- Future inflation rate                         2.0 per cent per year

- Future salaries Escalate at 3.0 per cent per year
- Future health care premium rates:
  - Police Escalate at 3.5 per cent per annum
  - Region of Peel Escalate at 8.160 per cent from 3 year average 2012-2014 to 2015 then 4.0 per cent per year from 2015 to 2016 and each subsequent year
- Future health care premium rates:
  - Police Initial rate of 6.5 per cent decreasing by 0.5 per cent per year to the ultimate rate of 4.0 per cent
  - Region of Peel Escalate at 9.092 per cent from 3 year average 2012-2014 to 2015 then 4.0 per cent per year from 2015 to 2016 and each subsequent year

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

<b>Retirement benefits liability</b>	<b>2014</b>	<b>2013</b> <b>(Restated - see Note 2)</b>
Accrued benefit obligation at January 1	\$ 73,473	\$ 69,584
Add: benefit service cost	3,553	3,433
Add: interest accrued	3,603	3,202
Deduct: benefit payments	(3,095)	(2,746)
Accrued benefit obligation at December 31	77,534	73,473
Deduct: unamortized actuarial loss	(4,925)	(5,336)
<b>Liability at December 31</b>	<b>\$ 72,609</b>	<b>\$ 68,137</b>

<b>Retirement benefits expense</b>	<b>2014</b>	<b>2013</b> <b>(Restated - see Note 2)</b>
Current period benefit cost	\$ 3,553	\$ 3,433
Interest on accrued benefit obligation	3,603	3,202
Amortization of actuarial losses	411	252
<b>Total</b>	<b>\$ 7,567</b>	<b>\$ 6,887</b>

The actuarial loss is the result of assumptions used in 2013 year-end 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 (WSIB)**

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 the result of a 2014 actuarial update that estimated potential liabilities of the Region under the provisions of the *Workplace Safety and Insurance Act*. The last full actuarial evaluation for the Region was completed as at December 31, 2014.

The results of the actuarial valuation are as follows:

<b>WSIB liability</b>	<b>2014</b>	<b>2013</b>
Accrued benefit obligation at January 1	\$ 20,251	\$ 19,389
Add: estimated cost of claims (service cost)	1,936	3,683
Add: interest accrued	827	919
Deduct: expected benefits paid	(2,858)	(3,740)
Accrued benefit obligation at December 31	20,156	20,251
Deduct: unamortized actuarial loss	108	(556)
<b>Liability at December 31</b>	<b>\$ 20,264</b>	<b>\$ 19,695</b>
<b>WSIB benefits expense</b>	<b>2014</b>	<b>2013</b>
Current period benefit cost	\$ 1,936	\$ 3,683
Interest on accrued benefit obligation	827	919
Amortization of actuarial losses	22	86
<b>Total</b>	<b>\$ 2,785</b>	<b>\$ 4,688</b>

## 8. 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. Debentures issued for such purposes are direct, joint and several obligations of the Region and area municipalities.

In 2014, the Region issued \$36.6 million (2013 – \$333 million) in debenture debt. The 2014 issue was on behalf of the City of Mississauga to meet funding requirements for its 2014 capital program.

### a) Net long-term debt

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

	<b>2014</b>	<b>2013</b>
Total long-term liabilities incurred by the Region including amounts incurred on behalf of area municipalities	\$ 1,441,158	\$ 1,415,368
Mortgages payable by Peel Housing Corporation	241,403	262,863
Note payable by Peel Housing Corporation	1,000	1,000
Total outstanding	1,683,561	1,679,231
Less: Total value of Region's sinking fund deposits	86,901	51,232
Less: Value of Town of Caledon sinking fund assumed by the Region	421	-
	1,596,239	1,627,999
Less: Recoverable from lower-tiers		
City of Mississauga	80,807	50,000
Town of Caledon	16,961	18,765
	97,768	68,765
Less: Town of Caledon debt assumed by Region	5,381	-
	92,387	68,675
<b>Net long-term debt at December 31</b>	<b>\$ 1,503,852</b>	<b>\$ 1,559,234</b>

Serial and sinking fund debentures issued by the Region mature between June 2015 and June 2053 and have interest rates ranging between 1.20 per cent and 6.65 per cent.

Mortgages of \$241,403 (2013 – \$262,863) on PHC properties are secured by a first charge on specific assets of PHC with amortization periods ranging from 5 to 50 years and interest rates ranging from 1.62 per cent to 9.5 per cent.

A note payable in the amount of \$1,000 (2013 – \$1,000) is due to the tenants association of Twin Pines (PHC) and was contributed by its members. A contribution is repayable to a member of the tenants association on termination of membership with the association. Interest is payable at the lesser of \$5 or 1 per cent of the principal balance outstanding per annum.

Sinking funds were established to provide for the orderly retirement of sinking fund debentures issued by the Region totaling \$1,283,000 (2013 – \$1,283,000). These debentures mature between December 2021 and June 2053.

**b) Transfer of roadway**

In 2014, the jurisdiction over a roadway was transferred from the Town of Caledon to the Region. Pursuant to subsection 53(b) of the *Municipal Act 2001*, the Region assumed responsibility for making payments to the Town of Caledon for any debt related to the roadway subsequent to the transfer. The following represents the total outstanding debt related to the roadway.

	<b>2014</b>
Caledon debt series DQ	\$ 5,381
Less: Caledon sinking fund series DQ	(421)

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<b>Total</b>	<b>\$ 4,960</b>
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**c) Future principal repayments**

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

	<b>Peel Housing Corporation</b>	<b>Region of Peel</b>	<b>Total</b>
2015	\$ 22,439	\$ 36,729	\$ 59,168
2016	22,994	36,833	59,827
2017	23,093	36,941	60,034
2018	20,981	37,021	58,002
2019	19,048	37,137	56,185
Subsequent to 2019	133,848	555,643	689,491
Net sinking fund debt repayable	-	521,145	521,145

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<b>Total</b>	<b>\$ 242,403</b>	<b>\$1,261,449</b>	<b>\$1,503,852</b>
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Total interest charges in the amount of \$69,709 (2013 – \$63,222) are reported in the consolidated statement of operations. The charges consist of \$10,490 (2013 - \$11,699) for interest on PHC mortgages and \$59,219 (2013 - \$51,523) for debenture debt.

## 9. Accumulated surplus

The accumulated surplus consists of the following balances:

	2014	2013 (Restated - see Note 2)
<b>Accumulated surplus</b>		
Investment in tangible capital assets and social housing	\$ 9,798,309	\$ 9,373,412
Reserves and reserve funds	1,570,305	1,503,620
Capital fund	(1,321,888)	(1,205,156)
Current fund	3,310	389
Less: unfunded liabilities		
Retiree benefits – Peel Police Services Board	(29,910)	(28,526)
Retiree benefits – Region of Peel	(5,843)	(5,843)
Workplace Safety and Insurance Board	(8,512)	(8,512)
Landfill closure costs	(23,485)	(25,426)
Other	(4,906)	(4,871)
<b>Total surplus</b>	<b>\$ 9,977,380</b>	<b>\$ 9,599,087</b>

### a) Accumulated surplus

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.

## 10. Pension agreements

The Region, on behalf of approximately 7,780 eligible employees, is a participant in OMERS. 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 \$63,431 (2013 – \$59,457). The Region's contributions are reported in the consolidated statement of operations. Employee contributions also amount to \$63,431 (2013 – \$59,457).

For the December 31, 2014 year-end, the funded portion of the OMERS pension plan increased to 90.8 per cent (2013 – 88.2 per cent). Pension plan assets increased to \$72,000 million (2013 – \$65,000 million) primarily due to a lower risk investment strategy.

## 11. Budget process

The Regional Council completes a review of its operating and capital budgets each year. The capital budget is set on a project-oriented basis, the costs of which may be carried over one or more fiscal years.

The budget amounts presented in the consolidated financial statements are based on the 2014 operating and capital budgets approved by Regional Council on a cash basis. 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 Canadian public sector accounting standards.

### Revenues

Approved budget	\$ 2,651,108
Add: Investment income on reserves and reserve funds	51,499
Less: Contributions from reserves and reserve funds	(387,497)

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<b>Total Revenues</b>	<b>\$ 2,315,110</b>
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### Expenses

Approved budget	\$ 2,651,108
Add: Amortization	220,974
Add: Other liabilities	1,419
Less: Contributions to reserves and reserve funds	(355,693)
Less: Acquisition of tangible capital assets	(521,274)
Less: Payments to sinking fund and principal for debt retirement	(36,499)

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<b>Total Expenses</b>	<b>\$ 1,960,035</b>
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<b>Annual Surplus</b>	<b>\$ 355,075</b>
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## 12. Tangible capital assets

2014

(All dollars in \$000)

<b>COST</b>	<b>Balance at December 31, 2013</b>	<b>Additions</b>	<b>Disposals &amp; Write-downs</b>	<b>Balance at December 31, 2014</b>
Land	\$ 1,103,023	\$ 15,775	\$ -	\$ 1,118,798
Land improvements	38,693	310	-	39,003
Buildings and building improvements	2,061,751	174,773	-	2,236,524
Leasehold improvements	21,258	3,186	(1,416)	23,028
Linear and linear improvements	6,599,415	315,127	-	6,914,542
Structures	195,233	6,292	-	201,525
Vehicles	76,561	9,584	(8,332)	77,813
Equipment and furnishings	1,684,004	159,725	(18,301)	1,825,428
Construction work in progress	812,323	(21,435)	(8,755)	782,133
<b>Total Cost</b>	<b>\$ 12,592,261</b>	<b>\$ 663,337</b>	<b>\$ (36,804)</b>	<b>\$13,218,794</b>

<b>ACCUMULATED AMORTIZATION</b>	<b>Balance at December 31, 2013</b>	<b>Disposals</b>	<b>Amortization Expense</b>	<b>Balance at December 31, 2014</b>
Land improvements	\$ 11,540	\$ -	\$ 1,251	\$ 12,791
Buildings and building improvements	504,319	-	41,229	545,548
Leasehold improvements	10,177	(1,416)	840	9,601
Linear and linear improvements	1,776,194	-	116,558	1,892,752
Structures	80,051	-	4,967	85,018
Vehicles	40,553	(6,650)	8,303	42,206
Equipment and furnishings	534,421	(16,463)	64,425	582,383
<b>Total accumulated amortization</b>	<b>\$ 2,957,255</b>	<b>\$ (24,529)</b>	<b>\$ 237,573</b>	<b>\$ 3,170,299</b>

### NET BOOK VALUE

	<b>Net Book Value December 31, 2014</b>
Land	\$ 1,118,798
Land improvements	26,212
Buildings and building improvements	1,690,976
Leasehold improvements	13,427
Linear and linear improvements	5,021,790
Structures	116,507
Vehicles	35,607
Equipment and furnishings	1,243,045
Construction work in progress	782,133
<b>Total net book value</b>	<b>\$10,048,495</b>

## 12. Tangible capital assets (continued)

2013

(All dollars in \$000)

<b>COST</b>	<b>Balance at December 31, 2012</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at December 31, 2013</b>
Land	\$ 1,081,026	\$ 21,997	\$ -	\$ 1,103,023
Land improvements	38,693	-	-	38,693
Buildings and building improvements	1,801,103	260,937	(289)	2,061,751
Leasehold improvements	18,782	2,476	-	21,258
Linear and linear improvements	6,186,079	413,336	-	6,599,415
Structures	193,416	1,817	-	195,233
Vehicles	72,754	10,755	(6,948)	76,561
Equipment and furnishings	1,419,913	269,286	(5,195)	1,684,004
Construction work in progress	1,294,356	(482,033)	-	812,323
<b>Total Cost</b>	<b>\$ 12,106,122</b>	<b>\$ 498,571</b>	<b>\$ (12,432)</b>	<b>\$12,592,261</b>

<b>ACCUMULATED AMORTIZATION</b>	<b>Balance at December 31, 2012</b>	<b>Disposals</b>	<b>Amortization Expense</b>	<b>Balance at December 31, 2013</b>
Land improvements	\$ 10,259	\$ -	\$ 1,281	\$ 11,540
Building and building improvements	466,695	-	37,624	504,319
Leasehold improvements	9,306	-	871	10,177
Linear and linear improvements	1,667,153	-	109,041	1,776,194
Structures	75,152	-	4,899	80,051
Vehicles	37,794	(5,690)	8,449	40,553
Equipment and furnishings	482,558	(4,778)	56,641	534,421
<b>Total accumulated amortization</b>	<b>\$ 2,748,917</b>	<b>\$ (10,468)</b>	<b>\$ 218,806</b>	<b>\$ 2,957,255</b>

### NET BOOK VALUE

	<b>Net Book Value December 31, 2013</b>
Land	\$ 1,103,023
Land improvements	27,153
Buildings and building improvements	1,557,432
Leasehold improvements	11,081
Linear and linear improvements	4,823,221
Structures	115,182
Vehicles	36,008
Equipment and furnishings	1,149,583
Construction work in progress	812,323
<b>Total net book value</b>	<b>\$ 9,635,006</b>

- a) Construction in progress  
Assets under construction having a value of \$782,133 (2013 – \$812,323) 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 2014 amounted to \$134,335 (2013 – \$58,911). 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 \$8,755 (2013 – \$nil) in the consolidated statement of operations.

### 13. 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.

	2014	2013 (Restated - see Note 2)
Salary and wages	\$ 702,909	\$ 681,413
Services and rents	319,299	316,997
Grants and transfer payments	428,426	386,802
Materials and supplies	78,733	77,350
Amortization	237,573	218,806
Other operational expenses	140,978	158,270
Debt interest charges	69,709	63,222
<b>Total</b>	<b>\$ 1,977,627</b>	<b>\$ 1,902,860</b>

### 14. Contractual obligations and contingent liabilities

- a) As at December 31, 2014 outstanding contractual obligations for capital works amounted to approximately \$652,810 (2013 – \$496,729). Regional Council has authorized the financing of these obligations.
- b) As at December 31, 2014 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 \$9,527 (2013 – \$9,724) 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:

2015	\$ 2,545
2016	1,574
2017	1,069

2018	769
2019	328
Subsequent to 2019	1,781

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<b>Total</b>	<b>\$ 8,066</b>
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- 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 2014 charges from OCWA totaling \$32,429 (2013 – \$30,731). 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 2014, the Peel Regional Police received \$16,733 (2013 – \$16,874) from the GTAA.

- f) Under a \$557,000 contract approved by the Region in 2005 and amended in 2013, a private waste management corporation will provide waste disposal capacity at current market rates (additional 17.5 years as at December 31, 2014) and waste collection services (additional 1 year as at December 31, 2014) for Peel residents. The balance remaining on this contract is \$44,000.

- g) Under separate contracts approved by the Region in 2014, two private waste management companies will 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 commencing January 2016, with two additional, separate twelve month period extension options, based on satisfactory service, performance and pricing. The total of the two contacts is \$40,500.

- h) The Region has issued letters of credit for \$3,999 (2013 – \$4,432) in order to meet the credit requirements and conditions of certain agreements related to capital projects.

## 15. Municipal Act, 2001

As part of its planned implementation of Current Value Assessment ("CVA"), the Province has mandated a transitional phase that requires municipalities to cap assessment-related tax increases on portions of properties in the commercial, industrial and multi-residential property classes. These assessment-related tax adjustments will be capped using a number of Council-adopted parameters designed to maximize the number of properties moving to full CVA-based taxation. The legislation provides that the costs of capping can be funded through the reduction of previously indicated assessment-related property tax decreases.

While the area 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, although they are not expected to be material in nature. Regional Council has provided general direction that any such assessment variance may be funded through the use of general corporate reserves set aside for this purpose.

## 16. 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 company.

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 the 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 Service Innovation Information & Technology. 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. Regional planning provides planning policy & research and development planning services that respond to the growth and change experienced in Peel.

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, Paramedic 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. The mandate of Paramedic Services is to decrease suffering and improve and promote community safety. 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. Transportation services also include the Region's apportionment of capital costs billed by GO Transit.

### **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 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.

**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. The Ontario Works deliver a range of programs providing employment and financial assistance to residents in need.

**Social housing**

Social housing is responsible for administering social housing providers, the rent supplement programs and managing a social housing waiting list.

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

**Other**

Assessment Services is the funding to the Municipal Property Assessment Corporation, which administers province-wide property assessment services for municipalities. This segment also includes the Federal Gas Tax Revenue that is transferred to lower-tier municipalities.

# Segmented Information

December 31, 2014 (All dollars in \$000)

	General government		Protection to property and persons		Transportation services		Environmental services	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>OPERATIONS REVENUE</b>								
Levies on area municipalities	897,166	871,471	-	-	-	-	-	-
Direct charges on ratepayers	-	-	-	-	-	-	303,375	284,392
Contributions - other governments	13,630	13,734	49,159	46,253	7,191	8,455	32,321	15,732
Contributions - developers	1,049	1,801	1,214	1,950	54,425	56,752	208,492	149,451
Contributed capital assets	-	-	1,353	-	6,495	8,027	126,486	50,251
Investment income	6,964	16,031	8,295	6,753	7,144	5,487	39,268	31,083
Fees and service charges	24,421	19,698	34,370	31,711	9,379	7,021	15,597	20,247
	943,230	922,735	94,391	86,667	84,634	85,742	725,539	551,156
<b>EXPENSES</b>								
Salaries and wages	68,732	66,383	396,862	379,890	38,069	36,088	50,143	48,076
Services and rents	25,345	23,561	36,015	33,360	21,405	19,802	139,562	134,909
Materials and supplies	2,856	2,575	14,731	14,461	7,684	7,000	45,806	45,004
Grants and transfer payments	21,889	21,084	36,295	36,029	602	590	-	-
Debt charges	2,518	2,516	-	-	679	955	54,671	47,318
Intra government transfers	(84,244)	(80,757)	(8,154)	(8,546)	(23,127)	(21,403)	50,603	49,391
Amortization	13,737	11,405	13,251	13,349	46,596	44,033	146,055	133,819
Other operating expenses	19,245	9,744	10,173	8,575	63,362	76,453	24,002	25,152
	70,078	56,511	499,173	477,118	155,270	163,518	510,842	483,669
<b>ANNUAL SURPLUS (DEFICIT)</b>	873,152	866,224	(404,782)	(390,451)	(70,636)	(77,776)	214,697	67,487

Note: 2013 segmented information was restated - see Note 2

Health services		Social and family services		Housing		Other		Total	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
-	-	-	-	-	-	-	-	897,166	871,471
-	-	-	-	-	-	-	-	303,375	284,392
44,711	44,172	313,066	291,142	33,858	50,689	31,170	29,523	525,106	499,700
66	20	-	-	241	318	-	-	265,487	210,292
-	-	-	-	-	633	-	-	134,334	58,911
1,135	901	2,757	2,058	5,382	3,234	316	-	71,261	65,547
818	709	17,095	18,673	57,511	58,673	-	-	159,191	156,732
46,730	45,802	332,918	311,873	96,992	113,547	31,486	29,523	2,355,920	2,147,045
56,041	53,681	126,492	127,505	8,564	7,925	-	-	744,903	719,548
10,236	10,595	11,843	22,711	57,338	54,662	17,555	17,397	319,299	316,997
682	747	6,968	7,561	6	2	-	-	78,733	77,350
631	557	277,333	245,138	60,510	53,885	31,166	29,519	428,426	386,802
-	-	-	-	11,841	12,433	-	-	69,709	63,222
4,140	4,889	13,652	14,346	5,136	3,945	-	-	(41,994)	(38,135)
132	246	3,401	2,447	14,401	13,507	-	-	237,573	218,806
344	87	4,175	3,337	19,677	34,922	-	-	140,978	158,270
72,206	70,802	443,864	423,045	177,473	181,281	48,721	46,916	1,977,627	1,902,860
(25,476)	(25,000)	(110,946)	(111,172)	(80,481)	(67,734)	(17,235)	(17,393)	378,293	244,185



# 2014

## DEBT RETIREMENT AND SINKING FUNDS

The Regional Municipality of Peel, Ontario, Canada  
for the year ended December 31, 2014

 **Region of Peel**  
*Working for you*



## **Independent Auditor's Report**

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

We have audited the accompanying financial statements of the Debt Retirement and Sinking Funds of the Regional Municipality of Peel, which comprise the statement of financial position as at December 31, 2014, and the statements of operations, change in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Debt Retirement and Sinking Funds of the Regional Municipality of Peel as at December 31, 2014, and the results of its operations, changes in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Deloitte LLP*

Chartered Professional Accountants, Chartered Accountants  
Licensed Public Accountants  
May 7, 2015

# The Regional Municipality of Peel Debt Retirement and Sinking Funds Statement of Financial Position

As at December 31, 2014 (All dollars in \$000)

	2014	2013
<b>FINANCIAL ASSETS</b>		
Cash	\$ 40,147	\$ 7,120
Short-term investments (Fair value 2014 – \$nil; 2013 – \$2,557)	-	2,467
Accrued interest	155	75
Long-term investments (Note 8) (Fair value 2014 – \$56,658; 2013 – \$47,270)	52,569	49,763
<b>TOTAL FINANCIAL ASSETS</b>	<b>92,871</b>	<b>59,425</b>
<b>LIABILITY</b>		
Actuarial requirements for retirement of sinking fund debt (Note 2d)	86,428	51,375
<b>NET FINANCIAL ASSETS</b>	<b>6,443</b>	<b>8,050</b>
<b>ASSET ALLOCATION</b>		
Region of Peel	87,332	51,231
Town of Caledon	5,549	8,194
	<b>\$ 92,871</b>	<b>\$ 59,425</b>
<b>ASSET ALLOCATION</b>		
Debt retirement fund	5,470	7,834
Sinking fund	87,401	51,591
	<b>\$ 92,871</b>	<b>\$ 59,425</b>

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

# The Regional Municipality of Peel Debt Retirement and Sinking Funds Statement of Operations

For the year ended December 31, 2014 (All dollars in \$000)

	2014	2013
<b>REVENUE</b>		
Contributions (Note 4)	\$ 32,995	\$ 23,634
Investment Income	3,102	1,809
<b>TOTAL REVENUE</b>	<b>36,097</b>	<b>25,443</b>
<b>EXPENSES</b>		
Provision for actuarial requirements	35,053	24,882
Payment of principal from debt retirement fund	1,804	1,694
Payment of interest from debt retirement fund	847	958
<b>TOTAL EXPENSES</b>	<b>37,704</b>	<b>27,534</b>
Excess of expenses over revenue for the year	(1,607)	(2,091)
Excess over actuarial requirements, beginning of year	8,050	10,141
<b>EXCESS OVER ACTUARIAL REQUIREMENTS, END OF YEAR</b>	<b>\$ 6,443</b>	<b>\$ 8,050</b>

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

# The Regional Municipality of Peel Debt Retirement and Sinking Funds Statement of Cash Flows

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

	2014	2013
<b>OPERATING ACTIVITIES</b>		
Excess of expenses over revenue	\$ (1,607)	\$ (2,091)
Change in non-cash assets and liabilities		
Accrued interest	(80)	(75)
Increase in actuarial requirements	35,053	24,881
<b>NET CHANGE IN CASH FROM OPERATING ACTIVITIES</b>	<b>33,366</b>	<b>22,715</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of investments	(2,806)	(52,231)
Proceeds from disposal of investments	2,467	2,754
<b>NET CHANGE IN CASH FROM INVESTING ACTIVITIES</b>	<b>(339)</b>	<b>(49,477)</b>
Net change in cash	33,027	(26,762)
Cash, beginning of year	7,120	33,882
<b>CASH, END OF YEAR</b>	<b>\$ 40,147</b>	<b>\$ 7,120</b>

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

# The Regional Municipality of Peel Debt Retirement and Sinking Funds Statement of Change in Net Financial Assets

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

	2014	2013
Excess of expenses over revenue for the year	\$ (1,607)	\$ (2,091)
Net financial assets, beginning of year	8,050	10,141
<b>NET FINANCIAL ASSETS, END OF YEAR</b>	<b>\$ 6,443</b>	<b>\$ 8,050</b>

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

# The Regional Municipality of Peel Debt Retirement & Sinking Funds Notes to the Financial Statements

For the year ended December 31, 2014 (All dollars in \$000)

## 1. Purpose of funds

The Region of Peel Debt Retirement Fund is a separate fund maintained for the purpose of providing periodic repayments of debt associated with Debenture Series "AD" assumed by the Town of Caledon to be retired by means of debt retirement funds on hand with the Region and further contributions from the Town of Caledon.

The Region of Peel Sinking Fund is a separate fund maintained for the purpose of providing periodic repayments for debt to be retired by means of sinking funds.

## 2. Summary of significant accounting policies

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

### (a) Basis of Accounting

The Region of Peel Debt Retirement and Sinking Funds follow the accrual method of accounting for revenues and expenses.

### (b) Revenue recognition

Contributions are recognized in the year receivable. Investment income is recognized as revenue when earned.

### (c) Investments

The short-term and long-term investments are recorded at amortized cost. Discounts on zero-coupon bonds are amortized on a compound interest basis over the term of the investment. The discounts or premiums on any coupon-bearing investment are amortized on a straight-line basis over the term of the investment.

Investment purchase is accounted for on the settlement date. There are no transaction costs incurred in the purchase of investments.

### (d) Provision for actuarial requirements

The provision for actuarial requirements for the Sinking Fund represents the amounts required which, together with interest compounded annually, will be sufficient to retire the related debt at maturity, based on contributions to the Sinking Fund to date. The actuarial requirements were calculated using a rate of 4 per cent per annum on debt issued in 2010 and 4 per cent or 2.5 percent per annum on debt issued in 2011 and thereafter. The excess or deficiency of financial assets over these requirements is included in the fund balance.

### 3. Allocation of surplus

In 2014, there was no surplus declared payable to the Regional Municipality of Peel by the Debt Retirement and Sinking Fund Committee (2013 – \$nil).

The following is the apportionment of the sinking fund balance reported in the statement of financial position.

#### Sinking fund surplus / (deficit)

(All dollars in \$000)

	<b>Total</b>	<b>Town of Caledon</b>	<b>Region of Peel</b>
	\$	%	%
Series DQ	175	-	100
Series EB	408	0.32	99.68
Series EC	386	-	100
Series EP	2	-	100
Series EQ	2	-	100
	<b>973</b>	<b>0.13</b>	<b>99.87</b>

### 4. Contributions

In 2014, there were no contributions made to the Debt Retirement Fund (2013 – \$nil). Contributions to the Sinking Fund were \$32,995 (2013 – \$23,634).

### 5. Financial instruments

The Debt Retirement Fund and Sinking Funds are subject to market risk and interest rate risk with respect to the investment portfolio.

### 6. Principal repayment

Annual principal repayments to be issued on behalf of the Town of Caledon over the next five years and thereafter are due as follows:

(All dollars in \$000)

	\$
2015	1,921
2016	2,046
2017	2,179
2018	2,320
2019	2,473
2020 and thereafter	641
<b>Total</b>	<b>11,580</b>

## 7. Transfer of debenture repayment

On June 27, 2014, an agreement was approved transferring an arterial road from the Town of Caledon to the Region of Peel. In accordance with provincial legislation, the Region of Peel assumes responsibility for sinking fund payments for Series DQ debt related to the arterial road. The Town of Caledon agrees to pay the Region of Peel \$174 for the growth related portion of the interest expense and sinking fund payment for the debenture, until the Region incorporates the debenture payments into its next Development Charges By-law. During 2014, the Region of Peel began to pay \$196 for the non-growth related portion of the interest expense and sinking fund payment.

## 8. Investment portfolio

Long-term investments consist of provincial, municipal and bank bonds bearing yield rates from 2.61 to 4.50 per cent maturing from August 2021 to October 2042.

## 9. Excess over actuarial requirements

(All dollars in \$000)

	2014	2013
<b>Consists of:</b>	\$	\$
Debt retirement fund	5,470	7,834
Sinking fund	973	216
<b>Total</b>	<b>6,443</b>	8,050



# 2014 TRUST FUNDS

The Regional Municipality of Peel, Ontario, Canada  
for the year ended December 31, 2014

 **Region of Peel**  
*Working for you*



## **Independent Auditor's Report**

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

We have audited the accompanying financial statements of the trust funds of the Regional Municipality of Peel, which comprise the statement of financial position as at December 31, 2014, and the statements of financial activities and fund balance and of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the trust funds of the Regional Municipality of Peel as at December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Deloitte LLP*

Chartered Professional Accountants, Chartered Accountants  
Licensed Public Accountants  
May 7, 2015

# The Regional Municipality of Peel Trust Funds Statement of Financial Position

As at December 31, 2014 (All dollars in \$000)	2014	2013
<b>FINANCIAL ASSET</b>		
Cash and short-term investments	\$ 187	\$ 182
<b>FUND BALANCE</b>		
Residents' equity	\$ 187	\$ 182

# The Regional Municipality of Peel Trust Funds Statement of Financial Activities and Fund Balance

As at December 31, 2014 (All dollars in \$000)	2014	2013
<b>REVENUES</b>		
Deposits from residents	\$ 483	\$ 489
<b>EXPENSES</b>		
Payment for maintenance, withdrawals by residents and estate payments	478	475
Excess of revenues over expenses	5	14
Fund balance, beginning of the year	182	168
<b>FUND BALANCE, END OF THE YEAR</b>	<b>\$ 187</b>	<b>\$ 182</b>

# The Regional Municipality of Peel Trust Funds Statement of Cash Flows

For the year ended December 31 (All dollars in \$000)	2014	2013
Excess of revenues over expenses	\$ 5	\$ 14
Cash and short-term investments, beginning of year	182	168
<b>CASH AND SHORT-TERM INVESTMENTS, END OF YEAR</b>	<b>\$ 187</b>	<b>\$ 182</b>

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

# The Regional Municipality of Peel Trust Funds

## Notes to the Financial Statements

For the year ended December 31, 2014

### **Significant accounting policies**

These financial statements reflect the financial position, financial operations, and cash flows of funds held in trust by The Regional Municipality of Peel ("the Region") for residents of the 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.

These financial statements are the representation of management and are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, and reflect the following policies:

#### **Basis of accounting**

Revenues are recorded in the period in which the transactions or events occurred that gave rise to the revenue.

Expenses are recorded in the period the goods and services are acquired and a liability is incurred, or transfers are due.

#### **Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.



# 2014

## FIVE-YEAR FINANCIAL AND STATISTICAL REVIEW

The Regional Municipality of Peel, Ontario, Canada  
for the year ended December 31, 2014

 **Region of Peel**  
*Working for you*



# Five-Year Financial Review

## 2014-2010 Operating Results

Unaudited (All dollars in \$000)

	2014	2013	2012	2011	2010
<b>STATEMENT OF OPERATIONS</b>					
<b>SOURCES OF REVENUE</b>					
Levies on area municipalities	\$ 897,166	\$ 871,471	\$ 851,696	\$ 839,615	\$ 806,025
Direct charges on ratepayers	303,374	284,392	278,366	252,324	228,537
Contributions – other governments	525,107	499,700	528,283	540,592	593,570
Contributions – developers	265,487	210,292	180,519	103,364	91,804
Contributed capital assets	134,335	58,911	67,280	74,927	116,342
Investment income	71,260	65,547	48,950	57,427	47,912
Fees, service charges and other	159,191	156,732	148,190	164,369	149,037
	<b>2,355,920</b>	<b>2,147,045</b>	<b>2,103,284</b>	<b>2,032,618</b>	<b>2,033,227</b>
<b>EXPENSES BY FUNCTION</b> (see expenses by object below)					
General government	64,359	51,645	48,803	45,587	44,070
Protection to persons and property	499,173	477,118	460,576	432,708	407,917
Transportation services	118,881	115,824	102,751	93,114	89,197
GO Transit	36,389	47,694	41,577	20,470	8,344
Gas tax transferred to area municipalities	31,170	29,523	29,522	29,522	29,523
Environmental services	510,842	483,669	497,206	482,760	383,251
Health services	72,206	70,802	66,927	67,063	68,425
Social housing	443,864	423,045	400,011	384,933	185,026
Social and family services	177,473	181,281	171,031	170,699	377,561
GTA Pooling	-	-	10,123	20,248	30,372
Planning and development	5,719	4,866	4,247	4,249	3,709
Assessment/other	17,551	17,393	17,068	16,372	15,742
	<b>1,977,627</b>	<b>1,902,860</b>	<b>1,849,842</b>	<b>1,767,725</b>	<b>1,643,137</b>
Annual surplus (deficit)	378,293	244,185	253,442	264,893	390,090
Accumulated surplus (deficit), beginning of year	9,599,087	9,354,902	9,111,042	8,846,149	8,456,059
<b>ACCUMULATED SURPLUS (DEFICIT), END OF YEAR</b>	<b>\$ 9,977,380</b>	<b>\$ 9,599,087</b>	<b>\$ 9,364,484</b>	<b>\$ 9,111,042</b>	<b>\$ 8,846,149</b>
<b>EXPENSES BY OBJECT</b>					
Salaries, wages and employee benefits	\$ 702,909	\$ 681,413	\$ 663,042	\$ 638,961	\$ 598,841
Debt servicing	69,709	63,222	50,447	42,941	24,590
Amortization	237,573	218,806	203,203	188,442	169,926
Operating and general expenditures	539,010	552,617	611,527	580,295	514,200
Transfers to others	428,426	386,802	321,623	317,086	335,580
	<b>\$ 1,977,627</b>	<b>\$ 1,902,860</b>	<b>\$ 1,849,842</b>	<b>\$ 1,767,725</b>	<b>\$ 1,643,137</b>

# Five-Year Financial Review (Continued)

Unaudited (All dollars in \$000)

	2014	2013	2012	2011	2010
<b>STATEMENT OF FINANCIAL POSITION</b>					
Financial assets	\$ 2,137,750	\$ 2,187,044	\$ 1,869,664	\$ 1,669,659	\$ 1,391,900
Financial liabilities	731,473	688,598	559,007	520,087	519,498
Long-term debt	1,503,852	1,559,234	1,327,060	1,068,836	622,526
Net financial assets	(97,575)	(60,788)	(16,403)	80,736	249,876
Tangible capital assets	10,048,495	9,635,006	9,357,205	9,007,764	8,575,512
Prepays & inventory	26,460	24,869	23,682	22,542	20,761
<b>ACCUMULATED SURPLUS</b>	<b>\$ 9,977,380</b>	<b>\$ 9,599,087</b>	<b>\$ 9,364,484</b>	<b>\$ 9,111,042</b>	<b>\$ 8,846,149</b>
<b>RESERVES AND RESERVE FUNDS</b>					
Reserves and reserve funds	\$ 1,570,305	\$ 1,503,620	\$ 1,339,456	\$ 1,279,337	\$ 1,206,363
Development charges	-	-	-	-	-
[Reported as deferred revenue]	-	-	-	-	-
	<b>\$ 1,570,305</b>	<b>\$ 1,503,620</b>	<b>\$ 1,339,456</b>	<b>\$ 1,279,337</b>	<b>\$ 1,206,363</b>
<b>GROSS LONG-TERM LIABILITIES</b> (see Note A)					
Supported by					
Property taxation	\$ 1,261,901	\$ 1,262,501	\$ 1,017,519	\$ 722,510	\$ 251,150
Revenue from development charges	86,870	84,102	51,471	51,561	49,562
Recoverable from lower tier municipalities	92,387	68,765	20,459	22,049	22,901
Revenues from Peel Housing Corporation properties	242,403	263,863	284,323	303,747	321,814
	<b>\$ 1,683,561</b>	<b>\$ 1,679,231</b>	<b>\$ 1,373,772</b>	<b>\$ 1,099,867</b>	<b>\$ 645,427</b>
<b>NET LONG-TERM LIABILITIES</b> (see Note A)					
Supported by					
Property taxation	\$ 86,284	\$ 82,588	\$ 50,489	\$ 51,389	\$ 49,548
Revenue from development charges	1,175,165	1,212,783	992,248	713,700	251,164
Revenues from Peel Housing Corporation properties	242,403	263,863	284,323	303,747	321,814
	<b>\$ 1,503,852</b>	<b>\$ 1,559,234</b>	<b>\$ 1,327,060</b>	<b>\$ 1,068,836</b>	<b>\$ 622,526</b>
<b>CHARGES FOR NET LONG-TERM LIABILITIES</b> (see Note A)					
Supported by					
Property taxation	\$ 4,014	\$ 3,249	\$ 2,556	\$ 2,524	\$ 1,269
Revenue from development charges	55,208	48,274	34,883	25,214	6,574
Sanitary sewer and water rates	-	-	-	-	-
Revenues from Peel Housing Corporation properties	10,487	11,699	13,008	15,203	16,747
	<b>\$ 69,709</b>	<b>\$ 63,222</b>	<b>\$ 50,447</b>	<b>\$ 42,941</b>	<b>\$ 24,590</b>
<b>DEBT REPAYMENT LIMIT</b>	<b>\$ 224,507</b>	<b>\$ 237,960</b>	<b>\$ 246,630</b>	<b>\$ 258,954</b>	<b>\$ 228,600</b>
<small>(As prescribed by the Province)</small>					

Note A: The Region's share of its own sinking funds is deducted to arrive at net long-term liabilities as it represents funds accumulated to retire those liabilities. Any interest charges are offset by sinking fund surpluses declared and paid to the Region.

# Five-Year Financial Review

## Reserves and Reserve Funds

Unaudited (All dollars in \$000)

	2014	2013	2012	2011	2010
<b>TAX SUPPORTED CAPITAL RESERVES</b>					
General Government	\$ 108,740	\$ 111,169	\$ 129,123	\$ 150,837	\$ 180,646
Health Services	25,795	24,806	23,711	22,736	21,714
Housing	22,227	11,539	(19,575)	(14,176)	(12,207)
Protection to Persons & Property	44,726	43,495	50,674	49,098	45,416
Social & Family Services	30,358	26,121	22,525	22,889	19,292
Transportation	152,102	138,670	121,723	106,997	102,602
Waste Management	167,157	183,862	191,505	190,549	177,088
	<b>551,105</b>	<b>539,662</b>	<b>519,686</b>	<b>528,930</b>	<b>534,551</b>
<b>UTILITY RATE SUPPORTED CAPITAL RESERVES</b>					
Wastewater	293,476	258,734	218,689	192,366	165,972
Water	222,924	221,900	185,620	174,293	154,787
	<b>516,400</b>	<b>480,634</b>	<b>404,309</b>	<b>366,659</b>	<b>320,759</b>
<b>Total Capital Reserves</b>	<b>1,067,505</b>	<b>1,020,296</b>	<b>923,995</b>	<b>895,589</b>	<b>855,310</b>
<b>WORKING FUND RESERVES</b>					
General Government	108,332	111,493	70,881	62,469	53,509
Health Services	2,207	2,117	2,046	1,983	1,914
Housing	8,848	8,460	8,150	7,874	7,535
Other	7,770	7,454	7,203	6,982	6,702
Protection to Persons & Property	823	790	763	745	720
Social & Family Services	35,408	33,970	31,693	31,154	31,071
Transportation	9,950	9,546	9,225	8,941	8,583
Waste Management	6,602	2,701	2,611	2,530	2,429
Wastewater	13,022	25,188	20,500	14,426	8,755
Water	1,926	1,848	9,699	5,255	5,095
	<b>\$194,889</b>	<b>\$203,568</b>	<b>\$162,771</b>	<b>\$142,359</b>	<b>\$126,313</b>

# Five-Year Financial Review

## Reserves and Reserve Funds (Continued)

Unaudited (All dollars in \$000)

	2014	2013	2012	2011	2010
<b>RESERVE FUND</b>					
General Government	\$ 1,053	\$ 1,022	\$ 812	\$ 990	\$ 865
Protection to Persons & Property	1,421	1,348	1,317	1,427	1,452
Social & Family Services	1,958	1,879	2,057	1,597	1,054
Transportation	81	78	183	188	279
Waste Management	234	224	217	210	202
	<b>4,747</b>	<b>4,551</b>	<b>4,586</b>	<b>4,412</b>	<b>3,852</b>
<b>SPECIALTY RESERVES</b>					
General Government	31,056	29,136	27,515	26,175	25,420
Housing	90,796	86,977	79,598	74,399	69,166
Social & Family Services	539	517	500	-	-
Waste Management	21,964	12,492	1,636	-	-
	<b>144,355</b>	<b>129,122</b>	<b>109,249</b>	<b>100,574</b>	<b>94,586</b>
<b>POLICE</b>					
Other	1,255	1,221	1,699	8,302	8,007
Tax Supported Capital Reserves	119,924	110,166	106,564	102,326	95,771
Working Fund Reserves	37,630	34,696	30,592	25,774	22,524
	<b>158,809</b>	<b>146,084</b>	<b>138,855</b>	<b>136,402</b>	<b>126,302</b>
<b>Total Reserves</b>	<b>\$1,570,305</b>	<b>\$1,503,620</b>	<b>\$1,339,456</b>	<b>\$1,279,337</b>	<b>\$1,206,363</b>

# Five-Year Statistical Review

	2014	2013	2012	2011	2010
<b>TAXABLE ASSESSMENT</b> (By year of assessment, in \$ millions)					
Residential and farm	\$ 154,755	\$ 144,594	\$ 134,142	\$ 126,568	\$ 119,548
Commercial and industrial	43,908	41,956	41,269	38,316	35,015
<b>Total Taxable Assessment</b> (See Note B)	<b>\$ 198,663</b>	<b>\$ 186,550</b>	<b>\$ 175,411</b>	<b>\$ 164,884</b>	<b>\$ 154,563</b>
<b>TAXABLE ASSESSMENT</b> (Normalized for Current Value Assessment, in \$ millions)					
Residential and farm	\$ 162,423	\$ 159,737	\$ 156,238	\$ 153,423	\$ 151,105
Commercial and industrial	45,403	44,918	45,345	44,712	43,562
<b>Total Taxable Assessment</b> (See Note B)	<b>\$ 207,826</b>	<b>\$ 204,655</b>	<b>\$ 201,583</b>	<b>\$ 198,135</b>	<b>\$ 194,667</b>
<b>BUILDING PERMITS</b> (in \$ millions)					
Residential	\$ 2,140	\$ 1,446	\$ 2,763	\$ 1,862	\$ 1,346
Non-residential	1,481	1,157	887	781	711
<b>Total Building Permits</b>	<b>\$ 3,621</b>	<b>\$ 2,603</b>	<b>\$ 3,650</b>	<b>\$ 2,643</b>	<b>\$ 2,057</b>
<b>HOUSING STARTS</b> (units)	4,607	6,298	6,803	6,423	4,259
<b>POPULATION AT YEAR END</b>					
Mississauga	759,696	755,719	750,870	746,629	733,683
Brampton	601,975	585,734	567,042	554,036	526,976
Caledon	67,237	65,506	64,260	62,497	61,443
<b>Total Peel Population</b> (See Note D)	<b>1,428,908</b>	<b>1,406,959</b>	<b>1,382,172</b>	<b>1,363,162</b>	<b>1,322,102</b>
<b>HOUSEHOLDS</b> (See Note E)	425,558	419,347	412,137	406,728	394,196
<b>EMPLOYEES</b> (Continuous full-time)					
Peel Regional Police	2,870	2,783	2,788	2,754	2,729
Other Regional services	4,030	4,151	4,206	4,181	4,061
<b>Total Employees</b>	<b>6,900</b>	<b>6,934</b>	<b>6,994</b>	<b>6,935</b>	<b>6,790</b>

# Five-Year Statistical Review (Continued)

	2014	2013	2012	2011	2010
<b>PER CAPITA INFORMATION</b>					
Taxable assessment	\$ 108,303	\$ 102,771	\$ 97,052	\$ 92,849	\$ 90,423
Current expense	1,384	1,352	1,338	1,297	1,243
Reserves, reserve funds and development charges	1,099	1,069	969	939	912
Net Long-term Liabilities					
Supported by					
Property taxation	\$ 60	\$ 58	\$ 37	\$ 38	\$ 37
Revenue from development charges	822	862	718	524	190
Sanitary sewer and water rates	-	-	-	-	-
Revenues from income producing properties	170	188	206	223	243
<b>Total Net Long-term Liabilities</b>	<b>\$ 1,052</b>	<b>\$ 1,108</b>	<b>\$ 960</b>	<b>\$ 784</b>	<b>\$ 471</b>
<b>EMPLOYEES PER HUNDRED THOUSAND RESIDENTS</b> (Continuous full-time)					
Peel Regional Police	201	198	202	202	206
Other Regional services	282	295	304	307	307
<b>Total Employees Per Hundred Thousand Residents</b>	<b>483</b>	<b>493</b>	<b>506</b>	<b>509</b>	<b>513</b>
<b>AVERAGE COST PER HOUSEHOLD</b>					
Property taxes (see Note C)	\$ 1,783	\$ 1,756	\$ 1,734	\$ 1,713	\$ 1,672
Utility charges	540	501	467	474	438
<b>Average Homeowner Cost</b>	<b>\$ 2,323</b>	<b>\$ 2,257</b>	<b>\$ 2,201</b>	<b>\$ 2,187</b>	<b>\$ 2,110</b>

Note B: In 2013, first year of four year phase-in of re-assessment using 2012 as the base year.

Note C: 2010 based on residential taxable assessment value of \$357,600 and an average household water use of 33.6 tens of cubic metres per year.

2011 based on residential taxable assessment value of \$373,000 and an average household water use of 34 tens of cubic metres per year.

2012 based on residential taxable assessment value of \$388,500 and an average household water use of 31 tens of cubic metres per year.

2013 based on residential taxable assessment value of \$409,500 and an average household water use of 31 tens of cubic metres per year.

2014 based on residential taxable assessment value of \$431,000 and an average household water use of 31 tens of cubic metres per year.

Note D: Total population for periods 2010-2014 are forecasted by Peel planning based on the 2011 Census data.

Note E: Total household for periods 2010-2014 are forecasted by Peel planning based on the 2011 Census data.

Situated in the heart of southern Ontario's major urban centres, the Region of Peel is the second-largest municipality in Ontario, with a population of 1.43 million and growing.

Peel has undergone a major transition during the past few decades. Rapid population growth and commercial development have transformed Peel into a dynamic urban community with a vibrant economic base.





# Peel's Largest Employers

Accenture Inc.	HBC	R B C Financial Group
ADP Canada	Hewlett-Packard (Canada) Co.	Re/Max
Air Canada	HMS Host	Region of Peel
Air Transat	Honeywell	Rexall
AstraZeneca Canada Inc.	Husky Injection Molding Systems	Right at Home Realty Inc.
Bank of Montreal	International Truckload Services Inc.	Roche
Bell Canada	Intria Items Inc.	Rogers Communications Inc.
BlackBerry Limited	Investment Planning Counsel	Royal LePage
Booth Centennial Healthcare Linen Services	Just Energy	Schenker of Canada Ltd.
Canada Border Services Agency	Kingsway Real Estate Brokerage	Shaw
Canada Post Corp.	LifeLabs Medical Laboratory Services	Shoppers Drug Mart
Canada Revenue Agency	Livingston International Inc.	SNC Lavalin Nuclear & CANDU
Canadian Tire Corp.	Loblaw Companies Limited	Sobeys Ontario
Citi	Maple Leaf Consumer Foods	Staples Business Depot
City of Brampton	Maple Lodge Farms	Suncor Energy
City of Mississauga	Maritime-Ontario	Sutton Group
Coca-Cola Bottling Company Ltd.	Matrix Logistics Services Ltd.	Symcor Inc.
CompuCom Canada Co.	Maxxam Analytics Inc.	Sysco Food Services
Costco Wholesale	McDonald's	TD Canada Trust
Cyclone Manufacturing Inc.	Metro	The Rosedale Group
Decoma (Plastcoat Division of Magna)	MHI Canada Aerospace Inc.	The Shopping Channel
Dufferin-Peel Catholic District School Board	Microsoft Canada Co.	Tim Horton's Inc.
Enersource Corporation	Monarch Logistics	TJX Canada
Federal Express Canada Ltd	Mosaic Sales Solutions Canada	Trillium Health Centre - Mississauga Site
Fiat Chrysler Automobiles Brampton Assembly Plant	No Frills	Trillium Health Centre - The Credit Valley Hospital
Gamma-Dynacare Medical Laboratories	Olymel L.P.	U P S Canada Ltd.
Gate Gourmet	Oracle Corp. Canada	University of Toronto at Mississauga
General Electric Canada	P C L Constructors Canada Inc.	UTI Canada Contract Logistics Inc.
GlaxoSmithKline Inc.	Patheon Inc.	Wal-Mart Stores Corp.
Greater Toronto Airports Authority	Peel District School Board	Waste Management of Canada Corporation
H B Insurance Management Ltd.	Peel Regional Police	Wescom Solutions Inc.
Hatch Ltd.	Pepsi Beverages Co.	Winners Merchants International
	Personal Insurance Company of Canada	World Vision Canada
	Pratt & Whitney Canada Inc.	
	Purolator Courier	

Note: Including total employment for all Region of Peel locations

# Region of Peel Partners

## **Auditors**

Deloitte LLP  
Chartered Professional Accountants, Chartered Accountants

## **Lead Banker**

Royal Bank of Canada

## **Credit Rating Agencies**

Moody's Investors Service  
Standard & Poor's Ratings Services

## **Insurance Broker/Consultant**

Aon Reed Stenhouse Inc.

## **Debt Issuance Syndicate**

BMO Financial Group  
CIBC World Markets Inc.  
National Bank Financial Inc.  
RBC Capital Markets Inc.  
Scotia Capital Inc.  
TD Bank Financial Group

## **Custodian Agent**

RBC Investor Services Trust

For more Investor Relations information, visit our website at [www.peelregion.ca/investors](http://www.peelregion.ca/investors)

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