



2023 Annual Financial Report Highlights

The Regional Municipality of Peel, Ontario, Canada
for the year ended December 31, 2023



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Organizational overview

Peel Regional Council for the 2022–2026 term



Nando Iannicca
Regional Chair



Patrick Brown
City of Brampton
Mayor



Brad Butt
City of Mississauga
Ward 11



Dipika Damerla
City of Mississauga
Ward 7



Stephen Dasko
City of Mississauga
Ward 1



Christina Early
Town of Caledon
Wards 1, 2, 3



Chris Fonseca
City of Mississauga
Ward 3



Pat Fortini
City of Brampton
Wards 7, 8



Annette Groves
Town of Caledon
Mayor



Natalie Hart
City of Mississauga
Ward 5



Joe Horneck
City of Mississauga
Ward 6



Navjit Kaur Brar
Wards 2, 6
City of Brampton



Dennis Keenan
Wards 3, 4
City of Brampton



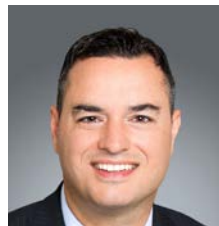
John Kovac
City of Mississauga
Ward 4



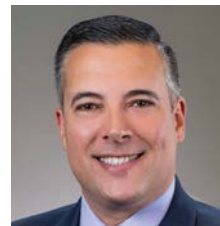
Matt Mahoney
City of Mississauga
Ward 8



Sue McFadden
City of Mississauga
Ward 10



Martin Medeiros
City of Brampton
Wards 3, 4



Michael Palleschi
City of Brampton
Wards 2, 6



Carolyn Parrish
City of Mississauga
Mayor



Martin Reid
City of Mississauga
Ward 9



Mario Russo
Town of Caledon
Wards 4, 5, 6



Rowena Santos
City of Brampton
Wards 1, 5



Gurpartap Singh Toor
City of Brampton
Wards 9, 10



Alvin Tedjo
City of Mississauga
Ward 2



Paul Vicente
City of Brampton
Wards 1, 5

2023 Executive leadership team



Gary Kent
Chief Administrative Officer



Sean Baird
Commissioner,
Human Services



Patricia Caza
Regional Solicitor
and Commissioner,
Legislative Services



Kealy Dedman
Commissioner,
Public Works



Nancy Polsinelli
Commissioner,
Health Services



Davinder Valeri
Chief Financial Officer
and Commissioner,
Corporate Services

2023 Corporate organization chart



Peel Region is the second-largest municipality in Ontario, at 1.5 million residents and growing.

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



Strategic plan

Vision: **Community for Life**
 Mission: **Working with you to create a healthy, safe and connected community**

People’s lives are improved in their time of need

By 2035, you will have...

- access to services that meet your needs at all stages of life
- affordable housing options
- access to employment opportunities of your choice
- access to culturally appropriate services
- access to local, nutritious food sources
- a responsibility to contribute to community well-being

Communities are integrated, safe, and complete

By 2035, you will live in a community...

- that is environmentally friendly
- that promotes mobility, walkability, and various modes of transportation
- that embraces diversity and inclusion
- that promotes economic sustainability and future investments in Peel
- where growth is well-managed
- where the built environment promotes healthy living

Government is future-oriented and accountable

By 2035, you will trust that...

- sustainability and long-term benefits to future generations are considered
- Peel Region is a model and progressive employer
- co-ordination and partnerships occur
- a systematic approach to innovation is in place
- community voice and participation are welcome
- Peel Region is a well-managed government

Official Plan, Master Plans and Long-Term Strategies

Regional Service Business Plans

 Housing support	 Public health	 Real property and asset management
 Income support	 Water and wastewater	 Information and technology
 Community investment	 Waste management	 Business services
 Seniors services	 Transportation	 Clerks
 Paramedics	 Land use planning	 Regional chair and council
 Early years and child care	 Heritage, arts and culture	

Regional Council Budget and Annual Plan

Peel Region's 2023 accomplishments, awards, and recognition

Celebrating Peel's success despite last year's uncertainty, including the introduction of Bill 112 and the possible dissolution of Peel Region.

Accomplishments



Peel's drinking water system received the highest possible inspection rating of 100% from the Ministry of the Environment, Conservation and Parks.



Delivered water and wastewater services at a rate which is 30% lower than the GTA average per household.



Secured 50 Zero Emission Vehicles for Peel Region and Peel Regional Police, reducing an estimated 418 tonnes of GHG emissions - equivalent to taking 128 gasoline-powered cars off the road.



Achieved a customer satisfaction rating of 97% for waste management services.



Developed Canada's first emotion-based dementia training for first responders.



Sustainable responses for in-land asylum claimants to provide safe space and appropriate supports for this group.



Introduced Ontario's first electric waste collection vehicle to advance efforts towards a low carbon fleet.



Implemented the Fit to Sit program to address the offload delay times of patients by saving 3,119 hours in the emergency health system.



Received approval to launch the new Non-Profit Housing Development Program to support non-profit housing providers build more deeply affordable community and supportive housing

Financial highlights



\$800 million in external funding secured to support ongoing service operations.



\$23 million secured to advance climate action and other initiatives.



Completed 31 continuous improvement initiatives with \$0.9 million in cost savings and \$3.3 million in cost avoidance.



Peel Region received a AAA credit rating from S&P Global Ratings for the 28th consecutive year and from Moody's Corporation for the 11th consecutive year. This is the highest rating a municipal or regional government can receive.



Reduced energy use on peak demand days at Water and Wastewater facilities and received lower electricity fee rates, resulting in a cost avoidance of \$1.84 million above the \$6.6 million in cost avoidance reported in 2022.

Awards and recognition

Peel has an outstanding reputation for excellence and innovation and received many awards that recognize our commitment to leadership, innovation, continuous improvement, and service excellence. A few of the awards and recognition are highlighted below.



Peel Region's Water and Wastewater Division was awarded the Infrastructure Award of Excellence from the Greater Toronto Sewer and Water Construction Association.



The Registered Nurses Association of Ontario recognized Peel Region Long Term Care's best practices.



G.E. Booth Water Resource Recovery Facility received the Public Works Project of the Year award from the Ontario Public Works Association.

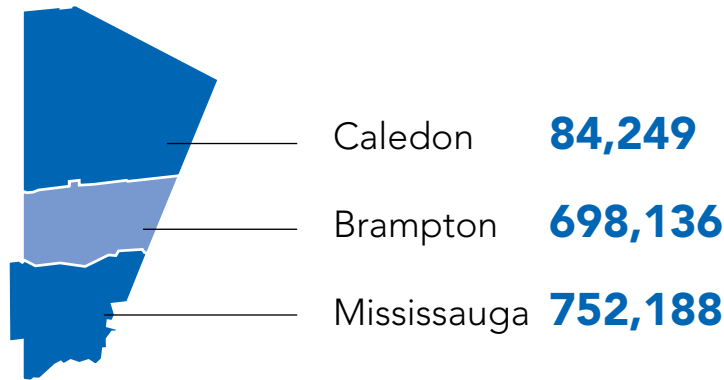


Peel Region was named one of Canada's Best Employers by Forbes.

Peel today

Peel is the second-largest municipality in the Greater Toronto Area (GTA) and growing steadily. It encompasses a mixed landscape of bustling urban centres, charming villages, and rural lands. Our geography is as diverse as our population. Portions of the Oak Ridges Moraine, the Niagara Escarpment, the Etobicoke Creek, and the Lake Ontario waterfront are contained within our borders.

Breakdown of Peel's population¹



We are the youngest population in the GTA

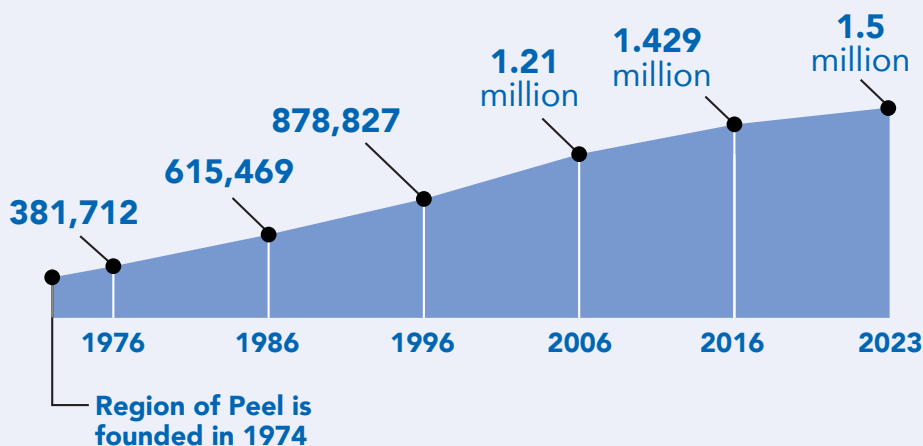


The average age of our residents is 39.4 years – the youngest average in all of the GTA. Children (ages 0-14) make up **17%** of our population.²

We are growing

Peel has blossomed from a region of **381,712** in 1976 to **1.5 million** people in 2023.³ Currently, about 10% of all Ontarians live within our borders.

Peel's population by year



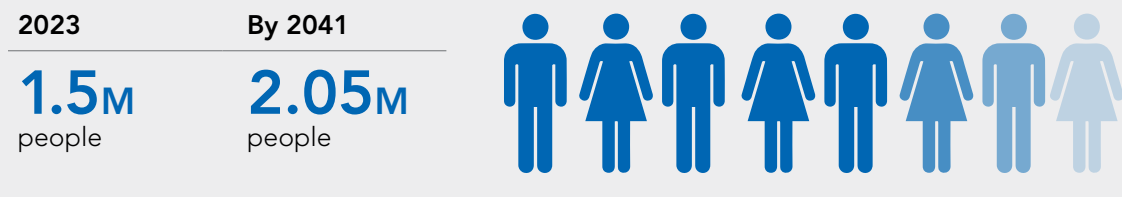
Peel tomorrow

Peel will continue to grow and thrive. Over the next few decades, Peel is forecasted to become home to more than half a million additional people. Our communities will also create hundreds of thousands of new jobs, and experience demographic shifts.

We will continue to grow⁴

Peel's high quality communities attract people from all over the world. Over the next 20 years, Peel's population is expected to grow by half a million people.

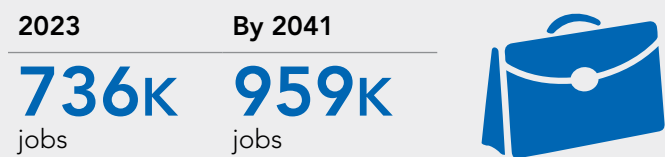
Peel's total population (M=millions)



We will create new jobs⁵

Peel will continue to attract industry, professionals, and new talent. Business within Peel Region are projected to provide more than 959,000 jobs by 2041.

Jobs in Peel (K=thousands)

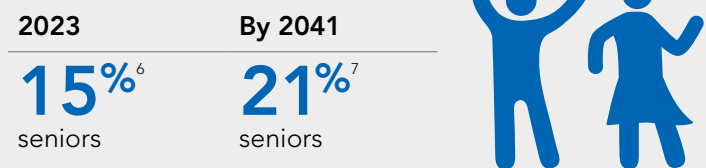


We will have a large and dynamic senior population

By 2041, one in every five residents will be a senior. In less than a decade, people aged 65+ will outnumber children (aged 0-14) for the first time in history.

Peel's senior population

(Percentage of total population)



1. Statistics Canada, Census, 2021 (with 2016 undercount)

2. Statistics Canada, Census, 2021

3. Statistics Canada, Census, 2021 (with 2016 undercount)

4. 2051 Region of Peel Official Plan Growth Forecast, prepared by Hemson Consulting, 2021. Using 2016 Census base year

5. 2051 Region of Peel Official Plan Growth Forecast, prepared by Hemson Consulting, 2021. Using 2016 Census base year

6. Statistics Canada, Census, 2021

7. Age structure forecasts to 2041, prepared by Hemson Consulting, 2018

2023 Annual Financial Report Highlights

For the Year End December 31, 2023

I am pleased to present to you the Region of Peel's 2023 Annual Financial Report Highlights, which features a high-level overview of the Region's financial position as of December 31, 2023.

The highlights in this report are extracted from the Financials section of the 2023 Annual Financial Report. To view the full Report, including the Region's consolidated financial statements, please visit: peelregion.ca/finance.

Throughout 2023, the Region continued to face many challenges. For much of the year, the Region was focused on dealing with the consequences of the *Hazel McCallion Act, 2023*. Although the Province moved to reverse their decision to dissolve Peel Region, we continued to face this challenge, in addition to the continued economic and challenges, the housing affordability crisis and the Province's aggressive housing targets, the influx of asylum seekers to Peel, and the climate emergency we continue to face.

Despite the challenges, the Region of Peel continues to showcase their strength and resilience. Peel is committed to financial strength and stability and had an overall increase in reserves and reserve funds in 2023. Using our strong financial management practices and the principles in the Long-term Financial Planning Strategy, the Region remained financially healthy in 2023, evidenced by a healthy annual surplus and a continued investment in building a Community for Life by adding \$786 million in both new and state of good repair infrastructure. Peel Region has been built on a foundation of long-term financial sustainability, which is demonstrated by having achieved a Triple A credit rating for 28 years.

Peel is a vibrant municipality, full of contrasts. It is urban and rural, and an economic and transport hub with beautiful natural landscapes. Having both a demographic and economic foundation that are vastly diverse, Peel remains well positioned to keeping growing and thriving in the years to come.

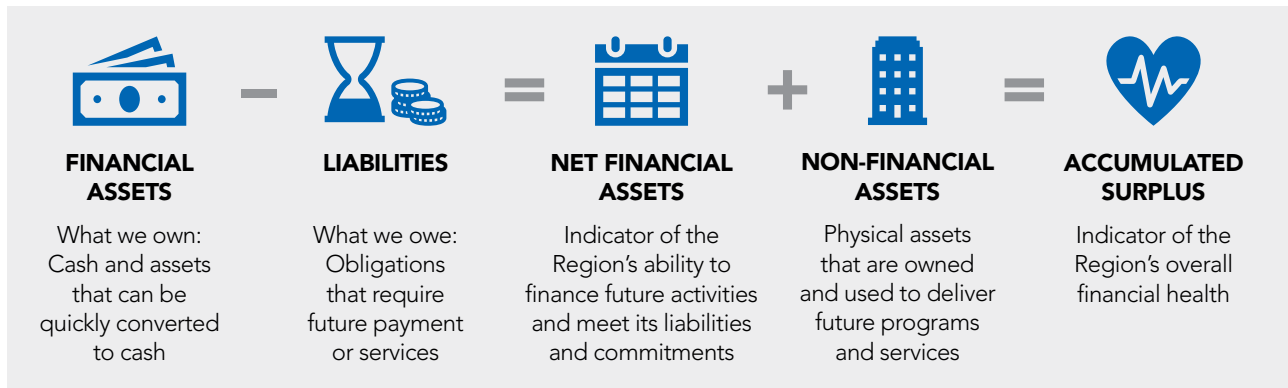


Davinder Valeri

Chief Financial Officer and
Commissioner of Corporate Services

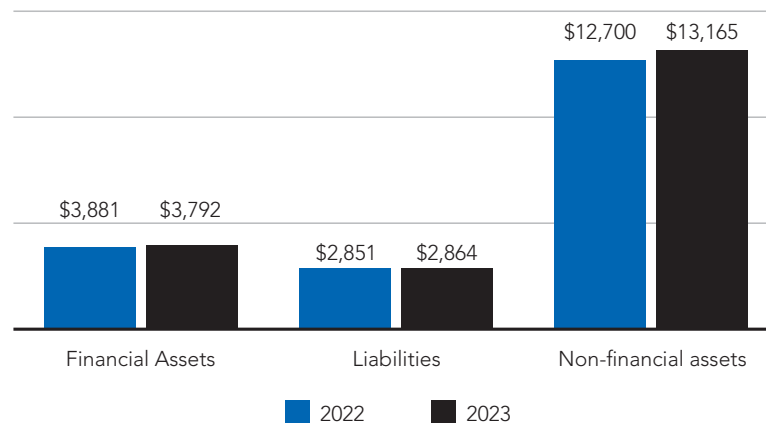
The consolidated financial statements include the financial activities of all entities deemed to be controlled by the Region, including the Peel Police Services Board and the Peel Housing Corporation (PHC). The Region of Peel's consolidated financial statements have been prepared in accordance with the *Municipal Act, 2001* and based on the reporting standards set by the Public Sector Accounting Board (PSAB).

STATEMENT OF FINANCIAL POSITION



Statement of Financial Position (\$000)	2023 Actuals	2022 Actuals	Favourable/ (Unfavourable)
Financial Assets	\$ 3,792,105	\$ 3,881,184	\$ (89,079)
Liabilities	2,863,674	2,851,491	(12,183)
Net Financial Assets	928,431	1,029,693	(101,262)
Non-Financial Assets	13,165,078	12,699,650	465,428
Accumulated Surplus	\$ 14,093,509	\$ 13,729,343	\$ 364,166

Assets and Liabilities (in millions)



* The amounts above reflect only the major variances and will not add to the total favourable/(unfavourable) variances noted in the table above.

Highlights from the 2023 vs 2022 Actual Financial Results*

Financial Assets



-\$187M in portfolio investment due to investment maturities and sales made during the year



-\$43.2M in the gross long-term recoverable from the local municipalities due to debt repayments received from the local municipalities

Non-Financial Assets



+\$175.3M in construction work in progress due to continued work on large infrastructure



+\$118M in linear infrastructure for Water and Roads

Liabilities



+\$57.5M in accounts payable due to the timing of payments during 2023



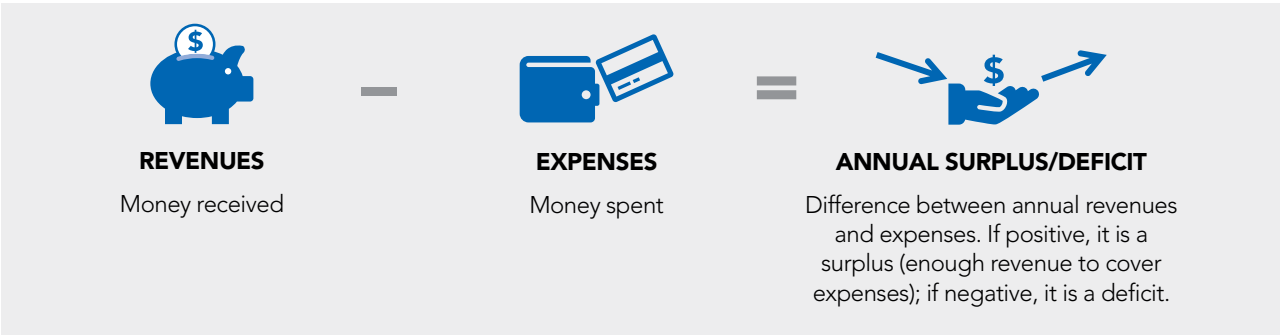
+\$53.6M in the employee future benefits and post-employment liabilities due to new actuarial estimates and increase in deferred revenue



-\$109M in long-term debt and mortgages payable due to principal repayments and sinking funds contributions made during the year

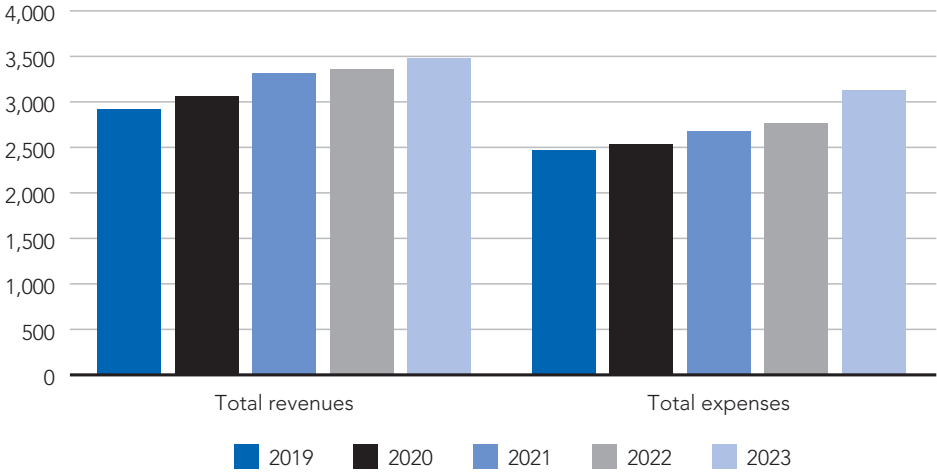
* The amounts above reflect only the major variances and will not add to the total favourable/(unfavourable) variances noted in the table above.

STATEMENT OF OPERATIONS



Statement of Operations (\$000)	2023 Actuals	2022 Actuals	Favourable/ (Unfavourable)
Total Revenues	\$ 3,475,111	\$ 3,346,658	\$ 128,453
Total Expenses	3,127,685	2,763,010	(364,675)
Annual Surplus	\$ 347,426	\$ 583,648	\$ (236,222)

Revenue vs Expenses Five Year Totals
(in millions)



* The amounts above reflect only the major variances and will not add to the total favourable/(unfavourable) variances noted in the table above.

Highlights from the 2023 vs 2022 Actual Financial Results*

Revenues



+\$197.8M in contributions from other governments particularly family services due to an increase in program funding for social assistance, asylum seekers and childcare



+\$99.8M in levies on area municipalities due to property tax increases



+\$42.9M in fees, services charges and other revenue mainly due to the sale of waste management related equipment



-\$232.8M contributions from developers due to recent changes in the Development Charges Act and a sluggish housing market

Expenses



+\$204.9M in social and family services expenses related to the Canada-Wide Early Learning and Child Care program, social assistance caseloads, and asylum seekers



+\$181.1M in transportation services mainly due to an increase in capital project spending that did not meet tangible capital asset criteria and an increase in amortization



+\$83.3M in environmental services related to increases in capital project spending that did not meet tangible capital asset criteria and a loss on the sale of assets



+\$53.9M in protection to property and persons expenses mainly related to an increase in the employee future benefits and post-employment liabilities due to new actuarial estimates obtained during the year, increase in service level demands and an increase related to planned technology upgrades

* The amounts above reflect only the major variances and will not add to the total favourable/(unfavourable) variances noted in the table above.

Statement of Operations (\$000)	2023 Budget	2023 Actuals	Favourable / (Unfavourable)
Total Revenues	\$ 3,528,907	\$ 3,475,111	\$ (53,796)
Total Expenses	3,175,851	3,127,685	48,166
Annual Surplus	\$ 353,056	\$ 347,426	\$ (5,630)

Highlights from the 2023 Budget vs. Actual Financial Results*

Revenues



-\$295.9M in contributions from developers due to actual development charges (DC) revenue received being lower than estimated DC revenue per budget assumptions based on 2023 capital project financing



+\$85.3M in fees, service charges and other mainly due to the sale of waste management related equipment which was not included in the budget

Expenses



+\$111.6M in social housing due to less capital spending than was budgeted in 2023



-\$41.5M in protection to property and persons mainly related to an unbudgeted increase in the employee future benefits and post-employment liabilities due to new actuarial estimates obtained during the year



-\$28.3M in environmental services mainly due to an unbudgeted loss on the sale of assets



The budget reported in the consolidated financial statements differs from the budget book approved by Council in the annual budget process. Adjustments are needed to convert the budget reported in the budget book from a modified accrual basis to a full accrual basis for financial statement purposes. These adjustments include:

- Contributed capital assets are recognized as revenue in the statements but are not included in the budget book.
- Transfers to and from reserves are included in the budget book but are not included in the statements.
- Amortization, Asset Retirement Obligations, and post-employment benefits are included in the statements but not in the budget book.
- Debt principal payments and sinking fund contributions are recognized as reductions to long-term debt in the statements, whereas these are considered as operating expenses in the budget book.
- Non-capitalized capital project costs are recorded as expenses in the statements, whereas all capital project expenses are included in the capital portion of the budget book.
- PHC budget is consolidated with the Region's budget in the statements with any intercompany transactions eliminated, whereas PHC and the Region have separate budget books.

* The amounts above reflect only the major variances and will not add to the total favourable/(unfavourable) variances noted in the table above.

Peel's largest employers

Mississauga

Air Canada
Bank of Montreal
Bell Canada
Blackberry Ltd.
Canada Post
Canada Revenue Agency
Canadian Imperial Bank of Commerce
Chartwell Retirement Residences
Citi Canada
City of Mississauga
Erie Meat Products Ltd.
Federal Express Canada Ltd.
GlaxoSmithKline Inc.
Golden Life Insurance Solutions Inc.
Greater Airport Authority (GTAA) Administration
Hewlett-Packard Canada Co.
Hoffman-Roche Canada Ltd.
Ingram Micro Inc.
Intact Insurance
Maple Leaf Consumer Foods
McDonald's Corporation
McKesson Canada
Peel District School Board
Point Click Care Inc.
Purolator
Region of Peel
Royal Bank of Canada
Shoppers Drug Mart
SNC Lavalin Nuclear Inc
Sobeys National Inc.
TJX Canada
TD Canada Trust
Tim Hortons
Trillium Health Partners
Tyco Integrated Fire and Security
University of Toronto Mississauga
Walmart Canada

Top Public Sector Firms

Canada Post
Canada Revenue Agency
City of Mississauga
Peel District School Board
Region of Peel
Trillium Health Partners

Brampton

Amazon
Canadian Tire Corp (Distribution Centre)
Coca-Cola Refreshment Canada Ltd.
Dynacare
FCA Canada Inc. Stellantis
Give & Go Prepared Foods
Loblaw Company Ltd.
Magna
Maple Lodge Farms
Rogers Communications
Sheridan College Institute of Technology and Advanced Learning
Tara Pharmaceuticals Inc.

Top Public Sector Firms

City of Brampton
Regional Municipality of Peel
Brampton Civic Hospital
Peel Regional Police

Caledon

Amazon
Husky Technologies
Verdi Alliance Group of Companies

Top Public Sector Firms

Town of Caledon
Humberview Secondary School
Mayfield Secondary School
Caledon OPP

Region of Peel partners

Auditors

Deloitte LLP
Chartered Professional Accountants

Lead Banker

Royal Bank of Canada

Credit Rating Agencies

Moody's Investors Service
S&P Global Ratings

Insurance Advisor/Consultant

Aon Reed Stenhouse Inc.

Debt Issuance Syndicate

BMO Nesbitt Burns Inc.
Casgrain & Company Limited
CIBC World Markets Inc.
National Bank Financial Inc.
RBC Capital Markets Inc.
Scotia Capital Inc.
TD Bank Financial Group

Custodian Agent

CIBC Mellon

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

10 Peel Centre Drive,
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