

Community for Life



2017 Annual Report to Our Community

The Regional Municipality of Peel, Ontario, Canada
for the year ended December 31, 2017

 **Region
of Peel**
working with you

Just as dancing knows no bounds, we strive to help residents live their lives to the **fullest from childhood to their senior years.**

We're planning 20 years into the future to create a Peel that is more connected, active and full of opportunity. Twirl through the pages of our **Community for Life Annual Report** to explore the steps we've taken.

Table of Contents

- 2 Opening Messages
- 4 Organizational Overview
- 6 Our Role in Your *Community for Life*
- 8 Region of Peel Strategic Plan, 2015-2035
- 10 2017 Progress Highlights by Area of Focus
 - 10 Living
 - 16 Thriving
 - 24 Leading
- 28 Peel Today and Tomorrow
- 30 2017 Peel Economic Highlights
- 33 Treasurer's Report



Message from the Regional Chair and Chief Administrative Officer (CAO)

Welcome to the Region of Peel's **Community for Life Annual Report**. It combines annual financial reporting with specific metrics that track our progress toward achieving the outcomes set out in our Strategic Plan peelregion.ca/dashboard.

The theme of this year's report is Dance which represents the ever moving, ever changing world we live in. As the Region of Peel embraces a growing population and rapidly changing environment, it is important that we keep step with Peel's evolving needs. Just as dances are a collection of carefully crafted, purposeful actions, the Region of Peel's integrated approach to planning and budgeting results in service delivery that meets the needs of our communities.

This report represents our commitment to partnering with residents and other organizations to perform well, as we deliver quality services that achieve our vision of creating a **Community for Life** in Peel – today, and in the future.

The Region of Peel's Strategic Plan was developed under Regional Council's guidance and was based on community insights and priorities. In the spirit of ongoing transparency and openness, we have created this report so you can see the tangible steps we are taking to achieve our vision and address the needs of our growing, diverse and dynamic communities.

The Region of Peel is committed to working with you, our residents, businesses and community partners to create the best possible outcomes for Peel. We hope you find this report informative and encourage you to follow our ongoing progress through the online dashboard that can be found at peelregion.ca/dashboard.

Sincerely,



Frank Dale
Regional Chair and
Chief Executive Officer
(CEO)

@Dale4Peel 



David Szwarc
Chief Administrative Officer

@CaoPeel 



Message from the Chief Financial Officer (CFO)

Thank you for taking the time to read the Region of Peel's **2017 Community for Life Annual Report**. The **Community for Life Annual Report** is our commitment to demonstrating the progress we've made towards our vision of **Community for Life** while providing a full and transparent view of our areas of improvement.

Throughout the past year, the Region of Peel continued to deliver services that meet the needs of the residents and businesses of a growing community. We were recognized for strong financial management while taking innovative steps to ensure ongoing financial strength and stability.

In 2017, the Region of Peel's Triple A credit rating was reaffirmed by both Standard and Poor's Global Rating and Moody's Investors Service, making the Region of Peel one of 12 Canadian municipalities with the highest possible credit rating.

Through our Continuous Improvement Program, from 2010 – 2017 we achieved cost savings/avoidance of \$250 million for tax-supported programs. This program also ensured that services will continue to be delivered effectively and in the most efficient manner possible by managing costs, enhancing user experience and avoiding unnecessary spending. We've also implemented a new Cash Management Strategy in order to generate additional investment returns and reduce borrowing costs.

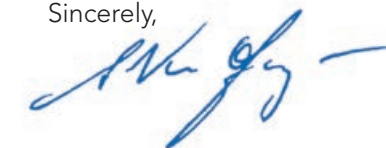
Throughout 2017, we continued work on our collaborative and innovative approach to effectively managing growth in Peel. Working closely with Brampton, Caledon and Mississauga, the development community and our internal partners, we saw a \$569 million lower debt burden than forecasted related to infrastructure investments to support Peel's population and employment growth.

For the 16th consecutive year, the Region of Peel was recognized for transparent financial reporting and received the Canadian Award for Financial Reporting from the Government Finance Officers Association of the United States and Canada.

Finally, I am proud to report that with Regional Council's endorsement, we introduced our first Corporate Social Responsibility Strategy, which ensures the Region of Peel's operating practices achieve social, economic and environmental benefits for the community.

I hope you enjoy the report and encourage you to visit our digital dashboard at peelregion.ca/dashboard where you can see how we continue to build a **Community for Life** and deliver value to the taxpayers of Peel.

Sincerely,



Stephen VanOfwegen
Chief Financial Officer

@PeelCFO 

Organizational Overview

Peel Regional Council



Frank Dale
Regional Chair
and CEO



George Carlson



Dave Cook



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



In Memory of Jim Tovey

Elected to Regional Council in 2010 to represent Ward 1 in Mississauga, Jim Tovey sat on numerous Regional Committees and Chaired the Growth Management and Government Relations Committees. He also sat on the Boards of the Credit Valley and Toronto and Regional Conservation Authorities and the Great Lakes St. Lawrence Cities Initiative, which is dedicated to the protection, restoration and enhancement of the Great Lakes.

Jim was the visionary behind Mississauga's sustainable waterfront development. Working

with members of the Lakeview community, Jim advocated for the transformation of the former Lakeview Generating Station site into a sustainable, lively, mixed-use community. In honour of his dedication to this project, the future Lakeview Waterfront Connection will be named after him.

Jim was named Citizen of the Year in 2009 and awarded the Queen's Jubilee Medal in 2012.

Jim is greatly missed by his colleagues on Regional Council, his constituents and Regional staff.

Executive Leadership Team



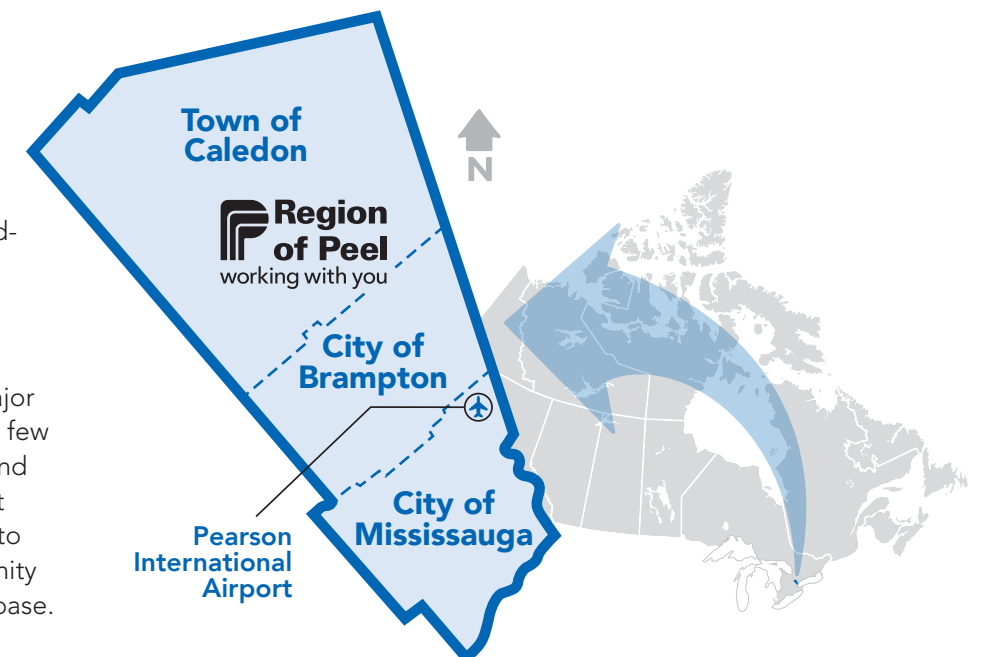
Left to Right: Janette Smith, Stephen VanOfwegen, Lorraine Graham-Watson, David Szwarc, Nancy Polsinelli, Janice Sheehy

Corporate Organization Chart



Peel Region is the second-largest municipality in Ontario, at 1.48 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.



Our Role in Your Community for Life

Based on the priorities of our residents, the Region of Peel has a guiding community vision: **Community for Life**, which is a place where everyone enjoys a sense of belonging and has access to the services and opportunities they need to thrive throughout each stage of their lives.

The Region of Peel provides a variety of services to bring this vision to life.



Adult Day Services



Residents in need receive supports that allow them to stay in their homes longer.

Child Care



Focuses on child care access and affordability. We help families access licensed child care that meets their needs.

Chronic Disease Prevention



Focuses on reducing the long-term risk of chronic diseases.

Community Investment



Supports community groups to deliver a wide range of services to Peel residents.

Early Growth and Development



Helps children in Peel achieve their intellectual, emotional and physical potential.

Employment Support



Provides a range of programs for Ontario Works (OW) clients in seeking, securing and maintaining employment.

Heritage Arts and Culture



Supports residents being engaged in an understanding of our history and culture through Peel Art Gallery Museum and Archives (PAMA).

Homelessness Support



Provides programs and services to people who are homeless or at-risk of homelessness.

Housing Support



Ensures the state of good repair of existing affordable housing, the creation of new housing, and works towards preventing homelessness, for all Peel residents.

Income Support



Works to increase the income of Ontario Works (OW) clients through accessing financial supports and benefits.

Infectious Disease Prevention



Protects the public from immediate risk from infectious diseases and outbreaks.

Land Use Planning



Guides development and enhances our residents' quality of life in a sustainable and environmentally friendly way.

Long Term Care



Provides quality, person-centered services and supports allowing residents of our five Long Term Care centres to enhance their quality of life.

Paramedics



Provide residents and those visiting Peel with expert, reliable pre-hospital medical care.

Roads and Transportation



Provides safe, reliable and efficient movement of people and goods throughout Peel Region.

TransHelp



Provides transportation to residents with disabilities.

Waste



Ensures waste collection is reliable, and managed in a safe and environmentally responsible manner.

Wastewater



Treats millions of litres of wastewater every day in a safe and environmentally responsible manner.

Water Supply



Provides safe, reliable and high quality drinking water throughout Peel Region.

Region of Peel Strategic Plan

2015-2035

Our 20-Year Plan to Create a *Community for Life* for Our Residents

Building thriving communities in times of change requires a long-term outlook and a guiding plan.

It starts with defining exactly what we're working towards. In the spring and summer of 2015, we reached out to residents to determine just that.

We connected with thousands of you, our residents, to discover your vision for the future of Peel. Through conversation, surveys, social media, and an interactive exhibit, we heard from people of all ages, backgrounds, and experiences.

You told us that you wanted us to address congestion, build safe and connected communities, and provide opportunities for residents to flourish throughout their lifespan. These priorities are summarized in our vision: **Community for Life** – a place where everyone enjoys a sense of belonging and has access to the services and opportunities they need to thrive throughout each stage of their lives.

Our 2015-2035 Strategic Plan outlines how we will achieve that vision. It differs from previous strategic plans in that it takes on a 20-year outlook, while continuing to identify priority actions for the current Term of Council. Unifying actions across multiple Terms of Council means we can take on bigger challenges than ever before.

Working with you, we are planning today for the future we envisioned together.



The **Community for Life Annual Report** is our update to residents on our progress. The following pages combine traditional financial reporting with Strategic Plan metrics for a full and transparent picture of our achievements in 2017.

Our Vision describes what we are working towards over the long-term.

Our Mission describes how we will deliver on our vision and the difference we want to make.

Living, Thriving, and Leading are the areas of focus we will improve through this plan.

Four-year priorities are what we are focused on making advances in during this Term of Council.

20-year outcomes are the long-term community trends



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



Living

People's lives are improved in their time of need.

Thriving

Communities are integrated, safe, and complete.

Leading

Government is future-oriented and accountable.

In this Term of Council, we are working with partners to...

- increase affordable housing
- reduce poverty
- increase stable employment

- increase waste diversion
- adapt to and mitigate the effects of climate change
- promote healthy and age-friendly built environments
- improve goods movement
- plan and manage growth

- modernize service delivery
- attract and retain top talent
- create a modernized workplace

By 2035, you will...

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

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

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

We further support our goals with day-to-day programs and services that improve life for Peel residents



Living =

People's lives are improved in their time of need.

2017 Highlights

Brampton Queen Street Youth Shelter

In January 2017, the Region of Peel opened a temporary 40-bed youth shelter, providing a 24/7 short-term emergency shelter for single youth aged 16 to 24 who are homeless. Since doors opened, it has served 703 youth. Although the shelter is successfully addressing a gap that previously existed in our community, it is not without its challenges. Regular communication between the Region of Peel, community partners and the youth ensures we continually work with the shelter's neighbours to improve relationships while providing appropriate programming supports to youth to prevent homelessness.



Peel's New Affordable Housing Developments

The need for affordable housing continues to impact growing numbers of households in Peel, making it a priority of Regional Council to increase housing options for Peel residents. About 70% of low-income households and 30% of middle income households are living in housing that is unaffordable. A low vacancy rate of 1% has driven the average monthly residential rent up to \$1,175, and many are finding it challenging to find and retain housing. In 2017, there were nearly 15,000 visits to Regionally owned emergency homeless shelters.

The Region of Peel is implementing a number of key strategies to address these critical needs. A total of 989 new units are being developed with combined Federal, Provincial and Regional funding, and public and private stock are being optimized to create a variety of new housing. In addition, the Region of Peel is collaborating with Brampton, Caledon and Mississauga to create incentives to boost private sector partnerships to build affordable housing. Services are being better coordinated to divert people from shelters, into permanent housing.



FREE Tax Clinics

The Region of Peel expanded the File Your Taxes For Free, Get Your Benefits Now campaign, serving a total of 21,174 total clients (an additional 3,000+) at various income tax clinics across Peel Region. This was an increase to 84 income tax clinics, up from 74 clinics in 2016. Each year the Region of Peel's Human Services Department partners with the Chartered Professional Accountants of Ontario to ensure low-income residents are able to receive free income tax preparation services, maximizing their income benefits. An increase of 22,040 (16%) of families in Peel received the new Canada Child Benefit in 2017 compared to 2016.¹

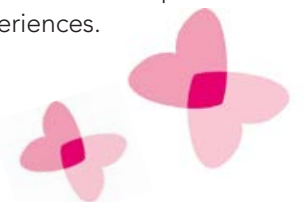
Expansion of Licensed Child Care and EarlyON Child and Family Centres in Peel

In 2017, the Region of Peel initiated work with key partners including child care providers, Brampton, Caledon and Mississauga, school boards and the Ministry of Education, to increase access to early years and child care services through the expansion of EarlyON Child and Family Centres and licensed child care spaces in Peel. Funding from the Federal and Provincial governments will allow the Region of Peel to increase the number of programs and child care spaces for residents in Peel starting in 2018. The expansion of these programs will help ensure access to a wide range of high-quality, inclusive and affordable early years and child care services so that families and children are supported to achieve their mental and physical potential.



Innovations in Dementia Care

In 2017, the Region of Peel partnered with Dementia Care Matters, a culture change organization in the United Kingdom, Ireland, Canada and Australia to transform one house in our Malton Village Long Term Care Centre into a Butterfly home – the first of its kind in Ontario. By creating a more relaxed, home-like environment and building staff capacity to understand the needs of people living with dementia, people in the advanced stages of their experience of dementia have come 'alive' again. The Butterfly Care Model supports the Region of Peel's ability to deliver person-centred care to individuals living with complex needs by creating an emotional connection with people and building on their own unique lived experiences.



1. This increase can also be attributed to a change by the Federal government to the child benefit program.



Living = People's lives are improved in their time of need.

Visit peelregion.ca/dashboard for more information.



In 20 years:

We want all our residents to say...

I have access to services that meet my needs at all stages of life.

I have access to affordable housing options.

I have access to employment opportunities of my choice.

I have access to culturally appropriate services.

I have access to local, nutritious food sources.

I have a responsibility to contribute to community well-being.

The 4-Year Term of Council Priorities we're focused on to get there:

Increase Affordable Housing

Desired Outcome
Reduced time to placement for Victims of Family Violence and Choice-Based applicants.

Measurement

- Length of time to placement by segment

Importance

An increasing number of households in Peel are facing challenges with affordable housing due to rapid demographic and economic changes. This has caused a growing number of people to apply for subsidized housing through the Centralized Housing Wait List and increasingly long waits for housing. As the Service System Manager for housing in Peel, the Region of Peel is addressing this gap by focusing on reducing the time applicants spend on the Centralized Housing Wait List. The focus on the Centralized Wait List has highlighted the challenges people experience with this approach to service delivery and the need to explore new options to support Peel residents.

In 2017, we:

- Received Regional Council approval for the development and purchase of 323 new affordable rental units.
- Assisted 85 participants who received a Portable Housing Benefit through the provincially-funded "Survivors of Domestic Violence" pilot program who moved into housing faster through the use of portable rent supplements.
- Invested \$24M in state of good repair and energy efficiencies in social housing to help maintain existing stock.

Increase Stable Employment

Desired Outcome
To be determined based on the Province's Employment and Social Assistance Transformation review.

Importance

Stable employment promotes financial independence and positions citizens to better achieve their long-term goals, meet their housing needs, and contribute to the economy.

In 2017, we:

- Supported 128 youth who completed the Summer Job Challenge program, gaining valuable work experience. Youth (aged 16-24) with one or more barriers to employment, Ontario Works and Ontario Disability Support Program recipients, and clients that identified as having a disability were recruited.
- Launched Peel as a Model Employer, giving 12 participants a 6-month opportunity for paid employment with the Region of Peel. This was an innovative approach aimed at supporting Peel residents and addressing the gap in employment. It was highlighted in *A Guide for Businesses Reducing Poverty* by the Tamarack Institute (2017) as one of the top 10 stories across Canada that inspires successful business engagement in poverty reduction and inclusive hiring practices.
- Fully integrated supports to the Families First program to allow Peel Health and Human Services to work collaboratively with participants. Of the 197 clients who participated in the program, 92% worked intensively with Public Health Nurses to achieve life stabilization while 37% were actively working with Employment Service Workers to increase employment readiness and job acquisition.

Reduce Poverty

Desired Outcome
Increased income for Region of Peel residents, particularly those of lowest income.

Measurement

- Percentage of eligible families receiving appropriate entitlements
- Amount of increased income for residents involved in the Community Benefits Strategy

Importance

According to 2015 tax-filer data, approximately 16% of Peel residents are living in poverty. Poverty is associated with negative health and social outcomes. In order to take steps to reduce poverty during this Term of Council, the Region of Peel is seeking ways to ensure that low-income Peel residents receive the benefits they are eligible for.

In 2017, we:

- Served 21,174 clients (an additional 3,000+) at Region of Peel and community income tax clinics, maximizing their incomes through the File your Taxes for Free, Get your Benefits Now Strategy.
- An increase of 22,040 (16%) of families in Peel received the new Canada Child Benefit in 2017 compared to 2016.¹
- Piloted a Community Benefits Strategy to explore how to embed Community Benefits clauses into our vendor agreements. This pilot has allowed us to understand and apply learned lessons towards our Corporate Social Responsibility Strategy that will be completed in two to three years.



We are monitoring key community trends, including housing affordability, self-rated general health, and food insecurity to track progress towards these objectives. Visit peelregion.ca/dashboard to view metrics.

¹ This increase can also be attributed to a change by the Federal government to the child benefit program.



Living = People's lives are improved in their time of need.

Visit peelregion.ca/dashboard for more information.



Our Ongoing Services

to support Term of Council Priorities



Housing Support

Provided **11,380** housing subsidies. This includes Rent Geared to Income (RGI) units and rent supplements.

842 people on average^o taken off the wait list and placed into subsidized housing each year.

^o From 2003-2017

323 new affordable rental units approved by Regional Council in 2017.

Invested **\$24M** into social housing, including \$7.8M to improve energy efficiency.



Homelessness Support

Served **615** individuals through homelessness prevention programs including Rent Bank, Emergency Energy Fund and Region of Peel.

Provided **14k+** people with shelter beds and transitional housing (not including unique clients).



Income Support

Supported **19,081** households each month (on average) through the Ontario Works program.



Employment Support

15.8% of Ontario Works clients exited Ontario Works due to employment earnings.



Community Investment

Invested **\$6.8M** across 65 community agencies through 98 contracts in Peel to support their organizational sustainability and capacity to implement innovative initiatives in the community.



TransHelp

Provided **651,879** accessible trips to 9,584 clients.

Our Ongoing Services

to support Term of Council Priorities



Adult Day Services

Learned that **92%** of surveyed clients believe programming helped maintain or improve their well-being.

Learned that **50%** of caregivers surveyed believe programming helped clients age in place, prolonging their ability to live at home.



Long Term Care

Learned that **86%** of people living in Peel Long Term Care centres would recommend their centre to others as a place to live.



Peel Paramedics

Responded to **125,378** emergency and non-emergency calls.

52 ambulances on the road serving the community throughout each day.



Child Care Support

Provided **15,718** fee subsidies, making it possible for lower-income families to benefit from licensed child care.

Supported **44,482** licensed child care spaces with Early Years and Child Care funding.



We are monitoring key community trends, including housing affordability, self-rated general health, and food insecurity to track progress towards these objectives. Visit peelregion.ca/dashboard to view metrics.





Thriving =

Communities are integrated, safe, and complete.

2017 Highlights



Sustainable Transportation Strategy

With a 40% population increase in Peel by 2041, the increasing demand on the transportation system cannot be met by building more roads. We require new and innovative solutions to meet future needs. The Sustainable Transportation Strategy outlines the Region of Peel's roles and responsibilities to significantly increase the number of trips made by walking, cycling, transit, carpooling, and trips avoided through teleworking. The 2041 target of 50% of trips made by sustainable transportation modes aligns with the Region of Peel's Long Range Transportation Plan, representing a 13% increase from current conditions. More than 50 actions are recommended, many in partnership with municipalities, transit agencies, and other organizations. Apart from improving transportation system performance, having more people use sustainable transportation will also have benefits to public health and the natural environment.

Canada and Peel 150

In 2017, we celebrated both Canada and Peel 150. Peel residents were engaged and inspired through exhibitions, programs, and services offered at the Peel Art Gallery Museum and Archives (PAMA). Working with more than 30 community partners and various local individuals, exhibitions resulted in a 20% increase in attendance, and engaged visitors of all ages to better understand Peel Region's culture and history. Canada and Peel 150 inspired donations of art and archive records that will enrich lives for years to come.



Lakeview Waterfront Connection

The Lakeview Waterfront Connection project is the creation of a new 64 acre natural waterfront park by sustainably reusing excavated fill from various Public Works projects. Savings obtained by avoiding the long distance transport of excess fill will be used toward the costs of building this park.

The project features a variety of quality habitats such as large coastal wetlands, natural meadows, new beach, coastal forest, treed swamp and island habitat. These natural features will enhance the shoreline for bird species and provide diverse fish habitat for all species. The landform has also been carefully designed to incorporate numerous features to maximize public usage. A system of primary and secondary trails has been developed to promote recreational activities. Seating stones, lookouts and observation boardwalks have been proposed for park users to maximize their experience.

Smile with Confidence Pilot Program

Good oral health is an important part of overall health, allowing individuals to enjoy a better quality of life and wellbeing. Unfortunately, low-income residents have limited access to dental care and often suffer from poor oral health, which can impact their self-esteem, social interaction and employability. The Region of Peel Human Services Department and Public Health Division partnered to develop a pilot program offering dental services to residents supported by Ontario Works. Participants in the pilot program experienced positive improvements in oral health, quality of life and employability.



Peel Plans to Welcome 500,000 New Residents and 250,000 New Jobs

By 2041, Peel will welcome more than 500,000 new residents and 250,000 new jobs. The Region of Peel is working with Brampton, Caledon and Mississauga and stakeholders to manage this new growth by:

- ensuring efficient use of existing infrastructure and timely investments in new infrastructure
- minimizing financial impact to residents and businesses
- protecting environmental and agricultural resources
- creating densities that support transit and affordable housing
- developing a long-term employment strategy



In 2017, the Region of Peel identified savings and deferrals of over half a billion dollars in costs associated with growth by undertaking early and ongoing collaboration with the development industry and Brampton, Caledon and Mississauga, identifying efficiencies in infrastructure provision, and streamlining planning processes. This work will help to plan complete communities, meeting the daily needs of residents and businesses to learn, work, and play with access to convenient public transportation and safe, non-motorized travel.



Thriving = Communities are integrated, safe, and complete.

Visit peelregion.ca/dashboard for more information.



In 20 years:

We want all our residents to say...

I live in a community that is environmentally friendly.

I live in a community that promotes mobility, walkability, and various modes of transportation.

I live in a community that embraces diversity and inclusion.

I live in a community that promotes economic sustainability and future investments in Peel.

I live in a community that manages population growth effectively.

I live in a community that has a built environment that promotes healthy living.

The 4-Year Term of Council Priorities we're focused on to get there:

Waste Diversion

Desired Outcome
Increased waste diversion rate.

Measurement

- Per cent of waste diverted

Importance

The environmental and economic challenges our community is facing today, including climate change, require new models and systems for how we treat our resources. Increasing resource recovery and waste reduction are key tactics used to reduce Greenhouse Gas Emissions (GHG). Continuing to improve our waste diversion rate will contribute to environmental protection and enhance community sustainability in the short and long-term.

In 2017, we:

- Experienced a 0.5 point decrease from 2016 but maintained an improved Waste Diversion Rate of 4.8 points over 2015 rates, resulting in a Waste Diversion Rate of 49.5% in 2017.
- Invested in various strategies and purchased a property to build a new anaerobic digestion facility to allow for expansion of the organics program to include pet waste and diapers and turn organics waste into natural gas and fertilizer products. This supports our long-term waste diversion target of 75% by 2034.

Promote Healthy and Age-Friendly Built Environments

Desired Outcome
Increased proportion of development applications that meet the healthy development criteria.

Measurement

- Number of approved development applications that meet or exceed a pass score on the local health assessment tool

Importance

There is a connection between health and the built environment. Designing communities that promote and support active and sustainable transportation will have a positive impact on the overall health of Peel residents at all ages and stages of life.

In 2017, we:

- Received Provincial approval on Regional Official Plan Amendment 27 (ROPA 27) — Health and the Built Environment, Age-Friendly Planning and Technical and Administrative Updates.
- Worked in partnership with Brampton, Caledon and Mississauga to begin implementing ROPA 27.
- Determined that of the 40 development applications that underwent a health assessment, 68% met or exceeded a pass score.

The 4-Year Term of Council Priorities (Continued)

Adapt to and Mitigate the Effects of Climate Change

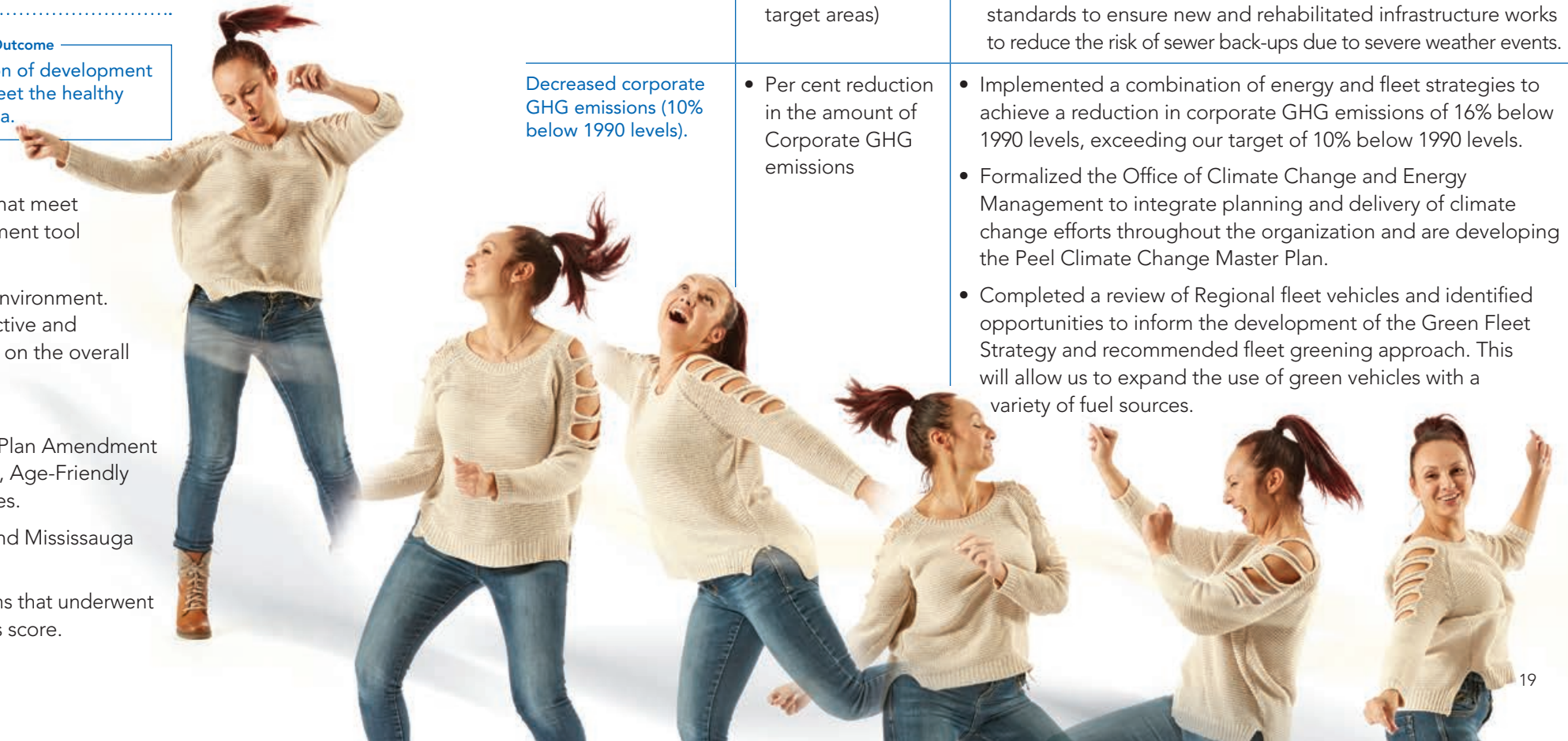
Importance

Climate change is one of the greatest challenges facing our global society. There is clear evidence that human induced climate change is having an increasingly negative impact on the environmental, economic and social conditions of our communities.

Thinking about how we plan our communities while managing the impacts of climate change is important as we transition to a low carbon and resilient community. The Region of Peel is committed to leadership and action on this important societal issue, as concrete actions to mitigate and adapt to the effects of climate change will lead to a sustainable community for future generations.

During the current Term of Council, the Region of Peel was focused on reducing our Greenhouse Gas (GHG) emissions to 10% below 1990 levels and reducing the likelihood of sewer back-ups during severe weather events.

Desired Outcome	Measurement	In 2017, we:
Reduced incidents of sewer back-ups during severe weather events caused by surcharge of the sanitary system.	<ul style="list-style-type: none"> Per cent reduction in inflow and infiltration into wastewater system (in 10 target areas) Per cent reduction in surcharge (in 10 target areas) 	<ul style="list-style-type: none"> Kicked off a Region wide long-term inflow and infiltration strategy to reduce the risk of basement flooding during severe weather events (caused by sewer backups). As part of this, we have continued to study 10 target areas for both inflow and infiltration across Peel with the intent of identifying mitigation plans for the first six by the end of 2018. Implemented new sanitary sewer design and construction standards to ensure new and rehabilitated infrastructure works to reduce the risk of sewer back-ups due to severe weather events.
Decreased corporate GHG emissions (10% below 1990 levels).	<ul style="list-style-type: none"> Per cent reduction in the amount of Corporate GHG emissions 	<ul style="list-style-type: none"> Implemented a combination of energy and fleet strategies to achieve a reduction in corporate GHG emissions of 16% below 1990 levels, exceeding our target of 10% below 1990 levels. Formalized the Office of Climate Change and Energy Management to integrate planning and delivery of climate change efforts throughout the organization and are developing the Peel Climate Change Master Plan. Completed a review of Regional fleet vehicles and identified opportunities to inform the development of the Green Fleet Strategy and recommended fleet greening approach. This will allow us to expand the use of green vehicles with a variety of fuel sources.



We are monitoring key community trends, including active transportation, waste diversion and crime rates, to track progress towards these objectives. Visit peelregion.ca/dashboard to view metrics.



Thriving = Communities are integrated, safe, and complete.

Visit peelregion.ca/dashboard for more information.



The 4-Year Term of Council Priorities (Continued)

The 4-Year Term of Council Priorities (Continued)

Improve Goods Movement

Measurement

- Average travel time on high priority goods movement routes

Importance

While the goods movement industry is vital to Peel's economy, it is a contributing factor to traffic congestion on the roads, which is a key concern of Peel citizens. With a growing population, the demand on Peel's road network will continue to rise. Currently, there are 698,000 trips daily in the morning peak period. With an increase in population to 2 million by 2041, the Regional road network is expecting 1,001,000 trips in the morning peak period each day. To manage the increase in trips in a more sustainable way, the Region of Peel is working towards a goal of half of these trips being reduced through sustainable modes by 2041.

While the issue of traffic congestion is complex and will not be solved by any one strategy or by our organization alone, the Region of Peel is taking proactive and innovative steps this Term of Council to contribute to reducing congestion and travel time on high volume truck routes during peak hours in order to benefit both residents and the goods movement industry.

Desired Outcome

Reduced congestion on high volume truck routes at peak hours.

In 2017, we:

- Improved efficiency (travel time, congestion and CO² emissions) on four routes by 16.8% on average through the coordination of signal timings, (Queen Street, Cawthra Road, Derry Road & Britannia Road).
- Partnered to create a Smart Freight Centre program for the Greater Toronto and Hamilton Area in partnership with other municipalities, universities, industry experts and the Provincial government in order to coordinate the implementation of tactics, such as off peak deliveries.
- Completed a control room for Caledon, to help monitor traffic and incidents, which allow for real-time improvements to reduce congestion, similar to the traffic management centres in Mississauga and Brampton.

Plan and Manage Growth

Measurement

- A reduction in the annual gap between projected development charge revenues and expenditures

Importance

Effective planning will play a key part in helping us ensure that the expected population and employment growth in Peel over the next 25 years is sustainable, healthy, economical and supports prosperity.

Since the recession in 2008, the Region of Peel's planned revenue from development has not been realized, largely due to under-performance of the non-residential sector, as well as lower than expected high-density residential growth. The Region of Peel has accumulated \$1.3 billion in debt for growth-related infrastructure (e.g. water/wastewater and transportation).

It is anticipated that Peel Region could grow by an additional 500,000 people and 250,000 jobs by 2041. As the Peel community grows, we will need to closely monitor and manage the financial risk inherent with investing in long-term infrastructure prior to population and employment growth being actualized.

Desired Outcome

Increased ability for growth to pay for growth (no growth related debt by 2041).

In 2017, we:

- Collaborated with Brampton, Caledon and Mississauga and the development industry to develop draft growth allocations based on where Peel Region is expected to grow over the next 25 years.
- Created joint employment and transportation strategies with Brampton, Caledon and Mississauga and the development industry.
- Achieved a lower debt level than forecasted of \$569 million compared to the 2015 Development Charges Background Study.



We are monitoring key community trends, including active transportation, waste diversion and crime rates, to track progress towards these objectives. Visit peelregion.ca/dashboard to view metrics.





Thriving = Communities are integrated, safe, and complete.

Visit peelregion.ca/dashboard for more information.



Our Ongoing Services to support Term of Council Priorities

Early Growth and Development

Provided **2,092** children with a range of services focused on their individual needs.

Provided **11,529** free breastfeeding consultations to support a great start for new mothers and their babies.

Supported **7,394** parents and professionals through early literacy workshops and programs.

Attracted **10,850** visitors to the Learning in Our Neighbourhood (LION) Mobile Program.

Chronic Disease Prevention

Screened **87,958** children for dental conditions of which 12,372 were identified for urgent care.

Provided **7,322** free preventative dental services.

Infectious Disease Prevention

Conducted **9,960** compliance inspections on 5,936 food premises at least one time, helping to keep our communities free of food-borne illnesses.

Supported **19,428** visitors at our Sexual Health Clinics, helping to reduce the spread of sexually transmitted infections with free testing, treatment, and contraceptives.

91%* of students receive full immunizations, offering them protection from getting or spreading infectious diseases.

Water Supply

Treated **572** million litres of water each day to provide residents with clean, safe drinking water.

Wastewater

Treated **633** million litres of wastewater daily.

Waste

Responsibly managed **535,882** tonnage of waste.

265,969 tonnage of waste diverted for a diversion rate of 49.5%.

* Average based on measured cohorts, including 87.6% of seven/eight-year-old students, and 90.7% of sixteen/seventeen-year-old students.

Our Ongoing Services to support Term of Council Priorities

Roads and Transportation

98.5% of the time Met or exceeded winter road maintenance service levels.

Maintained **1,657** lane kilometres of road to help keep residents safe and traffic moving.

Police (external)

Peel Regional Police Services (Brampton and Mississauga) responded to **230,605** calls, protecting the safety and property of Peel residents.

Ontario Provincial Police (Caledon) responded to **22,813** calls.

Heritage, Arts and Culture

Welcomed **11** museum exhibits, 19 archives exhibits and 9 art gallery exhibits for a total of 39 exhibits.

Land Use Planning

Achieved **\$569M** lower debt level than forecasted.[◊]

◊ The Region of Peel avoided a debt increase of \$569 million.



We are monitoring key community trends, including active transportation, waste diversion and crime rates, to track progress towards these objectives. Visit peelregion.ca/dashboard to view metrics.



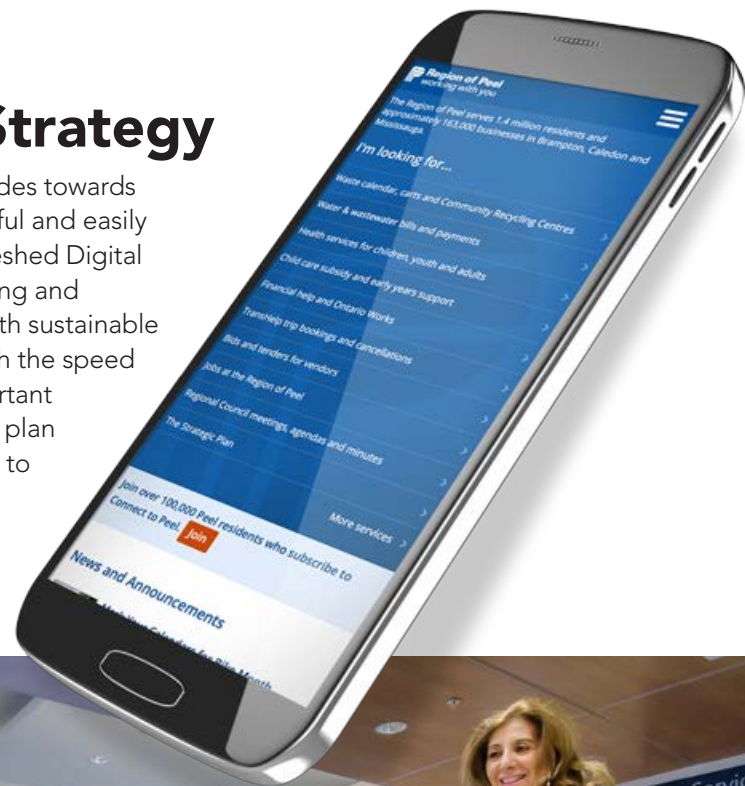


Leading = Government is future-oriented and accountable.

2017 Highlights

Refreshed Digital Strategy

The Region of Peel is continuing to make strides towards ensuring all service experiences are meaningful and easily accessible to our residents. Through our refreshed Digital Strategy, we are aiming to provide an engaging and seamless service experience for the public with sustainable and integrated business and technology. With the speed that technology is advancing, it is more important than ever that we remain future-oriented and plan for these changes to ensure that we continue to deliver high quality and efficient services that meet our residents' needs.



Value for Tax Dollars

The Region of Peel is committed to providing high quality services that are efficient while minimizing the tax burden on our residents. Our Continuous Improvement Program ensures client needs and user experiences are the focus of improvement initiatives. These initiatives are aimed at helping us find ways to save money which reduces the need for increased taxes. We have shifted towards using a Lean Six Sigma approach to problem solving,

which provides tools to improve business processes resulting in improved quality of service, lower operating costs, and improved employee working conditions. Using this approach, our Continuous Improvement Program has resulted in an overall cost savings and cost avoidance totaling \$250 million for tax supported programs and over \$74 million for utility rate supported programs between 2010 and 2017.



Open Data

As an accountable and transparent government, the Region of Peel encourages the public to freely access and use data available on our Open Data portal. The Open Data portal will inspire creative and innovative development of products, aids in evidence based research, and provides a window into the operations of government, and the data that contributes to delivering the Region of Peel's services.

Corporate Social Responsibility Strategy

On June 22, 2017, Regional Council adopted the Region of Peel's Corporate Social Responsibility Strategy and embarked on a journey to address business operations. The long-term outcome of the overall strategy is to ensure that the Region of Peel's operating practices achieve social, economic and environmental benefits for our community. A measurement and evaluation framework was also developed to evaluate the impact of all initiatives laid out within the strategy.

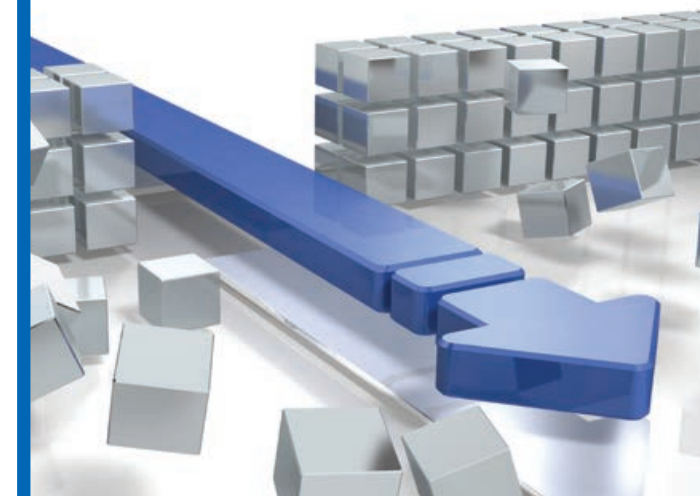
The long-term desired outcomes are:

- Environment: Our environmental footprint will be minimized through our business operating practices.
- Our People: We will improve as a model employer through our business operating practices.
- Social and Economic: Our procurement practices will result in increased social and economic benefits for our community.

The strategy establishes a requirement for Region of Peel staff to explore opportunities to create social value through our procurement processes, in keeping with the Region of Peel's strategic objectives including sustainability, financial responsibility and return on investment.

Alignment of Accessibility Planning

The 2018-2025 Multi-Year Accessibility Plan was passed by Regional Council in 2017, which builds on our Strategic Plan's vision of a **Community for Life**. This plan sets a path forward to ensure Peel Region is accessible and inclusive by reducing and eliminating barriers to create a community of choice, one where people of all abilities can actively participate and experience a sense of belonging.





Leading = Government is future-oriented and accountable.

Visit peelregion.ca/dashboard for more information.



In 20 years:

We want all our residents to say...

I trust that sustainability and long-term benefits to future generations are considered.

I trust that the Region of Peel is a model and progressive employer.

I trust that co-ordination and partnership occurs.

I trust that a systemic approach to innovation is in place.

I trust that the community voice and participation are welcome.

I trust that the Region of Peel is a well-managed government.

The 4-Year Term of Council Priorities we're focused on to get there:

Modernize Service Delivery

Desired Outcome
Our services are easy to access and service requests are met through each interaction.

Measurement

- Improved internal and external experience with respect to service access and service outcome

Importance

The Region of Peel's External Client Satisfaction Survey results revealed that ease of access to services and service outcomes, regardless of the channel of choice, are now the strongest drivers for overall satisfaction. This Term of Council Priority focuses on strategies where client satisfaction can be meaningfully improved by enhancing the user's digital access and experience.

In 2017, we:

- Modernized multi-channel service delivery, built platforms for integration and increased service capacity, including:
 - Developed a Region of Peel Digital Strategy to focus on providing engaging and seamless resident and employee service experiences through sustainable and integrated business and technology modernization.
 - Developed an e-Bidding platform to allow purchasing documents to be submitted and processed electronically, removing the need for physical paper copies to be submitted.
 - Increased mobile-friendly pages on peelregion.ca for ease of access to frequently requested pages.
 - Developed a modernized Families First program which integrates processes to improve service delivery to clients.

Attract and Retain Top Talent

Desired Outcome
We have the employees with the skills to deliver on outcomes.

Measurement

- Resident satisfaction with Regional staff (External Client Satisfaction Survey)
- Percentage of residents who agree Regional staff were knowledgeable (External Client Satisfaction Survey)

Importance

Attracting and retaining top talent supports the Region of Peel in delivering value to residents.

In 2017, we:

- Updated a performance management program that ensures all employees have objectives that align with strategic outcomes.
- Updated a program to equip leaders with management and leadership competencies required to support their teams in meeting the current and emerging needs of the community.

The 4-Year Term of Council Priorities (Continued)

Create a Modernized Workplace

Measurement

- Percentage of staff who agree that their environment helps them deliver on client outcomes, as measured in the Region of Peel's employee survey

Importance

The workplace, including the physical workspace, flexible Human Resources practices, technology and internal culture, contributes to the Region of Peel's ability to deliver on outcomes for the community.

In 2017, we:

- Implemented various pilot programs to test modern office designs and equipment.
- Launched refreshed Regional Values and introduced a new internal Culture and Inclusion Strategy to inspire new ways of working and collaborating.

Desired Outcome
The work environment meets the demands of the workforce to deliver on outcomes.

Our Ongoing Services to support Term of Council Priorities

Public Accountability

6.3 out of 10 residents agreed that "Peel conducts its business in an open and accountable manner".

Resident Perception of Value for Tax Dollars

75% of residents surveyed reported that the Region of Peel provides very good, or fairly good, value for tax dollars.¹

Asset Management

92% of Regional assets, such as roads, bridges, and buildings, in "good" or "very good" condition.²

Workforce

73,007 Reviewed job applications to find qualified candidates for vacant jobs.

1,536 Hired qualified candidates to fill opportunities.

Resident Trust and Confidence in the Region of Peel

6.3 out of 10 Scored on a Trust and Confidence rating by surveyed residents.³

Information and Technology

7.7 out of 10 Achieved a client satisfaction rating with Regional services.³

AAA Financial Management

Triple A Earned a credit rating—the highest possible rating.

1. Fall 2017 Focus GTA Survey.
 2. 2017 Infrastructure Status and Outlook Report card.
 3. External Client Satisfaction Survey, Region of Peel 2017.

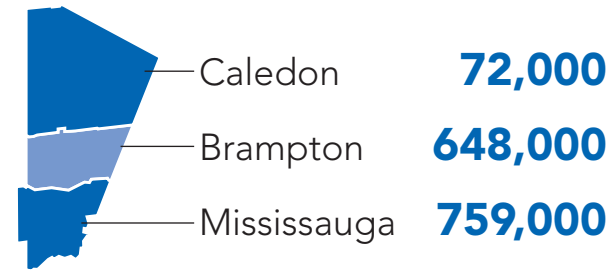


We are monitoring key indicators, including credit rating, client satisfaction with Regional services and corporate Greenhouse Gas Emissions, to track progress towards these objectives. Visit peelregion.ca/dashboard to view metrics.

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.

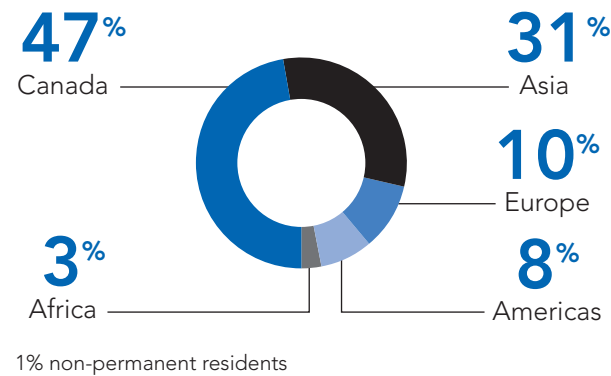
Breakdown of Peel's Population¹



We Are Diverse.

51.5% of our population was born outside of Canada.

Peel's Population by Birthplace²



We are Educated.³

The proportion of people in Peel with post-secondary education is higher than in Ontario and Canada as a whole.



We Are Industrious.

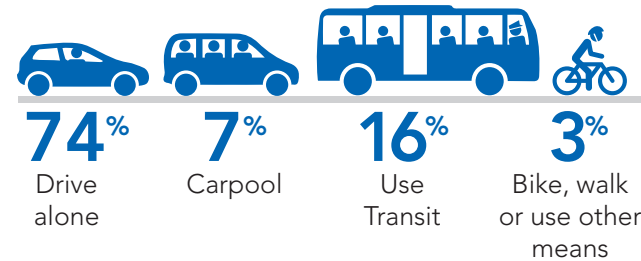
Peel Region is a significant freight hub for Canada.⁵ An estimated \$1.8 billion⁵ worth of commodities travel to, from and through Peel every day making Goods Movement a pillar of the Regional economy.



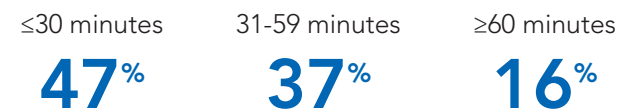
We Are on the Move.

Our transportation network is one of the most travelled in the world. Five major highways, several international railroads, and the Toronto Pearson Airport exist within our borders. 60% of Peel residents over the age of 15 use our roads to commute to work and 83% of them rely on personal vehicles to get there.⁶

People Who Commute to Work⁶



Length of Commute⁶ (one way)

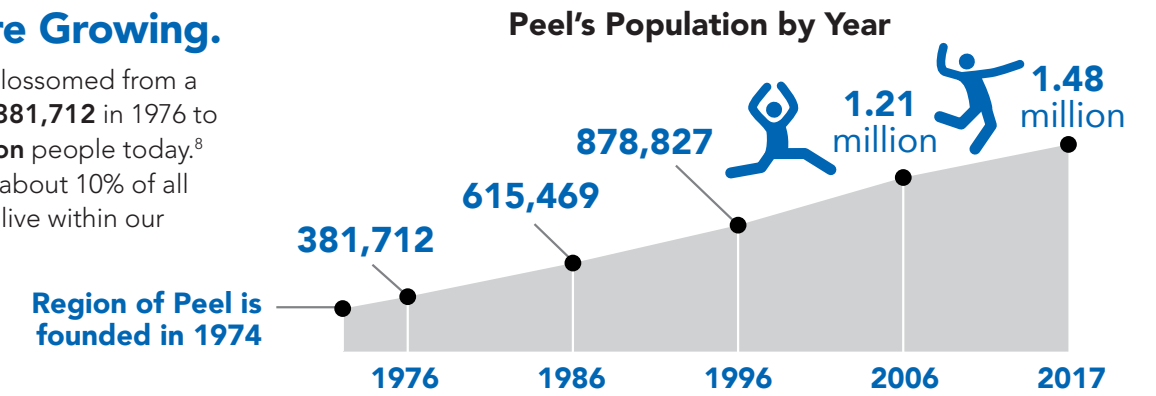


We Are a Young Population.

The average age of our residents is 38.3 years – the youngest average in all of the GTA. Children (ages 0-14) make up 18.3% of our population – the second highest ratio in the GTA.⁷

We Are Growing.

Peel has blossomed from a region of 381,712 in 1976 to 1.48 million people today.⁸ Currently, about 10% of all Ontarians live within our borders.



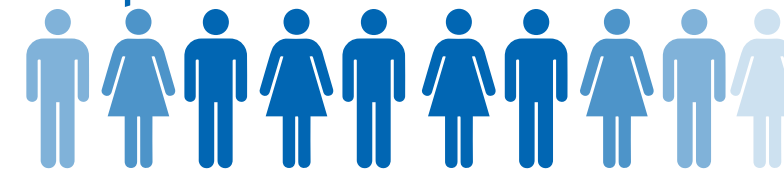
Peel Tomorrow

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 Grow.⁹

Peel's high quality communities attract people from all over the world. 47 new people move to Peel every day. In the five year period between 2016-2021, our population is forecasted to grow by 110,000 residents – more than the entire population of Thunder Bay.

Peel's total population (M=millions)



Peel's Population by Year

We Will Create New Jobs.¹⁰

Peel will continue to attract industry, professionals, and new talent. Businesses within Peel Region are projected to provide more than 970,000 jobs by 2041.

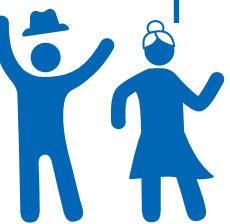
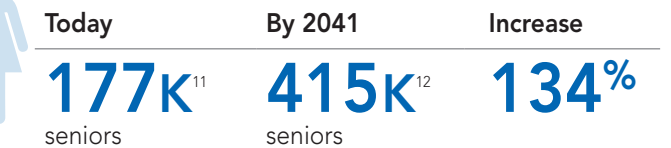
Jobs in Peel (K=thousands)



We Will Have a Large and Dynamic Senior Population.

Our population of people aged 65 and over is expected to increase 134% by 2041. At that time, one in every five residents will be a senior citizen. In less than a decade, people aged 65+ will outnumber children (aged 0-14) for the first time in history.

Peel's senior population (K=thousands)



1. Statistics Canada, Census, 2016 (with undercount)
 2. Statistics Canada, National Household Survey, 2011
 3. Statistics Canada, National Household Survey, 2011
 4. Labour Market Survey, Statistics Canada, 2016
 5. Ministry of Transportation, Commercial Vehicle Survey, 2015
 6. Region of Peel's Peel as a Village, based on Statistics Canada 2011 Census and National Household Survey (NHS) data

7. Statistics Canada, Census, 2016
 8. Statistics Canada, Census, 1976 – 2016 (with undercount)
 9. Statistics Canada, Census (2006-2016); Growth Plan for the Greater Golden Horseshoe, 2013 (Amendment 2)
 10. Statistics Canada; Hemson; Growth Plan for Greater Golden Horseshoe, 2013
 11. Statistics Canada, Census, 2016
 12. Statistics Canada 2001 and 2011 Census, Hemson Consultants (Amendment 2 Forecasts)

2017 Peel Economic Highlights

With a strong economic outlook, Peel continues to be a desirable community for residents and businesses.

Location Advantages

Our economy benefits from being located within the economic hub of the Greater Toronto Area and close to large United States markets.

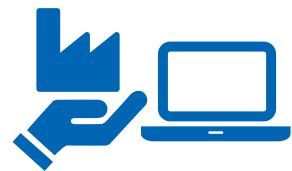


Demographic Advantages

We benefit from a growing, young, and educated workforce.

Diversified Economic Base

The industries in our economy are more diverse than ever before, strengthening our ability to overcome economic downturn in any given industry.



Infrastructure Development

Peel's transportation network continues to expand and bring money into our economy. Planned investments in roads, water, transit, and a new university are expected to create more economic growth in the years ahead.



View the Treasurer's Message on page 33 for more details about Peel's finances and the Long-Term Financial Planning Strategy.

Peel's Business Sector¹

In 2017, Peel's business sector continued to expand. The sector was 164,951 business establishments strong in December 2017, up by 5.8%, or 9,002 businesses relative to December 2016. The number of classified businesses² increased by 5.7% to 143,457 businesses. About 86.7% of all classified Peel businesses are in the service industry, while the remaining 13.3% are goods-producing businesses. Compared with 2016, the proportion of classified service-based businesses increased by 0.4 percentage points, continuing a long-term shift in Peel's business sector.

Peel's Businesses by Sector



Building Permits³

A building permit is formal permission from a municipality to begin construction, demolition or renovation.



In 2017, the total value of building permits issued in Peel was approximately \$2.8 billion – an 18.8% reduction from 2016. This followed a drop of 20.8% recorded in 2016.

The decline was similar to that registered in the preceding year. However, in 2016, the decline was expected after the strong policy induced growth registered in the two preceding years (2014 and 2015). In those two years, developers brought forward building permit applications ahead of the implementation of new Development Charges By-Laws. In 2017, there were no such policy changes.

Housing Starts⁴

The beginning of construction on a new home is counted as a "housing start".

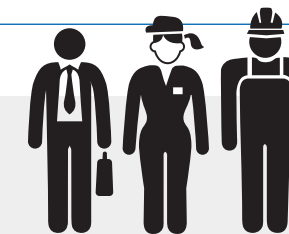


Housing starts are a strong indicator of economic growth as people buying new homes are expected to spend money on goods and services in the same community.

In 2017, there were **6,739** housing starts in Peel, an increase of 25.7% from 2016. The increase showed a rebound from the expected reduction in 2016, which followed the exceptional increase recorded in 2015.

Labour Force

Total labour force is defined as the total number of persons who are employed or looking for work.



In 2017, the total labour force increased by **2.1%** to 872,600. During the same period, the total employed labour force increased by **2.5%** to 812,500 positions.

Earned Triple A Credit Rating



In 2017, both Moody's Investors Service and S&P Global Rating reaffirmed the Region of Peel's Triple A credit rating, the highest possible credit rating available to a municipality or region.

The Region of Peel has held a Triple A credit rating for 22 consecutive years and is one of only 12 Canadian municipalities to hold this rating. The rating was based on the Region of Peel's highly liquid reserves and reserve funds, and our moderate level of debt. A high credit rating lowers the cost of debt financing for the Region of Peel as well as Brampton, Caledon and Mississauga.

Prudent Fiscal Policies

Long-Term Financial Planning Strategy



The Region of Peel has a strong Long-Term Financial Planning Strategy to address the increasing financial pressure of Peel's growing and evolving community. This strategy applies to a disciplined, comprehensive and integrated approach that identifies and manages risks to our long-term financial sustainability. The Region of Peel is continuing with its collaborative approach for Growth Management, working with our local municipal partners and the development industry to continue the implementation of an integrated model of land use planning, servicing and financial growth. This has resulted in a \$569 million lower debt burden than forecasted.

Employment and Unemployment⁵



Peel's overall employment rate (the proportion of the working age population who are employed) was **62.0%** in 2017, a decline from 63.6% recorded in 2016. However, the employment rate of the core age group (25-65 years) was **77.5%** in 2017 – much higher than the overall rate. The lower overall rate reflects the aging population's effect on the labour force.

Peel's annual average unemployment rate was **6.9%** in 2017; a further drop from 7.3% in 2016. This represents the fifth consecutive drop in Peel's unemployment rate and the lowest it has been since 2008.

1. Statistics Canada, North American Industrial Classification Systems (NAICS), 2016

2. Classified businesses are those that can fit in a sector, based on the North American Industry Classification Systems (NAICS).

3. Statistics Canada, Building Permits Series, 2016

4. Canada Housing and Mortgage Corporation, 2016

5. Labour Market Survey, Statistics Canada, 2016



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to
**The Regional Municipality of Peel
Ontario**

For its Annual
Financial Report
for the Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO

Financials Table of Contents

34 Message from the Treasurer and Director of Corporate Finance

53 Consolidated Financial Statements

- 54 Auditor's Report
- 56 Consolidated Statement of
Financial Position
- 57 Consolidated Statement of Operations
- 58 Consolidated Statement of Change
in Net Financial Assets
- 59 Consolidated Statement of Cash Flows
- 60 Notes to the Consolidated
Financial Statements

83 Debt Retirement and Sinking Funds

- 84 Auditor's Report
- 86 Debt Retirement and Sinking Funds
Statement of Financial Position
- 87 Debt Retirement and Sinking
Funds Statement of Operations
- 88 Debt Retirement and Sinking
Funds Statement of Cash Flows
- 88 Debt Retirement and Sinking
Funds Statement of Change in
Net Financial Assets
- 89 Debt Retirement and Sinking Funds
Notes to the Financial Statements

93 Trust Funds

- 94 Auditor's Report
- 96 Trust Funds Statement of
Financial Position
- 96 Trust Funds Statement of Financial
Activities and Fund Balance
- 96 Trust Funds Statement of
Cash Flows
- 96 Trust Funds Notes to the
Financial Statements

99 Five-Year Review

- 100 Five-Year Financial Review
- 104 Five-Year Statistical Review

106 Concluding Section

- 106 Peel's Largest Employers
- 107 Region of Peel Partners

Message from the Treasurer and Director of Corporate Finance

I am pleased to present to you the Region of Peel's financial report for the year ended December 31, 2017. This report provides an opportunity to communicate to residents, businesses and other key stakeholders, information on the Region of Peel's accomplishments achieved during the year, robust financial management practices enabling us to achieve those outcomes, 2017 financial performance, and highlights of what is expected to impact Peel in the outlook years.

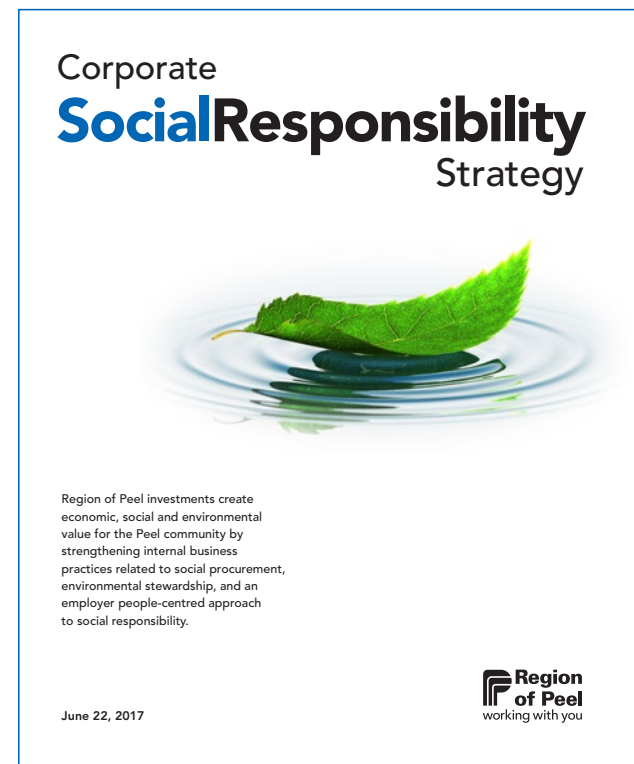
In 2017, the Region of Peel continued to deliver services to meet the needs of the residents and businesses of a growing community, while continuing to face a rapidly changing macroeconomic and legislative environment.

Through the use of the Region of Peel's Long-Term Financial Planning Strategy and guided by the 2017 operating budget and capital plan, we continue to remain financially healthy, with a \$93.9 million increase in net financial assets, as well as continuing our investment in building a **Community for Life**, by adding \$499 million in both new and state of good repair infrastructure. The Region of Peel also continued to increase its reserve levels by \$120.9 million this year to support the Region of Peel's financial sustainability and flexibility.

2017 was a year of innovation for the Region of Peel, through Regional Council's endorsement of the Region of Peel's first Corporate Social Responsibility Strategy, as well as a new Cash Management Strategy. The Region of Peel also achieved many accomplishments during the year, as described in the section below.

2017 Accomplishments

Corporate Social Responsibility Strategy



Regional Council adopted the Region of Peel's first Corporate Social Responsibility Strategy. Its mandate is to support the environmental, economic and social well-being of our community through our operating practices and connects with larger planning efforts and strategies across the organization, including the Strategic Plan and the Finance Strategy. The Region of Peel is already achieving many positive outcomes for the community by operating responsibly and with corporate social responsibility in mind. The Corporate Social Responsibility Strategy provides us with a more structured approach to integrating corporate social responsibility within our operating practices, which will help enhance our environmental and social performance while continuing to deliver strong economic benefits to residents and businesses in Peel.

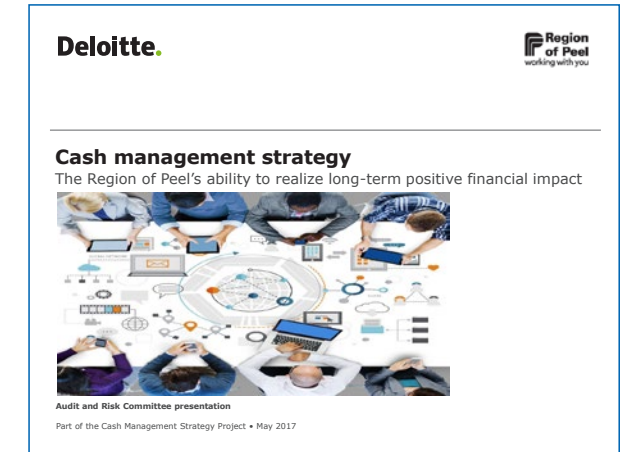
Cash Management Strategy

Regional Council approved a new Cash Management Strategy in 2017. The Cash Management Strategy identifies opportunities to improve and augment current practices with an expectation to generate additional investment returns and reduce borrowing costs while remaining within the Region of Peel's moderate risk appetite for investments.

The Cash Management Strategy focuses on three key outcomes:

- Redefine the Treasury function's mandate;
- Enhance the Treasury function's practices; and
- Increase the potential to generate greater financial returns.

Through the review and improvement of the current Treasury mandate and practices, and collaboration on the Region of Peel's strategic initiatives, the Region of Peel will increase its financial flexibility. This initiative includes expanding the Region of Peel's current investment opportunities and implementing additional borrowing options, within the Region of Peel's defined risk tolerance and legislative requirements. This will help generate a greater financial return which can be used to partially offset the need for raising future tax levies and water rates. It will also provide flexibility to continue to address future unmet needs, such as maintaining adequate state of good repair reserves for infrastructure and other physical assets. The implementation of the Cash Management Strategy will take 18-24 months to execute all of the required elements of the implementation plan.



Growth Management Strategy

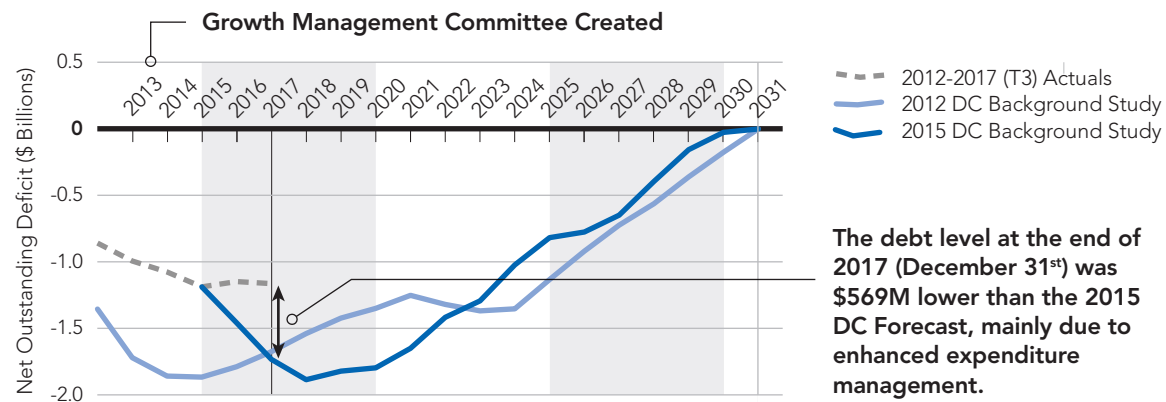
We continued our work on the collaborative and innovative approach to managing growth in Peel this year. The key aspects to this approach include:

- Reducing the growth debt level (otherwise known as the timing gap between development charge collections and growth infrastructure driven capital requirements);
- Integrating financing and servicing considerations into planning decisions early in the process;
- Working together with the local municipalities and the development sector in becoming more agile in the Region of Peel's approach to the changes and uncertainty that accompany growth and development; and
- Adopting a growth-focused, risk-based financing strategy.

By working closely with the local municipalities, the development community and our internal partners, benefits have already been achieved, such as:

- For the first time ever planning, servicing and financing were all considered together at the outset of the growth allocation process;
- Updated consumption and peaking assumptions were used to identify a preliminary growth allocation to 2041 with a lower estimated servicing cost; and
- An estimated reduction was found in the 2017 debt level of \$0.6 billion lower than forecasted in the 2015 DC Background Study for 2017, as depicted in the graph on the following page, due to enhanced expenditure management (\$0.4 billion) and the earlier collection of low density residential development charges at time of subdivision agreement instead of building permit issuance (\$0.2 billion).

Debt Level Associated with the Growth Program as Forecasted in the Region of Peel's 2012 and 2015 DC Background Studies



This integrated and collaborative approach has already been recognized by other organizations that have referenced the new approach to growth management being developed by the Region of Peel.

Continuous Improvement Program

The Region of Peel achieved an overall cost savings and cost avoidance of \$250 million for tax supported programs between 2010 and 2017 through our work in the Continuous Improvement Program. The Continuous Improvement Program ensures client needs and user experiences are the focus of our improvement initiatives. It also ensures that services are delivered effectively and in the most efficient way possible – providing the best value for taxpayers' dollars. The Continuous Improvement Program uses a variety of tools to achieve these benefits, such as Lean Six Sigma, digital self-service, process improvement, alternative service delivery, program evaluations and human centred design.



Triple A Credit Rating



The Region of Peel's Triple A credit rating was reaffirmed by both Moody's Investors Service and S&P Global Rating. The Region of Peel has held a Triple A credit rating for 22 consecutive years and is one of only 12 Canadian municipalities with this credit rating – the highest possible credit rating available to a municipality or region. This rating is a reflection of our everyday commitment to manage tax dollars responsibly and deliver value-added, affordable services to residents and businesses today and over the long-term. The credit rating agencies have

acknowledged the Region of Peel's highly liquid reserves and reserve funds and its moderate level of debt as major attributes enabling the Region of Peel to achieve the Triple A credit rating.

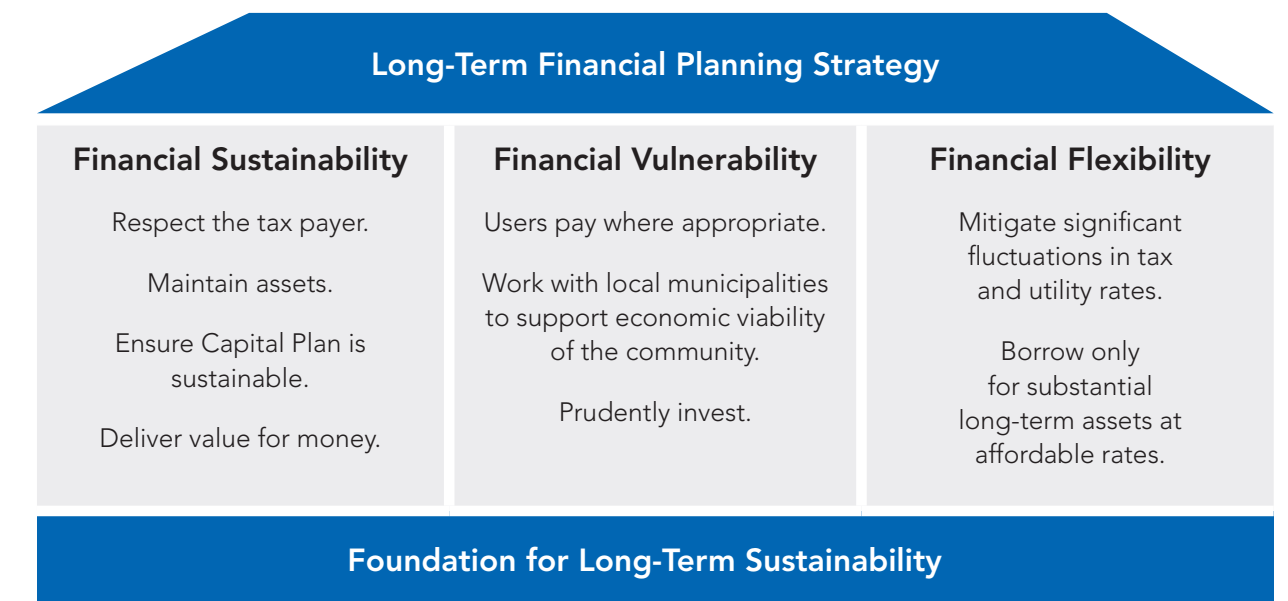
GFOA Canadian Award for Financial Reporting

For the 16th consecutive year, the Region of Peel has received the Canadian Award for Financial Reporting (the Award) from the Government Finance Officers Association of the United States and Canada for its **2016 Community for Life Annual Report** (the Report). The Award, which recognizes excellence in governmental accounting and financial reporting, was established to encourage municipal governments throughout Canada to publish high quality financial reports. The Report was commended for its "constructive spirit of full disclosure", designed to clearly communicate the municipality's financial story while motivating the community to read the report.

Financial Management Practices

Long-Term Financial Planning Strategy (Finance Strategy)

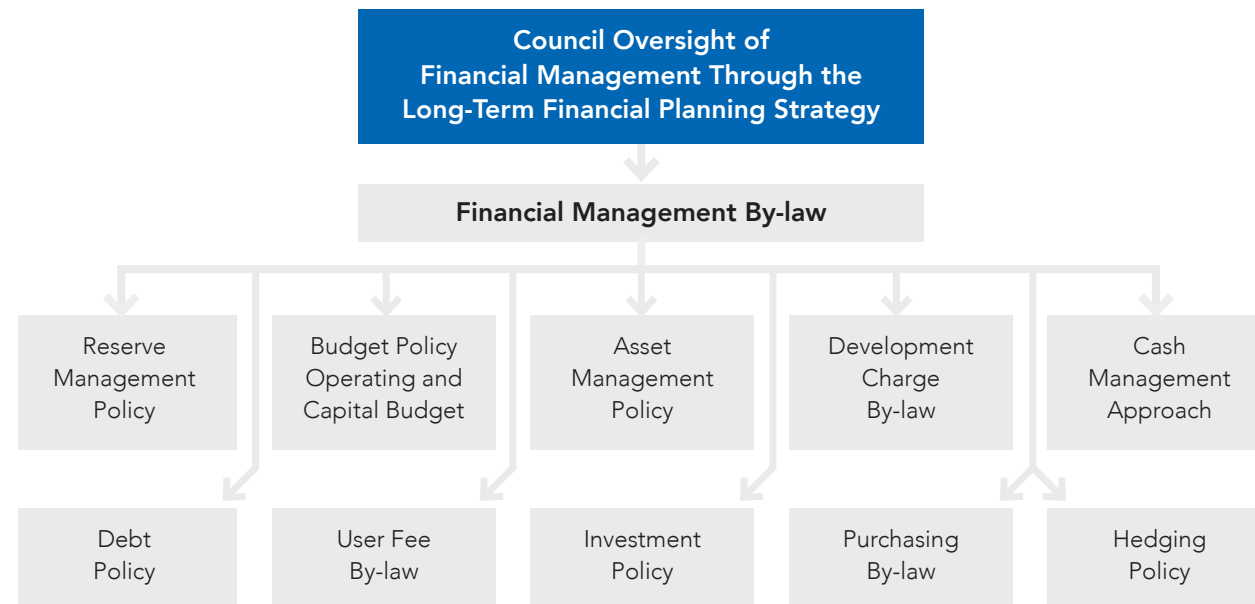
The Region of Peel's Finance Strategy applies a disciplined, comprehensive and integrated approach that identifies and manages the risks to the Region of Peel's long-term financial sustainability and credit rating. The purpose of the Finance Strategy is to ensure the financial sustainability of Regional services and to guide our prudent use of taxpayers' dollars. The Finance Strategy is founded on balancing the three pillars of financial sustainability, financial vulnerability and financial flexibility.



Each of the nine financial principles within the three pillars address a specific financial aspect. Financial Sustainability is our ability to provide and maintain planned service and infrastructure levels without resorting to unplanned increases in rates or significant changes to services. Financial Vulnerability is the level of risk exposure from external funding sources and the resulting impact this funding has on the ability to deliver Regional services and meet existing financial obligations and commitments. Financial Flexibility is related to debt and taxes; it is our ability to change debt levels or taxes to meet financial obligations.

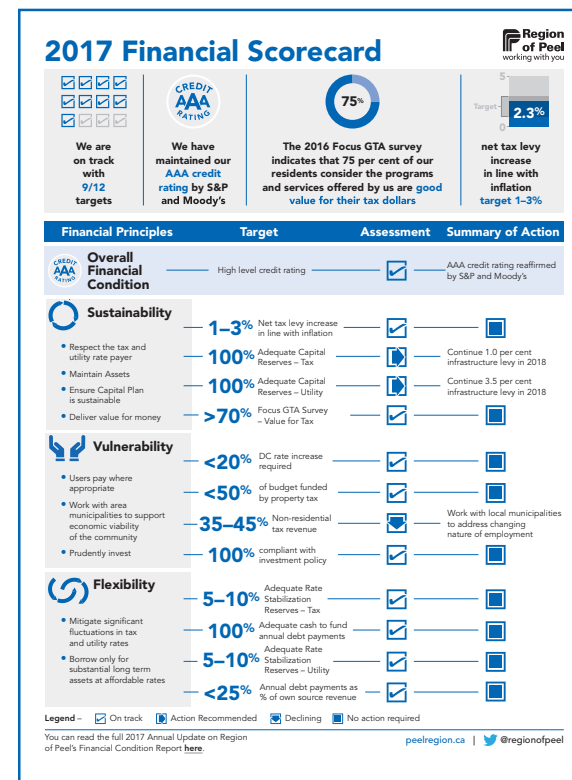
The Finance team will be working on a refreshed Finance Strategy in 2018-2019 to ensure it will continue to help provide Regional Council with financial context as it considers new priorities, program strategies and policy changes.

Financial Management By-law (the By-law)



To implement the Finance Strategy, the By-law was established with a focus on the nine financial principles as a guide to help with decision making, monitoring and reporting to Regional Council on the execution of the Finance Strategy. The By-law is also utilized to govern several financial policies and strategies that establish the objectives, responsibilities, controls and reporting requirements for risk management, financial planning, debt/investment management, and revenue and expenditure control. Some of which are described within this report.

Reporting on the Finance Strategy



The Region of Peel's financial condition is reported in the annual Financial Scorecard, which is based on our Finance Strategy and uses 12 key indicators to assess our performance in the three fiscal pillars. Along with key indicators and our assessment, the Scorecard includes a summary of required or corrective actions in certain performance areas.

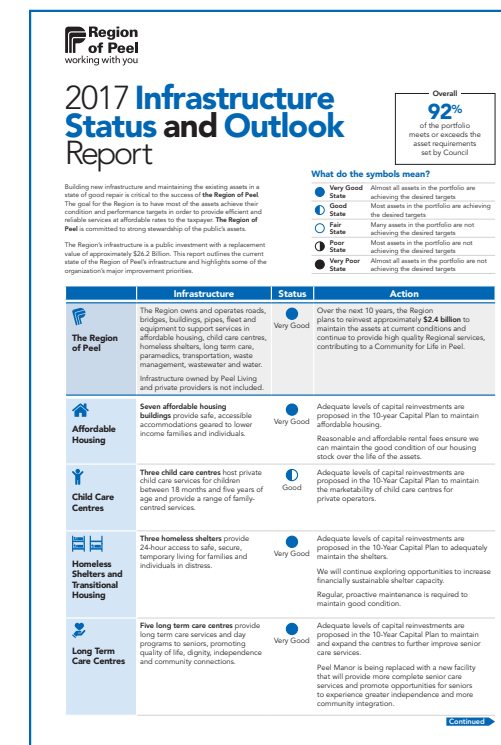
As reported in the 2017 Financial Scorecard, the Region of Peel is within acceptable ranges for nine of the 12 indicators and includes actions to mitigate longer term risks to ensure that the Region of Peel continues to remain financially healthy.

Development Charges By-law (DC By-law)

The *Development Charges Act, 1997* (the Act) sets out the framework within which Ontario municipalities are permitted to levy development charges against new development to fund the cost of growth-related infrastructure. The Region of Peel's Development Charges By-law contains specific rate and other information on how development charges are levied in Peel. The DC By-law also reflects the financial principle "Users pay where appropriate" and supports Regional Council's principle that "growth pays for growth".

Since the enactment of the Region of Peel's 2015 DC By-law, the Province has made amendments to the Act which, combined with Regional Council's Growth Management Strategy objectives, are driving the need to review financial policies and technical inputs related to future development charge rate calculations for the Region of Peel's 2041 growth-based DC By-law, which is tentatively scheduled for 2019. The Region of Peel's current DC By-law expires in October 2020.

Enterprise Asset Management Program (the Program)



The Region of Peel's Enterprise Asset Management Program guides Regional investments in services, programs, and infrastructure to meet the needs of Peel residents, businesses and community partners today and tomorrow, and supports the Region of Peel's vision of building a **Community for Life** across Peel.

The Program reinforces two financial principles from the Finance Strategy: 1) *Ensure the capital plan is sustainable*; and 2) *Maintain assets*. Through proactive, long-term planning, staff continually monitor the condition and performance of assets to ensure a state of good repair and achievement of target levels of service set by Regional Council. The Program uses risk management techniques and lifecycle strategies to provide an optimal balance between the costs to address asset needs to support public services with the affordability to do so. The Program has been implemented for all of the Regionally-owned capital assets, excluding the assets owned by Peel Housing Corporation, Peel Regional Police, and all Regionally-owned land assets.

The Region of Peel's 2017 Infrastructure Status and Outlook Report highlights that 92 per cent of the Region of Peel's infrastructure rating as "Good" to "Very Good". The Region of Peel remains committed to responsible stewardship of this infrastructure, which is a public investment worth over \$26.2 billion.

Audit and Risk Committee

The Audit and Risk Committee was established in 1995 to assist Regional Council and associated Boards and Agencies in discharging their governance, accountability and stewardship responsibilities. The Committee is comprised of the Regional Chair (Ex-officio), the Chair and Vice-Chair of the Committee and also at least one member from each of the local municipalities. Meetings are held a minimum of three times annually and at other times as required.

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

- The integrity, quality and transparency of the Region of Peel'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.

Budget Planning Process

The Region of Peel’s budget has two distinct components: the tax supported budget and the utility rate supported budget. These components are further broken down into operating budget and capital budget. The tax supported budget supports both Regionally controlled programs and Regionally financed external organizations, which include the three local conservation authorities (Credit Valley Conservation Authority, Halton Conservation Authority, and Toronto and Region Conservation Authority), Municipal Property Assessment Corporation, Peel Regional Police, and the Ontario Provincial Police.

The budget also includes a three year operating forecast for both tax and utility rate supported programs, which provides a financial outlook based on certain assumptions, such as maintaining existing service levels to a growing and changing population in the most cost effective manner, general assumptions for inflation, and the operating impact of capital works. In addition to the one year capital budget, the Region of Peel prepares a nine year capital forecast, which is approved by Regional Council in principle. Planning beyond the horizon of the single budget year allows the Region of Peel to assess the sustainability of future plans.

2017 Budget Planning Process



The picture above provides a snapshot of the Region of Peel’s 2017 Budget planning process. The Region of Peel’s Strategic Plan and Term of Council Priorities are the foundation for the development of the budget, in which necessary resources are provided to address these priorities. The 2017 net tax levy target, as approved by Regional Council during the 2016 Budget process, provided a starting point for the development of the 2017 Budget.

Key principles that were followed during the development of the 2017 Budget include:

- Continuing the Region of Peel’s tradition of prudent fiscal planning to protect long-term financial sustainability;
- Identifying efficiencies to offset service pressures;
- Funding increased service demand from assessment growth;
- Addressing the most urgent needs as identified through the strategic planning process;
- Aligning resources to desired outcomes; and
- Public reporting on the success of the plan.

Staff report back to Regional Council on a triannual basis with an update on the financial results of the operating and capital budgets.

2017 Budget

The 2017 Budget supported the Strategic Plan in its three areas of focus “Living, Thriving and Leading” and also addressed key Regional Council priorities identified by the community and Regional Council.

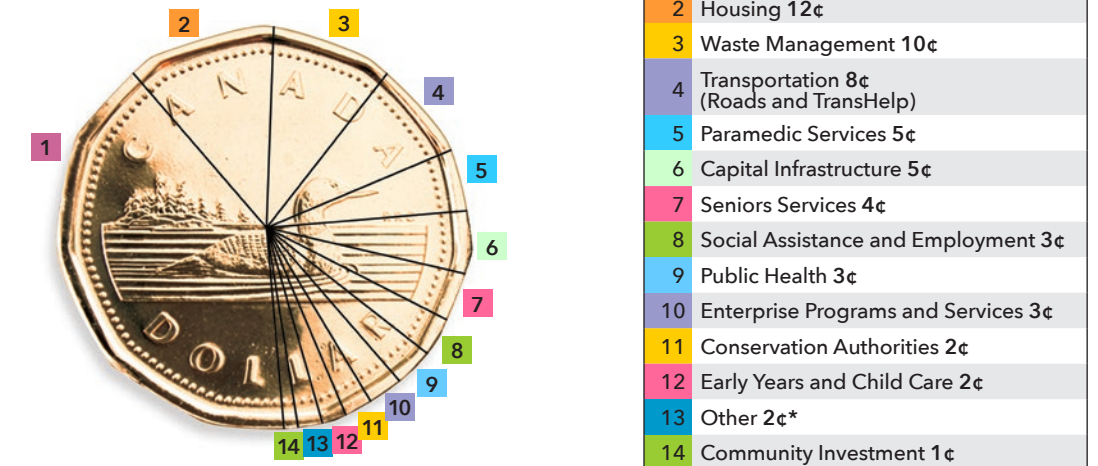
2017 Budget — \$3.0 Billion (Operating \$2.2B and Capital \$0.8B)



The 2017 property tax supported budget balanced the investments in the residents and communities of Peel with a responsible net tax levy increase of 2.3 per cent. This included a 1.0 per cent levy increase to support the long-term financial investment in the state of good repair of Regional tax supported assets.

Where Your Tax Dollar Goes

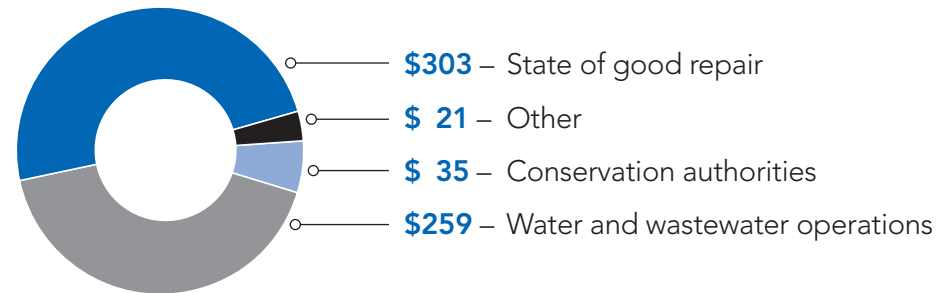
This chart shows the service areas where your tax dollars are allocated.



*Includes: Development Services, Operations Support and Assessment Services

The 2017 utility rate supported budget includes a rate increase of 5.0 per cent. This included a 3.5 per cent increase to support the long-term financial investment in the state of good repair of water and wastewater infrastructure.

How an Average Household's Utility Bill (\$618) Supports Water and Wastewater Services



2017 Financial Results

The 2017 consolidated financial statements are management's responsibility and have been prepared in accordance with generally accepted accounting principles for local governments established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The statements include the financial activities of all entities deemed to be controlled by the Region of Peel including the Peel Police Services Board and the Peel Housing Corporation.

The Region of Peel's external auditors, Deloitte, have conducted an audit of the 2017 consolidated financial statements, as required by the Ontario *Municipal Act, 2001*. Deloitte has issued their unmodified audit opinion on the financial statements, in which their report can be found prior to the consolidated financial statements on page 53.

The audited financial statements are prepared using full accrual accounting, as required by PSAB. However, the Region of Peel's annual budget is developed on a modified accrual basis as two of its primary objectives are to determine the amount of financing and tax revenue required by the municipality to balance its budget.

Due to the differences in methodology, adjustments are needed to convert the budget from a modified accrual basis to a full accrual basis. Adjustments include: additions of revenues and expenses from the capital budget, recognition of contributed capital assets as revenue, amortization expenses, and the removal of transfers to and from reserves. 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 detailed budget reconciliation can be found in note 12 on page 73 of the financial statements. The full accrual budget estimates are unaudited and for financial statement presentation only.

Consolidated Statement of Financial Position

The Consolidated Statement of Financial Position contains all financial assets and liabilities of the Region of Peel, as well as non-financial assets. "Financial assets" are cash and assets that can be quickly converted to cash. "Net financial assets", which is financial assets minus liabilities, is an indicator of the Region of Peel'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.

The table below provides a summary of the results from the Region of Peel's 2017 Consolidated Statement of Financial Position:

	2017	2016	Favourable/ (Unfavourable)
Financial assets	2,573,269	2,481,026	92,243
Liabilities	2,468,852	2,470,577	1,725
Net financial assets	104,417	10,449	93,968
Non-financial assets	10,987,710	10,789,519	198,191
Accumulated surplus	11,092,127	10,799,968	292,159

Net Financial Assets on the Rise

Net financial assets increased by \$93.9 million in 2017. This was due to an increase in financial assets, along with a decrease in liabilities, as described below.

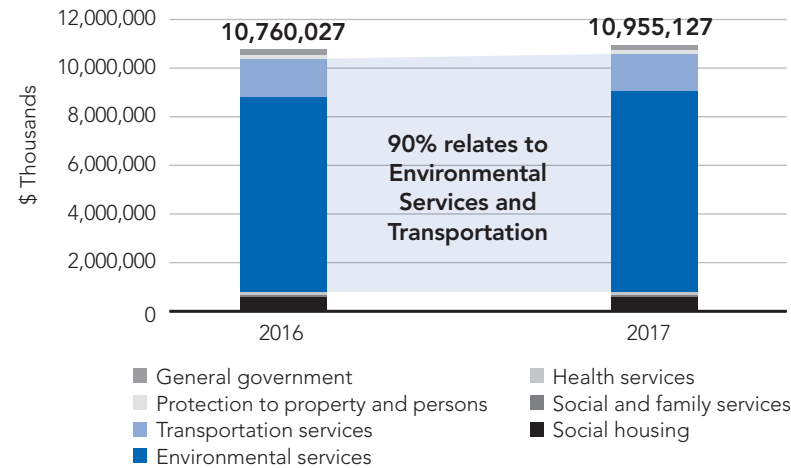
Financial assets grew by \$92.2 million, which is largely due to a higher combined cash and cash equivalents and portfolio investments balance at year-end (\$63.6 million), higher gross long-term debt recoverable from the local municipalities resulting from debt issued during the year on their behalf (\$18.9 million) and higher accounts receivable and loans receivable from external parties (\$9.7 million).

Liabilities declined by \$1.7 million, due to sinking fund contributions, long-term debt and mortgage repayments made during the year (\$60.0 million), slightly offset by increases in accounts payable and accrued liabilities (\$38.9 million) and landfill closure and post-closure liability (\$19.4 million). Debt was not issued by the Region of Peel on its own behalf during the year, which aided the decline in liabilities.

Continued Investments in Non-Financial Assets

In 2017, non-financial assets increased by \$198.2 million, of which \$195.1 million related to the increase in the net book value of tangible capital assets. This was due to the Region of Peel's significant investments in water, wastewater and transportation infrastructure, as well as the purchase of land for the future anaerobic digestion facility in waste management.

TCA Net Book Value by Program (2016-2017)



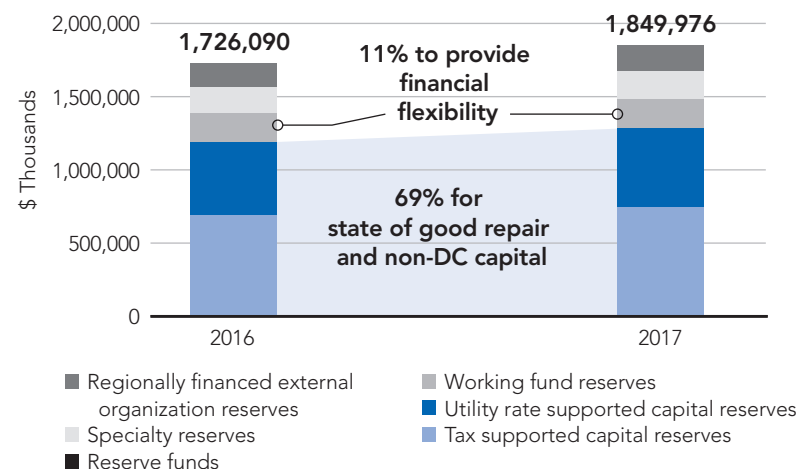
The graph above reflects the net book value of the Region of Peel’s capital assets over the past two years. 90 per cent of the Region of Peel’s capital assets relate to water, wastewater and waste management (i.e. environmental services) and transportation infrastructure. These two departments typically have the largest capital programs within the Region of Peel’s portfolio.

Accumulated surplus grew by \$292.1 million during the year, mainly due to the increase in the Region of Peel’s investment in tangible capital assets, as mentioned above. Investment in tangible capital assets makes up 97 per cent of the total accumulated surplus balance.

Providing Financial Flexibility with Reserve and Reserve Funds

The reserve and reserve fund balances are also an important component of the accumulated surplus balance. The graph below displays the Region of Peel’s reserve balances by category. Approximately 69 per cent of the reserve balances are held to meet financing requirements for the state of good repair of existing assets and other capital work not eligible for development charge funding, while 11 per cent are held to provide financial flexibility to address one-time pressures and volatility within the tax supported and utility rate supported budgets.

Reserve and Reserve Funds by Category (2016-2017)



Consolidated Statement of Operations

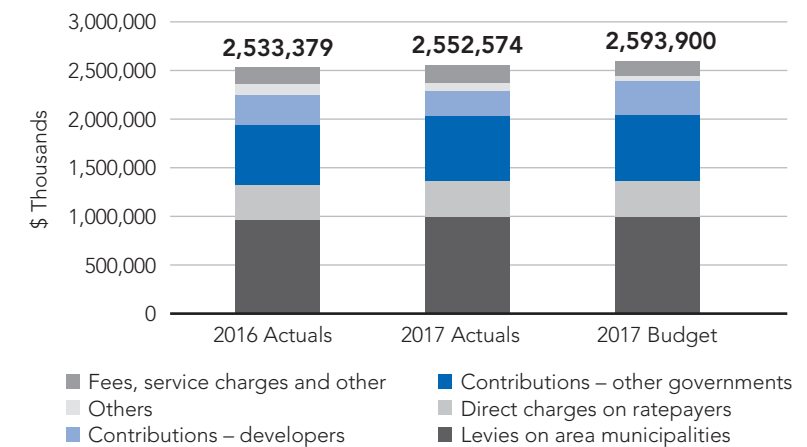
The table below provides a summary of the results from the 2017 Consolidated Statement of Operations:

	2017 Budget (A)	2017 Actuals (B)	Variance (A-B)	2016 Actuals (C)	Variance (B-C)
Total revenues	2,593,900	2,552,474	41,426	2,533,379	19,095
Total expenses	2,255,120	2,260,315	(5,195)	2,145,441	114,874
Annual surplus	338,780	292,159	46,621	387,938	(95,779)

In comparison to 2017 Budget, the 2017 annual surplus was \$46.6 million lower than budget, due to lower than budgeted revenues and slightly higher than budgeted expenses. In comparison to 2016, the 2017 annual surplus decreased by \$95.8 million, resulting from expenses rising at a higher rate than the increase in revenues.

Revenues Climb over Prior Year

Revenues Comparison (2016 Actuals, 2017 Actuals and 2017 Budget)

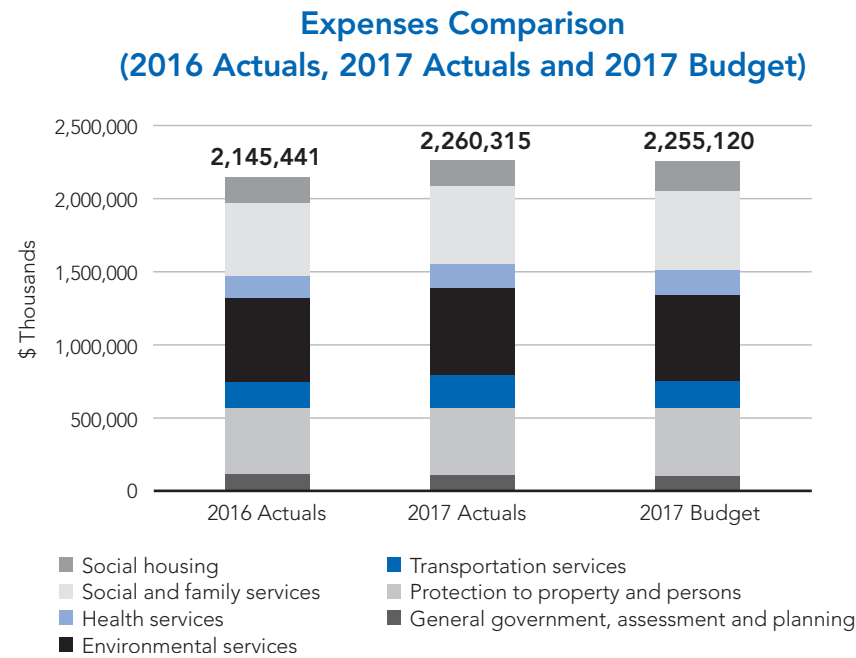


Total revenues increased by \$19.1 million over last year. As reflected in this graph, the main driver of the increase related to a rise in funding from other governments. Total funding grew by 10 per cent (\$63.6 million) due to increases in federal and provincial funding, such as the ongoing provincial upload of social assistance and employment costs scheduled to be fully uploaded in 2018; additional funding for the Region of Peel’s expanded role in Early Learning and Child Care; increased funding for housing initiatives; infrastructure funding announced through the Clean Water and Wastewater Fund; and higher Federal Gas Tax funding.

The increase in funding helped offset a 20 per cent (\$61.7 million) decrease in contributions from developers, or development charges collected. The housing market slow down, changes in lending rules and rates, and delays in planning approvals have all resulted in reduced development charges collected during the year.

When comparing 2017 actual revenues to budget, actual revenues were \$41.4 million below budget. Development charge revenues were 30 per cent under budget (\$104.3 million); due to the timing difference between funding of development charge related capital projects and the actual collection of development charges. This was partially offset by unbudgeted contributed capital assets (\$34.9 million), which are part of the others category in the graph, and higher than budgeted fees, service charges and other revenues (\$23.9 million).

Increasing Expenses to Serve a Growing Community



The graph above illustrates there was a \$114.9 million increase in expenses that was largely a result of higher costs in transportation and social and family services. Transportation increased by \$53.6 million, some of which related to accounting adjustments for assets that were previously capitalized, as well as increased spending on transportation capital projects that did not meet the tangible capital asset criteria.

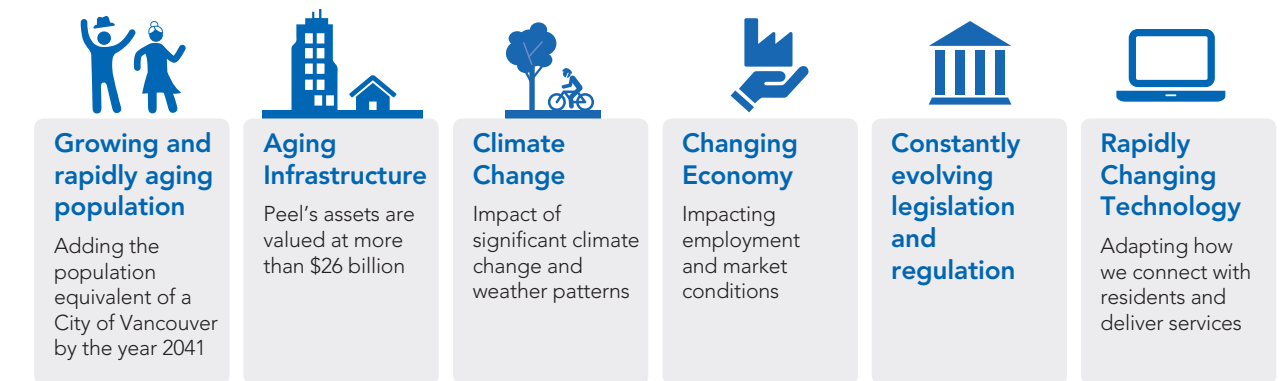
The \$27.5 million increase in social and family services related to increased social assistance payments due to a higher number of Ontario Works caseloads during the year and additional funding for the Region of Peel's expanded role in Early Learning and Child Care. The Region of Peel receives funding from the provincial government for both of these programs and distributes flow through payments to social assistance program recipients and child care providers.

Actual expenses were \$5.2 million higher than budget during the year. This was mainly a result of transportation costs being \$39.6 million above budget, due to the adjustments described above, increased demand for accessible transportation, and GO Transit expenditures not included in the capital budget. This was slightly offset by savings of \$6.6 million in health services due to lower workforce related costs and social housing being \$25.3 million under budget due to surpluses in the rent supplements program and lower than budgeted spending on capital projects in Peel Housing Corporation that do not meet the tangible capital asset criteria.

Future Outlook

The Region of Peel continues to invest in its Strategic Plan through three areas of focus - Living, Thriving and Leading. A vision to build a healthy, safe and connected community that serves its residents and businesses today, and strengthens a solid foundation on which to build toward our **Community for Life**. As part of this work, the Region of Peel changed its approach to budgeting for the 2018 Budget by focussing on services and service outcomes to Peel's community as opposed to administrative structure and strives to streamline how the information is presented to both Regional Council and the public. The 2018 Budget includes a property tax increase of 1.0 per cent and a 6.5 per cent increase to utility rates. These increases include additional infrastructure levies to support the long-term financial sustainability and state of good repair of its \$26 billion in assets.

The Region of Peel is a growing, thriving community and a major economic hub that is facing a changing and dynamic environment. Major trends, which are resulting in increased service pressures, additional capital investment requirements and more complex community issues, impacting service demand are:

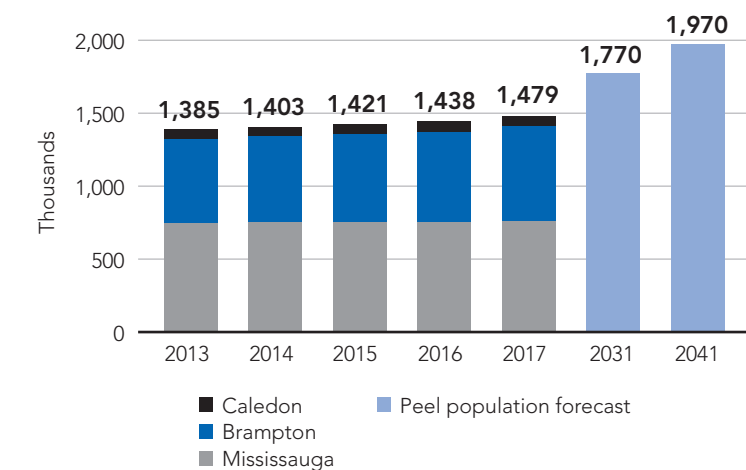


Peel's Changing Economy

Strong Population Growth

Peel's population remained the 2nd largest among GTA municipalities, with its population climbing to 1.48 million in 2017.

Population from 2013 to 2017 with Forecast to 2041 (1.57% Average Annual Growth)

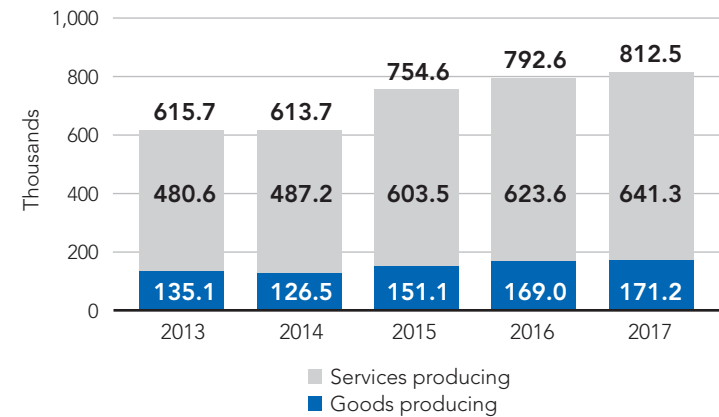


Peel Region is expected to grow by an average of more than 20,000 people per year to reach approximately 1.97 million by 2041. As Peel's population continues to grow, this will continue to put pressure on the need to increase service levels.

Solid Labour Market

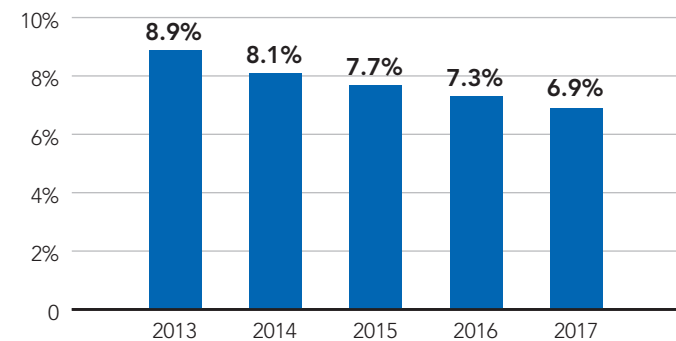
In 2017, Peel continued to see growth in its labour market with an increase of 2.1 per cent in its total labour force, that is residents who entered the labour market in search of work.

Employed Labour Force from 2013 to 2017



Those who found jobs (total employment) increased by 2.5 per cent, which was a higher rate of growth compared with the increase in those who entered the labour market (total labour force). As a result, Peel's unemployment rate fell to 6.9 per cent in 2017. This was the fifth consecutive decline in Peel's unemployment rate and the lowest unemployment rate in Peel's labour market since 2008. As Peel's population grows towards its projected 1.97 million persons by 2041, and the number of jobs created in Peel rises to 969,000 over the same horizon, Peel's labour market is expected to continue to grow.

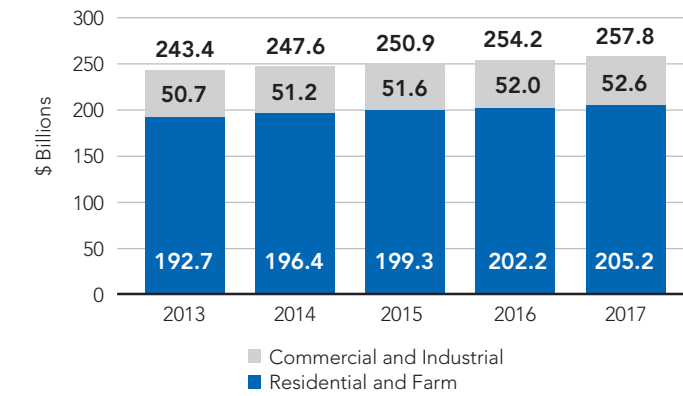
Unemployment Rate from 2013 to 2017



Sustained Growth in Assessment

Peel's total taxable assessment base continues to grow at a healthy pace, with both residential and non-residential sectors contributing to the growth. The assessment increase of 1.44 per cent for the 2018 tax year was comparable to the average annual growth rate experienced over the past five years.

Taxable Assessment from 2014 to 2018 (Tax Year) (Average Annual Growth = 1.47% on Total Normalized Assessment)

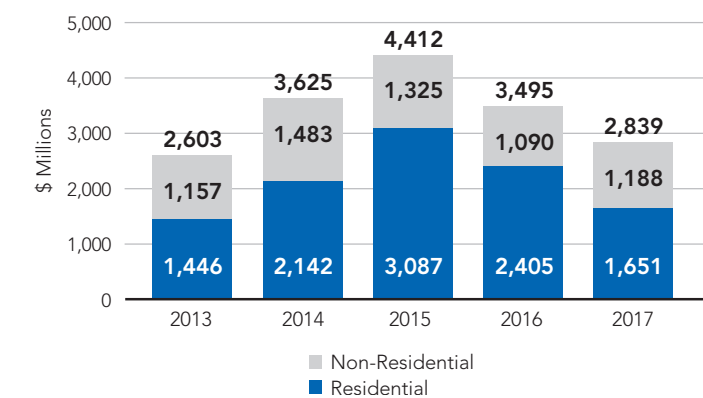


Over time, assessment growth trends have become more consistent with population growth rather than employment growth, which indicate that employment trends are changing (e.g. an increase in employees working from home). An additional impact is on development charge revenue performance, through its effect on the development charge revenues from non-residential development.

Housing Market

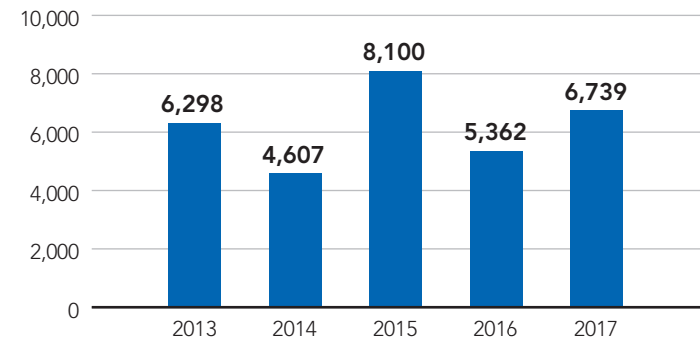
The 18.8 per cent decline observed in the value of building permits issued in Peel in 2017 was similar to that registered in 2016. The decrease in 2017 was a result of reductions in the larger residential sub-sector, particularly in the City of Brampton, which is currently the main growth area in Peel Region.

Building Permits Issued from 2013 to 2017



Housing starts saw a 25.7 per cent increase in 2017, which was a rebound from the decline experienced in 2016. Over the last decade, the annual average number of housing starts in Peel was 5,968 units which was in line with the long-term sustainable level of housing starts identified for Peel Region. Housing starts are a lead indicator of economic growth as people buying new homes are expected to spend money on goods and services in the same community.

Housing Starts from 2013 to 2017



Conclusion

The changing trends and uncertainties in the local and broad macroeconomic environments require that the Region of Peel remains flexible and adaptable to successfully manage through any of the economic scenarios that unfold in the future.

Solutions will require longer term integrated planning, increased partnerships and new ways of conducting business. These new ways of conducting business will be necessary in order to continue to meet priority needs in the community while also recognizing the impact of future tax increases.

The Region of Peel's Finance team continues to play a key role in supporting the Region of Peel's vision of building a **Community for Life**. The Region of Peel's sound financial management practices, including the Long-Term Financial Planning Strategy, will continue to guide us through this journey, providing a robust framework which supports the financial flexibility, vulnerability and sustainability of the Region of Peel over the long-term.

Stephanie Nagel, BBA, CPA, CGA, MPA
Treasurer and Director of Corporate Finance
May 2018

Community for Life

2017 Consolidated Financial Statements

The Regional Municipality of Peel, Ontario, Canada
for the year ended December 31, 2017



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, 2017 and the results of its operations, change in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants
Licensed Public Accountants
April 19, 2018

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, 2017, and the consolidated 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 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.

THE REGIONAL MUNICIPALITY OF PEEL
Consolidated Statement of Financial Position

As at December 31, 2017
(All dollars in \$000)

	2017	2016
FINANCIAL ASSETS (Note 17)		
Cash and cash equivalents (Note 2)	\$ 818,742	\$ 394,944
Accounts receivable (Note 3)	157,987	150,393
Loans receivable (Note 4)	11,285	9,245
Portfolio investments (Note 2)	1,420,723	1,780,861
Recoverable gross long-term debt from area municipalities (Note 9)	164,532	145,583
	2,573,269	2,481,026
LIABILITIES (Note 17)		
Accounts payable and accrued liabilities (Note 5)	593,152	554,287
Deferred revenue (Note 6)	118,105	125,264
Landfill closure and post-closure liability (Note 7)	37,812	18,394
Employee future benefits and post-employment liabilities (Note 8)	111,238	104,174
Other liabilities	4,483	4,374
Long-term debt (Note 9)	1,430,341	1,468,192
Mortgages payable on income-producing properties (Note 9)	173,721	195,892
	2,468,852	2,470,577
NET FINANCIAL ASSETS	104,417	10,449
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 13)	10,955,126	10,760,026
Prepaid expenses	27,339	24,499
Inventory	5,245	4,994
	\$ 10,987,710	\$ 10,789,519
ACCUMULATED SURPLUS (Note 10)	\$ 11,092,127	\$ 10,799,968

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, 2017
(All dollars in \$000)

	2017 Budget (Note 12)	2017	2016
REVENUES			
Levies on area municipalities	\$ 996,832	\$ 991,309	\$ 963,485
Direct charges on ratepayers	368,336	369,259	365,280
Contributions – other governments	677,026	675,651	612,012
Contributions – developers	353,658	249,300	311,057
Contributed tangible capital assets	-	34,872	58,615
Investment income	47,287	57,353	56,046
Fees, service charges and other	150,760	174,730	166,884
TOTAL REVENUES	2,593,900	2,552,474	2,533,379
EXPENSES (Note 14)			
General government	75,423	79,614	88,560
Protection to property and persons	463,356	459,532	453,327
Transportation services	154,216	180,052	121,950
GO Transit	-	13,843	18,291
Gas tax transferred to area municipalities	32,725	32,725	32,725
Environmental services	585,797	596,470	577,310
Health services	171,069	164,420	150,994
Social and family services	542,248	528,785	501,266
Social housing	204,995	179,715	176,503
Planning and development	7,058	6,656	6,496
Assessment/other	18,233	18,503	18,019
TOTAL EXPENSES	2,255,120	2,260,315	2,145,441
Annual surplus	338,780	292,159	387,938
Accumulated surplus, beginning of year	10,799,968	10,799,968	10,412,030
ACCUMULATED SURPLUS, END OF YEAR (Note 10)	\$ 11,138,748	\$ 11,092,127	\$ 10,799,968

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

THE REGIONAL MUNICIPALITY OF PEEL
Consolidated Statement of Change in Net Financial Assets

For the year ended December 31, 2017
 (All dollars in \$000)

	2017 Budget (Note 12)	2017	2016
ANNUAL SURPLUS	\$ 338,780	\$ 292,159	\$ 387,938
Acquisition of tangible capital assets	(460,546)	(464,469)	(448,784)
Amortization of tangible capital assets	275,073	275,211	270,110
Contributed tangible capital assets	-	(34,872)	(58,615)
Write-down of tangible capital assets	-	26,959	2,407
Loss on sale of tangible capital assets	-	633	3,956
Proceeds on sale of tangible capital assets	-	1,438	991
	153,306	97,059	158,003
Acquisition of inventory	-	(11,075)	(11,127)
Acquisition of prepaid expenses	-	(21,551)	(78,121)
Consumption of inventory	-	10,824	11,210
Use of prepaid expenses	-	18,711	77,520
Change in net financial assets (debt)	\$ 153,306	\$ 93,968	\$ 157,485
Net financial assets (debt), beginning of year	10,449	10,449	(147,036)
NET FINANCIAL ASSETS, END OF YEAR	\$ 163,755	\$ 104,417	\$ 10,449

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

THE REGIONAL MUNICIPALITY OF PEEL
Consolidated Statement of Cash Flows

For the year ended December 31, 2017
 (All dollars in \$000)

	2017	2016
OPERATING ACTIVITIES		
Annual surplus	\$ 292,159	\$ 387,938
Items not involving cash		
Amortization of tangible capital assets	275,211	270,110
Loss on sale of tangible capital assets	633	3,956
Contributed tangible capital assets	(34,872)	(58,615)
Write-down of tangible capital assets	26,959	2,407
Change in non-cash assets and liabilities		
Accounts receivable	(7,594)	5,943
Recoverable gross long-term debt from area municipalities	9	9
Accounts payable and accrued liabilities	38,865	31,784
Deferred revenue	(7,159)	1,784
Change in landfill closure and post-closure liability	19,418	1,410
Change in employee future benefits and post-employment liabilities	7,064	6,361
Other liabilities	109	59
Prepaid expenses	(2,840)	(601)
Inventory	(251)	83
Net change in cash and cash equivalents from operating activities	607,711	652,628
CAPITAL ACTIVITIES		
Proceeds on sale of tangible capital assets	1,438	991
Cash used to acquire tangible capital assets	(464,469)	(448,784)
Net change in cash and cash equivalents from capital activities	(463,031)	(447,793)
INVESTING ACTIVITIES		
Proceeds from disposals and redemptions of investments	527,895	218,888
Acquisition of investments	(167,757)	(409,972)
Decrease (Increase) in loans receivable	(2,040)	6,617
Net change in cash and cash equivalents from investing activities	358,098	(184,467)
FINANCING ACTIVITIES		
Proceeds on debt issuance	-	150,000
Repayment of long-term debt	(3,974)	(3,864)
Accrual for interest payments	673	(833)
Contributions to sinking fund	(46,678)	(32,986)
Investment income earned on sinking fund	(6,830)	(4,933)
Repayment of mortgages payable	(22,171)	(24,047)
Net change in cash and cash equivalents from financing activities	(78,980)	83,337
Net change in cash and cash equivalents	423,798	103,705
Cash and cash equivalents, beginning of year	394,944	291,239
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 818,742	\$ 394,944
Cash paid for interest	\$ 70,622	\$ 93,037
Cash received from interest	51,070	49,598

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, 2017
(All dollars in \$000)

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

1. Significant Accounting Policies

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

The focus of these financial statements is on the financial position of the Region and the changes thereto. The consolidated statement of financial position includes all the financial assets and liabilities of the Region as well as non-financial assets. Financial assets are those assets that could provide resources to discharge existing liabilities or finance future operations. Net financial assets (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 financial assets (debt) and non-financial assets.

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

a) Basis of Presentation

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

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

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

Funds held in trust by the Region for residents of Peel Manor and Sheridan Villa Senior Citizens' Residences, the Tall Pines and Malton Village Long-Term Care Centres, and the Vera M. Davis Community Care Centre in the amount of \$196 (2016 – \$213), are not included in the financial statements. The financial activity and position of the trust funds are reported separately in the trust funds financial statements.

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

b) Basis of Accounting

i. Accrual Method of Accounting

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

ii. Cash and Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with a term to maturity of 90 days or less 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. Loans Receivable

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

v. Non-Financial Assets

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

a. Tangible Capital Assets

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

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

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

b. Contributions of Tangible Capital Assets

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

c. Interest Capitalization

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

d. Natural Resources

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

vi. Deferred Revenue – Development Charges

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

vii. Tax Revenue

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

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

viii. Government Transfers

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

ix. Employee Future Benefits and Post-Employment Liabilities

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

Vacation entitlements are accrued for as entitlements are earned.

Sick leave benefits were discontinued in 1986 and there are no remaining balances from prior years.

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

Unamortized actuarial gains/losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized actuarial gains/losses for event-triggered liabilities, such as those determined as claims related to Workplace Safety and Insurance Board (WSIB), are recorded when determined.

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

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

x. Landfill Liability

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

xi. Liability for Contaminated Sites

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

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

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

xii. Foreign Currency Translation

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

xiii. Use of Estimates

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

2. Cash and Cash Equivalents and Portfolio Investments

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

2017		
	Cost	Market Value
Cash	\$ 722,776	\$ 722,776
Cash equivalents	95,966	96,855
Cash and cash equivalents	\$ 818,742	\$ 819,631
Portfolio investments	\$ 1,420,723	\$ 1,448,090

2016		
	Cost	Market Value
Cash	\$ 379,145	\$ 379,145
Cash equivalents	15,799	15,776
Cash and cash equivalents	\$ 394,944	\$ 394,921
Portfolio investments	\$ 1,780,861	\$ 1,834,026

Included in the Region's investment portfolio are Region of Peel debentures at coupon rates that vary from 1.57 to 6.69 per cent (2016 – 1.10 to 6.65 per cent) with a carrying value \$19,258 (2016 – \$26,188).

3. Accounts Receivable

The balance for accounts receivable is comprised of the following:

	2017	2016
Federal and provincial governments	\$ 41,590	\$ 44,686
Other municipalities	14,926	24,796
Wastewater and water billings	53,748	51,449
Accrued interest	5,964	8,074
Sundry	41,759	21,388
Total	\$ 157,987	\$ 150,393

4. Loans Receivable

The balance for loans receivable includes the following:

- 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.
- 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.
- 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.

- A loan to Shalimar International Housing Corporation; interest to be charged based on the prevailing capital market rate beginning September 1st, 2031; all principal and interest owing to be repaid by September 2nd, 2046.
- A loan to Ahneen Co-operative Homes; interest to be charged based on the prevailing capital market rate beginning February 1st, 2027; all principal and interest owing to be repaid by February 2nd, 2042.
- A loan to Forum Italia Non-Profit Housing Corporation; interest to be charged based on the prevailing capital market rate beginning July 2nd, 2025; all principal and interest owing to be repaid by July 2nd, 2040.
- A loan to Grace Retirement and Community Enterprises Inc.; interest to be charged based on the prevailing capital market rate beginning August 2nd, 2018; all principal and interest owing to be repaid by August 2nd, 2033.
- An interest-free subsidy agreement with Erin Court Co-operative Homes; repayable through future operational surpluses.

	2017	2016
CVC – memorandum of understanding	\$ 5,958	\$ 6,079
Abbeyfield Houses of Caledon – loan agreement	219	232
Cervantes Lions Housing – subsidy agreement	179	302
Shalimar International Housing – loan agreement	767	778
Ahneen Co-operative Homes – loan agreement	671	678
Forum Italia Non-Profit Housing – loan agreement	1,223	883
Grace Retirement and Community Enterprises Inc. – loan agreement	1,947	293
Erin Court Co-operative Homes – subsidy agreement	321	-
Total	\$ 11,285	\$ 9,245

- Future Repayments
Estimated future receipts of loans receivable are as follows:

	Total
2018	\$ 140
2019	148
2020	155
2021	164
2022	186
Subsequent to 2022	10,492
Total	\$ 11,285

5. Accounts Payable and Accrued Liabilities

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

	2017	2016
Trade accounts payable	\$ 351,746	\$ 336,112
Provincial government	215,401	199,473
Other municipalities	26,005	18,702
Total	\$ 593,152	\$ 554,287

6. Deferred Revenue

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

	Balance at December 31, 2016	Inflows	Revenue Earned	Balance at December 31, 2017
Development Charges	\$ -	\$ 249,300	\$ 249,300	\$ -
Federal Gas Tax	39,460	41,198	45,148	35,510
Provincial Gas Tax	77	702	699	80
General – Region	44,143	66,703	64,916	45,930
General – PHC	4,248	42	-	4,290
	87,928	108,645	110,763	85,810
York/Peel Water Supply Agreement	37,336	993	6,034	32,295
Total	\$ 125,264	\$ 358,938	\$ 366,097	\$ 118,105

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 \$32,295 (2016 – \$36,800) will be used to fund York's share of the construction costs of jointly used infrastructure in the future. In 2017, it was agreed that the remaining balance of the credit will be paid to York upon completion of the Hanlan Feedermain project.

7. Landfill Closure and Post-Closure Liability

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

Landfill closure and post-closure care are activities for landfill sites that are expected to occur in perpetuity and requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of groundwater and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance.

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

The estimated liability of \$37,812 (2016 – \$18,394) included in the financial statements represents the sum of the discounted future cash flows for closure and post-closure care activities discounted at the Region's long-term borrowing rate of 4.00 per cent (2016 – 4.75 per cent).

As at December 31, the Region maintained a reserve of \$17,010 (2016 – \$17,759), which will be used to fund expected future costs.

8. Employee Future Benefits and Post-Employment Liabilities

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

	2017	2016
Retirement benefits:		
- Peel Police	\$ 68,227	\$ 63,598
- Peel Police (LTD recipients)	4,233	5,745
- Peel Region	8,736	8,330
- Peel Region (LTD recipients)	4,149	3,834
	85,345	81,507
Workplace Safety and Insurance Board	25,893	22,667
Total	\$ 111,238	\$ 104,174

a) Retirement Benefits

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

The liability is based on the actuarial valuations as at December 31, 2017.

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

• Future discount rates	3.65 per cent per year for Peel Police 4.0 per cent per year for Peel Region
• Future inflation rate	1.75 per cent per year
• Future salaries	Escalate at 2.75 per cent per year
• Future dental premium rates:	
- Peel Police	Escalate at 2.75 per cent per annum
- Peel Region	Escalate at 3.75 per cent per annum
• Future health care premium rates:	
- Peel Police	Initial rate of 6.0 per cent decreasing by 0.25 per cent per year to the ultimate rate of 4.0 per cent
- Peel Region	Initial rate of 6.75 per cent decreasing by 0.33 per cent per year to the ultimate rate of 3.75 per cent

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

Retirement Benefits Liability

	2017	2016
Accrued benefit obligation at January 1	\$ 85,750	\$ 81,510
Add: plan amendment	31	-
Add: benefit service cost	10,271	3,782
Add: interest accrued	3,461	3,940
Deduct: benefit payments	(3,756)	(3,482)
Accrued benefit obligation at December 31	95,757	85,750
Deduct: unamortized actuarial loss	(10,412)	(4,243)
Liability at December 31	\$ 85,345	\$ 81,507

Retirement Benefits Expense

	2017	2016
Current period benefit cost	\$ 10,271	\$ 3,782
Interest on accrued benefit obligation	3,461	3,940
Amortization of actuarial losses	701	341
Total	\$ 14,433	\$ 8,063

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

b) Workplace Safety and Insurance Board

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

The liability reported in the consolidated statement of financial position is based on the actuarial valuation as at December 31, 2017 that estimated potential liabilities of the Region under the provisions of the *Workplace Safety and Insurance Act*.

The result of the actuarial valuation is as follows:

WSIB Liability

	2017	2016
Accrued benefit obligation at January 1	\$ 22,516	\$ 20,757
Add: plan amendment	-	257
Add: estimated cost of claims (service cost)	6,258	4,546
Add: interest accrued	972	906
Deduct: expected benefits paid	(4,025)	(3,950)
Accrued benefit obligation at December 31	25,721	22,516
Add: unamortized actuarial gain	172	151
Liability at December 31	\$ 25,893	\$ 22,667

WSIB Benefits Expense

	2017	2016
Current period benefit cost	\$ 6,258	\$ 4,546
Plan amendment	-	257
Interest on accrued benefit obligation	972	906
Amortization of actuarial gain	21	22
Total	\$ 7,251	\$ 5,731

9. Long-Term Debt

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

In 2017, the Region issued \$38,853 (2016 – \$190,684) in debenture debt, of which \$38,853 (2016 – \$37,584) was on behalf of the City of Mississauga, \$Nil (2016 – \$3,100) was on behalf of the Town of Caledon and \$Nil (2016 – \$150,000) was attributed to ensuring the sustainability of the Region's capital program and to provide appropriate levels of cash flow for the expansion of utility infrastructure required to accommodate growth.

a) Net Long-Term Debt

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

	2017	2016
Total long-term liabilities incurred by the Region including amounts incurred on behalf of area municipalities	\$ 1,645,825	\$ 1,630,165
Less: Total value of Region's sinking fund deposits	(214,705)	(161,319)
Less: Value of Town of Caledon sinking fund assumed by the Region	(779)	(654)
Total long-term liabilities	1,430,341	1,468,192
Mortgages payable by Peel Housing Corporation	173,721	195,892
Total mortgages payable on income-producing properties	173,721	195,892
Recoverable from lower-tiers		
City of Mississauga	155,895	134,447
Town of Caledon	13,585	16,084
Less: Town of Caledon debt assumed by Region	(4,948)	(4,948)
Total recoverable gross long-term debt from area municipalities	164,532	145,583
Net Long-Term Debt at December 31	\$ 1,439,530	\$ 1,518,501

Serial debt and sinking fund debentures issued by the Region mature between December 2020 and June 2053 and have interest rates ranging between 1.15 per cent and 6.65 per cent.

Mortgages of \$173,721 (2016 – \$195,892) on PHC properties are secured by a first charge on specific assets of PHC with amortization periods ranging from five to 50 years and interest rates ranging from 1.04 per cent to 8.0 per cent.

Sinking funds were established to provide for the orderly retirement of sinking fund debentures issued by the Region totaling \$1,433,000 (2016 – \$1,433,000). These debentures mature between December 2021 and June 2053.

b) Future Principal Repayments

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

	Peel Housing Corporation	Region of Peel	Total
2018	\$ 21,019	\$ 50,712	\$ 71,731
2019	19,062	50,829	69,891
2020	18,277	50,950	69,227
2021	18,489	161,264	179,753
2022	18,451	42,404	60,855
Subsequent to 2022	78,423	501,056	579,479
Net sinking fund debt repayable	-	408,594	408,594
Total	\$ 173,721	\$ 1,265,809	\$ 1,439,530

Total interest charges in the amount of \$69,249 (2016 – \$67,630) are reported in the consolidated statement of operations. The charges consist of \$6,898 (2016 – \$8,110) for interest on PHC mortgages and \$62,351 (2016 – \$59,520) for debenture debt.

10. Accumulated Surplus

The accumulated surplus consists of the following balances:

	2017	2016
Investment in tangible capital assets and social housing	\$ 10,769,911	\$ 10,556,696
Reserves and reserve funds	1,849,976	1,726,090
Capital fund	(1,456,524)	(1,424,953)
Current fund	19,166	12,226
Less: unfunded liabilities		
Retiree benefits:		
– Peel Police	(33,752)	(32,968)
– Peel Region	(5,843)	(5,843)
Workplace Safety and Insurance Board	(8,512)	(8,512)
Landfill closure and post-closure costs	(37,812)	(18,394)
Other	(4,483)	(4,374)
Total Accumulated Surplus	\$ 11,092,127	\$ 10,799,968

a) Surplus Management Strategy

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

b) Reserves and Reserve Funds

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

11. Pension Agreements

The Region makes contributions to OMERS on behalf of approximately 7,928 eligible employees. OMERS is a defined benefit pension plan, fully funded by equal contributions from participating employers and employees, and by the investment earnings of the OMERS Fund. OMERS pensions are calculated using a defined benefit formula, taking into account length of service and average annual wage (based upon the highest 60 consecutive months of earnings), that is designed to integrate with the pension payable from the Canada Pension Plan.

During the year, the Region's contribution to OMERS for current service was \$66,891 (2016 – \$63,602). The Region's contributions are reported in the consolidated statement of operations. Employee contributions also amount to \$66,891 (2016 – \$63,602).

For the December 31, 2017 year-end, the funded portion of the OMERS pension plan increased to 94 per cent (2016 – 93.4 per cent). Pension plan assets increased to \$95,000,000 (2016 – \$85,200,000) primarily due to strong investment returns.

12. Budget Data

The budget amounts presented in the consolidated financial statements are based on the 2017 operating and capital budgets approved by Regional Council on December 8, 2016. The following reconciles the approved budget to the budget amounts presented in the consolidated financial statements using the accrual basis of accounting, in accordance with PSAS. Budgets established for tangible capital asset acquisitions are on a project-oriented basis, the costs of which may be carried over one or more fiscal years. Where amounts were budgeted for on a project-oriented basis, the budget amounts used are based on actual projects that took place during the year to reflect the same basis of accounting that was used to report the actual results.

	Revenues	Expenses
Operating Budget		
Council Approved Budget	\$ 2,246,271	\$ 2,246,271
In-year budget adjustments	24,233	24,233
Board Approved Peel Housing Corporation	98,470	98,470
Adjustment for intercompany transactions	(49,773)	(49,773)
PSAB Adjustments		
Contributions to reserves/reserve funds	-	(393,966)
Contributions from reserves/reserve funds	(55,458)	-
Payment to sinking fund for debt retirement	-	(50,923)
Other liabilities	-	(19,164)
Other adjustments	(14,154)	(14,154)
Adjusted Operating Budget	2,249,589	1,840,994
Capital Budget		
Council Approved Budget	786,000	786,000
Timing difference between budget and spending	(189,406)	(189,406)
Board Approved Peel Housing Corporation	13,933	13,933
Timing difference between budget and spending	8,918	8,918
PSAB Adjustments		
Contributions from reserves/reserve funds	(319,136)	-
Acquisition of tangible capital assets	-	(457,260)
Amortization	-	251,941
Adjusted Capital Budget	300,309	414,126
Other		
Reserve fund interest and other revenue	44,002	-
Budget as presented in Financial Statements	\$ 2,593,900	\$ 2,255,120

13. Tangible Capital Assets

2017

Cost	Balance at December 31, 2016	Additions	Disposals & Write-downs	Balance at December 31, 2017
Land	\$ 1,149,779	\$ 21,382	\$ (107)	\$ 1,171,054
Land improvements	39,003	2,384	-	41,387
Buildings and building improvements	2,316,243	70,814	-	2,387,057
Leasehold improvements	23,521	2,200	(71)	25,650
Linear and linear improvements	7,779,280	181,889	(28,114)	7,933,055
Structures	229,885	3,751	(1,752)	231,884
Vehicles	83,858	13,240	(9,178)	87,920
Equipment and furnishings	1,983,416	71,329	(5,343)	2,049,402
Construction work in progress	821,654	132,354	(1,763)	952,245
Total cost	\$ 14,426,639	\$ 499,341	\$ (46,328)	\$ 14,879,654

Accumulated Amortization	Balance at December 31, 2016	Disposals	Amortization	Balance at December 31, 2017
Land improvements	\$ 15,258	\$ -	\$ 1,292	\$ 16,550
Buildings and building improvements	632,347	-	44,829	677,177
Leasehold improvements	11,249	-	1,021	12,270
Linear and linear improvements	2,149,955	(5,108)	137,300	2,282,147
Structures	95,862	(167)	5,581	101,276
Vehicles	46,719	(7,612)	8,448	47,555
Equipment and furnishings	715,223	(4,411)	76,740	787,552
Total accumulated amortization	\$ 3,666,613	\$ (17,298)	\$ 275,211	\$ 3,924,527

Net Book Value	Balance at December 31, 2017
Land	\$ 1,171,054
Land improvements	24,837
Buildings and building improvements	1,709,881
Leasehold improvements	13,380
Linear and linear improvements	5,650,908
Structures	130,608
Vehicles	40,365
Equipment and furnishings	1,261,850
Construction work in progress	952,245
Total net book value	\$ 10,955,126

13. Tangible Capital Assets (Continued)

2016

Cost	Balance at December 31, 2015	Additions	Disposals & Write-downs	Balance at December 31, 2016
Land	\$ 1,136,196	\$ 13,583	\$ -	\$ 1,149,779
Land improvements	39,003	-	-	39,003
Buildings and building improvements	2,289,744	26,499	-	2,316,243
Leasehold improvements	23,584	76	(139)	23,521
Linear and linear improvements	7,423,984	355,296	-	7,779,280
Structures	227,189	2,696	-	229,885
Vehicles	80,197	10,139	(6,478)	83,858
Equipment and furnishings	1,889,540	106,104	(12,228)	1,983,416
Construction work in progress	831,055	(6,994)	(2,407)	821,654
Total cost	\$ 13,940,492	\$ 507,399	\$ (21,252)	\$ 14,426,639

Accumulated Amortization	Balance at December 31, 2015	Disposals	Amortization	Balance at December 31, 2016
Land improvements	\$ 14,031	\$ -	\$ 1,227	\$ 15,258
Buildings and building improvements	588,540	-	43,807	632,347
Leasehold improvements	10,381	(140)	1,008	11,249
Linear and linear improvements	2,016,936	-	133,019	2,149,955
Structures	90,297	-	5,565	95,862
Vehicles	43,730	(5,282)	8,271	46,719
Equipment and furnishings	646,486	(8,476)	77,213	715,223
Total accumulated amortization	\$ 3,410,401	\$ (13,898)	\$ 270,110	\$ 3,666,613

Net Book Value	Balance at December 31, 2016
Land	\$ 1,149,779
Land improvements	23,745
Buildings and building improvements	1,683,896
Leasehold improvements	12,272
Linear and linear improvements	5,629,325
Structures	134,023
Vehicles	37,139
Equipment and furnishings	1,268,193
Construction work in progress	821,654
Total net book value	\$ 10,760,026

a) Construction in Progress

Assets under construction having a value of \$952,245 (2016 – \$821,654) 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 2017 amounted to \$34,872 (2016 – \$58,615). 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 \$26,959 (2016 – \$2,407) in the consolidated statement of operations.

e) Interest Capitalization

In 2017, the Region capitalized \$112 (2016 – \$83) of interest cost.

14. Expenses by Object

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

	2017	2016
Salary and wages	\$ 807,241	\$ 787,982
Services and rents	366,022	345,272
Materials and supplies	87,049	86,835
Grants and transfer payments	511,516	492,626
Debt charges	69,249	67,630
Intra-government transfers	(38,979)	(40,456)
Amortization	275,211	270,110
Other operational expenses	183,006	135,442
Total	\$ 2,260,315	\$ 2,145,441

15. Contractual Obligations and Contingent Liabilities

- a) As at December 31, 2017 outstanding contractual obligations for capital works amounted to approximately \$491,901 (2016 – \$369,628). Regional Council has authorized the financing of these obligations.
- b) As at December 31, 2017 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 \$9,755 (2016 – \$9,868) 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:

2018	\$	2,661
2019		1,247
2020		1,011
2021		824
2022		374
Subsequent to 2022		2,415
Total	\$	8,532

- 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 2017 charges from OCWA totaling \$37,105 (2016 – \$35,796). 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 2017, the Peel Regional Police received \$16,430 (2016 – \$15,566) from the GTAA.
- f) Under contracts approved by the Region in 2005 with amendments in 2012 and 2016, a private waste management corporation will provide waste disposal capacity at current market rates (additional 25 years as at December 31, 2017) and waste transfer services to the Region. The annual estimated expenditure is \$14,400.
- g) Under separate contracts approved by the Region in 2014, two private waste management companies provide services including, but not limited to: bi-weekly, alternating garbage cart and recycling cart collection, bi-weekly bulky item collection, weekly organics cart collection, seasonal yard waste collection, garbage exemption collection periods, and manual (bag based) garbage, recycling and organics bin collection at specified locations. Each contract term is for an eight-year-plus-nine-month period which began on January 2016, with two additional, separate twelve-month period extension options, based on satisfactory service, performance and pricing. The total of the two contracts is \$40,500.
- h) The Region has issued letters of credit for \$13,353 (2016 – \$12,207) in order to meet the credit requirements and conditions of certain agreements related to capital projects.
- i) The Region has identified a contaminated site on a piece of land downloaded from the federal government. The Region is currently working with the federal government to determine who accepts responsibility for the remediation of this site and has, therefore, not recognized a liability for this site in the consolidated statement of financial position.

16. Liability for Contaminated Sites

As at December 31, 2017, there are no contaminated sites that meet the specified criteria and no liability (2016 – \$Nil) for contaminated sites has been recorded in these consolidated financial statements.

17. Comparative Figures

Certain prior year figures have been reclassified to conform to the financial statement presentation adopted in the current year.

18. Municipal Act, 2001

Since the introduction of Current Value Assessment (CVA) taxation in 1998, provincial legislation mandates a limit to assessment-related tax increases for the commercial, industrial and multi-residential classes. The purpose of this limit is to ensure that the impact of CVA reform is manageable for taxpayers in these three property classes. These assessment-related tax adjustments are capped using a number of Council-adopted parameters which include the optional capping tools and capping program enhancements. Adoption of the capping parameters is designed to maximize the number of properties moving to full CVA-based taxation with the capping enhancements providing a four-year phase-out and/or immediate exit from the capping program for an eligible municipality. In 2017, the Province provided municipalities with additional flexibility such as the option to limit the capping protection to reassessment-related changes prior to 2017, and exclusion of vacant land from the four-year phase-out eligibility criteria providing that the remaining properties are within 50 per cent of CVA level taxes. The Region's 2017 Tax Capping Policy – Selection of Options staff report presented to Regional Council on May 25, 2017 details the capping options selected for implementation in the 2017 taxation year. The legislation permits the costs of capping to be funded by limiting the property tax decreases within the subject property class.

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

19. Segmented Information

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

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

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

General Government

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

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

Protection to Property and Persons

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

Transportation Services

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

GO Transit

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

Gas Tax Transferred to Local Municipalities

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

Environmental Services

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

Health Services

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

Social and Family Services

Children's services plans, manages and coordinates a Region-wide early learning and child care system. Long-Term Care operates five long-term care facilities for seniors. Ontario Works delivers a range of programs providing employment and financial assistance to residents in need.

Social Housing

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

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

Planning and Development

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

Assessment Services

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

Segmented Information

For the year ended December 31, 2017
(All dollars in \$000)

	General Government		Protection to Property & Persons		Transportation Services		GO Transit		Gas Tax Transferred To Area Municipalities		Environmental Services		Health Services		Social & Family Services		Social Housing		Planning & Development		Assessment Services		Total		
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	
Operations Revenue																									
Levies on area municipalities	991,309	963,485	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	991,309	963,485
Direct charges on ratepayers	-	-	-	-	-	-	-	-	-	-	369,259	365,280	-	-	-	-	-	-	-	-	-	-	-	369,259	365,280
Contributions – other governments	15,123	14,556	16,970	14,887	14,899	6,831	-	-	32,724	32,724	47,983	39,078	91,088	86,802	408,318	379,928	48,546	37,206	-	-	-	-	675,651	612,012	
Contributions – developers	798	398	3,303	3,883	23,481	34,272	-	-	-	-	221,159	271,159	536	894	23	-	-	451	-	-	-	-	249,300	311,057	
Contributed tangible capital assets	-	-	-	-	1,680	9,904	-	-	-	-	33,192	47,696	-	-	-	-	-	1,015	-	-	-	-	34,872	58,615	
Investment income	11,762	12,356	4,655	4,832	5,332	5,637	-	-	-	-	24,752	23,070	1,902	1,665	2,232	2,024	6,482	6,215	-	-	236	247	57,353	56,046	
Fees and service charges	32,539	29,605	26,631	24,265	7,895	10,590	-	-	-	-	27,570	22,840	1,123	951	18,151	17,787	59,859	59,999	962	844	-	3	174,730	166,884	
	1,051,531	1,020,400	51,559	47,867	53,287	67,234	-	-	32,724	32,724	723,915	769,123	94,649	90,312	428,724	399,739	114,887	104,886	962	844	236	250	2,552,474	2,533,379	
Expenses																									
Salaries and wages	73,279	68,380	368,860	362,187	41,997	40,596	-	-	-	-	54,187	53,515	121,780	116,582	130,378	130,304	8,771	8,437	7,989	7,981	-	-	807,241	787,982	
Services and rents	30,469	41,316	30,336	28,879	26,394	24,513	-	-	-	-	171,438	150,619	11,247	11,349	12,935	11,302	64,049	58,629	651	646	18,503	18,019	366,022	345,272	
Materials and supplies	3,558	3,785	11,068	10,412	8,078	4,989	-	-	-	-	50,538	54,455	6,668	6,128	7,072	7,023	44	25	23	18	-	-	87,049	86,835	
Grants and transfer payments	27,066	23,667	43,630	41,809	131	(7)	-	-	32,725	32,725	-	-	783	577	353,334	329,440	53,817	64,385	30	30	-	-	511,516	492,626	
Debt charges	3,007	3,044	-	-	605	648	-	-	-	-	57,977	55,065	-	-	-	-	7,660	8,873	-	-	-	-	69,249	67,630	
Intra-government transfers	(89,596)	(88,995)	(14,431)	(14,430)	(24,853)	(23,710)	-	-	-	-	55,684	55,295	14,576	11,852	15,364	16,233	6,352	5,511	(2,075)	(2,212)	-	-	(38,979)	(40,456)	
Amortization	16,063	18,006	11,997	11,893	54,088	54,060	-	-	-	-	168,529	163,903	5,590	3,947	3,954	3,644	14,972	14,639	18	18	-	-	275,211	270,110	
Other operating expenses	15,768	19,357	8,072	12,577	73,612	20,861	13,843	18,291	-	-	38,117	44,458	3,776	559	5,748	3,320	24,050	16,004	20	15	-	-	183,006	135,442	
	79,614	88,560	459,532	453,327	180,052	121,950	13,843	18,291	32,725	32,725	596,470	577,310	164,420	150,994	528,785	501,266	179,715	176,503	6,656	6,496	18,503	18,019	2,260,315	2,145,441	
Annual Surplus (Deficit)	971,917	931,840	(407,973)	(405,460)	(126,765)	(54,716)	(13,843)	(18,291)	(1)	(1)	127,445	191,813	(69,771)	(60,682)	(100,061)	(101,527)	(64,828)	(71,617)	(5,694)	(5,652)	(18,267)	(17,769)	292,159	387,938	

Community for Life

2017 Debt Retirement and Sinking Funds Financial Statements

The Regional Municipality of Peel, Ontario, Canada
for the year ended December 31, 2017

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, 2017, and the results of its operations, change in its net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.



Chartered Professional Accountants
Licensed Public Accountants
April 19, 2018

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, 2017, 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.

THE REGIONAL MUNICIPALITY OF PEEL
Debt Retirement and Sinking Funds Statement of Financial Position

As at December 31, 2017
 (All dollars in \$000)

	2017	2016
FINANCIAL ASSETS		
Cash	\$ 44,880	\$ 27,097
Accrued interest	308	246
Investments (Note 9)		
(Fair value 2017 – \$177,178; 2016 – \$135,245)	170,457	135,178
TOTAL FINANCIAL ASSETS	215,645	162,521
LIABILITY		
Actuarial requirements for retirement of sinking fund debt (Note 2d)	212,121	159,901
NET FINANCIAL ASSETS	3,524	2,620
ASSET ALLOCATION		
Region of Peel	215,419	161,921
Town of Caledon	226	600
	\$ 215,645	\$ 162,521
ASSET ALLOCATION		
Debt retirement fund	-	413
Sinking fund	215,645	162,108
	\$ 215,645	\$ 162,521

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, 2017
 (All dollars in \$000)

	2017	2016
REVENUES		
Contributions (Note 6)	\$ 46,703	\$ 33,011
Investment income	6,841	5,013
TOTAL REVENUES	53,544	38,024
EXPENSES		
Provision for actuarial requirements	52,220	37,311
Payment of principal from debt retirement fund	-	2,046
Payment of interest from debt retirement fund	420	599
TOTAL EXPENSES	52,640	39,956
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	\$ 904	\$ (1,932)

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, 2017
(All dollars in \$000)

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 904	\$ (1,932)
Change in non-cash assets and liabilities		
Accrued interest	(62)	(26)
Increase in actuarial requirements	52,220	37,311
NET CHANGE IN CASH FROM OPERATING ACTIVITIES	53,062	35,353
INVESTING ACTIVITIES		
Acquisition of investments	(35,279)	(77,990)
NET CHANGE IN CASH FROM INVESTING ACTIVITIES	(35,279)	(77,990)
Net change in cash	17,783	(42,637)
Cash, beginning of year	27,097	69,734
CASH, END OF YEAR	\$ 44,880	\$ 27,097

**THE REGIONAL MUNICIPALITY OF PEEL
Debt Retirement and Sinking Funds Statement of Change in
Net Financial Assets**

For the year ended December 31, 2017
(All dollars in \$000)

	2017	2016
Excess (deficiency) of revenues over expenses for the year	\$ 904	\$ (1,932)
Net financial assets, beginning of year	2,620	4,552
NET FINANCIAL ASSETS, END OF YEAR	\$ 3,524	\$ 2,620

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

**THE REGIONAL MUNICIPALITY OF PEEL
Debt Retirement and Sinking Funds
Notes to the Financial Statements**

For the year ended December 31, 2017
(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 Regional Municipality of Peel (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 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 expenditures.

(b) Revenue Recognition

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

(c) Investments

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 purchases are 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 2 per cent, 2.5 per cent, 3.25 per cent or 4 per cent 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. Caledon Debt Retirement Fund

The Caledon Debt Retirement Fund was fully depleted by December 31, 2017. The Town of Caledon made a payment to the Region for the difference between the residual balance in the fund and the interest and principal due in December 2017.

The Town of Caledon will assume the remaining balance of the debt repayments related to Debenture Series "AD" in the amount of \$4,793.

4. Allocation of Series DQ Debenture Repayment

The Town of Caledon continues to pay \$433 in Series DQ debt that was spent on projects unrelated to the arterial road transferred to the Region in 2014. The interest expense and sinking fund payments related to that portion of debt will be paid annually by the Town of Caledon to the Region.

5. Allocation of Surplus

In 2017, there was no surplus declared payable to the Region by the Debt Retirement and Sinking Fund Committee (2016 – \$nil).

The following is the apportionment of the sinking fund balance.

Sinking Fund Surplus / (Deficit)

	2017 Total \$	2017 Total \$	Town of Caledon %	Region of Peel %
Series DQ	230	216	0.09	99.91
Series EB	831	724	0.32	99.68
Series EC	1,837	1,213	-	100
Series EP	(14)	(9)	-	100
Series EQ	626	63	-	100
Series FX	14	-	-	100
	3,524	2,207	-	-

6. Contributions

In 2017, there were no contributions made to the Debt Retirement Fund (2016 – \$nil). Contributions to the Sinking Fund were \$46,703 (2015 – \$33,011).

7. Financial Instruments

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

8. Principal Repayment

Annual principal repayments issued on behalf of the Town of Caledon are due as follows:

	\$
2031	641
2041	433
Total	1,074

9. Investment Portfolio

Investments consist of provincial, municipal and bank bonds bearing yield rates from 2.11 to 4.44 per cent, and coupon rates from 3.05 to 5.20 per cent, maturing from December 2021 to January 2053.

10. Excess Over Actuarial Requirements

	2017 \$	2016 \$
Consists of:		
Debt Retirement Fund	-	413
Sinking Fund	3,524	2,207
Total	3,524	2,620

Community for Life

2017 Trust Funds Financial Statements

The Regional Municipality of Peel, Ontario, Canada
for the year ended December 31, 2017



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, 2017, 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.



Chartered Professional Accountants
Licensed Public Accountants
April 19, 2018

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, 2017, and the statements of financial activities and fund balance 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 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.

THE REGIONAL MUNICIPALITY OF PEEL TRUST FUNDS
Statement of Financial Position

For the year ended December 31, 2017
 (All dollars in \$000)

	2017	2016
FINANCIAL ASSET		
Cash	\$ 196	\$ 213
FUND BALANCE		
Residents' equity	\$ 196	\$ 213

THE REGIONAL MUNICIPALITY OF PEEL TRUST FUNDS
Statement of Financial Activities and Fund Balance

For the year ended December 31, 2017
 (All dollars in \$000)

	2017	2016
REVENUES		
Deposits from residents	\$ 503	\$ 466
EXPENSES		
Payment for maintenance, withdrawals by residents and estate payments	520	444
(Deficiency) excess of revenues over expenses	(17)	22
Fund balance, beginning of year	213	191
FUND BALANCE, END OF YEAR	\$ 196	\$ 213

THE REGIONAL MUNICIPALITY OF PEEL TRUST FUNDS
Statement of Cash Flows

For the year ended December 31, 2017
 (All dollars in \$000)

	2017	2016
(Deficiency) excess of revenues over expenses	\$ (17)	\$ 22
Cash, beginning of year	213	191
CASH, END OF YEAR	\$ 196	\$ 213

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, 2017

1. 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:

(a) 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.

(b) 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.

Community for Life

2017 Five-Year Review

The Regional Municipality of Peel, Ontario, Canada
for the year ended December 31, 2017



Five-Year Financial Review

Years Ended 2013 to 2017
Unaudited (All dollars in \$000)

	2017	2016	2015	2014	2013
Statement of Financial Position					
Financial assets	\$ 2,573,269	\$ 2,481,026	\$ 2,174,091	\$ 2,230,137	\$ 2,255,809
Financial liabilities	2,468,852	2,470,577	2,321,127	2,327,712	2,316,597
Net financial assets (debt)*	104,417	10,449	(147,036)	(97,575)	(60,788)
Tangible capital assets	10,955,126	10,760,026	10,530,091	10,048,495	9,635,006
Prepays & inventory	32,584	29,493	28,975	26,460	24,869
Accumulated Surplus	\$ 11,092,127	\$ 10,799,968	\$ 10,412,030	\$ 9,977,380	\$ 9,599,087
Reserves and Reserve Funds					
Reserves and reserve funds	\$ 1,849,976	\$ 1,726,090	\$ 1,613,042	\$ 1,570,305	\$ 1,503,620
	\$ 1,849,976	\$ 1,726,090	\$ 1,613,042	\$ 1,570,305	\$ 1,503,620
Long-term liabilities (Note A below)					
Long-term debt	\$ 1,430,341	\$ 1,468,192	\$ 1,341,784	\$ 1,353,836	\$ 1,364,136
Recoverable from area municipalities	(164,532)	(145,583)	(120,877)	(92,387)	(68,765)
Revenues from Peel Housing Corporation properties	173,721	195,892	219,939	242,403	263,863
	\$ 1,439,530	\$ 1,518,501	\$ 1,440,846	\$ 1,503,852	\$ 1,559,234
Net long-term liabilities recovered from (Note A below)					
Property taxation	\$ 75,060	\$ 77,579	\$ 80,131	\$ 82,858	\$ 81,598
Revenue from development charges	1,190,749	1,245,030	1,140,776	1,178,591	1,213,773
Revenues from Peel Housing Corporation properties	173,721	195,892	219,939	242,403	263,863
	\$ 1,439,530	\$ 1,518,501	\$ 1,440,846	\$ 1,503,852	\$ 1,559,234
Charges for net long-term liabilities (Note A below)					
Supported by:					
Property taxation	\$ 3,904	\$ 3,967	\$ 4,007	\$ 4,016	\$ 3,249
Revenue from development charges	58,447	55,553	55,075	55,203	48,274
Revenues from Peel Housing Corporation properties	6,898	8,110	9,246	10,490	11,699
	\$ 69,249	\$ 67,630	\$ 68,328	\$ 69,709	\$ 63,222
Debt repayment limit (As prescribed by the Province)	\$ 254,481	\$ 260,144	\$ 245,774	\$ 224,507	\$ 237,960

* Net Financial Assets (debt) represents the difference between financial assets and liabilities.

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.

Five-Year Financial Review (Continued)

Years Ended 2013 to 2017
Unaudited (All dollars in \$000)

	2017	2016	2015	2014	2013
Statement of Operations					
Sources of revenue					
Levies on area municipalities	\$ 991,309	\$ 963,485	\$ 937,857	\$ 897,166	\$ 871,471
Direct charges on ratepayers	369,259	365,280	324,429	303,374	284,392
Contributions – other governments	675,651	612,012	619,687	525,107	499,700
Contributions – developers	249,300	311,057	281,936	265,487	210,292
Contributed capital assets	34,872	58,615	85,656	134,335	58,911
Investment income	57,353	56,046	61,280	71,260	65,547
Fees, service charges and other	174,730	166,884	161,184	159,191	156,732
	2,552,474	2,533,379	2,472,029	2,355,920	2,147,045
Expenses by function					
General government	79,614	88,560	51,401	64,359	51,645
Protection to property and persons	459,532	453,327	435,846	425,139	407,404
Transportation services	180,052	121,950	132,966	118,881	115,824
GO Transit	13,843	18,291	17,303	36,389	47,694
Gas tax transferred to area municipalities	32,725	32,725	31,166	31,170	29,523
Environmental services	596,470	577,310	538,334	510,842	483,669
Health services	164,420	150,994	148,819	146,240	140,516
Social and family services	528,785	501,266	474,095	443,864	423,045
Social housing	179,715	176,503	183,913	177,473	181,281
Planning and development	6,656	6,496	5,694	5,719	4,866
Assessment/other	18,503	18,019	17,842	17,551	17,393
	2,260,315	2,145,441	2,037,379	1,977,627	1,902,860
Annual surplus	292,159	387,938	434,650	378,293	244,185
Accumulated surplus, beginning of year	10,799,968	10,412,030	9,977,380	9,599,087	9,354,902
Accumulated surplus, end of year	\$ 11,092,127	\$ 10,799,968	\$ 10,412,030	\$ 9,977,380	\$ 9,599,087
Expenses by object					
Salaries, wages and employee benefits	\$ 768,262	\$ 747,526	\$ 716,302	\$ 702,909	\$ 681,413
Debt servicing	69,249	67,630	68,328	69,709	63,222
Amortization	275,211	270,110	251,273	237,573	218,806
Operating and general expenditures	636,077	567,549	532,072	539,010	552,617
Transfers to others	511,516	492,626	469,404	428,426	386,802
	\$ 2,260,315	\$ 2,145,441	\$ 2,037,379	\$ 1,977,627	\$ 1,902,860

Annual Surplus represents the difference between revenues and expenses for the year.

Accumulated Surplus is the sum of net financial assets and non-financial assets.

Five-Year Financial Review (Continued)

Years Ended 2013 to 2017
Unaudited (All dollars in \$000)

	2017	2016	2015	2014	2013
RESERVE AND RESERVE FUNDS					
TAX SUPPORTED CAPITAL RESERVES					
General government	\$ 188,929	\$ 144,929	\$ 136,614	\$ 108,740	\$ 111,169
Health services	6,752	9,380	8,945	25,795	24,806
Social housing	126,286	111,905	44,938	22,227	11,539
Protection to property and persons	46,881	51,992	36,650	44,726	43,495
Social and family services	92,945	65,236	52,634	30,358	26,121
Transportation services	170,405	172,676	160,586	152,102	138,670
Waste management	112,431	133,243	134,464	167,157	183,862
	744,627	689,362	574,831	551,105	539,662
UTILITY RATE SUPPORTED CAPITAL RESERVES					
Wastewater	319,087	301,226	305,230	293,476	258,734
Water	217,657	199,650	201,772	222,924	221,900
	536,744	500,876	507,002	516,400	480,634
Total Capital Reserves	1,281,371	1,190,238	1,081,833	1,067,505	1,020,296
WORKING FUND RESERVES					
General government	79,333	75,553	121,836	108,332	111,493
Health services	7,836	7,400	4,979	2,207	2,117
Social housing	40,128	39,014	37,834	8,848	8,460
Other	8,422	8,455	8,024	7,770	7,454
Protection to property and persons	900	876	850	823	790
Social and family services	6,758	10,015	9,703	35,408	33,970
Transportation services	10,885	10,589	10,276	9,950	9,546
Waste management	7,222	7,026	6,818	6,602	2,701
Wastewater	29,446	28,646	11,858	13,022	25,188
Water	7,345	7,146	1,929	1,926	1,848
	198,275	194,718	214,107	194,889	203,568
RESERVE FUND					
General government	1,298	1,230	1,159	1,053	1,022
Protection to property and persons	1,125	1,073	1,472	1,421	1,348
Social and family services	1,613	1,569	1,522	1,958	1,879
Transportation services	32	87	84	81	78
Waste management	255	249	242	234	224
	4,323	4,207	4,479	4,747	4,551

Five-Year Financial Review (Continued)

Years Ended 2013 to 2017
Unaudited (All dollars in \$000)

	2017	2016	2015	2014	2013
SPECIALTY RESERVES					
General government	36,046	34,351	32,703	31,056	29,136
Social housing	105,588	100,319	95,907	90,796	86,977
Social and family services	590	574	557	539	517
Waste management	48,418	39,104	29,297	21,964	12,492
	190,642	174,348	158,464	144,355	129,122
POLICE					
Other	6,639	6,458	6,764	1,255	1,221
Tax supported capital reserves	130,349	119,270	112,678	119,924	110,166
Working fund reserves	38,377	36,851	34,717	37,630	34,696
	175,365	162,578	154,159	158,809	146,084
Total Reserve and Reserve Funds	\$ 1,849,976	\$ 1,726,090	\$ 1,613,042	\$ 1,570,305	\$ 1,503,620

Five-Year Statistical Review

Years Ended 2013 to 2017

Unaudited

	2017	2016	2015	2014	2013
TAXABLE ASSESSMENT (Normalized for Current Value Assessment, in \$millions)					
Residential and farm	\$ 202,151	\$ 199,276	\$ 196,403	\$ 192,773	\$ 189,585
Commercial and industrial	52,056	51,640	51,175	50,661	50,135
Total Taxable Assessment (Note B below)	\$ 254,207	\$ 250,916	\$ 247,578	\$ 243,434	\$ 239,720
TAXABLE ASSESSMENT (By year of assessment, in \$millions)					
Residential and farm	\$ 190,028	\$ 175,798	\$ 165,481	\$ 154,754	\$ 144,594
Commercial and industrial	49,792	47,814	45,882	43,909	41,956
Total Taxable Assessment (Note B below)	\$ 239,820	\$ 223,612	\$ 211,363	\$ 198,663	\$ 186,550
BUILDING PERMITS (in \$millions)					
Residential	\$ 1,651	\$ 2,404	\$ 3,086	\$ 2,140	\$ 1,446
Non-residential	1,188	1,089	1,326	1,481	1,157
Total Building Permits	\$ 2,839	\$ 3,493	\$ 4,412	\$ 3,621	\$ 2,603
PER CAPITA INFORMATION					
Taxable assessment (Based on normalized value)	\$ 136,681	\$ 138,579	\$ 138,215	\$ 137,401	\$ 136,884
Current expense	1,528	1,492	1,434	1,410	1,374
Reserves, reserve funds and development charges	1,251	1,200	1,135	1,119	1,086
Net Long-Term Liabilities					
Supported by:					
Property taxation	\$ 51	\$ 54	\$ 56	\$ 61	\$ 60
Revenue from development charges	805	866	803	838	876
Revenues from income producing properties	117	136	155	173	191
Total Net Long-term Liabilities	\$ 973	\$ 1056	\$ 1014	\$ 1072	\$ 1126

Note B: In 2017, first year of four year phase-in of re-assessment using 2016 as the base year.

Five-Year Statistical Review (Continued)

Years Ended 2013 to 2017

Unaudited

	2017	2016	2015	2014	2013
Dollars per Average Household					
Property taxes (Notes C & D below)	\$ 1,842	\$ 1,851	\$ 1,816	\$ 1,783	\$ 1,756
Utility charges (Note C below)	618	589	579	540	501
Average Homeowner Cost	\$ 2,460	\$ 2,440	\$ 2,395	\$ 2,323	\$ 2,257
HOUSING STARTS (units)					
	6,739	5,362	8,100	4,607	6,298
POPULATION AT YEAR END					
Mississauga	759,000	751,000	750,000	748,000	746,000
Brampton	648,000	618,000	603,000	589,000	574,000
Caledon	72,000	69,000	68,000	66,000	65,000
Total Peel Population (Note D below)	1,479,000	1,438,000	1,421,000	1,403,000	1,385,000
HOUSEHOLDS (Note E below)					
	442,114	435,020	429,614	425,558	419,347
EMPLOYEES (Continuous full-time)					
Peel Regional Police	2,940	2,998	2,905	2,870	2,783
Other Regional services	4,349	4,141	4,205	4,030	4,151
Total Employees	7,289	7,139	7,110	6,900	6,934
EMPLOYEES PER HUNDRED THOUSAND RESIDENTS (Continuous full-time)					
Peel Regional Police	199	208	204	205	201
Other Regional services	294	288	296	287	300
Total Employees Per Hundred Thousand Residents	493	496	500	492	501

Note C: 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.
2015 based on residential taxable assessment value of \$452,500 and an average household water use of 31 tens of cubic metres per year.
2016 based on residential taxable assessment value of \$474,000 and an average household water use of 29 tens of cubic metres per year.
2017 based on residential taxable assessment value of \$484,000 and an average household water use of 29 tens of cubic metres per year.
2017 values restated based on a mathematical average for calculating average current value assessment and average taxes, which better reflect current property value and taxes payable for an average residential property in Peel.

Note D: Total population for periods 2013-2015 reflect interpolated values of the 2011 Census data. 2016 population figures are from the 2016 Census.
2017 population figures reflect an estimated value based on 2016 Census data adjusted using the Peel Data Centre Population and Household Monitoring Table (CMHC Housing Starts and Completions, residential demolitions).
All population figures include the undercount of 3.94% from Hemson's background study: Greater Golden Horseshoe Growth Forecasts to 2041, Technical Report November 2012.

Note E: Total household for periods 2013-2015 are estimated by Peel Planning based on the 2011 Census data.
2016 household figures are from the 2016 Census.
2017 household figures reflect an estimated value based on 2016 Census data adjusted using the Peel Data Centre Population and Household Monitoring Table (CMHC Housing Starts and Completions, residential demolitions).

Peel's Largest Employers

Accenture Inc.	Hatch Ltd.	Re/Max
Adesa Toronto	Hewlett-Packard (Canada) Co.	Region of Peel
ADP Canada	HGC The Harman Group	Right at Home Realty Inc.
Air Canada	Hilton	Roche
Air Transat	HMS Host	Rogers Communications Inc.
Amazon Distribution Centres	Honeywell Ltd.	Royal Bank of Canada Financial Group
ARI Financial Services Inc.	Husky Injection Molding Systems	Shoppers Drug Mart
Atomic Energy of Canada Ltd.	Intria Items Inc.	Sobey's Inc.
BD Canada	Just Energy Group	Sonoco Canada Corporation
Bank of Montreal	Kaneff Group of Companies	SOTI Inc.
Baxter Canada Corporation	Kingsway Real Estate Brokerage	Staples Advantage Canada
Bell Canada	Livingston International Inc.	Suncor Energy
BlackBerry Ltd.	Loblaw Companies Ltd.	Sutton Group
Brampton Civic Hospital	Magna Precision Technologies	Symcor Inc.
Canada Border Services Agency	Maple Leaf Consumer Foods	Sysco Food Services
Canada Post Corp.	Maple Lodge Farms	Taro Pharmaceuticals Inc.
Canada Revenue Agency	Maritime-Ontario	TD Canada Financial Group
Canadian Tire Corporation, Ltd.	Matrix Logistics Services Ltd.	Technicolor Canada Inc.
Canadian Imperial Bank of Commerce	Maxxam Analytics Inc.	The Credit Valley Hospital
CitiFinancial Canada Inc.	McDonald's	The Rosedale Group
City of Brampton	Metro Inc.	The Shopping Channel
City of Mississauga	MHI Canada Aerospace Inc.	Tim Horton's Inc.
Coca-Cola Bottling Company Ltd.	Microsoft Canada Co.	TJX Canada
Community Living Mississauga	MiWay Transit Operations	Town of Caledon
Costco Wholesale	Mother Parker's Tea and Coffee Inc.	TST Overland Express
Cyclone Manufacturing Inc.	Nuance Group (Canada) Inc., The	Trillium Health Partners
Davis & Henderson Ltd.	Olymel L.P.	Triple M Metal L.P.
Dufferin-Peel Catholic District School Board	Oracle Corp. Canada	Tyco Integrated Fire and Security
Dynacare Medical Laboratories	PCL Constructors Canada Inc.	University of Toronto Mississauga
FCA Canada Inc. (Brampton Assembly Plant)	Patheon Inc.	UPS Canada Ltd.
Federal Express Canada Ltd.	Peel District School Board	Verdi Alliance Group of Companies
Gate Gourmet Group Inc.	Peel Regional Police	Walmart Canada Inc.
General Electric Canada	Pepsico Foods Canada	World Vision Canada
GlaxoSmithKline Inc.	Personal Insurance Company of Canada	Your Choice Realty
Greater Toronto Airport Authority	PointClickCare	
HB Group Insurance Management Ltd.	Polar Pak	
	Purolator Courier Ltd.	

Note: Including total employment for all Peel Region locations

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 Rating

Insurance Advisor/Consultant

Aon Reed Stenhouse Inc.

Debt Issuance Syndicate

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

Custodian Agent

RBC Investor & Treasury Services

For more Investor Relations information, visit our website at peelregion.ca/investors

10 Peel Centre Drive,
Brampton, ON L6T 4B9

7120 Hurontario Street,
Mississauga, ON L5W 1N4

Visit our website at peelregion.ca
Email us at info@peelregion.ca

Photo Credits

We would like to thank the following Peel organizations that were photographed for our report:

Cover and interior images

Chantelle Selkridge
Akoma Afro Dance
Caribbean and African Dance
akomaafrodance.ca

Sean Boutilier Academy of Dance
seanboutilier.com

Table of Contents image

Carassauga: Mississauga's Festival of Cultures
carassauga.com



SIP-0159 18/06

10 Peel Centre Drive
Brampton, ON L6T 4B9
Tel: 905-791-7800
peelregion.ca

 **Region
of Peel**
working with you