

### **1. ACCOUNTING POLICIES**

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

#### Basis of Accounting

(a) Revenue and Expenditure Recognition

The Region of Peel Sinking Fund follows the accrual method of accounting.

(b) Long-term Investments

Long-term investments are carried at 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.

(c) Funding Requirements

The funding requirements of the sinking fund represent the amounts required to pay the annual principal payment.

### **2. ALLOCATION OF SURPLUS**

In 2008, there was no surplus declared payable to the Region by the Sinking Fund Committee (2007 – \$0).

### **3. Contributions**

In 2008, there were no contributions made to the fund. In 2007, there were no contributions made to the fund.