

The Corporation of the Town of Caledon

Caledon, Ontario, Canada

Financial Report and Consolidated Financial Statements

For the year ended December 31, 2011



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Introduction to the Town of Caledon

Expect the best of all worlds! Caledon boasts thriving urban centres amid a striking and safe natural haven that together blends business success with an unmatched quality of life, and all this within an hour of Toronto – North America’s fifth largest urban centre.

Caledon is one of three local area municipalities which combined, makes up the upper tier Region of Peel.

Caledon is comprised of five Wards. Council members are elected by their Ward residents, with the last election being held in October 2010. Since the term of Council is four years, the next election will be held in the Fall of 2014.

Caledon Council is made up of the Mayor and eight Councillors who represent the residents of Caledon. Of the eight Councillors (shown in the table below), four are also elected, along with the Mayor to represent Caledon on Region of Peel Council.

Ward	Regional Councillors	Area Councillors
Ward 1	Richard Paterak	Doug Beffort
Ward 2	Allan Thompson	Gord McClure
Ward 3 & 4	Richard Whitehead	Nick deBoer
Ward 5	Patti Foley	Rob Mezzapelli
Mayor	Marolyn Morrison	



Back Row (left to right): R. Paterak, A. Thompson, M. Morrison, R. Whitehead, G. McClure
Front Row (left to right): R. Mezzapelli, N. deBoer, P. Foley, D. Beffort

A vibrant community of close to 60,000 residents (2011 Census), Caledon benefits from its strategic location in the Greater Toronto Area (GTA). The GTA's population of over five million people continues to grow, and there are over 135 million people within a 500-mile radius of Caledon. This translates to an abundant, diversified and skilled labour force.

Caledon is an award-winning green community, with an unmatched natural heritage of public parks, conservation areas, the Niagara Escarpment, Oak Ridges Moraine, and the Credit and Humber River watersheds.

Land here is extensively available and competitively priced, we have a supportive political climate and, from 2008-2011, *Macleans* magazine declared Caledon as the safest community in Canada.



Excellent Infrastructure and Location

Toronto, Canada's largest city and economic pulse, is just a stone's throw away. With that proximity comes many key benefits:

- a wide range of post-secondary learning institutions and continuing education opportunities;
- the countless cultural and economic opportunities of a major North American urban centre; and
- a well-established, efficient transportation infrastructure.

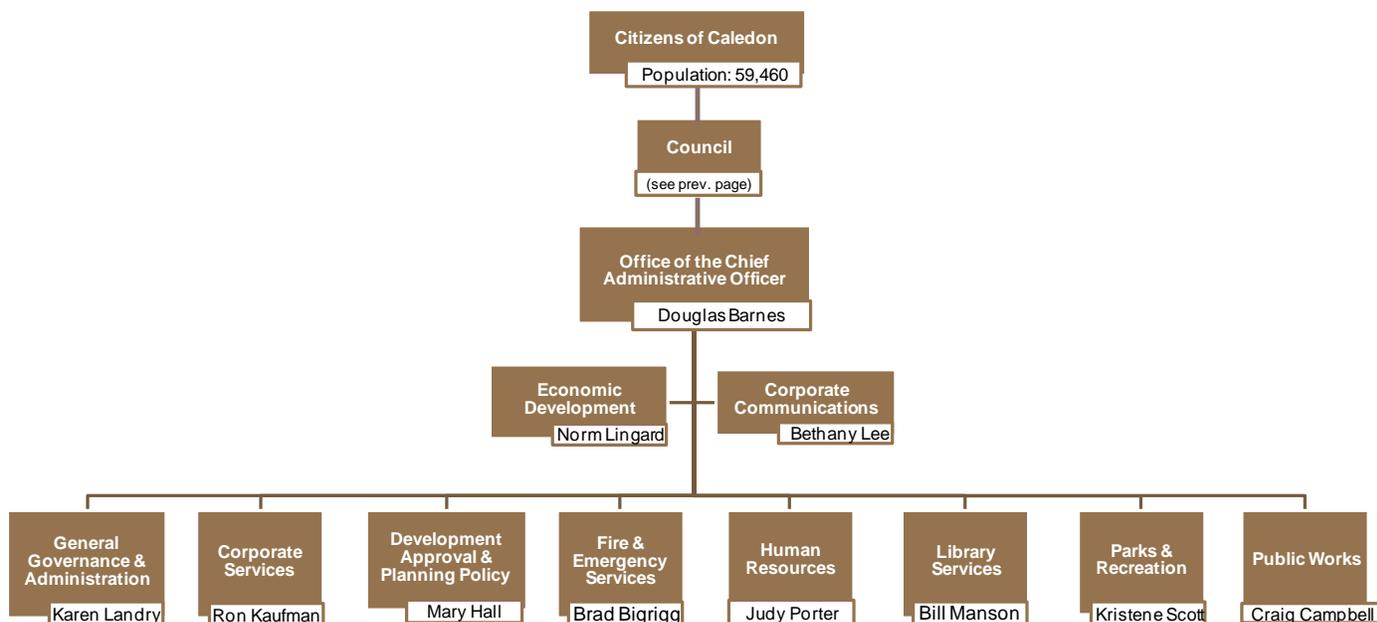
Growth and Services

Residential development in the Town continued to grow in 2011 and is expected that building activity will continue to rise with major development of the south-west part of the Town, known as the Mayfield West area.

Growth within the Town also means higher demand for infrastructure (such as roads, recreational, fire & emergency, and library facilities) and services that the Town provides to the taxpayers of Caledon.

As noted previously, the Town of Caledon is one of the three lower-tier municipalities within the Region of Peel. The Region of Peel is responsible for services such as water/waste water, waste collection, health services, and social services. Services provided by the lower-tier municipalities within the Region of Peel, and specifically within the Town of Caledon, is outlined on the following pages.

The Town of Caledon is a diversified municipal government that provides a wide range of services to its citizens such as fire, recreation, library and planning. The following organizational chart outlines the major departments and divisions within the Town:



Office of the Chief Administrative Officer | Economic Development | Corporate Communications | General Governance and Administration

As the liaison between Council and staff, the CAO and Clerk ensure Council directives are carried out. The CAO’s office includes the Economic Development section which attracts and retains business and investment, and provides support to tourism, promotion and investment; and the Corporate Communications section which maintains internal and external communications standards.

General Governance and Administration department provides efficient and effective service delivery, while maintaining a high level of integrity and adhering to regulatory and statutory obligations. The department also provides the following services Animal Services, Customer Service, Legal Services, Legislative Services, and the Provincial Offences Court.

Corporate Services

The department helps to shape the future of the community by providing corporate-based financial, procurement, risk management, capital project and property management, property tax & revenue, and information technology services and advice that enhances the current/long-term vision, goals and performance of Town Council, our customers, partners and other stakeholders.

Development Approval and Planning Policy

The department helps to create a prosperous and liveable community that values its pasts, respects the environment and looks to the future by:

- Providing professional planning advice and legal support to Town Council regarding appropriate current and future land use planning and development of the Town.
- Representing the municipality and its interests regarding such land use planning to the public, the development industry and other government departments, agencies and levels.
- Administer and enforce the Building Code Act and the Ontario Building Code with respect to buildings as they relate to health and safety, fire protection, structural sufficiency, conservation, environmental integrity and barrier free accessibility while maintaining mandatory legislative requirements and providing an excellent level of service.
- Ensuring that the Town's development activities comply with provincial planning legislation and land use policies while working co-operatively with landowners to build communities that are safe, diverse and economically vibrant.
- Maintaining the Town's environmental leadership track record through a multitude of energy, climate change, sustainability and other "green" initiatives while staying abreast of new emerging issues and building capacity within the corporation and community to respond to these various opportunities and challenges.

Fire and Emergency Services

The department provides a team of highly trained, caring professionals who lead a collaborative effort to provide the community with an efficient emergency and safety system dedicated to protecting and strengthening our community through education, prevention, and rapid intervention at emergencies.

The goal of the department is to provide effective, efficient, safe, professional and prompt fire protection services to the public. As one of the largest volunteer Fire Service in Ontario, this department prides itself on protecting life, property and the environment.

Human Resources

The department guides, facilitates, advises, coaches and coordinates corporate wide efforts to provide innovative cost effective human resource services in support of the strategic goals to recruit, retain, develop and reward Town employees.

Library Services

Caledon Public Library offers seven branches across Caledon to meet the informational and educational needs of residents and to promote lifelong learning, literacy and the love of reading.

The Caledon Public Library serves and benefits Caledon by

- Engaging the community
- Connecting people to information and inspiring creative works
- Partnering and collaborating
- Conducting business with transparency and fiscal accountability

Parks and Recreation

The department strives to be a leader in the provision of Parks & Recreation services by providing opportunities and experiences for all ages and abilities resulting in a healthy Community. The department offers barrier-free, accessible structured and non-structured active living and leisure activities for all ages and abilities and oversees the design and maintenance of Town parks and sports fields. The department is also responsible for the design, construction and maintenance of Town trails and paths.

Public Works

The Public Works Department strives to be a recognized leader in the delivery of public services through diligent management of the Town's infrastructure (including roads, fleet, storm water management infrastructure, sidewalks and streetlights), by-laws, and through assuring the compliant construction of new buildings with the Town's jurisdiction.

Introduction to the 2011 Financial Report

The Town of Caledon is pleased to present its 2011 Financial Report and Consolidated Financial Statements, for the year ended December 31, 2011. This report has been prepared in accordance with the *Municipal Act, 2001* and based on the reporting standards set by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and best practices in financial reporting as recommended by the Government Finance Officers Association.

The Town's significant financial accounting policies are contained within the notes to the Town's financial statements. During the year, financial transactions and review/refinement of financial processes/policies are guided by provincial legislation, the Ontario *Municipal Act, 2001* and related regulations, that all municipalities in Ontario must comply with, Generally Accepted Accounting Principles (GAAP), and the following:

- the Town's Community Based Strategic Plan (CBSP) which includes specific goals on:
 - transparent, accountable and exceptional municipal management practices; and
 - improving and strengthening the Long-term Financial Health of the Town by managing Caledon with fiscal responsibility to ensure ongoing financial strength.
- the Caledon Long-term Strategic Financial Plan (CLTSFP), approved by Council, which provides broad financial guidance such as the establishment of revenues that attempt to cost recover the cost of services, where possible.
- Debt Management and Surplus Management policies

In addition to the Management Discussion and Analysis and the Consolidated Financial Statements reported in previous years, the 2011 Financial Report contains supplementary financial, non-financial and statistical information about the Town in order to provide more information in a consolidated format to the Town's various stakeholders. The information included in this report is consistent with Goal 6 of the Town's Community Based Strategic Plan: providing transparent and accountable municipal management along with fiscal responsibility to ensure ongoing financial strength.

2011 Management Discussion and Analysis

In 2011, the collection of infrastructure grants that were up fronted by the Town and collected in the year, increased collections of development charges and cost sharing arrangements on capital projects, had significant positive impacts to the Town's financials:

- the 2011 statement of operations reflects a modest full accrual surplus for a second year;
- the Town's tangible capital assets (TCA) increased by approximately \$36.9M gross expenditures comprised of \$22.3M of 2010 and prior TCA work completed in 2011 and \$14.6M of net new expenditures; and
- the Deferred revenue line on the statement of financial position shows an increase of approximately \$9.5M of which \$8.5M relates to development charges.

2011 Financial Position of the Town

Town's total net assets (also referred to as accumulated surplus) increased by \$1.3M in 2011 as shown in the table below:

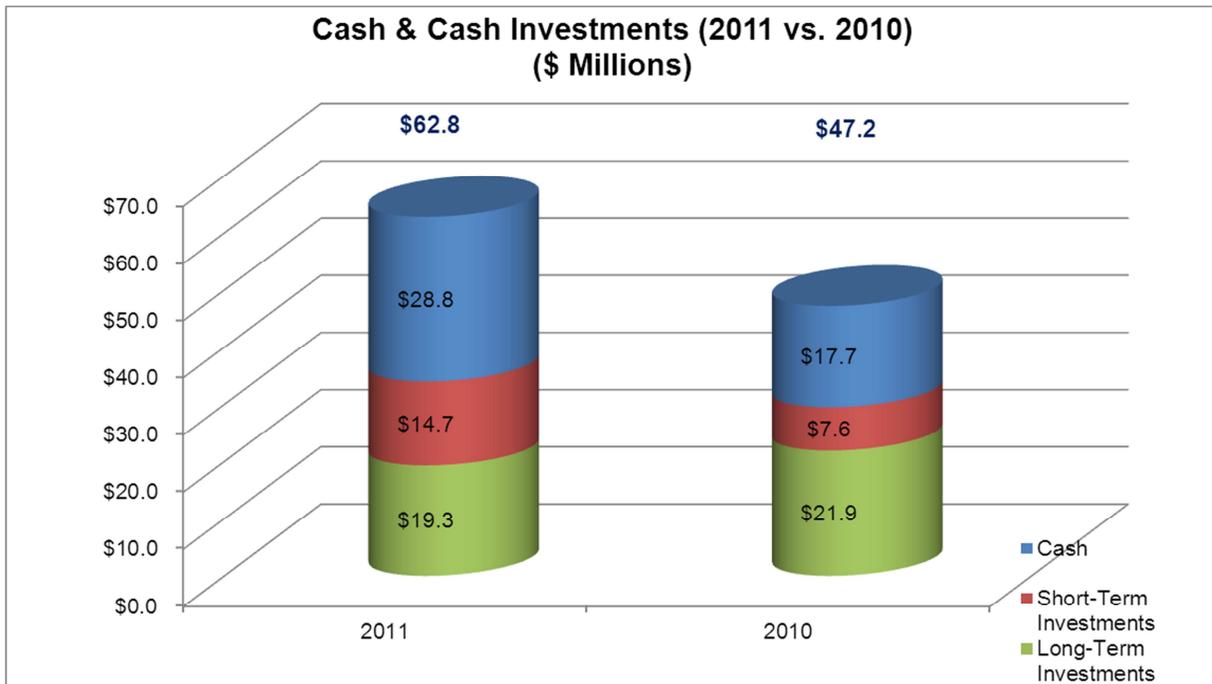
Account description	Change in 2011 Increase/(Decrease)
Financial Assets – eg. cash, receivables and investments	\$13.8M
Financial Liabilities – eg. Payables, deferred revenues and debt	\$7.3M
Non-Financial Assets – eg. Tangible Capital Assets	<u>(\$5.2M)</u>
2011 Change in Total Net Assets	\$1.3M

Financial Assets

The \$13.8M increase in financial assets for the Town, as shown in the chart on the next page, is mainly due to the Town's cash increasing by \$11.1M from 2010. The \$11.1M increase in cash is due to the following:

- \$9.5M increase in deferred revenues of which \$8.5M was from development charges collected and the remainder was from building stabilization and Cash-in-lieu of parkland;
- \$4.5M decrease was transferred out of cash into investments;
- \$3M increase was from transfers to reserves and reserve funds;
- \$2.9M increase in "restricted cash" or cash held in the Caledon Debt Retirement Fund, managed by the Region of Peel mainly relates to transfers from the short-term investments held in the same fund;
- \$1.3M decrease due to lower accounts payables;
- \$2.3M decrease in the trade receivables attributed to the 2011 collection of infrastructure grants for works that were up fronted by the Town in 2010;
- \$0.5M increase in the amount of taxes owing due to the poor economic climate;

- \$0.2M decrease to cash for additional inventories and prepaid expenses held; and
- \$0.1M decrease for the 2011 contribution to the sinking fund related to the Bolton Arterial Route (BAR) debenture.



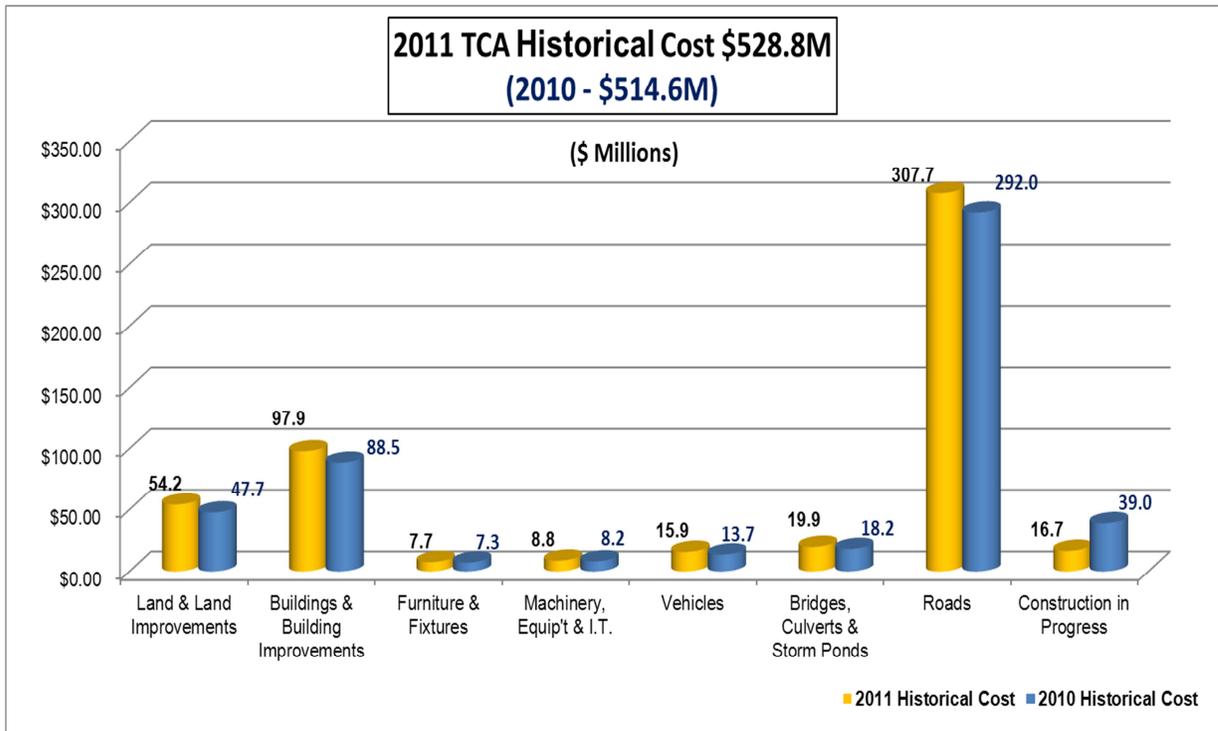
The remaining \$2.7M increase in the Town’s financial assets is attributed to the short-term investments increasing as the capital spending during 2011 decreased from the previous year’s spending. The main reason for the decreased capital spending was the lack of stimulus grant funding available in 2011 that was available in the previous year.

Financial Liabilities

Overall Financial Liabilities for the Town have increased by \$7.3M of the overall increase, \$9.5M is in the deferred revenue (i.e. Development charges, Cash-In-Lieu parkland, etc.). The 2011 debenture issued for the Fire Aerial apparatus purchase increased the long-term liabilities by \$0.6M. The remainder or \$2.8M decrease is split between the principal payment on the hydro debenture of \$1.5M and a decrease in accounts payables and accrued liabilities of \$1.3M.

Tangible Capital Assets and Other Non-Financial Assets

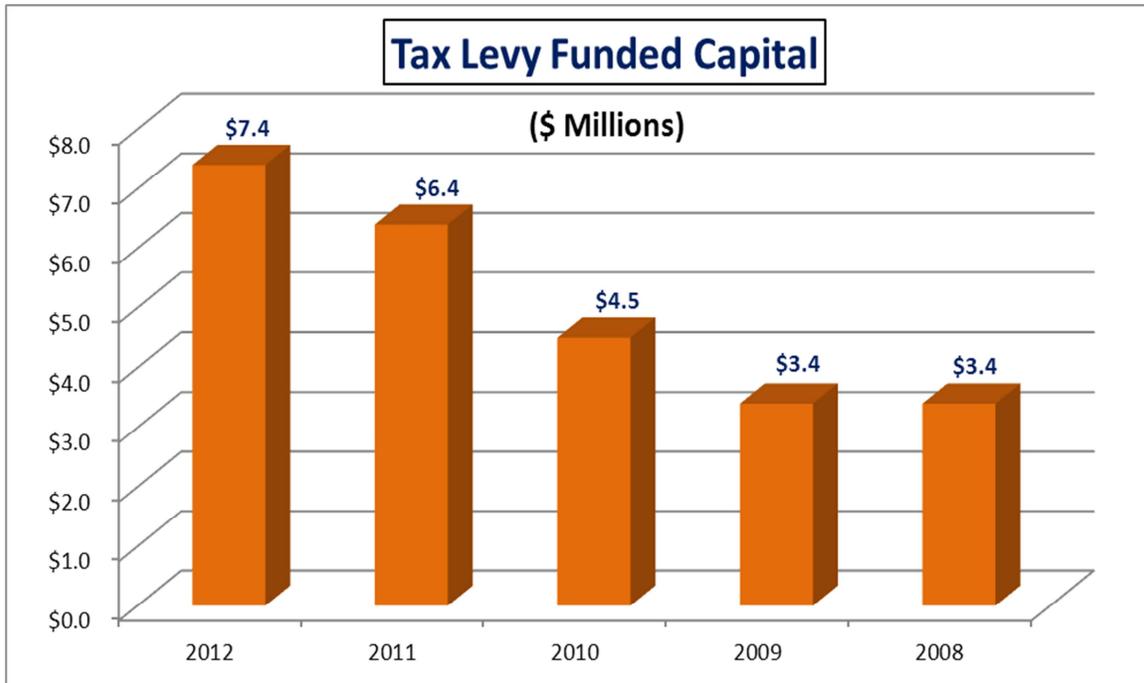
In 2011, there was a decrease of \$5.2M in the non-financial assets. Despite the investment of approximately \$14.6M (gross before disposals of \$0.4M) into tangible capital assets the amortization expense of \$19.9M lead to a \$5.3M decrease in the net book value of TCA. The balance of the non-financial asset increase is due to a \$0.1M increase in inventories and prepaid expenses. As shown in the following chart, the historical cost of the Town’s assets has increased from \$514.6M in 2010 to \$528.8M at the end of 2011.



Note: 2010 historical cost for Roads adjusted to reflect TCA subsequently determined not owned by Town.

Of the \$14.6M invested in TCA in 2011, approximately \$6.5M was funded from external sources including deferred revenues (i.e. development charges), Region of Peel, and insurance recoveries. Tangible capital asset projects that received these external funds include the Ontario Provincial Police station in Caledon East, new park construction, Town sidewalk reconstruction, and road work. Approximately \$4.2M of capital additions in 2011 were funded from Federal and Provincial Grants (i.e. Gas Tax, Building Canada Fund and Recreational Infrastructure Canada) and were used for 2011 Road Resurfacing and Rehabilitation, Mayfield Recreation Complex Renovation, the CCRW – Youth Centre Expansion project and Heart Lake Road Bridge.

The Town's sustainable funding source for capital does not fully offset projected amortization expenses of approximately \$20M per year. With amortization providing an indication of how much should be set aside/spent each year to repair and replace the Town's assets, the Town needs to build-up sustainable funding for capital. In 2011 and 2012, the Town has actively reduced the infrastructure funding shortfall by levying more property tax dollars for capital purposes. The chart on the next page outlines the Town's base tax levy contributions to capital over the past four years (2008 to 2011) and the 2012 tax levy funded capital approved in the 2012 budget.



Accumulated Surplus

To complete the discussion on the Town’s financial position, the Town’s accumulated surplus at the end of December 31, 2011, increased by \$1.3M (from \$295.8M in 2010 to \$297.1M in 2011). The change is due to the 2011 full accrual accounting surplus, discussed in the next section.

Note: 2010 accumulated surplus adjusted, decreased by \$7.8M, to offset of non-Town-owned TCA removal.

2011 Operations and Full Accrual Accounting Surplus

The Town of Caledon reported revenues and expenses on the full accrual basis of accounting starting in 2009. The budgets and actuals for the Town are still presented on the funding basis of accounting where revenues equal expenditures for budget/planning purposes. On the fund basis of accounting, the Town ended 2011 with a surplus of \$2M due primarily to a \$2.2M favourable revenue variance in POA fines and late payment charges on tax arrears offset by a \$0.2M unfavourable variance in expenses.

When reporting the Town’s operations on the full accrual basis of accounting, adjustments are made to fund accounting numbers as treatment of revenues and expenses differ between the two accounting methods. For example, prior to 2009 and the requirement to list tangible capital assets on the Town’s statement of financial position (or “balance sheet”), municipalities expensed TCA additions. Consistent with the fund accounting basis, revenues related to capital project additions fully offset the expenses. Under the full accrual method of accounting, the TCA additions are now capitalized on the Town’s balance sheet and amortization expenses are listed on the statement of

operations, similar to private sector financial statements. Amortization has become one of the largest expenses for many municipalities due to the value of municipal tangible capital assets including roads, bridges, recreational facilities, fire stations, fire and public works vehicles, and works yards.

The following is the adjustment from the Town's fund accounting surplus of \$2.0M to the full accrual surplus of \$1.3M:

	\$ Millions	
	2011	2010
Fund Accounting Surplus	\$2.0	\$2.5
TCA Amortization	(\$19.9)	(\$19.2) *
Non-TCA Expenditures	(\$1.9)	(\$0.8)
Revised Shortfall	(\$19.8)	(\$17.5)
Recognition of External Revenues related to TCA		
Federal and Provincial Grants	\$4.2	\$11.3
Deferred Revenues	\$3.8	\$6.0
Other	\$2.7	\$1.1
	\$10.7	\$18.4
Other Full Accrual Accounting Adjustment		
Net Transfers to Reserves not considered expense in full accrual accounting (including \$6.8M in 2011 for tax-levy funded capital)	\$10.3	\$6.4
Full Accrual Accounting Surplus	\$1.3	\$7.3

*2010 TCA amortization adjusted to reflect Tangible Capital Assets subsequently determined not owned by the Town.

As shown in the table above, the fund accounting surplus is quickly adjusted to a deficit after accounting for TCA amortization. The Town has a long-term plan of increasing tax funded capital to reduce the gap between sustainable tax funded capital and TCA amortization.

As noted in the previous sections, the Federal and Provincial infrastructure stimulus grant funding and Region of Peel capital project cost sharing arrangements has positively contributed to the Town's 2011 financial statements. It is expected in 2012 without the infrastructure grant funding and the reduction of external capital funding, the Town will be in a full accrual deficit position. Also as outlined in previous sections, the Town has continued with its plan for sustainable capital funding by increasing the tax-levy funded capital by almost 118% since 2008 (from \$3.4M in 2008 to \$7.4M in 2012).

Municipal Debt

The Town currently has external debt, issued through the Region of Peel, related to:

1. The purchase of hydro assets outside the former Village of Bolton from Ontario Hydro.
2. The completion of the Bolton Arterial Route – Phase 3 on Coleraine Drive.
3. The 2011 Fire Aerial Apparatus purchase.

Hydro Debenture (1999)

Semi-annual payments of principal and interest for the Hydro debenture are funded from a Debt Retirement Fund, held at the Region of Peel, which was established after the Town subsequently sold the assets to Hydro One. When the Debt Retirement fund was established, projections on the initial investment and interest to be earned indicated that the Debt Retirement Fund would have sufficient funds to meet the semi-annual interest payments and annual principal payments to maturity, December 2019. Due to past and current economic conditions, projections on interest income for the Debt Retirement Fund have been revised downwards in recent years and there is a projected shortfall between the Debt Retirement Fund and the Town's future debt payments (towards the end of 2016). The Town of Caledon plans to use internal reserve funds to cover the projected 2016-2019 shortfall of approximately \$8.4M in the Debt Retirement Fund.

Bolton Arterial Route Debenture (2010)

This external debenture was issued in 2010 for the completion of the Bolton Arterial Route (BAR) on Coleraine Drive. The thirty-year, \$5.4M debenture issued is known as a "sinker", where interest payments are made semi-annually and the full amount of the \$5.4M principal is due at the end of 30 years. In 2011, two interest payments were made in June and December and one sinking fund payment was made in June. The sinking fund is held and managed by the Region of Peel, for the purposes of extinguishing the debt at maturity. The annual sinking fund contributions and the interest income to be earned on the investments of the sinking fund over 30 years are projected to fully cover the principal payment due at maturity.

Fire Aerial Apparatus (2011)

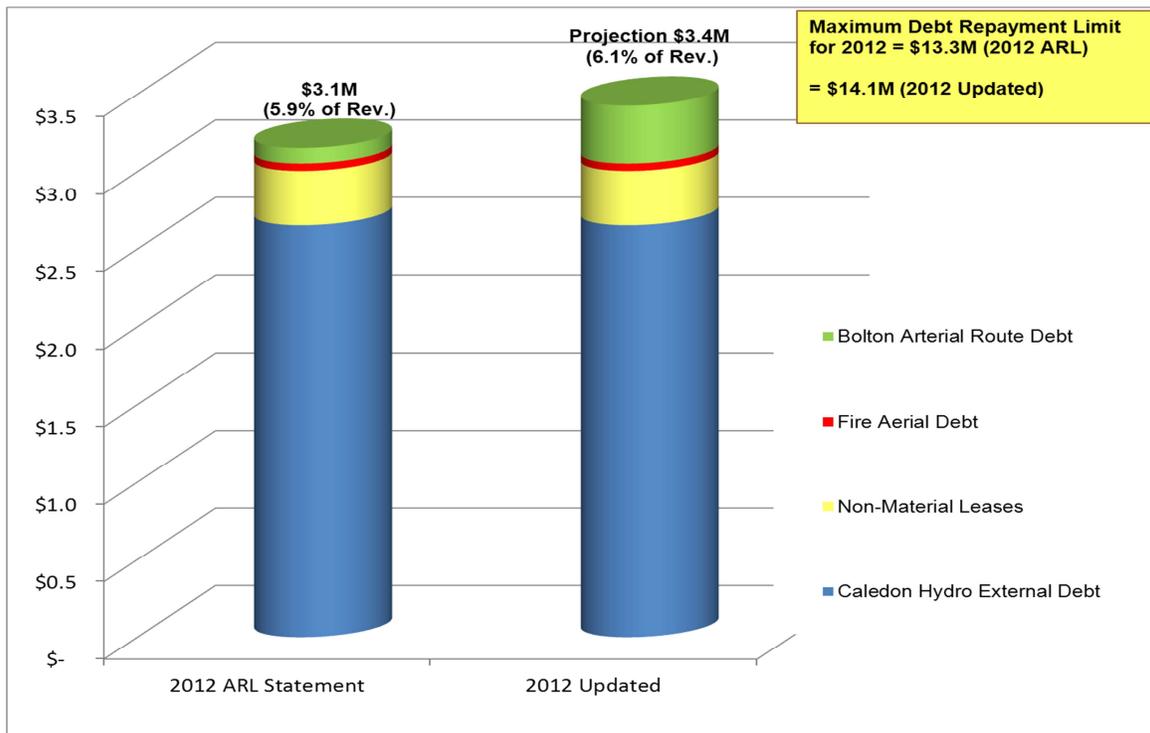
In 2011, Council approved additional external debt to be issued, through the Region of Peel, for the purchase of a Fire Aerial truck. The ten-year, \$0.6M debenture issued in 2011 is also a "sinker", described above where interest payments are made semi-annually and the full amount of the \$0.6M principal is due at the end of 10 years. In 2011, one interest payment was made in December. Commencing in 2012, the Town will be making interest payments semi-annually and will contribute towards a sinking fund, to be held and managed by the Region of Peel, for the purposes of extinguishing the debt at maturity. The annual sinking fund contributions and the interest income to be earned on

the investments of the sinking fund over 10 years are projected to fully cover the principal payment due at maturity.

Annual Repayment Limit (ARL)

Provincial policy allows municipalities to incur debt charges equivalent to 25 percent of their net revenues without prior approval of the Ontario Municipal Board. On an annual basis, the Province provides each municipality with an Annual Repayment Limit (ARL) statement that outlines the maximum debt charges allowed (25% of net revenues), the debt charges reported, and the remaining debt repayment limit. Further, as part of the 2012 Budget, Council adopted a debt policy where the Town may issue debt to a maximum projected debt servicing charges (principal and interest payments) of 10% of net revenues. Based on the 2010 Financial Information Return calculations, the Town has net debt charges of \$3.1M or approximately 5.9% of the Town’s Net Revenues. Based on an overall debt repayment limit of \$13.3M, the Town is well under its ARL.

The impact of the Bolton Arterial Route debenture was not be fully reflected in the ARL until 2011 and the Fire Aerial truck will not be fully reflected until 2012, the first full year of the semi-annual interest payments and contributions to the sinking fund. Accordingly, the chart (below) shows the projection of the impact of the fully annualized BAR and Fire Aerial truck debenture payments on the 2012 ARL. The projection also includes revised revenue figures based on the 2011 FIR data. As shown in the chart, the financial commitments related to the 2011 debenture (and all other debt/financial obligation changes at the time of the update) would not result in the Town exceeding the \$14.1M (25% of net revenues) maximum repayment limit set by the Province or the Council approved limit of 10%.



At \$3.4M, the Town will be utilizing 6.1% of revenues to service debt. This would leave a maximum repayment limit balance available of 18.9% (=25% - 6.1%) or a maximum of approximately \$10.7M of remaining revenues to service debt.

Conclusion

Overall, the Town is in good financial shape. The Town has positive cash flows from operations to cover all activities with the exception of capital activities. To address this issue, the Town continues to update the long-term plan to increase funding to the capital program with a \$1.9M increase to the tax levy funded capital in the 2011 budget and a \$1.0M increase to the tax levy funded capital program in the 2012 budget. The Town's statement of financial position shows that the Town's financial assets are adequate to cover the Town's financial liabilities. The Town has a plan in place to fund the projected 2016-2019 investment shortfall in the Hydro Debt Retirement Fund via internal reserve funds. Also, a projected debt at 6.1% of net revenues is well within the maximum 25% set by the province and the 10% maximum set by the Town of Caledon Council.



TOWN HALL

6311 Old Church Road, Caledon, ON L7C 1J6

905.584.2272 | 1.888.CALEDON | FAX 905.584.4325 | www.caledon.ca

Management Report

The accompanying financial statements are the responsibility of the management of the Corporation of the Town of Caledon. In management's opinion, these financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Management has selected accounting principles and methods that are appropriate for the Corporation's circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements and any other supplementary information presented are consistent with that in the financial statements.

The Corporation maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate, that transactions are properly authorized and that the Corporation's assets are properly accounted for and adequately safeguarded.

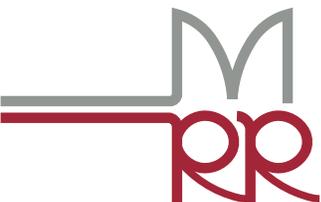
The financial statements have been examined by Millard, Rouse and Rosebrugh, LLP, Chartered Accountants, the external auditors of the Corporation. The responsibility of the external auditor is to express an opinion on whether the financial statements are fairly presented, in all material respects, in accordance with Canadian generally accepted accounting principles.

Town Council, through the Audit Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The Audit Committee meets periodically with management, as well as with the external auditors to satisfy itself that each party is properly discharging its responsibilities with respect to internal controls and financial reporting. The Audit Committee also reviews the financial statements and recommends their approval to Town Council. Millard, Rouse and Rosebrugh, LLP, Chartered Accountants have full and free access to the Audit Committee, with or without the presence of management.

Douglas Barnes
Chief Administrative Officer
June 19, 2012

Ronald H. Kaufman, CA
Deputy CAO/Director of Corporate Services/CFO
June 19, 2012

Fuying Wong, CGA
Treasurer
June 19, 2012



Millard, Rouse & Rosebrugh LLP

Chartered Accountants
P.O. Box 367, 96 Nelson Street
Brantford, Ontario N3T 5N3
Telephone: (519) 759-3511
Facsimile: (519) 759-7961

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of The Corporation of the Town of Caledon

We have audited the accompanying consolidated financial statements of The Corporation of the Town of Caledon which comprise the consolidated statement of financial position as at December 31, 2011, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Town 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 generally accepted accounting principles, and for such internal control as Town management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' judgement, 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 Town management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of The Corporation of the Town of Caledon as at December 31, 2011, and the results of its operations, its changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

June 6, 2012

CHARTERED ACCOUNTANTS
Licensed Public Accountants

THE CORPORATION OF THE TOWN OF CALEDON
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31	2011	2010 <i>(Restated - Note 23)</i>
Financial Assets		
Cash and bank (Note 2)	28,819,935	17,674,921
Temporary investments (Note 3)	14,713,140	7,639,534
Taxes receivable (Note 4)	12,976,647	12,480,963
Accounts and grants receivable (Note 5)	4,563,061	6,943,004
Long-term investments (Note 6)	19,344,609	21,917,045
	<u>80,417,392</u>	<u>66,655,467</u>
Financial Liabilities		
Accounts payable and accrued liabilities	17,732,107	19,052,372
Deferred revenue (Note 7)	19,802,469	10,291,184
Net long-term liabilities (Note 8)	21,951,640	22,901,277
	<u>59,486,216</u>	<u>52,244,833</u>
Net Financial Assets	<u>20,931,176</u>	<u>14,410,634</u>
Non-Financial Assets		
Tangible capital assets - net	275,412,877	280,759,289
Inventories of supplies	566,479	463,657
Prepaid expenses	229,709	152,602
	<u>276,209,065</u>	<u>281,375,548</u>
Total Net Assets	<u>297,140,241</u>	<u>295,786,182</u>
Accumulated Surplus - End of Year (Note 9)	<u>297,140,241</u>	<u>295,786,182</u>

THE CORPORATION OF THE TOWN OF CALEDON

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31	2011 Budget (Unaudited)	2011 Actual	2010 Actual (Restated-Note 23)
Revenue			
Taxation	38,985,316	38,474,230	33,439,041
Fees and user charges (Note 13)	9,342,566	8,498,589	8,882,800
Canada grants	35,000	3,646,523	4,861,018
Ontario grants	1,322,200	1,814,906	7,854,327
Licenses, permits and rents	2,136,899	2,212,277	1,972,046
Fines, penalties and interest on taxes	3,751,081	4,786,324	4,309,382
Other income (Note 14)	2,028,366	5,812,349	3,113,455
Development charges and other fees	-	4,628,643	6,457,689
	57,601,428	69,873,841	70,889,758
Expenditures			
General government	4,573,564	4,681,390	4,785,286
Protection services	10,472,768	9,839,759	9,016,506
Transportation services	13,352,636	13,264,882	11,541,440
Interest on corporate debt	-	1,438,080	1,390,692
Environmental services	25,736	22,338	23,591
Health services	-	-	11,298
Social and family services	78,414	41,718	30,670
Recreation and cultural services	13,978,879	13,905,566	12,420,580
Planning and development	6,260,058	5,562,344	5,464,429
	48,742,055	48,756,077	44,684,492
Income before Under-noted Items	8,859,373	21,117,764	26,205,266
Other (Income)/Expense			
(Gain)/Loss on disposal of tangible capital assets		(145,275)	(310,753)
Amortization of tangible capital assets		19,908,980	19,190,772
		19,763,705	18,880,019
Annual Surplus/(Deficit) from Operations		1,354,059	7,325,247
Accumulated Surplus - Beginning of Year (Note 23)		295,786,182	288,460,935
Accumulated Surplus - End of Year (Note 9)		297,140,241	295,786,182

THE CORPORATION OF THE TOWN OF CALEDON
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31	2011	2010 <i>(Restated - Note 23)</i>
Annual Surplus from Operations	1,354,059	7,325,247
Amortization of tangible capital assets	19,908,980	19,190,772
Acquisition of tangible capital assets	(14,585,589)	(30,008,424)
(Gain)/Loss on disposal of tangible capital assets	(145,275)	(310,753)
Proceeds on disposal of tangible capital assets	168,296	559,885
Other	(179,929)	76,637
Increase/(Decrease) in Net Financial Assets	6,520,542	(3,166,636)
Net Financial Assets - Beginning of Year	14,410,634	17,577,270
Net Financial Assets - End of Year	20,931,176	14,410,634

THE CORPORATION OF THE TOWN OF CALEDON
CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31	2011	2010 <i>(Restated - Note 23)</i>
Cash Provided By (Used In)		
Operating Activities		
Annual Surplus from operations	1,354,059	7,325,247
Items not involving cash		
Amortization of tangible capital assets	19,908,980	19,190,772
Loss/(Gain) on disposal of tangible capital assets	(145,275)	(310,753)
Long-term bond premium amortization	92,707	107,881
	<u>21,210,471</u>	<u>26,313,147</u>
Changes in non-cash working capital items (Note 11)	9,895,350	2,553,357
Capital Activities		
Acquisition of tangible capital assets	(14,585,589)	(30,008,424)
Proceeds on disposal of tangible capital assets	168,296	559,885
	<u>(14,417,293)</u>	<u>(29,448,539)</u>
Investing Activities		
(Increase)/Decrease in restricted cash	(2,951,067)	(2,370,838)
Net (purchase)/redemption of investments	(4,593,877)	6,972,927
	<u>(7,544,944)</u>	<u>4,602,089</u>
Financing Activities		
Proceeds of debenture	641,088	5,381,277
Repayment of long-term liabilities and sinking fund contributions	(1,590,725)	(1,402,000)
Debenture and loan repayments	(949,637)	3,979,277
	<u>8,193,947</u>	<u>7,999,331</u>
Net Change in Cash and Cash Equivalents	8,193,947	7,999,331
Cash and Cash Equivalents - Beginning of Year	13,364,826	5,365,495
Cash and Cash Equivalents - End of Year	21,558,773	13,364,826
Cash and Cash Equivalents are Comprised of:		
Cash and bank (unrestricted)	21,558,773	13,364,826

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

The Corporation of the Town of Caledon is a Municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and related legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Town of Caledon (the “Town”) are prepared by management in accordance with Canadian generally accepted accounting principles as recommended by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 amounts of revenues and expenditures during the period. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgement. Actual results could differ from these estimates. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting Entities

- (i) The consolidated financial statements reflect the assets, liabilities, revenues, expenditures and fund balances of the reporting entity. The reporting entity is composed of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town. These consolidated financial statements include:

Town of Caledon Library Board
Town of Caledon Business Improvement Area
Town of Caledon Youth Services Board
Town of Caledon Provincial Offences Office

Inter-departmental and inter-organizational transactions and balances between these organizations have been eliminated.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(ii) **Non-Consolidated Entities**

The following local boards, joint local boards, municipal enterprises and utilities are not consolidated:

The Regional Municipality of Peel
The Peel District School Board
The Dufferin-Peel Catholic District School Board
Conseil Scolaire de District du Centre-Sud Ouest
Conseil Scolaire de District Catholique Centre-Sud

(b) **Basis of Accounting**

(i) **Accrual Basis of Accounting**

Expenditures and related sources of financing are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which transactions or events occurred that gave rise to the revenues; expenditures are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

(ii) **Financial Instruments**

Financial instruments consist of cash and bank, temporary investments, taxes receivable, accounts and grants receivable, long-term investments, accounts payable and accrued liabilities and net long-term liabilities. Unless otherwise noted, it is management's opinion that the municipality is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

(iii) **Cash and Cash Equivalents**

Cash and cash equivalents consist of unrestricted cash and bank and unrestricted short-term investments with maturities of three months or less.

(iv) **Temporary Investments**

Temporary investments are recorded at the lower of cost and market value.

(v) **Inventory Held for Resale**

Inventory of goods held for resale is recorded at the lower of cost and net realizable value. Cost is determined on the average cost basis.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of Accounting (Continued)

(vi) Non-Financial Assets, Tangible Capital 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. The change in non-financial assets during the year, together with the excess of revenues over expenses, provides the Change in Net Financial Assets for the year.

Tangible Capital Assets

Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land	No amortization		
Land improvements	15-20 years	Information technology	3-5 years
Buildings	40 years	Roads	7-35 years
Building improvements	40 years	Machinery and equipment	5-15 years
Vehicles	5-20 years	Bridges, culverts and storm ponds	20-40 years
Furniture and fixtures	5-20 years		

Contribution of Tangible Capital Assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt, and that fair value is also recorded as revenue. Similarly, transfers of assets to third parties are recorded as an expense equal to the net book value of the asset as of the date of transfer.

(vii) Long-Term Investments

Long-term investments are recorded at cost. When there has been a loss in value of an investment that is other than a temporary decline, the investment is written down to recognize the loss.

(viii) Reserves and Reserve Funds

Certain amounts, as approved by Town Council, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to/from reserves and reserve funds are an adjustment to the respective funds when approved.

(ix) Deferred Revenue - Unearned User Charges and Fees

Deferred revenue represents user charges and fees which have been collected but for which the related services have not yet been performed. These receipts will be recognized as revenues in the fiscal year the services are performed.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of Accounting (Continued)

(x) Deferred Revenue - Obligatory Reserve Funds

Revenues restricted by legislation, regulation or agreement and not available for general municipal purposes are reported as deferred revenue on the consolidated statement of financial position. The revenue is reported on the consolidated statement of financial operations in the year in which it is used for the specified purpose.

(xi) Taxation and Related Revenues

Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation. Tax rates are established annually by Town Council, incorporating amounts to be raised for local services. A normal part of the assessment process is the issue of supplementary assessment rolls, which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Town determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and the related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the results of the appeal process are known.

The Town is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

(xii) Investment Income

Investment income earned on available funds (other than obligatory reserve funds) are reported in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances.

(xiii) Government Transfers

Government transfers are recognized in the consolidated financial statements in the period in which 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.

(xiv) Region and School Boards

The municipality collects taxation revenue on behalf of the Regional Municipality of Peel and the school boards. The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the Regional Municipality of Peel and the school boards are not reflected in these financial statements.

(xv) Trust Funds

Funds held in trust by the municipality, and their related operations, are not included in these financial statements. The financial activity and position of the trust funds are reported separately on the trust funds statement of continuity and balance sheet.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

2. CASH AND BANK

	2011	2010
Unrestricted	21,558,773	13,364,826
Restricted	7,261,162	4,310,095
	<u>28,819,935</u>	<u>17,674,921</u>

Restricted cash is held by the Region of Peel in the Town's Debt Retirement Fund for the purpose of providing periodic repayments of debt issued on behalf of the Town.

3. TEMPORARY INVESTMENTS

	2011	2010
Short-term interest bearing investments	10,064,662	-
Short-term Provincial Government bond	2,338,385	2,587,868
Region of Peel debt retirement fund investments	2,310,093	5,051,666
	<u>14,713,140</u>	<u>7,639,534</u>

Temporary investments have interest rates ranging from 0.05% to 5.875% and a market value of \$14,794,072 (2010 - \$7,622,367) at the end of the year.

During the year, amortization in the amount of \$16,554 (2010 - \$3,760) was taken on the premium paid on the short-term provincial government bond.

The Town's Debt Retirement Fund investments held by the Region of Peel are restricted for the purpose of providing periodic repayments of debt issued on behalf of the Town.

4. TAXES RECEIVABLE

	2011	2010
Taxes receivable	13,637,471	12,802,898
Allowance for doubtful accounts	(660,824)	(321,935)
	<u>12,976,647</u>	<u>12,480,963</u>

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

5. ACCOUNTS AND GRANTS RECEIVABLE

	2011	2010
Accounts and grants receivable	4,563,061	6,931,932
Allowance for doubtful accounts	-	11,072
	4,563,061	6,943,004

6. LONG-TERM INVESTMENTS

	2011	2010
Fixed income bond	2,000,000	-
Medium-term Provincial Government bond	2,187,150	2,192,912
Long-term Government of Canada bond	2,129,000	2,129,000
Long-term Provincial Government bonds	10,180,935	12,411,783
Long-term Debt Retirement Fund investments	2,847,524	5,183,350
	19,344,609	21,917,045

The long-term investments have interest rates ranging from 4.25% to 4.75% and maturity dates from December 2013 to June 2019. The market value of the long-term investments is \$21,092,555 (2010 - \$23,448,493).

During the year, amortization in the amount of \$92,707 (2010 - \$107,881) was taken on premiums paid on the long-term investments.

The Town's long-term Debt Retirement Fund investments held by the Region of Peel are restricted for the purpose of providing repayments of debt issued on behalf of the Town.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

7. DEFERRED REVENUE

	Balance at December 31, 2010	Contributions Received	Investment Income	Revenue Recognized	Balance at December 31, 2011
Obligatory Reserve Funds					
Heritage property grant	9,873	4,856	99	-	14,828
Development charges	8,687,450	11,227,490	111,877	2,822,369	17,204,448
Recreational land	7,170	1,397,082	1,934	1,138,357	267,829
Building stabilization	658,822	1,225,402	6,274	513,716	1,376,782
Federal gas tax	618,789	3,202,516	6,247	3,190,684	636,868
	<u>9,982,104</u>	<u>17,057,346</u>	<u>126,431</u>	<u>7,665,126</u>	<u>19,500,755</u>
User Charges and Fees					
Deferred memberships	283,169	15,028	-	2,394	295,803
Deferred grant	25,911	-	-	20,000	5,911
	<u>309,080</u>	<u>15,028</u>	<u>-</u>	<u>22,394</u>	<u>301,714</u>
	<u>10,291,184</u>	<u>17,072,374</u>	<u>126,431</u>	<u>7,687,520</u>	<u>19,802,469</u>

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

8. NET LONG-TERM LIABILITIES

- (a) The total long-term liabilities reported on the consolidated statement of financial position include the following:

	2011	2010
The Town has long-term debt managed and issued by the Region of Peel. The Town has the responsibility for the payment of principal and interest charges. The long-term debt, issued in 1999, has interest rates ranging from 6.45% to 6.65% and a maturity date of December 14, 2019. At the end of the year, the outstanding principal amount of the liability is	16,027,000	17,520,000
2010 sinking fund debenture. The long-term debt has an interest rate of 5.1% and a maturity date of June 29, 2040. At the end of the year the outstanding principal amount of the liability is	5,381,277	5,381,277
2011 sinking fund debenture. The long-term debt has an interest rate of 3.5% and a maturity in the year 2021. At the end of the year the outstanding principal amount of the liability is	641,088	-
	<u>22,049,365</u>	<u>22,901,277</u>
Less: sinking fund assets	97,725	-
	<u>21,951,640</u>	<u>22,901,277</u>

The following table outlines the principal and interest requirements on the long-term debt.

	Principal	Interest	Total
2012	1,711,046	828,509	2,539,555
2013	1,815,046	776,039	2,591,085
2014	1,925,046	720,137	2,645,183
2015	2,042,046	660,605	2,702,651
2016	2,167,046	596,732	2,763,778
2017-2021	7,577,228	1,957,829	9,535,057
Thereafter	1,823,022	5,214,457	7,037,479
Interest to be earned on sinking funds	2,891,160	-	2,891,160
	<u>21,951,640</u>	<u>10,754,308</u>	<u>32,705,948</u>

Interest expense in the amount of \$1,534,029 (2010 - \$1,390,692) has been recognized on the consolidated statement of operations.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

8. NET LONG-TERM LIABILITIES (Continued)

The annual principal and interest payments required to service the long-term liabilities of the municipality are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

Principal payments include sinking fund contributions and projected interest earned on the sinking funds.

- (b) For the 1999 debt issuance, the Town's debt retirement reserve held by the Region of Peel is projected to have sufficient funds to repay the principal and interest payments until December 2016. There is a projected shortfall between the debt retirement reserve fund and the Town's external long-term debt repayments of \$8,443,703, comprised of \$7,496,877 in principal repayments and \$946,826 of interest repayments.

The projected shortfalls between the debt retirement reserve fund and the Town's external long-term debt repayments are planned to be covered from the Town's other reserve funds.

- (c) For the 2010 debt issuance, the Town is contributing \$95,949 annually to a sinking fund held at the Region of Peel. It is anticipated that the principal will be fully funded by maturity in 2040 of \$5,381,277 with the combined sinking fund contributions and investment income.
- (d) For the 2011 debt issuance, the Town will be contributing \$25,096 annually to a sinking fund held at the Region of Peel commencing in 2012. It is anticipated that the principal will be fully funded by maturity in 2021 of \$641,088 with the combined sinking fund contributions and investment income.

9. ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following amounts:

	2011	2010
		<i>(Restated - Note 23)</i>
General purposes	(7,450,248)	(8,433,215)
Caledon Library Board (operations)	24,977	(133,539)
Caledon Business Improvement Area (operations)	14,219	19,451
Caledon Youth Services Board	(4,724)	(70,866)
Invested in Tangible Capital Assets	275,412,877	280,759,289
Reserves and Reserve Funds (Note 10)	29,143,140	23,645,062
	<u>297,140,241</u>	<u>295,786,182</u>

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

10. RESERVES AND RESERVE FUNDS

	2011	2010
Reserves set aside by Council:		
Working funds	1,299,647	1,299,589
Contingencies	3,002,530	2,067,806
Current purposes	149,460	110,102
Capital purposes	1,650,317	1,183,661
	<u>6,101,954</u>	<u>4,661,158</u>
Reserve funds set aside by Council:		
Hydro proceeds	5,068,129	2,150,600
Current purposes	2,457,237	773,030
Debt retirement	15,233,819	15,870,648
Bolton Community Improvement	282,001	189,626
	<u>23,041,186</u>	<u>18,983,904</u>
	<u>29,143,140</u>	<u>23,645,062</u>

11. CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2011	2010
Decrease (Increase) in taxes receivable	(495,684)	(1,195,095)
Decrease (Increase) in trade and other receivables	2,379,943	(5,046,823)
Decrease (Increase) in inventories	(102,822)	32,533
Decrease (Increase) in prepaid expenses	(77,107)	44,104
(Decrease) Increase in accounts payable	(1,320,265)	8,826,101
(Decrease) Increase in deferred revenue	9,511,285	(107,463)
	<u>9,895,350</u>	<u>2,553,357</u>

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

12. TAXATION

Property tax billings are prepared by the Town based on an assessment roll prepared by Municipal Property Assessment Corporation ("MPAC") based upon Current Value Assessment (CVA). Tax rates are established annually by Town Council, incorporating amounts to be raised for local services and the requisition made by the Region of Peel in respect of regional services. The Town is required to collect education taxes on behalf of the Province of Ontario. A normal part of the assessment process is the issue of supplementary assessment rolls which provide updated information with respect to changes in property assessment. Once a supplementary assessment roll is received, the Town determines the taxes applicable and renders supplementary tax billings. Taxation revenues are recorded at the time tax billings are issued. Assessments and related property taxes are subject to appeal. Tax adjustments as a result of appeals are recorded when the result of the appeal process is known.

The Town is entitled to collect interest and penalties on overdue taxes. These revenues are recorded in the period the interest and penalties are levied.

13. FEES AND USER CHARGES

	2011 Budget (Unaudited)	2011 Actual	2010 Actual
Recreation	3,040,160	2,388,242	2,473,389
Planning and development	3,688,401	3,338,249	3,915,952
Public works	1,824,505	1,489,360	1,538,709
Administration and general governance	595,100	926,491	650,276
Fire services	183,000	348,871	294,273
Library services	11,400	7,376	10,201
	9,342,566	8,498,589	8,882,800

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

14. OTHER INCOME

	2011 Budget	2011 Actual	2010 Actual
	<i>(Unaudited)</i>		<i>(Restated - Note 23)</i>
Investment income	603,500	1,368,221	1,375,575
Donations, contributions and agreements	75,600	226,509	110,437
Recovery from other municipalities	1,183,266	3,489,571	1,625,702
Developer contributions	-	676,787	-
Other	166,000	51,261	1,741
	2,028,366	5,812,349	3,113,455

15. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 292 employees. This plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employees and employers contribute jointly to the plan. The amount contributed to OMERS for 2011 was \$1,554,490 (2010 - \$1,291,308) for current service. The contribution rate for 2011 was 7.4% to 14.1% depending on normal retirement age and income level (2010 - 6.4% to 13.1%).

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

16. BUDGET AMOUNTS

Under Canadian generally accepted accounting principles, budget amounts are to be reported on the consolidated statement of financial activities for comparative purposes. The budget information has not been audited.

The unaudited budget data presented in these financial statements is based upon the 2011 operating and capital budgets approved by council on February 1, 2011. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget figures to the budget figures reported in these financial statements.

	Budgeted
Revenue:	
Operating budget	59,261,899
Capital budget	15,421,068
	<hr/> 74,682,967
Expenses:	
Operating budget	59,261,899
Capital budget	15,421,068
	<hr/> 74,682,967
Budgeted annual surplus	<hr/> - <hr/>
	Reported
Revenue:	
Operating budget	59,261,899
Less: transfers to reserves	(1,660,471)
Adjusted revenue budget	<hr/> 57,601,428
Expenses:	
Operating budget	59,261,899
Less: transfers to reserves	(10,519,844)
Adjusted expense budget	<hr/> 48,742,055
Adjusted budgeted annual surplus	<hr/> 8,859,373 <hr/>

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

17. REGIONAL MUNICIPALITY OF PEEL AND SCHOOL BOARDS

During the year, the following taxation revenue was raised and remitted to the Regional Municipality of Peel and the school boards:

	2011	2010
Regional Municipality of Peel	39,258,163	38,443,796
School boards	39,346,424	39,212,685
	78,604,587	77,656,481

These amounts are not included in the consolidated statement of operations.

18. TRUST FUNDS

The trust funds administered by the municipality amounting to \$2,715,712 (2010 - \$2,211,604) have not been included in the consolidated statement of financial position nor have the operations been included in the consolidated statement of operations. At December 31, 2011, the trust fund balances are as follows:

	2011	2010
Cemetery Perpetual Care	6,016	6,013
Developer Deposits	2,703,282	2,198,451
Other	6,414	7,140
	2,715,712	2,211,604

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

19. CONTRACTUAL COMMITMENTS

The Town of Caledon has entered into the following contracts:

- a) The lease of photocopiers at all Town locations at an approximate cost of \$233,532 per year. The lease was continued on a month to month basis from September to the end of 2011. The approximate 2012 annual cost of \$240,000 are in negotiations.
- b) Leases on two properties at an approximate cost of \$97,744 per year. One lease expired in December 2011 and was replaced by a new lease effective January 1, 2012 for 3 years at an annual cost of \$12,000.
- c) Leases on various mailing and postage machines total \$9,488 per year. The lease expiry dates are December 2011 and November 2013. The Town is currently in negotiations to purchase a new postage machine for Town Hall which will replace the December 2011 lease that expired.
- d) The lease of O.P.P. computer equipment at an approximate cost of \$6,192 in 2011. This lease expires December 2011.

The Town of Caledon has entered into contracts worth approximately \$11,077,609 as of December 31, 2011 for capital project spending in 2012 and beyond on various transportation services, protection services, and recreation and cultural services capital projects.

20. CONTINGENCIES

A number of claims relating to properties expropriated by the Town are pending. It is not possible, at this time, for the Town to predict with certainty the outcome of such litigation. Management is of the opinion, based upon information presently available, that it is unlikely that any liability, to the extent not provided for, would be material in relation to the Town's financial position.

Certain claims, suits and complaints arising in the ordinary course of operations have been filed or are pending against the Town. In the opinion of management, the amounts of these claims would not have a significant effect on the financial position or results of operations of the Town if disposed of unfavourably.

A number of appeals of the current value assessment of properties in the municipality are currently in process. The impact on taxation revenue as a result of settlement of these appeals is not determinable at this time. The effect on taxation of the settlement of these appeals will be recorded in the fiscal year in which they can be determined.

The Town has been served with various claims as a result of accidents and other incidents. The Town is not aware of any possible settlements in excess of its liability insurance coverage. The outcomes of these claims are not determinable at this time. Should any liability be determined and not covered by insurance, it will be recognized in the period when determined.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

21. PROVINCIAL OFFENCES ADMINISTRATION

Effective March 29, 1999, the Corporation of the Town of Caledon assumed the responsibilities of the Provincial Offences Act (POA) from the Ministry of the Attorney General.

The POA is a procedural law for administering and prosecuting provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobiles Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal by-laws and other minor offences.

The revenues of the operations of the Caledon East POA administration facility and revenues collected on behalf of the Town at other POA court locations in the Province of Ontario consisting of fines and charges amount to \$2,244,536 for the year ended December 31, 2011 (2010 - \$1,896,182).

Pursuant to a Memorandum of Understanding, the Town of Caledon also provides administration and court support for the serviced municipalities within the County of Dufferin. A cost recovery fee is deducted from revenue transferred to the serviced municipalities. For the year ended December 31, 2011, cost recovery fees of \$412,158 (2010 - \$401,331) were collected from serviced municipalities within the County of Dufferin.

22. COMPARATIVE AMOUNTS

The comparative amounts presented in the financial statements have been reclassified to conform to the current year's presentation.

23. PRIOR PERIOD ADJUSTMENT

During the year, the Town discovered that certain tangible capital assets related to regional road intersections of the Town's Bolton Arterial Route project had been capitalized where ownership of the assets were actually held by the Region of Peel and the City of Brampton. Also, certain tangible capital assets related to un-assumed roads had been capitalized upon the initial set up of tangible capital assets by the Town. Both of these adjustments have been reflected in opening accumulated surplus as follows:

	2010
Accumulated Surplus - Beginning of year, as previously reported	296,539,185
Adjustment to tangible capital assets	(9,640,525)
Adjustment to amortization expense	1,562,275
Accumulated Surplus - Beginning of year, as restated	288,460,935

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

24. SEGMENTED INFORMATION

The Town of Caledon is a diversified municipal government that provides a wide range of services to its citizens such as fire, recreation, library and planning. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Public Works

Responsible for the design, construction and maintenance of Town roads, storm sewers, storm water management, sidewalks, streetscapes, streetlights, and development design standards and assurance. This department is responsible for the enforcement of the building code and by-laws.

Fire and Emergency Services

As one of the largest volunteer Fire Service in Ontario, this department prides itself on protecting life, property and the environment.

Parks and Recreation

Offers barrier-free, accessible structured and non-structured active living and leisure activities for all ages and abilities and oversees the design and maintenance of Town parks and sports fields. This area is responsible for the design, construction and maintenance of Town trails and paths.

Library Services

Caledon Public Library offers seven branches across Caledon to meet the informational and educational needs of residents and to promote lifelong learning, literacy and the love of reading.

General Governance and Administration

As the liaison between Council and staff, the CAO and Clerk ensure Council directives are carried out. The CAO's office includes the Communications section which maintains internal and external communications standards. Administration includes Animal Services, Customer Service, Legal Services, Legislative Services, and the Provincial Offences Court.

Human Resources

Provides human resource advice, counsel and solutions to meet the goals and challenges facing Town staff.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2011

24. SEGMENTED INFORMATION (Continued)

Other

Other includes:

- Development Approval and Planning Policy which is responsible for official plan policy, the Town's zoning by-law, development applications, the heritage resource office, the office of environmental progress, planning law, administration of the Building Code Act and Ontario Building Code.
- Economic Development which enhances and promotes the corporate reputation of the Town, attracts and retains business and investments and provides support to tourism, promotion and investments.
- Corporate Services which is responsible for the Town's operating and capital budgets; billing and collection of municipal, regional and local school board property taxes and development charges; includes the Capital Projects and Property Management Division, Purchasing and Risk Management Division, Finance Division and Information Technology Division.

THE CORPORATION OF THE TOWN OF CALEDON
CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION
For the year ended December 31, 2011

	Public Works	Fire and Emergency Services	Parks and Recreation	Library Services	General Governance and Administration	Human Resources	Other	Total 2011
Revenue								
Taxation	10,911,079	5,855,487	8,840,387	2,462,847	4,885,362	909,687	4,609,381	38,474,230
Fees and user charges	1,493,817	344,415	2,508,810	7,375	856,097	-	3,288,075	8,498,589
Specific grants	2,843,747	-	1,300,740	91,579	934	-	1,223,445	5,460,445
Other revenue	1,034,154	316,421	3,524,259	49,035	2,874,514	-	5,013,551	12,811,934
Development charges & other fees	-	-	-	-	1,292,464	-	3,336,179	4,628,643
	16,282,797	6,516,323	16,174,196	2,610,836	9,909,371	909,687	17,470,631	69,873,841
Expenses								
Salaries and benefits	4,234,440	4,347,211	5,945,541	1,978,688	4,329,736	667,640	7,448,950	28,952,206
Interest on debt	274,445	3,443	-	-	-	-	1,161,043	1,438,931
Materials and supplies	4,661,621	1,198,326	4,168,519	424,255	862,637	116,693	2,106,464	13,538,515
Contracted services	1,487,118	284,443	214,652	-	586,867	368,460	876,428	3,817,968
Other transfers	(289,923)	205,595	(163,134)	166,531	9,377	-	168,625	97,071
Rents and financial expenses	194,342	-	85,305	295	58,890	-	572,554	911,386
	10,562,043	6,039,018	10,250,883	2,569,769	5,847,507	1,152,793	12,334,064	48,756,077
Net income before undernoted items	5,720,754	477,305	5,923,313	41,067	4,061,864	(243,106)	5,136,567	21,117,764
Amortization and gain/loss on disposal of tangible capital assets	13,471,601	1,294,095	3,681,379	365,023	951,607	-	-	19,763,705
Net Surplus (Deficit)	(7,750,847)	(816,790)	2,241,934	(323,956)	3,110,257	(243,106)	5,136,567	1,354,059

THE CORPORATION OF THE TOWN OF CALEDON
CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION
For the year ended December 31, 2010

	Public Works	Fire and Emergency Services	Parks and Recreation	Library Services	General Governance and Administration	Human Resources	Other	Total 2010 (Restated) (Note 1)
Revenue								
Taxation	9,802,397	4,594,106	7,464,002	2,209,042	4,650,109	689,633	4,029,752	33,439,041
Fees and user charges	1,538,709	294,273	2,529,212	10,201	561,472	-	2,482,261	7,416,128
Specific grants	30,208	-	6,779,235	101,487	4,521,454	-	1,282,961	12,715,345
Other revenue	723,946	448,302	2,546,937	42,631	2,519,457	-	4,580,282	10,861,555
Development charges & other fees	65,104	-	-	-	428,830	-	5,963,755	6,457,689
	<u>12,160,364</u>	<u>5,336,681</u>	<u>19,319,386</u>	<u>2,363,361</u>	<u>12,681,322</u>	<u>689,633</u>	<u>18,339,011</u>	<u>70,889,758</u>
Expenses								
Salaries and benefits	4,215,994	4,000,752	5,804,689	1,812,211	3,984,658	637,789	6,411,803	26,867,896
Interest on debt	138,519	-	-	-	-	-	1,252,173	1,390,692
Materials and supplies	4,235,225	910,041	3,133,454	396,100	1,156,642	123,515	1,286,737	11,241,714
Contracted services	1,230,789	275,058	119,468	-	948,514	160,250	1,265,487	3,999,566
Other transfers	(294,837)	211,594	(126,750)	162,336	70,970	-	134,125	157,438
Rents and financial expenses	195,687	-	114,254	-	53,143	-	664,102	1,027,186
	<u>9,721,377</u>	<u>5,397,445</u>	<u>9,045,115</u>	<u>2,370,647</u>	<u>6,213,927</u>	<u>921,554</u>	<u>11,014,427</u>	<u>44,684,492</u>
Net income before undernoted items	2,438,987	(60,764)	10,274,271	(7,286)	6,467,395	(231,921)	7,324,584	26,205,266
Amortization and gain/loss on disposal of tangible capital assets	13,192,830	1,249,498	3,331,745	361,823	744,123	-	-	18,880,019
Net Surplus (Deficit)	<u>(10,753,843)</u>	<u>(1,310,262)</u>	<u>6,942,526</u>	<u>(369,109)</u>	<u>5,723,272</u>	<u>(231,921)</u>	<u>7,324,584</u>	<u>7,325,247</u>

Note 1 - The 2010 segmented reporting information has been restated to reflect the 2011 reorganization.

THE CORPORATION OF THE TOWN OF CALEDON
CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS
For the year ended December 31, 2011

	Land and Land Improvements	Buildings and Building Improvements	Furniture and Fixtures	Machinery, Equipment, Information Technology	Vehicles	Bridges, Culverts and Storm Ponds	Roads	Construction in Progress	Total 2011	Total 2010 (Restated)
Cost										
Balance, beginning of year	47,673,165	88,466,599	7,295,347	8,154,699	13,715,397	18,220,255	291,970,438	39,026,902	514,522,802	486,392,836
Additions during the year	6,510,675	9,428,830	400,844	807,783	2,399,653	1,618,167	15,715,457	-	36,881,409	30,008,424
Disposals during the year	-	-	-	144,071	232,564	-	-	22,295,820	22,672,455	1,878,458
Balance, end of year	54,183,840	97,895,429	7,696,191	8,818,411	15,882,486	19,838,422	307,685,895	16,731,082	528,731,756	514,522,802
Accumulated Amortization										
Balance, beginning of year	2,838,036	34,136,333	5,364,915	3,111,986	7,981,480	10,755,275	169,575,488	-	233,763,513	216,202,067
Amortization during the year	324,802	4,886,818	687,007	815,020	732,387	382,571	12,080,375	-	19,908,980	19,190,772
Accumulated amortization on disposal	-	-	-	121,050	232,564	-	-	-	353,614	1,629,326
Balance, end of year	3,162,838	39,023,151	6,051,922	3,805,956	8,481,303	11,137,846	181,655,863	-	253,318,879	233,763,513
Net Book Value of Tangible Capital Assets	51,021,002	58,872,278	1,644,269	5,012,455	7,401,183	8,700,576	126,030,032	16,731,082	275,412,877	280,759,289

FIVE YEAR REVIEW SUMMARY

Fiscal Year	2011	2010	2009	2008	2007
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MUNICIPALITY STATISTICS

Population *	59,460	57,900	57,900	57,900	57,900
Households *	19,649	18,900	18,900	18,900	18,900
Area in hectares *	68,717	68,717	68,717	68,717	68,717
Construction activity (value)	\$ 5,733,968	\$ 18,491,948	\$ 7,515,620	\$ 7,490,202	\$ 1,537,000

* from Financial Information Report / Statistics Canada / MPAC

Staffing Statistics

Full Time Staff	257	249	242	238	219
per 1000 people	0.43%	0.43%	0.42%	0.41%	0.38%
Part Time Staff	407	358	338	354	342

Taxable Assessment upon which the year's rates of taxation were set

Residential, farm, multi-residential	9,023,667,436	8,439,050,179	7,957,056,318	7,442,365,209	7,399,651,044
Commercial, industrial and other	1,506,853,612	1,289,917,975	1,134,740,874	864,904,987	839,986,370
Total Taxable Assessment	10,530,521,048	9,728,968,154	9,091,797,192	8,307,270,196	8,239,637,414
<i>Total per capita</i>	<i>177,103</i>	<i>168,031</i>	<i>157,026</i>	<i>143,476</i>	<i>142,308</i>

TOP TEN PRINCIPAL CORPORATE TAXPAYERS

(by taxes paid)

1	HUSKY INJECTION MOLDING
2	ARMBRO MATERIALS & SUPPLIES
3	MARS CANADA INC
4	DI GREGORIO INVESTMENTS LTD
5	FIRST BOLTON DEVELOPMENT LTD
6	AMB AIRPORT ROAD CANCO INC
7	NORTH WEST HOLDINGS
8	ENBRIDGE GAS DISTRIBUTION INC
9	301 BOLTON PLAZA INC
10	LOBLAWS INCORPORATED

FIVE YEAR REVIEW SUMMARY

Fiscal Year	2011	2010	2009	2008	2007
Residential and Farm					
Town purposes	0.360686%	0.345260%	0.338305%	0.308703%	0.291671%
Region purposes	0.369991%	0.382847%	0.394459%	0.430734%	0.378591%
School purposes	0.231000%	0.241000%	0.252000%	0.264000%	0.264000%
Total - Residential and Farm	0.961677%	0.969107%	0.984764%	1.003437%	0.934262%

Commercial					
Town purposes	0.467846%	0.447837%	0.438815%	0.400418%	0.378326%
Region purposes	0.479915%	0.496590%	0.511653%	0.558704%	0.491070%
School purposes	1.253034%	1.339544%	1.439162%	1.553938%	1.553938%
Total - Commercial	2.200795%	2.283971%	2.389630%	2.513060%	2.423334%

Industrial					
Town purposes	0.530208%	0.507532%	0.497308%	0.453793%	0.428756%
Region purposes	0.543887%	0.562785%	0.579855%	0.633178%	0.556529%
School purposes	1.499357%	1.585675%	1.681288%	1.777496%	1.781118%
Total - Industrial	2.573452%	2.655992%	2.758451%	2.864467%	2.766403%

FIVE YEAR REVIEW SUMMARY

Fiscal Year	2011	2010	2009	2008	2007
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TAX INFORMATION

Taxes Levied					
Town portion	\$ 39,501,484	\$ 35,019,288	\$ 31,456,011	\$ 26,830,334	\$ 24,482,272
Region portion	40,371,511	38,689,338	36,523,671	37,224,810	32,749,021
School Board portion	40,655,091	39,515,899	36,707,286	36,188,258	33,106,178
Total	\$ 120,528,086	\$ 113,224,525	\$ 104,686,968	\$ 100,243,402	\$ 90,337,471

Taxes Collected					
Town collection	\$ 36,656,384	\$ 34,100,541	\$ 34,860,879	\$ 22,263,680	\$ 23,806,496
Taxes transferred to the Region	40,371,511	38,689,338	36,523,671	37,224,810	32,749,021
Taxes transferred to the School Boards	40,655,091	39,515,899	36,707,286	36,188,258	33,106,178
Total	\$ 117,682,986	\$ 112,305,778	\$ 108,091,836	\$ 95,676,748	\$ 89,661,695

Taxes Receivable, End of Year

Taxes Receivable	\$ 12,976,647	\$ 12,480,963	\$ 11,285,868	\$ 12,559,111	\$ 8,537,126
<i>Taxes Receivable per capita</i>	218.24	215.56	194.92	216.91	147.45
Percentage of current years' levy	10.77%	11.02%	10.78%	12.53%	9.45%

FIVE YEAR REVIEW SUMMARY

Fiscal Year	2011	2010	2009	2008	2007
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FINANCIAL INFORMATION

Consolidated Revenues					
Taxation	\$ 38,474,230	\$ 33,439,041	\$ 31,407,198	\$ 27,048,501	\$ 24,619,386
Fees and user charges	8,498,589	8,882,800	6,902,098	7,114,078	5,275,388
Canada grants	3,646,523	4,861,018	2,283,132	1,472,068	5,745
Ontario grants	1,814,906	7,854,327	7,621,085	1,449,509	2,341,549
Licenses, permits and rents	2,212,277	1,972,046	3,988,054	5,324,787	4,638,402
Fines, penalties and interest on taxes	4,786,324	4,309,382	3,933,949	4,103,849	3,566,689
Other income	5,812,349	3,113,455	2,594,775	5,324,454	4,868,534
Development charges and other fees	4,628,643	6,457,689	1,405,368	5,798,532	2,687,663
Total	\$ 69,873,841	\$ 70,889,758	\$ 60,135,659	\$ 57,635,778	\$ 48,003,356

Consolidated Expense by Function					
General government	\$ 4,681,390	\$ 4,785,286	\$ 7,740,340	\$ 7,210,769	\$ 5,993,489
Protection services	9,839,759	9,016,506	8,511,284	8,692,821	7,540,664
Transportation services	13,264,882	11,541,440	14,173,503	19,231,912	8,792,648
Interest on corporate debt	1,438,080	1,390,692	1,337,055	1,416,777	1,491,662
Environmental services	22,338	23,591	24,018	26,860	
Health services	-	11,298	21,196	24,000	
Social and family services	41,718	30,670	55,400	44,850	
Recreation and cultural services	13,905,566	12,420,580	13,190,812	11,350,634	10,071,014
Planning and Development	5,562,344	5,464,429	4,179,026	6,076,136	5,427,346
Other - (Gain)/Loss on disposal of tangible capital assets	(145,275)	(310,753)	13,431	1,218	
Amortization of tangible capital assets	19,908,980	19,190,772	19,406,587	19,770,962	
Total	\$ 68,519,782	\$ 63,564,511	\$ 68,652,652	\$ 73,846,939	\$ 39,316,823

FIVE YEAR REVIEW SUMMARY

Fiscal Year	2011	2010	2009	2008	2007
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FINANCIAL INFORMATION

Consolidated Expenditures by Object					
Salary, wages and benefits	\$ 28,952,206	\$ 26,867,896	\$ 25,534,967	\$ 24,998,079	\$ 22,108,991
Interest on Debt	1,438,931	1,390,692	1,337,055	1,693,231	1,491,662
Materials and supplies	13,538,515	11,241,714	15,631,360	23,088,740	11,921,058
Contracted services	3,817,968	3,999,566	5,348,754	2,903,406	2,554,547
Other Transfers	97,071	157,438	265,793	922,315	833,951
Rents and financial expenses	911,386	1,027,186	1,114,705	468,988	406,614
Amortization	19,908,980	19,190,772	19,406,587	19,770,962	
Loss on disposal of assets	(145,275)	(310,753)	13,431	1,218	
Total	\$ 68,519,782	\$ 63,564,511	\$ 68,652,652	\$ 73,846,939	\$ 39,316,823

Long-Term Liabilities					
Gross long term debt	\$ 21,951,640	\$ 22,901,277	\$ 18,922,000	\$ 20,238,000	\$ 21,474,000
<i>Per capita</i>	369.18	395.53	326.80	349.53	370.88
Interest on Long-term debt	\$ 1,438,931	\$ 1,390,692	\$ 1,337,055	\$ 1,693,231	\$ 1,491,662
<i>Per capita</i>	24.20	24.02	23.09	29.24	25.76
Sources of Debt Repayment					
Debt Retirement Fund *	\$ 2,654,044	2,654,174	2,653,055	2,652,777	2,658,662
Development Charges	132,431	65,790			
Tax Supported	196,309	72,728		625,462	25,790
Total - Funding	\$ 2,982,784	\$ 2,792,692	\$ 2,653,055	\$ 3,278,239	\$ 2,684,452

*Debt Retirement Fund held by the Region of Peel

Debt Repayment Limit (as determined by the Province of Ontario)					
	\$ 8,949,676	\$ 6,330,907	\$ 5,895,599	\$ 5,895,599	\$ 8,300,000
Trust Funds	\$ 2,715,712	\$ 2,211,604	\$ 2,142,567	\$ 2,517,913	\$ 2,317,350

FIVE YEAR REVIEW SUMMARY

Fiscal Year	2011	2010	2009	2008	2007
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ACCUMULATED SURPLUS & TANGIBLE CAPITAL ASSETS

Accumulated Surplus - Beginning of Year	\$ 295,786,182	\$ 288,460,935	\$ 305,056,178	\$ 321,267,339	
Annual Surplus	1,354,059	7,325,247	(16,595,243)	(16,211,161)	
Accumulated Surplus - End of Year	\$ 297,140,241	\$ 295,786,182	\$ 288,460,935	\$ 305,056,178	

Tangible Capital Asset Net Book Value			**	**
Land and Land Improvements	\$ 51,021,002	\$ 44,835,129	\$ 44,535,193	
Buildings and Building Improvements	58,872,278	54,330,266	53,250,590	
Furniture and Fixtures	1,644,269	1,930,432	2,249,276	
Machinery, Equipment, Information Technology	5,012,455	5,047,328	3,980,003	
Vehicles	7,401,183	5,729,302	6,209,832	
Bridges, Culverts and Storm Ponds	8,700,576	7,464,980	7,663,457	
Roads	126,030,032	122,394,950	137,007,684	
Construction in Progress	16,731,082	39,026,902	23,372,984	
Total	\$ 275,412,877	\$ 280,759,289	\$ 278,269,019	

Tangible Capital Asset Cost			**	**
Assets - Beginning of Year	\$ 514,522,802	\$ 486,392,836	\$ 477,768,120	
Additions	36,881,409	30,008,424	18,485,095	
Disposals and Transfers	22,672,455	1,878,458	219,854	
Assets - End of Year	\$ 528,731,756	\$ 514,522,802	\$ 496,033,361	

Tangible Capital Asset Amortization			**	**
Accumulated Amortization - Beginning of Year	\$ 233,763,513	\$ 215,919,239	\$ 198,564,178	
Amortization during the year	19,908,980	19,473,600	19,406,587	
Accumulated Amortization on disposal	353,614	1,629,326	206,423	
Accumulated Amortization - End of Year	\$ 253,318,879	\$ 233,763,513	\$ 217,764,342	

Net Book Value of Tangible Capital Assets	\$ 275,412,877	\$ 280,759,289	\$ 278,269,019	
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**Financial data are derived from statements in accordance with PS 1200 and PS 3150, in which five years of data is not currently available.