



Financial Report and Consolidated Financial Statements For the year ended December 31, 2012



The Corporation of the Town of Caledon
Caledon, Ontario, Canada

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the Town of Caledon for its annual financial report for the fiscal year ended December 31, 2011. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA.



Financial Report and Consolidated Financial Statements For the year ended December 31, 2012



The Corporation of the Town of Caledon
Caledon, Ontario, Canada

Prepared By Corporate Services Department, Town of Caledon



Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**The Corporation of the Town
of Caledon, Ontario**

For its Annual
Financial Report
for the Year Ended

December 31, 2011



Executive Director

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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	

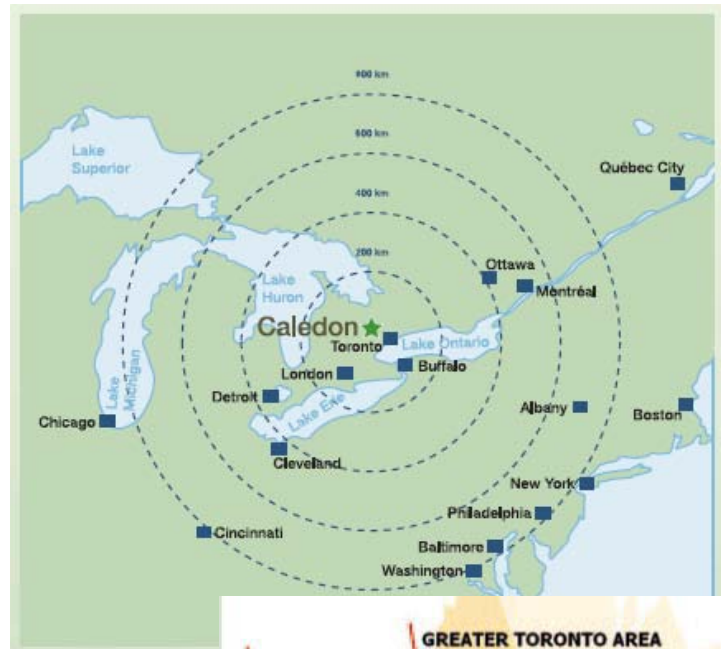


Back Row (left to right): R. Paterak, A. Thompson, M. Morrison, R. Whitehead, G. McClure
Front Row (left to right): R. Mezzapelli, N. deBoer, P. Foley, D. Beffort

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.

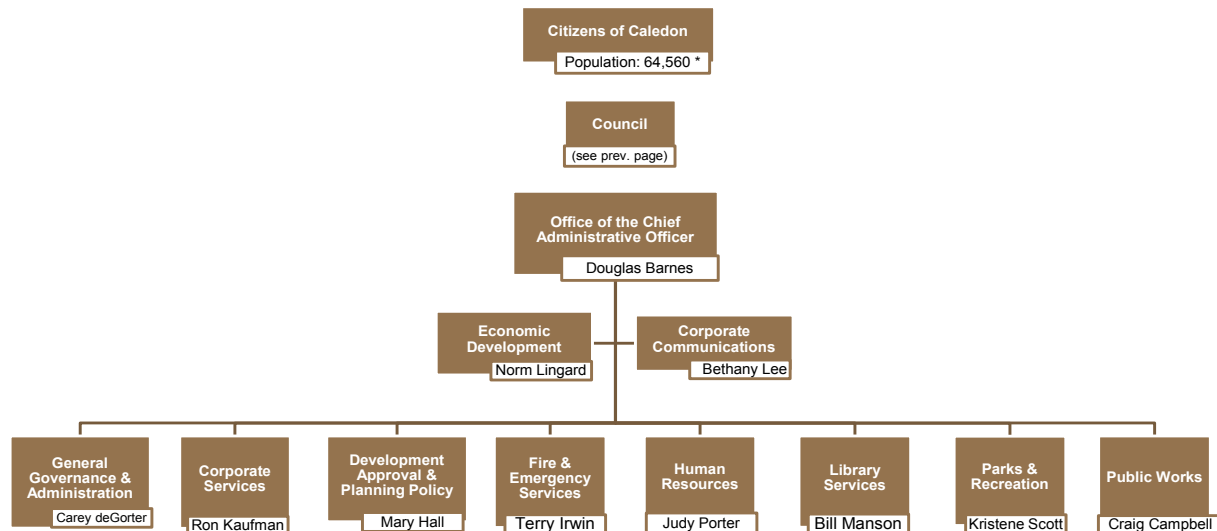
Growth and Services

Residential development in the Town continued to grow in 2012 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:



*2012 projected population based on 2011 Census data adjusted for under count and numbers provided Development Approval and Planning Policy data as at May 2013.

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 2012 Financial Report

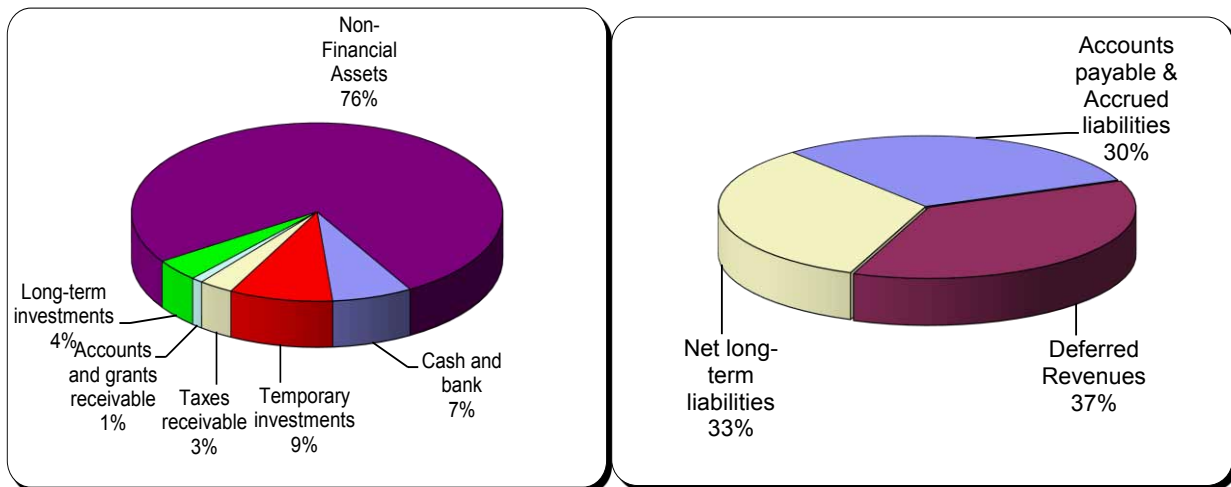
The Town of Caledon is pleased to present its 2012 Financial Report and Consolidated Financial Statements, for the year ended December 31, 2012. This report has been prepared in accordance with the *Municipal Act, 2001* and based on the reporting standards set by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants and best practices in financial reporting as recommended by the Government Finance Officers Association.

The 2012 Financial Report and Consolidated Financial Statements are the responsibility of the Corporation of the Town of Caledon. The financial statements have been examined by Millard, Rouse and Rosebrugh, LLP Chartered Accountants, the external auditors for 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.

The Financial Highlights have been extracted from the Town's Audited Consolidated Financial Statements.

Balance Sheet

The following highlights outline the Balance Sheet as at December 31, 2012 (in thousands of dollars)



Balance Sheet

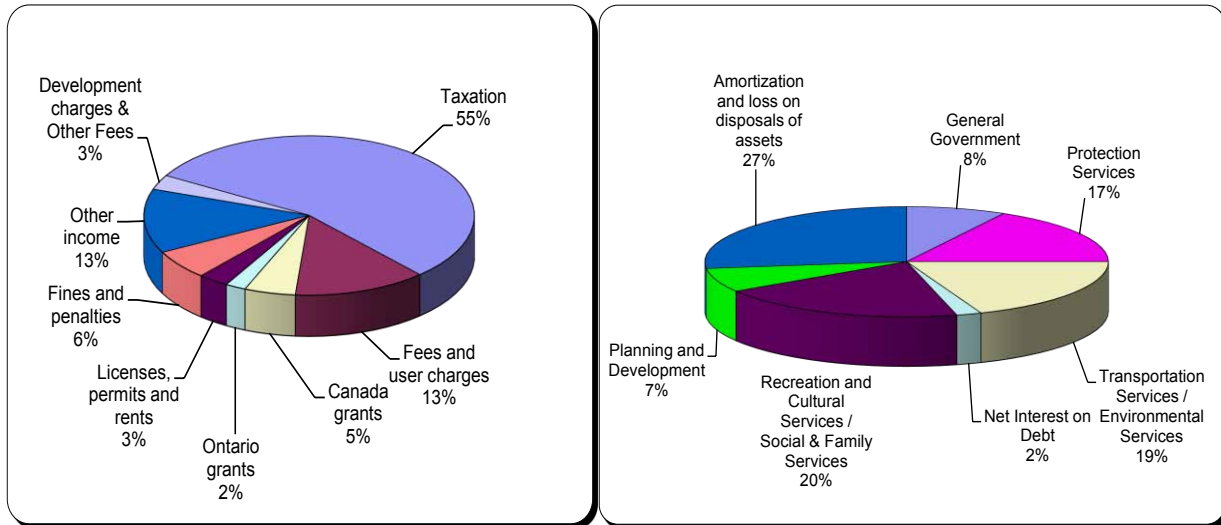
What we own	\$ 000's	%
Cash and bank	\$ 27,278	7%
Temporary investments	32,341	9%
Taxes receivable	11,040	3%
Accounts and grants receivable	2,868	1%
Long-term investments	15,095	4%
Non-Financial Assets	274,295	76%
	<u>\$ 362,917</u>	<u>100%</u>

What we owe	\$ 000's	%
Accounts payable & Accrued liabilities	\$ 19,007	30%
Deferred Revenues	23,236	37%
Net long-term liabilities	20,459	33%
	<u>\$ 62,702</u>	<u>100%</u>

Net worth	\$	%
Accumulated operating surplus	\$ (6,779)	-2%
Investment in Tangible Capital Assets	273,895	91%
Reserves and Reserve Funds	33,099	11%
	<u>\$ 300,215</u>	<u>100%</u>
	<u>\$ 362,917</u>	

Revenues and Expenses

The following highlights outline the sources and uses of money for 2012 operations (in thousands of dollars).



Operating Revenues and Expenditures

Where the money came from	\$ 000's	%
Taxation	\$ 40,568	55%
Fees and user charges	9,999	13%
Canada grants	3,707	5%
Ontario grants	1,825	2%
Licenses, permits and rents	1,886	3%
Fines and penalties	4,859	6%
Other income	9,452	13%
Development charges & Other Fees	2,463	3%
	<u>\$ 74,759</u>	<u>100%</u>

What the money was used for	\$ 000's	%
General Government	\$ 5,986	8%
Protection Services	12,154	17%
Transportation Services / Environmental Services	13,529	19%
Net Interest on Debt	1,363	2%
Recreation and Cultural Services / Social & Family Services	13,941	20%
Planning and Development	5,156	7%
Amortization and loss on disposals of assets	19,556	27%
	<u>\$ 71,685</u>	<u>100%</u>

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 2012 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.

2012 Management Discussion and Analysis

In 2012, significant positive impacts to the Town's financials included:

- The 2012 statement of operations reflects a modest full accrual surplus
- The Town's tangible capital assets (TCA) increased by approximately \$18M in gross expenditures.
- The deferred revenue line on the statement of financial position shows an increase of approximately \$3.4M which relates to development charges.
- The accounts receivable and taxes receivable shows an overall decrease of \$3.6M which relates to the Town being more proactive on the collections of past due amounts and outstanding property taxes.

2012 Financial Position of the Town

The Town's total net assets (also referred to as accumulated surplus) increased by \$3.1M in 2012 as shown in the table below:

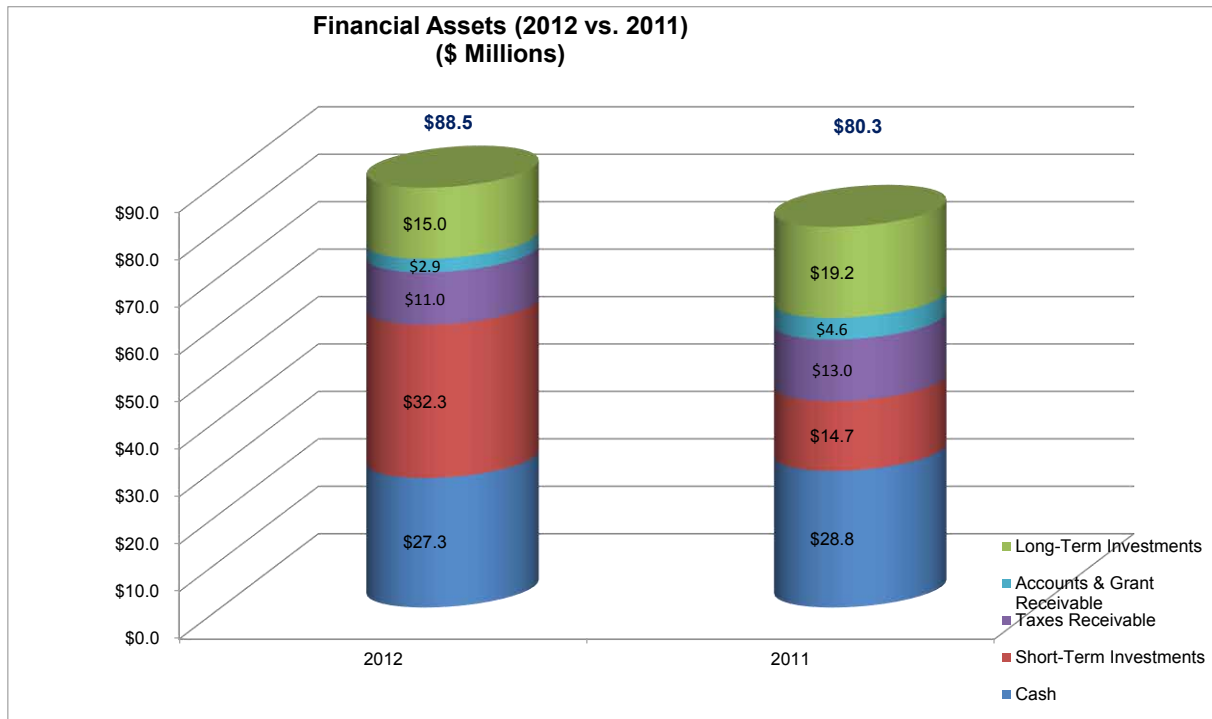
Account description	Change in 2012 Increase/(Decrease)
Financial Assets – eg. cash, receivables and investments	\$8.2M
Financial Liabilities – eg. Payables, deferred revenues and debt	\$3.2M
Non-Financial Assets – eg. Tangible Capital Assets	(\$1.9M)
2012 Change in Total Net Assets	\$3.1M

Financial Assets

The \$8.2M increase in financial assets for the Town is mainly attributed to the following reasons:

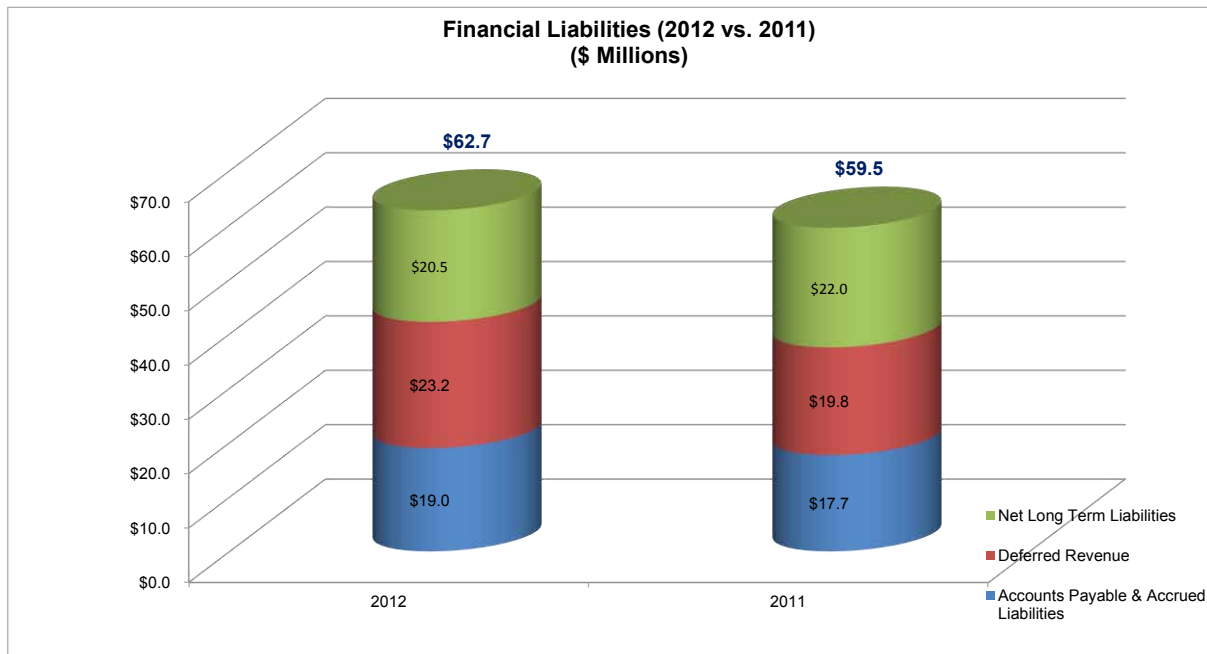
- \$17.6M increase in short term investments improved cash flows from better collection of tax arrears, collection of grant funding up fronted in previous years and additional development charges collected.
- \$1.5M decrease in cash from incremental investments in capital in 2012 on capital projects such as Johnston Sports Park and the Town's \$3.0M investment to replace aging Fleet vehicles and equipment (to be eventually funded via a debenture). Approximately \$0.1M of the \$1.5M decrease is related to cash being transferred to the Region of Peel for sinking fund contributions related to the Bolton Arterial Route (BAR) debenture and Fire Aerial debenture.

- \$1.9M decrease in taxes receivable as the Town initiated a proactive property tax collection process. The new collection process also allows for special payment program for taxpayers in arrears whereby the property is not put up for tax sale while the special payment program is kept current.
- \$1.7M decrease in accounts receivable mainly due to the Town receiving grant funding from completed infrastructure grant projects from previous years.
- \$4.3M decrease in long term investments. Two bond investments matured in 2012 and the funds were used to fund 2012 operating and capital activities.



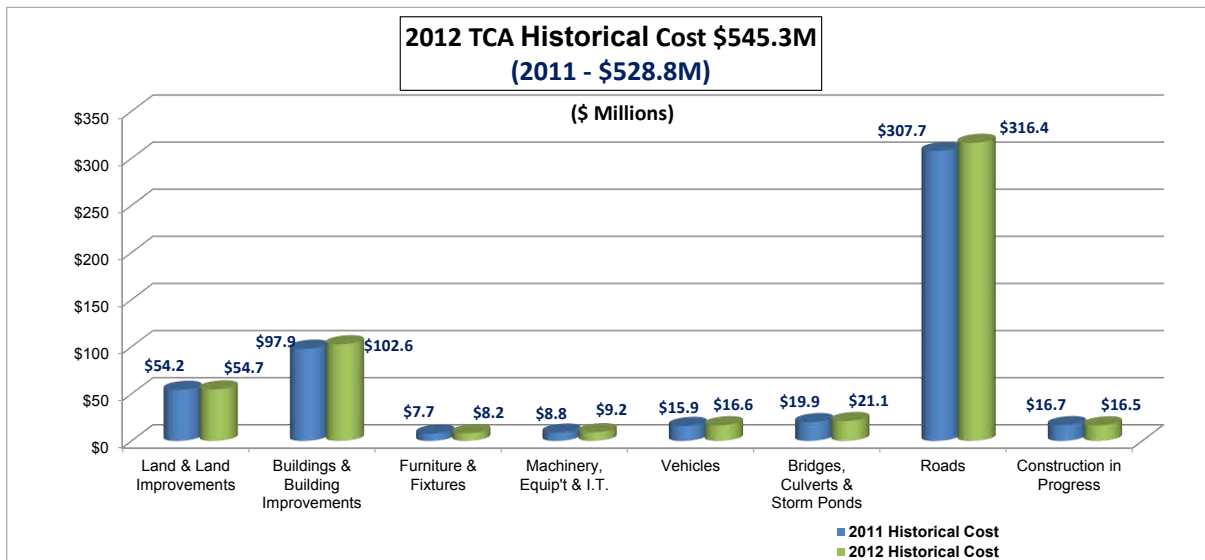
Financial Liabilities

Overall, financial liabilities for the Town have increased by \$3.2M primarily due to a \$3.4M increase in deferred revenues such as development charges and building permit revenues. There was also a \$1.3M increase in accounts payable and accrued liabilities related to capital projects where the goods and services were received by the Town but payments were pending at the end of 2012. The increases were partially offset by the Town's annual debt related to the Hydro debenture; long term liabilities were reduced by \$1.5M for the principal payment on the Hydro debt in 2012.



Non-Financial Assets

In 2012, there was a decrease of \$1.9M in the non-financial assets. Despite an investment of approximately \$18.0M (gross capital expenditures before disposals of \$1.8M) in tangible capital assets in 2012, amortization expense of \$19.5M resulted in a \$1.5M decrease in the net book value of tangible capital assets (TCA's). The balance of the non-financial asset decrease is due to a \$0.4 decrease in inventories and prepaid expenses. As shown in the following chart, the historical cost of the Town's assets has increased from \$528.8M in 2011 to \$544.4 at the end of 2012.



In 2012, annual amortization related to the Town's tangible capital assets decreased by \$0.40M slightly from \$19.9M in 2012 to \$19.5M due to:

\$0.25M decrease in amortization due to the disposal of vehicles and from assets that are now fully amortized.

\$0.15M decrease in amortization due to changes in the assumptions of useful life for certain assets.

\$0.40M

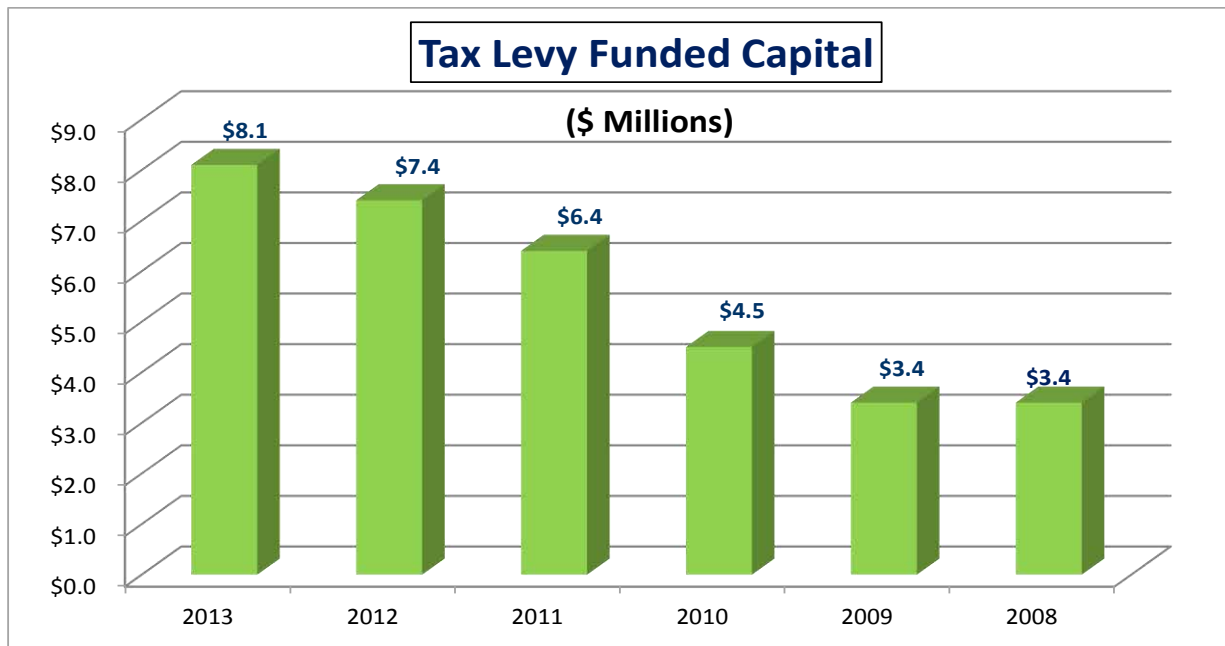
The changes in the useful life of certain Town tangible capital assets is summarized below and was made to reflect the actual useful life of the assets and to be consistent with other municipalities:

Asset Type	Useful Life (Years)	
	2011 & Prior	Starting 2012
Shop Equipment - Light	5	10
Portable Radios	4	10
Bridges	40	50
Culverts	40	50
Fire/Safety Equipment within Buildings	10	20

Of the \$18.1M invested in TCA in 2012, approximately \$11.5M was funded from external sources including deferred revenues (i.e. development charges), Region of Peel, and additional cost sharing revenue. 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 \$4.3M of capital additions in 2012 were funded from Federal and Provincial Grants (i.e. Gas Tax and Infrastructure Canada) and were used for 2012 Road Resurfacing and Rehabilitation and Pan Am (Pan/Parapan American Games) Caledon Equestrian Park.

The Town's sustainable funding source for capital does not fully offset projected amortization expenses of approximately \$19.5M 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 recent years, the Town has actively worked to reduce the infrastructure funding shortfall by levying more property tax dollars for capital purposes. To illustrate the Town's commitment to funding the Town's infrastructure gap, the chart below outlines the Town's base tax levy contributions to capital over the past six years (2008 to 2012) and also includes the 2013 tax levy funded capital approved in the 2013 budget.



Accumulated Surplus

To complete the discussion on the Town's financial position, the Town's accumulated surplus at the end of December 31, 2012, increased by \$3.1M (from \$297.1M in 2011 to \$300.2M in 2012). The change is due to the 2012 full accrual accounting surplus, discussed in the next section.

2012 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 for the Town are prepared on the funding basis of accounting where revenues equal expenditures for budget/planning purposes. On the fund basis of accounting, the Town ended 2012 with a surplus of \$2.1M due primarily to a \$1.5M favourable revenue variance in Provincial Offences Act (POA) fines, late payment charges on tax arrears and additional supplementary tax revenue due to growth. Additional revenue in the amount of \$0.6M was received from interest revenue for investments in high interest savings accounts in 2012.

When reporting the Town 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 there was no requirement to list tangible capital assets on the Town's statement of financial position (or "balance sheet"). Accordingly, municipalities did not have amortization (or "depreciation") expenses listed in financial statements prior to 2009. Instead, the Town, as all Ontario municipalities at the time, expensed TCA additions with revenues related to capital project additions shown to fully offset the capital expenditures. 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.

The following is the adjustment from the Town's fund accounting surplus of \$2.1M to the full accrual surplus of \$3.1M:

2012 Funding to Full accrual accounting reconciliation

	\$ Millions	
	2012	2011
Fund Accounting Surplus	\$2.1	\$2.0
TCA Amortization	(\$19.5)	(\$19.9)
Non-TCA Expenditures	(\$2.0)	(\$1.9)
Revised Shortfall	(\$19.4)	(\$19.8)
 Recognition of External Revenues related to TCA		
Federal and Provincial Grants	\$4.3	\$4.2
Deferred Revenues	\$1.7	\$3.8
Region of Peel	\$6.1	\$1.5
Other	\$0.9	\$1.2
	\$13.0	\$10.7
 Other Full Accrual Accounting Adjustment		
Net Transfers to Reserves not considered expense in full accrual accounting	\$9.5	\$10.4
 Full Accrual Accounting Surplus	<u>\$3.1</u>	<u>\$1.3</u>

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.

Additional funding was recognized from other municipalities for the cost recovery from the Region of Peel on the construction of the OPP detachment and the grant funding for the Caledon Equestrian Park for the Pan/Parapan American Games project.

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 138% since 2008 (from \$3.4M in 2008 to \$8.1M in 2013).

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 our internal Hydro reserve funds to cover the projected 2016-2019 shortfall of approximately \$8.2M 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 2012, two interest payments were made in June and December and one sinking fund payment was made in June. The yearly contribution amount for the sinking fund is \$95k per year. 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 Debenture (2011)

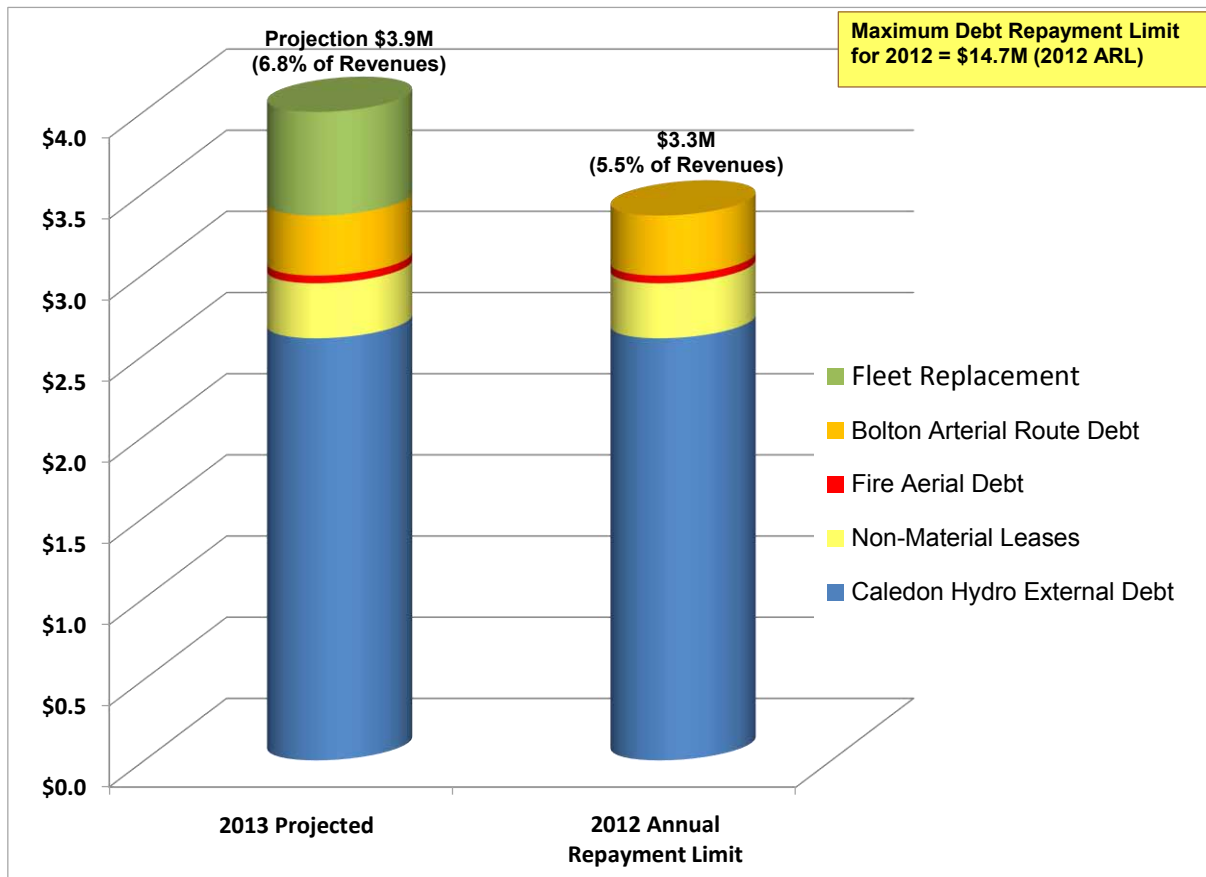
In 2011, Council approved additional external debt to be issued, through the Region of Peel, for the purchase of a Fire Aerial truck. The ten-year, \$0.6M debenture issued in 2011 is also a "sinker", described above where interest payments are made semi-annually and the full amount of the \$0.6M principal is due at the end of 10 years. In 2012, two interest payments were made in June and December and one sinking fund payment was made in June for \$25k. 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 10 years are projected to fully cover the principal payment due at maturity.

Annual Repayment Limit (ARL)

Provincial policy allows municipalities to incur debt servicing 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 charge 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 charge (principal and interest payments) of 10% of net revenues. Based on the 2012 Financial Information Return calculations, the Town has net debt charges of \$3.3M or approximately 5.5% of the Town's Net Revenues. Based on an overall debt repayment limit of \$11.4M, the Town is well under its ARL.

The annual repayment limit was updated to account for a Fleet debenture included in the 2012 budget but not issued at the end of the year. In 2012, Council approved a \$3.0M debenture to replace the Town's aging fleet vehicles and equipment. Once the final fleet vehicle identified in the capital project has been purchased and the final costs are known, a debenture will be issued in 2013, through the Region of Peel. Annual repayments related to the Fleet Debenture is projected to be \$637,953 based on the full \$3.0M principal, interest of 2.08% and a five year term.

As shown in the chart below, debt servicing costs are projected to increase to \$3.9M or 6.8% of the Town's net revenues after accounting for the projected annual payments for the Fleet debenture to be issued in 2013.



At \$3.9M, the Town will be utilizing 6.8% of revenues to service debt. This would leave a maximum repayment limit balance available of 18.2% (=25% - 6.8%) or a maximum of approximately \$10.8M of remaining revenues to service debt.

In the 2013 Budget, Council approved a Term of Council capital project for the Concrete Road replacement in Caledon East. A Term of Council capital project is a project that is approved in one year but funded over multiple years within the term of Council. The Caledon East Concrete Road Term of Council capital project includes 2014 funding of \$2,314,356 from Gas Tax (\$1,157,178) and a debenture (\$1,157,178) to be issued through the Region of Peel. It is anticipated that the debt servicing costs for the Caledon East Concrete Road replacement capital project will be approximately \$80,649 per year based on \$1,157,178 debenture, interest of 3.46% and a 20 year term. Accordingly, the Town's debt servicing costs is expected to stay below the maximum allowed by Town policy of 10% of net revenues and well below the maximum allowed by the Province of 25%.

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 \$1.0M increase to the tax levy funded capital in the 2012 budget and a \$0.7M increase to the tax levy funded capital program in the 2013 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 Town's internal Hydro reserve funds. The Town's projected debt servicing cost at 6.8% of net revenues is well within the maximum 25% set by the province and the 10% maximum set by the Town of Caledon Council policy.



Ronald H. Kaufman, CPA, CA
Deputy CAO,
Director of Corporate Services, CFO
June 11, 2013



Fuying Wong, CGA
Treasurer
June 11, 2013



Peggy Tollett, CGA
Deputy-Treasurer
June 11, 2013

Albion, 1840

Alton, 1820

Belfountain, 1825

Bolton, 1823

Caledon East, 1821

Caledon Village, 1826

Campbell's Cross, c. 1820

Cataract, 1858

Cheltenham, 1827

Claude, c. 1832

Inglewood, 1883

Mayfield West, 2006

Melville, 1831

Mono Road, 1871

Mono Mills, 1819

Palgrave, 1846

Sandhill, 1839

Terra Cotta, 1855

Tullamore, c. 1820

Victoria, c. 1850

Wildfield, 1833

Corporate Services

6311 Old Church Road
Caledon, ON L7C 1J6
www.caledon.ca

T. 905.584.2272
1.888.225.3366
F. 905.584.4325

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.

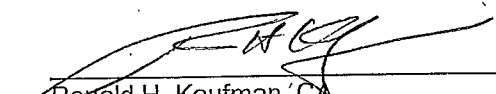
The Corporation maintains systems of internal accounting and administrative controls that are designed to provide reasonable assurance that the financial information is relevant, reliable, and accurate, that transactions are properly authorized and that the Corporation's assets are properly accounted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

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

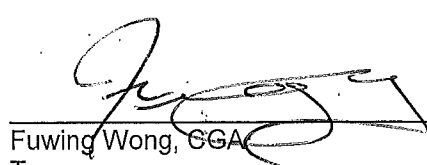
Town Council, through the Audit Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The Audit Committee meets periodically with management, as well as with the external auditors to satisfy itself that each party is properly 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.



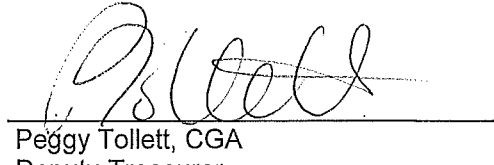
Mary Hall
Acting Chief Administrative Officer
June 11, 2013



Renald H. Kaufman, CA
Deputy CAO/ Director of Corporate Services
CFO
June 11, 2013



Fuwing Wong, CGA
Treasurer
June 11, 2013



Peggy Tollett, CGA
Deputy-Treasurer
June 11, 2013

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, 2012, 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

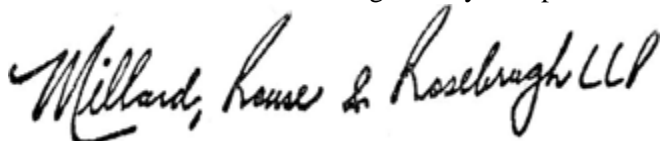
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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, 2012, 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 4, 2013

CHARTERED ACCOUNTANTS
Licensed Public Accountants

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

As at December 31	2012	2011
Financial Assets		
Cash and bank (Note 2)	27,278,128	28,819,935
Temporary investments (Note 3)	32,341,357	14,713,140
Taxes receivable (Note 4)	11,040,251	12,976,647
Accounts and grants receivable (Note 5)	2,868,176	4,563,061
Long-term investments (Note 6)	15,093,503	19,344,609
	88,621,415	80,417,392
Financial Liabilities		
Accounts payable and accrued liabilities	19,007,621	17,732,107
Deferred revenue (Note 7)	23,235,628	19,802,469
Net long-term liabilities (Note 8)	20,459,365	21,951,640
	62,702,614	59,486,216
Net Financial Assets	25,918,801	20,931,176
Non-Financial Assets		
Tangible capital assets - net (Page 52)	273,894,853	275,412,877
Inventories of supplies	245,845	566,479
Prepaid expenses	155,057	229,709
	274,295,755	276,209,065
Total Net Assets	300,214,556	297,140,241
Accumulated Surplus - End of Year (Note 9)	300,214,556	297,140,241

THE CORPORATION OF THE TOWN OF CALEDON

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31	2012 Budget (Unaudited)	2012 Actual	2011 Actual
Revenue			
Taxation	41,829,424	40,568,240	38,474,230
Fees and user charges (Note 13)	10,848,234	9,999,278	8,498,589
Canada grants	35,200	3,707,309	3,646,523
Ontario grants	1,362,700	1,825,211	1,814,906
Licenses, permits and rents	2,043,961	1,886,418	2,212,277
Fines, penalties and interest on taxes	3,766,738	4,859,597	4,786,324
Other income (Note 14)	2,020,718	9,452,041	5,812,349
Development charges and other fees	6,714,550	2,461,735	4,628,643
	68,621,525	74,759,829	69,873,841
Expenses			
General government	5,833,123	5,985,694	3,912,061
Protection services	12,464,433	12,154,379	11,809,467
Transportation services	13,571,955	13,047,884	12,907,547
Environmental services	480,105	481,272	507,862
Social and family services	71,486	41,392	41,718
Recreation and cultural services	14,157,749	13,900,313	13,821,567
Planning and development	5,178,217	5,156,184	4,316,924
Interest on corporate debt	1,483,773	1,362,727	1,438,931
	53,240,841	52,129,845	48,756,077
Income before Under-noted Items	15,380,684	22,629,984	21,117,764
Other (Income)/Expense			
(Gain)/Loss on disposal of tangible capital assets	-	37,882	(145,275)
Amortization of tangible capital assets	22,500,000	19,517,787	19,908,980
	22,500,000	19,555,669	19,763,705
Annual Surplus/(Deficit) from Operations	(7,119,316)	3,074,315	1,354,059
Accumulated Surplus - Beginning of Year	297,140,241	297,140,241	295,786,182
Accumulated Surplus - End of Year (Note 9)	290,020,925	300,214,556	297,140,241

See accompanying notes

THE CORPORATION OF THE TOWN OF CALEDON

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31	2012 Budget (Unaudited)	2012	2011
Annual Surplus from Operations	(7,119,316)	3,074,315	1,354,059
Amortization of tangible capital assets	22,500,000	19,517,787	19,908,980
Acquisition of tangible capital assets (net of transferred CIP)	(21,715,608)	(18,133,846)	(14,585,589)
(Gain)/Loss on disposal of tangible capital assets	-	37,882	(145,275)
Proceeds on disposal of tangible capital assets	-	96,201	168,296
Other	-	395,286	(179,929)
Increase/(Decrease) in Net Financial Assets	(6,334,924)	4,987,625	6,520,542
Net Financial Assets - Beginning of Year	20,931,176	20,931,176	14,410,634
Net Financial Assets - End of Year	14,596,252	25,918,801	20,931,176

See accompanying notes

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

For the year ended December 31	2012	2011
Cash Provided By (Used In)		
Operating Activities		
Annual Surplus from operations	3,074,315	1,354,059
Items not involving cash		
Amortization of tangible capital assets	19,517,787	19,908,980
Loss/(Gain) on disposal of tangible capital assets	37,882	(145,275)
Long-term bond premium amortization	58,124	92,707
	<u>22,688,108</u>	<u>21,210,471</u>
Changes in non-cash working capital items (Note 11)	8,735,240	9,895,350
Capital Activities		
Acquisition of tangible capital assets (net of transferred CIP)	(18,133,846)	(14,585,589)
Proceeds on disposal of tangible capital assets	96,201	168,296
	<u>(18,037,645)</u>	<u>(14,417,293)</u>
Investing Activities		
Net (purchase)/redemption of investments	(13,337,510)	(4,593,877)
Financing Activities		
Proceeds of debenture	-	641,088
Repayment of long-term liabilities and sinking fund contributions	(1,590,000)	(1,590,725)
Debenture and loan repayments	(1,590,000)	(949,637)
Net Change in Cash and Cash Equivalents	<u>(1,541,807)</u>	<u>11,145,014</u>
Cash and Cash Equivalents - Beginning of Year	<u>28,819,935</u>	<u>17,674,921</u>
Cash and Cash Equivalents - End of Year	<u>27,278,128</u>	<u>28,819,935</u>
Cash and Cash Equivalents are Comprised of:		
Cash and bank (unrestricted)	19,911,971	21,558,773
Cash and bank (restricted)	7,366,157	7,261,162
	<u>27,278,128</u>	<u>28,819,935</u>

See accompanying notes

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

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 expenses 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, expenses 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, 2012

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**

Expenses 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; expenses 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, 2012

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	20-50 years
Furniture and fixtures	5-20 years		

During the year, the Town reviewed the estimated useful life of certain assets and made the following changes:

Asset type	Useful Life (Years)	
	2011 & Prior	Starting in 2012
Shop Equipment	5	10
Portable Radios	4	10
Bridges	40	50
Culverts	40	50
Fire/Safety Equipment within Buildings	10	20

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.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of Accounting (Continued)

(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.

(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, expenses, 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.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of Accounting (Continued)

(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.

(xvi) Pension Plan

The costs of multi-employee defined benefit plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period.

2. CASH AND BANK

	2012	2011
Unrestricted	19,911,971	21,558,773
Restricted	7,366,157	7,261,162
	27,278,128	28,819,935

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

	2012	2011
Short-term interest bearing investments	29,727,723	10,064,662
Short-term Provincial Government bond	2,306,103	2,338,385
Region of Peel debt retirement fund investments	307,531	2,310,093
	32,341,357	14,713,140

Temporary investments have interest rates ranging from 0.05% to 5.875% and a market value of \$31,826,824 (2011 - \$14,794,072) at the end of the year.

During the year, amortization in the amount of \$34,582 (2011 - \$16,554) 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.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

4. TAXES RECEIVABLE

	2012	2011
Taxes receivable	11,701,076	13,637,471
Allowance for doubtful accounts	(660,825)	(660,824)
	11,040,251	12,976,647

5. ACCOUNTS AND GRANTS RECEIVABLE

	2012	2011
Accounts and grants receivable	2,868,176	4,563,061
Allowance for doubtful accounts	-	-
	2,868,176	4,563,061

6. LONG-TERM INVESTMENTS

	2012	2011
Fixed income bond	-	2,000,000
Medium-term Provincial Government bond	2,123,100	2,187,150
Long-term Government of Canada bond	2,129,000	2,129,000
Long-term Provincial Government bonds	8,155,469	10,180,935
Long-term Debt Retirement Fund investments	2,685,934	2,847,524
	15,093,503	19,344,609

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 \$16,293,254 (2011 - \$21,092,555).

During the year, amortization in the amount of \$58,124 (2011 - \$92,707) 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, 2012

7. DEFERRED REVENUE

	Balance at December 31, 2011	Contributions Received	Investment Income	Revenue Recognized	Balance at December 31, 2012
Obligatory Reserve Funds					
Heritage property grant	14,828	547	149	-	15,524
Development charges	17,204,448	6,210,373	174,597	2,945,489	20,643,929
Recreational land	267,829	344,812	3,558	584,747	31,452
Building stabilization	1,376,782	365,011	14,302	-	1,756,095
Federal gas tax	636,868	3,202,516	5,309	3,414,888	429,805
	19,500,755	10,123,259	197,915	6,945,124	22,876,805
User Charges and Fees					
Deferred memberships	295,803	57,820	-	-	353,623
Deferred grant	5,911	-	-	711	5,200
	301,714	57,820	-	711	358,823
	19,802,469	10,181,079	197,915	6,945,835	23,235,628

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

8. NET LONG-TERM LIABILITIES

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

	2012	2011
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	14,437,000	16,027,000
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 date of December 31 2021. At the end of the year the outstanding principal amount of the liability is	641,088	641,088
	20,459,365	21,951,640

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

	Principal	Interest	Total
2013	1,815,046	1,271,222	3,086,268
2014	1,925,046	1,159,418	3,084,464
2015	2,042,046	1,040,354	3,082,400
2016	2,167,046	912,608	3,079,654
2017	2,300,046	776,548	3,076,594
2018-2022	5,373,129	1,259,053	6,632,182
Thereafter	1,727,076	2,470,006	4,197,082
Interest to be earned on sinking funds	3,109,930	-	3,109,930
	20,459,365	8,889,209	29,348,574

Interest expense in the amount of \$1,362,727 (2011 - \$1,438,931) 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, 2012

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 \$8,157,307, comprised of \$7,210,481 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:

	2012	2011
General purposes	(6,830,993)	(7,450,248)
Caledon Library Board (operations)	30,646	24,977
Caledon Business Improvement Area (operations)	33,553	14,219
Caledon Youth Services Board	(12,391)	(4,724)
Invested in Tangible Capital Assets	273,894,853	275,412,877
Reserves and Reserve Funds (Note 10)	33,098,888	29,143,140
	300,214,556	297,140,241

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

10. RESERVES AND RESERVE FUNDS

	2012	2011
Reserves set aside by Council:		
Working funds	1,299,647	1,299,647
Contingencies	4,029,130	3,002,530
Current purposes	212,005	149,460
Capital purposes	2,516,714	1,650,317
	8,057,496	6,101,954
Reserve funds set aside by Council:		
Hydro proceeds	7,440,770	5,068,129
Current purposes	2,603,125	2,457,237
Debt retirement	14,642,243	15,233,819
Bolton Community Improvement	355,254	282,001
	25,041,392	23,041,186
	33,098,888	29,143,140

11. CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2012	2011
Decrease (Increase) in taxes receivable	1,936,396	(495,684)
Decrease (Increase) in trade and other receivables	1,694,885	2,379,943
Decrease (Increase) in inventories	320,634	(102,822)
Decrease (Increase) in prepaid expenses	74,652	(77,107)
(Decrease) Increase in accounts payable	1,275,514	(1,320,265)
(Decrease) Increase in deferred revenue	3,433,159	9,511,285
	8,735,240	9,895,350

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

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

	2012 Budget (Unaudited)	2012 Actual	2011 Actual
Recreation	3,185,680	2,719,516	2,388,242
Planning and development	5,769,625	5,554,719	3,338,249
Public works	815,760	750,613	1,489,360
Administration and general governance	846,969	787,485	926,491
Fire services	219,000	184,788	348,871
Library services	11,200	2,157	7,376
	10,848,234	9,999,278	8,498,589

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

14. OTHER INCOME

	2012 Budget (Unaudited)	2012 Actual	2011 Actual
Investment income	603,500	1,795,056	1,368,221
Donations, contributions and agreements	58,600	177,267	226,509
Recovery from other municipalities	1,338,618	7,408,106	3,489,571
Developer contributions	-	54,650	676,787
Other	20,000	16,962	51,261
	2,020,718	9,452,041	5,812,349

15. PENSION AGREEMENTS

The municipality makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 316 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 for current service to OMERS for 2012 by the Town of Caledon was \$2,007,576 (2011 - \$1,554,490); employee contributions were \$2,007,576 (2011 - \$1,554,490). The contribution rate for 2012 was 8.3% to 13.9% depending on normal retirement age and income level (2011 - 7.4% to 14.1%).

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 Town's 2012 budget was approved by council on December 6, 2011 on the fund basis of accounting where revenues balance to expenses. Also on December 6, 2011, council received and approved a report on the full accrual accounting impact of the 2012 budget based on assumptions such as the timing of capital expenses, recognition of deferred revenues, and projections on tangible capital asset amortization. The unaudited budget data included in the Town's financial statements incorporate the same assumptions to convert the Town's fund accounting budget to a full accrual accounting budget.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

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:

	2012	2011
Regional Municipality of Peel	41,002,284	39,258,163
School boards	40,193,951	39,346,424
	81,196,235	78,604,587

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

18. TRUST FUNDS

The trust funds administered by the municipality amounting to \$3,411,514 (2011 - \$2,715,712) 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, 2012, the trust fund balances are as follows:

	2012	2011
Cemetery Perpetual Care	6,016	6,016
Developer Deposits	3,399,084	2,703,282
Other	6,414	6,414
	3,411,514	2,715,712

19. CONTRACTUAL COMMITMENTS

The Town of Caledon has entered into the following contracts:

- The lease of photocopiers at all Town locations at an approximate cost of \$239,907 per year. The lease will expire in 3 years ending May 2015.
- Leases on two properties at an approximate cost of \$24,178. One lease expired in September 2012 and the new lease continues for 5 years from October 2012 at an annual cost of \$11,967. The second property's annual lease cost is \$12,211 and expires December 2017.

The Town of Caledon has entered into contracts worth approximately 11,581,437 as of December 31, 2012 for capital project spending in 2013 and beyond on various transportation services, protection services, and recreation and cultural services capital projects.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

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.

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 \$2,871,496 for the year ended December 31, 2012 (2011 - \$2,244,536).

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, 2012, cost recovery fees of \$698,790 (2011 - \$412,158) were collected from serviced municipalities within the County of Dufferin.

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THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2012

22. COMPARATIVE AMOUNTS

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

23. 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 Services 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, 2012

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, 2012

	Public Works	Fire and Emergency Services	Parks and Recreation	Library Services	General Governance and Administration	Human Resources	Other	Total 2012
Revenue								
Taxation	10,545,338	5,243,807	6,820,486	2,331,155	9,251,363	478,943	5,897,148	40,568,240
Fees and user charges	750,613	184,788	2,719,516	2,157	711,320	-	5,630,884	9,999,278
Specific grants	3,678,320	-	85,568	80,889	397,648	-	1,290,095	5,532,520
Other revenue	41,430	212,857	1,740,801	44,290	3,350,824	-	10,807,854	16,198,056
Development charges & other fees	389,454	22,438	1,780,097	243,000	-	-	26,746	2,461,735
	15,405,155	5,663,890	13,146,468	2,701,491	13,711,155	478,943	23,652,727	74,759,829
Expenses								
Salaries and benefits	5,720,313	5,326,775	6,224,288	2,196,230	6,212,791	528,790	5,989,249	32,198,436
Interest on debt	277,038	22,438	-	-	1,063,251	-	-	1,362,727
Materials and supplies	5,072,662	818,357	3,087,036	491,178	2,959,870	84,651	1,212,944	13,726,698
Contracted services	1,350,181	321,814	253,196	-	1,089,499	144,285	709,980	3,868,955
Other transfers	-	-	47,862	-	77,707	-	38,176	163,745
Rents and financial expenses	239,882	-	709	-	392,403	-	176,290	809,284
	12,660,076	6,489,384	9,613,091	2,687,408	11,795,521	757,726	8,126,639	52,129,845
Net income before undernoted items	2,745,079	(825,494)	3,533,377	14,083	1,915,634	(278,783)	15,526,088	22,629,984
Amortization and gain/loss on disposal of tangible capital assets	12,592,835	1,340,864	4,137,822	319,176	1,164,972	-	-	19,555,669
Net Surplus (Deficit)	(9,847,756)	(2,166,358)	(604,445)	(305,093)	750,662	(278,783)	15,526,088	3,074,315

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	9,907,693	4,922,262	6,929,558	2,013,806	8,422,120	757,326	5,521,465	38,474,230
Fees and user charges	1,493,816	344,415	2,388,242	7,376	832,984	-	3,431,756	8,498,589
Specific grants	2,806,499	-	1,411,214	-	934	-	1,242,782	5,461,429
Other revenue	1,043,318	316,421	3,469,633	49,034	2,808,122	-	5,124,422	12,810,950
Development charges & other fees	274,445	3,443	1,113,717	-	-	-	3,237,038	4,628,643
	15,525,771	5,586,541	15,312,364	2,070,216	12,064,160	757,326	18,557,463	69,873,841
Expenses								
Salaries and benefits	4,472,147	4,347,211	5,766,619	1,978,688	5,360,521	667,640	6,359,348	28,952,174
Interest on debt	274,445	3,443	-	-	1,161,043	-	-	1,438,931
Materials and supplies	4,737,932	1,198,326	3,298,117	424,255	2,909,132	116,693	963,316	13,647,771
Contracted services	1,528,718	284,443	229,548	-	881,777	368,460	441,411	3,734,357
Other transfers	2,591	-	24,957	-	57,021	-	37,458	122,027
Rents and financial expenses	143,772	-	85,305	296	447,356	-	184,088	860,817
	11,159,605	5,833,423	9,404,546	2,403,239	10,816,850	1,152,793	7,985,621	48,756,077
Net income before undernoted items	4,366,166	(246,882)	5,907,818	(333,023)	1,247,310	(395,467)	10,571,842	21,117,764
Amortization and gain/loss on disposal of tangible capital assets	13,114,560	1,294,095	4,038,421	365,023	951,144	-	462	19,763,705
Net Surplus (Deficit)	(8,748,394)	(1,540,977)	1,869,397	(698,046)	296,166	(395,467)	10,571,380	1,354,059

THE CORPORATION OF THE TOWN OF CALEDON

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2012

	Land and Improvements	Buildings and Building Improvements	Furniture and Fixtures	Machinery, Equipment, Information Technology	Vehicles	Bridges, Culverts and Storm Ponds	Roads	Construction in Progress	Total 2012	Total 2011
Cost										
Balance, beginning 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
Additions during the year	608,921	4,667,143	519,537	664,954	1,878,245	1,299,454	8,725,577	9,990,647	28,354,478	36,881,409
Disposals during the year	122,526	-	-	246,760	1,177,693	-	-	10,220,632	11,767,611	22,672,455
Balance, end of year	54,670,235	102,562,572	8,215,728	9,236,605	16,583,038	21,137,876	316,411,472	16,501,097	545,318,623	528,731,756
Accumulated Amortization										
Balance, beginning 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
Amortization during the year	317,546	4,949,255	647,384	684,258	1,096,940	301,042	11,521,362	-	19,517,787	19,908,980
Accumulated amortization on disposal	64,377	-	-	226,549	1,121,970	-	-	-	1,412,896	353,614
Balance, end of year	3,416,007	43,972,406	6,699,306	4,263,665	8,456,273	11,438,888	193,177,225	-	271,423,770	253,318,879
Net Book Value of Tangible Capital Assets	51,254,228	58,590,166	1,516,422	4,972,940	8,126,765	9,698,988	123,234,247	16,501,097	273,894,853	275,412,877

FIVE YEAR REVIEW SUMMARY

Fiscal Year	2012	2011	2010	2009	2008
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MUNICIPALITY STATISTICS

Population *	64560	59,460	57,900	57,900	57,900
Households *	20484	19,649	18,900	18,900	18,900
Area in hectares *	68717	68,717	68,717	68,717	68,717
Construction activity (value)	\$ 11,581,437	\$ 5,733,968	\$ 18,491,948	\$ 7,515,620	\$ 7,490,202

* from Financial Information Report / Statistics Canada / MPAC

Staffing Statistics

Full Time Staff	299	257	249	242	238
per 1000 people	0.46%	0.43%	0.43%	0.42%	0.41%
Part Time Staff	338	407	358	338	354

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

Residential, farm, multi-residential	9,675,607,730	9,023,667,436	8,439,050,179	7,957,056,318	7,442,365,209
Commercial, industrial and other	1,646,595,694	1,506,853,612	1,289,917,975	1,134,740,874	864,904,987
Total Taxable Assessment	11,322,203,424	10,530,521,048	9,728,968,154	9,091,797,192	8,307,270,196
Total per capita	170,179	177,103	168,031	157,026	143,476

TOP TEN PRINCIPAL CORPORATE TAXPAYERS

(by taxes paid)

1	AMB AIRPORT ROAD CANCO INC
2	HUSKY INJECTION MOLDING
3	MANCHESTER COURT LAND HOLDINGS
4	FIRST BOLTON DEVELOPMENT LTD
5	MAYFIELD & FIFTY
6	2281140 ONTARIO INC.
7	PENRETAIL MANAGEMENT LTD
8	PROLOGIS CANADA INC
9	MARS CANADA INC
10	ARMBRO MATERIALS & CONSTRUCTION LTD.

FIVE YEAR REVIEW SUMMARY

Fiscal Year	2012	2011	2010	2009	2008
Residential and Farm					
Town purposes	0.360371%	0.360686%	0.345260%	0.338305%	0.308703%
Region purposes	0.359716%	0.369991%	0.382847%	0.394459%	0.430734%
School purposes	0.221000%	0.231000%	0.241000%	0.252000%	0.264000%
Total - Residential and Farm	0.941087%	0.961677%	0.969107%	0.984764%	1.003437%
Commercial					
Town purposes	0.467437%	0.467846%	0.447837%	0.438815%	0.400418%
Region purposes	0.466588%	0.479915%	0.496590%	0.511653%	0.558704%
School purposes	1.177386%	1.253034%	1.339544%	1.439162%	1.553938%
Total - Commercial	2.111411%	2.200795%	2.283971%	2.389630%	2.513060%
Industrial					
Town purposes	0.529745%	0.530208%	0.507532%	0.497308%	0.453793%
Region purposes	0.528783%	0.543887%	0.562785%	0.579855%	0.633178%
School purposes	1.421817%	1.499357%	1.585675%	1.681288%	1.777496%
Total - Industrial	2.480345%	2.573452%	2.655992%	2.758451%	2.864467%

FIVE YEAR REVIEW SUMMARY

Fiscal Year	2012	2011	2010	2009	2008
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TAX INFORMATION

Taxes Levied					
Town portion	\$ 41,076,937	\$ 39,501,484	\$ 35,019,288	\$ 31,456,011	\$ 26,830,334
Region portion	41,002,284	40,371,511	38,689,338	36,523,671	37,224,810
School Board portion	40,193,951	40,655,091	39,515,899	36,707,286	36,188,258
Total	\$ 122,273,172	\$ 120,528,086	\$ 113,224,525	\$ 104,686,968	\$ 100,243,402

Taxes Collected					
Town collection	\$ 43,020,004	\$ 36,656,384	\$ 34,100,541	\$ 34,860,879	\$ 22,263,680
Taxes transferred to the Region	41,999,274	40,371,511	38,689,338	36,523,671	37,224,810
Taxes transferred to the School Boards	41,131,444	40,655,091	39,515,899	36,707,286	36,188,258
Total	\$ 126,150,722	\$ 117,682,986	\$ 112,305,778	\$ 108,091,836	\$ 95,676,748

Taxes Receivable, End of Year

Taxes Receivable	\$ 11,040,251	\$ 12,976,647	\$ 12,480,963	\$ 11,285,868	\$ 12,559,111
<i>Taxes Receivable per capita</i>	<i>171.01</i>	<i>218.24</i>	<i>215.56</i>	<i>194.92</i>	<i>216.91</i>
Percentage of current years' levy	9.03%	10.77%	11.02%	10.78%	12.53%

FIVE YEAR REVIEW SUMMARY

Fiscal Year	2012	2011	2010	2009	2008
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FINANCIAL INFORMATION

Consolidated Revenues

Taxation	\$ 40,568,238	\$ 38,474,230	\$ 33,439,041	\$ 31,407,198	\$ 27,048,501
Fees and user charges	9,999,278	8,498,589	8,882,800	6,902,098	7,114,078
Canada grants	3,707,309	3,646,523	4,861,018	2,283,132	1,472,068
Ontario grants	1,825,211	1,814,906	7,854,327	7,621,085	1,449,509
Licenses, permits and rents	1,886,418	2,212,277	1,972,046	3,988,054	5,324,787
Fines, penalties and interest on taxes	4,859,597	4,786,324	4,309,382	3,933,949	4,103,849
Other income	9,452,041	5,812,349	3,113,455	2,594,775	5,324,454
Development charges and other fees	2,461,735	4,628,643	6,457,689	1,405,368	5,798,532
Total	\$ 74,759,827	\$ 69,873,841	\$ 70,889,758	\$ 60,135,659	\$ 57,635,778

Consolidated Expense by Function

General government	\$ 5,985,694	\$ 3,912,061	\$ 4,785,286	\$ 7,740,340	\$ 7,210,769
Protection services	12,154,379	11,809,467	9,016,506	8,511,284	8,692,821
Transportation services	13,047,884	12,907,547	11,541,440	14,173,503	19,231,912
Interest on corporate debt	1,362,727	1,438,931	1,390,692	1,337,055	1,416,777
Environmental services	481,272	507,862	23,591	24,018	26,860
Health services	-	-	11,298	21,196	24,000
Social and family services	41,392	41,718	30,670	55,400	44,850
Recreation and cultural services	13,900,313	13,821,567	12,420,580	13,190,812	11,350,634
Planning and Development	5,156,184	4,316,924	5,464,429	4,179,026	6,076,136
Other - (Gain)/Loss on disposal of tangible capital assets	37,882	(145,275)	(310,753)	13,431	1,218
Amortization of tangible capital assets	19,517,787	19,908,980	19,190,772	19,406,587	19,770,962
Total	\$ 71,685,514	\$ 68,519,782	\$ 63,564,511	\$ 68,652,652	\$ 73,846,939

FIVE YEAR REVIEW SUMMARY

Fiscal Year	2012	2011	2010	2009	2008
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FINANCIAL INFORMATION

Consolidated Expenditures by Object

Salary, wages and benefits	\$ 32,198,435	\$ 28,952,206	\$ 26,867,896	\$ 25,534,967	\$ 24,998,079
Interest on Debt	1,362,727	1,438,931	1,390,692	1,337,055	1,693,231
Materials and supplies	13,726,698	13,538,515	11,241,714	15,631,360	23,088,740
Contracted services	3,868,953	3,817,968	3,999,566	5,348,754	2,903,406
Other Transfers	809,284	97,071	157,438	265,793	922,315
Rents and financial expenses	650,468	911,386	1,027,186	1,114,705	468,988
Amortization	19,517,787	19,908,980	19,190,772	19,406,587	19,770,962
Loss on disposal of assets	37,882	(145,275)	(310,753)	13,431	1,218
Total	\$ 72,172,234	\$ 68,519,782	\$ 63,564,511	\$ 68,652,652	\$ 73,846,939

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Long-Term Liabilities

Gross long term debt	\$ 20,459,365	\$ 21,951,640	\$ 22,901,277	\$ 18,922,000	\$ 20,238,000
<i>Per capita</i>	316.90	369.18	395.53	326.80	349.53
Interest on Long-term debt	\$ 1,362,727	\$ 1,438,931	\$ 1,390,692	\$ 1,337,055	\$ 1,693,231
<i>Per capita</i>	21.11	24.20	24.02	23.09	29.24

Sources of Debt Repayment

Debt Retirement Fund *	\$ 2,654,044	\$ 2,654,044	2,654,174	2,653,055	2,652,777
Development Charges	132,431	132,431	65,790		
Tax Supported	196,309	196,309	72,728		625,462
Total - Funding	\$ 2,982,784	\$ 2,982,784	\$ 2,792,692	\$ 2,653,055	\$ 3,278,239

*Debt Retirement Fund held by the Region of Peel

Debt Repayment Limit (as determined by the Province of Ontario)

	\$ 10,182,235	\$ 8,949,676	\$ 6,330,907	\$ 5,895,599	\$ 5,895,599
Trust Funds	\$ 3,411,514	\$ 2,715,712	\$ 2,211,604	\$ 2,142,567	\$ 2,517,913

FIVE YEAR REVIEW SUMMARY

Fiscal Year	2012	2011	2010	2009	2008
ACCUMULATED SURPLUS & TANGIBLE CAPITAL ASSETS					
Accumulated Surplus - Beginning of Year	\$ 297,140,241	\$ 295,786,182	\$ 288,460,935	\$ 305,056,178	\$ 321,267,339
Annual Surplus	3,074,315	1,354,059	7,325,247	(16,595,243)	(16,211,161)
Accumulated Surplus - End of Year	\$ 300,214,556	\$ 297,140,241	\$ 295,786,182	\$ 288,460,935	\$ 305,056,178

Tangible Capital Asset Net Book Value						**
Land and Land Improvements	\$ 51,254,227	\$ 51,021,002	\$ 44,835,129	\$ 44,535,193		
Buildings and Building Improvements	58,594,643	58,872,278	54,330,266	53,250,590		
Furniture and Fixtures	1,516,423	1,644,269	1,930,432	2,249,276		
Machinery, Equipment, Information Technology	3,110,008	5,012,455	5,047,328	3,980,003		
Vehicles	9,985,218	7,401,183	5,729,302	6,209,832		
Bridges, Culverts and Storm Ponds	9,255,971	8,700,576	7,464,980	7,663,457		
Roads	123,677,260	126,030,032	122,394,950	137,007,684		
Construction in Progress	16,501,103	16,731,082	39,026,902	23,372,984		
Total	\$ 273,894,853	\$ 275,412,877	\$ 280,759,289	\$ 278,269,019		

Tangible Capital Asset Cost						
Assets - Beginning of Year	\$ 528,733,753	\$ 514,522,802	\$ 486,392,836	\$ 477,768,120	**	
Additions	18,135,692	36,881,409	30,008,424	18,485,095		
Disposals and Transfers	1,548,820	22,672,455	1,878,458	219,854		
Assets - End of Year	\$ 545,320,625	\$ 528,731,756	\$ 514,522,802	\$ 496,033,361		

Tangible Capital Asset Amortization						**
Accumulated Amortization - Beginning of Year	\$ 253,320,881	\$ 233,763,513	\$ 215,919,239	\$ 198,564,178		
Amortization during the year	19,517,787	19,908,980	19,473,600	19,406,587		
Accumulated Amortization on disposal	1,412,896	353,614	1,629,326	206,423		
Accumulated Amortization - End of Year	\$ 271,425,772	\$ 253,318,879	\$ 233,763,513	\$ 217,764,342		

Net Book Value of Tangible Capital Assets	\$ 273,894,853	\$ 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.