

THE CORPORATION OF THE TOWN OF CALEDON

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2010



Millard, Rouse & Rosebrugh LLP
Chartered Accountants

THE CORPORATION OF THE TOWN OF CALEDON

For the year ended December 31, 2010

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2010 Management Discussion and Analysis

In 2010, Federal and Provincial infrastructure stimulus funding had significant positive impacts to the Town's financials:

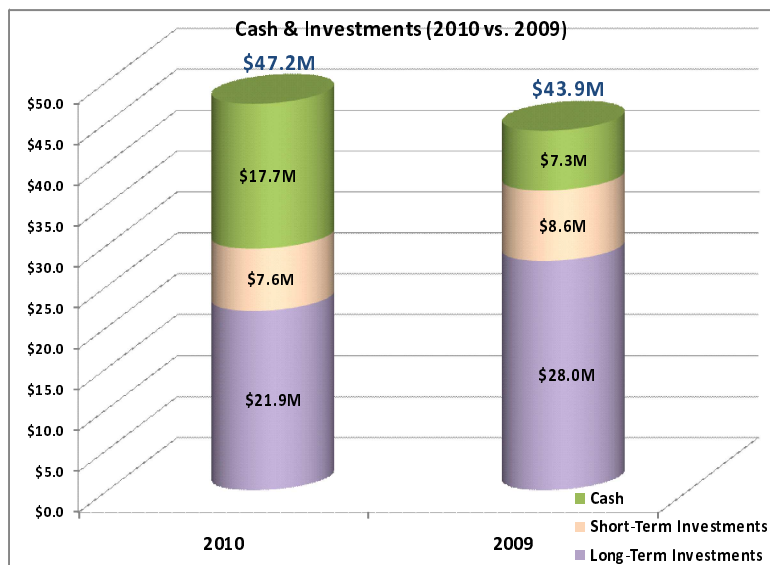
- the 2010 statement of operations reflects a relatively large full accrual surplus when a second deficit year was anticipated, after accounting for amortization;
- the Town's tangible capital assets (TCA) increased by approximately \$30M gross expenditures of which \$11.3M was funded by federal and provincial grants; and
- the Accounts and grants receivable line on the statement of financial position shows an increase in receivables of approximately \$5M of which \$2.3M relates to the pending recovery of grant funding for capital expenditures in 2010.

2010 Financial Position of the Town

Town assets increased by \$19.7M in 2010 over 2009 with a \$9.5M increase in the Town's financial assets, such as cash, receivables and investments, and a net \$10.2M increase in the Town's Non-Financial assets (primarily tangible capital assets (TCA)).

Financial Assets

Of the \$9.5M increase in financial assets for the Town, \$3.3M relates to cash and investments. The change in short-term and long-term balances are due to shifts from long-term investment to short-term and short-term to cash depending on the maturity date of the investments and as investments mature, respectively. As shown in the chart, the largest year-over-year change is in the Town's cash position; a \$10.4M increase from 2009. The \$10.4M increase in cash is due to the following:



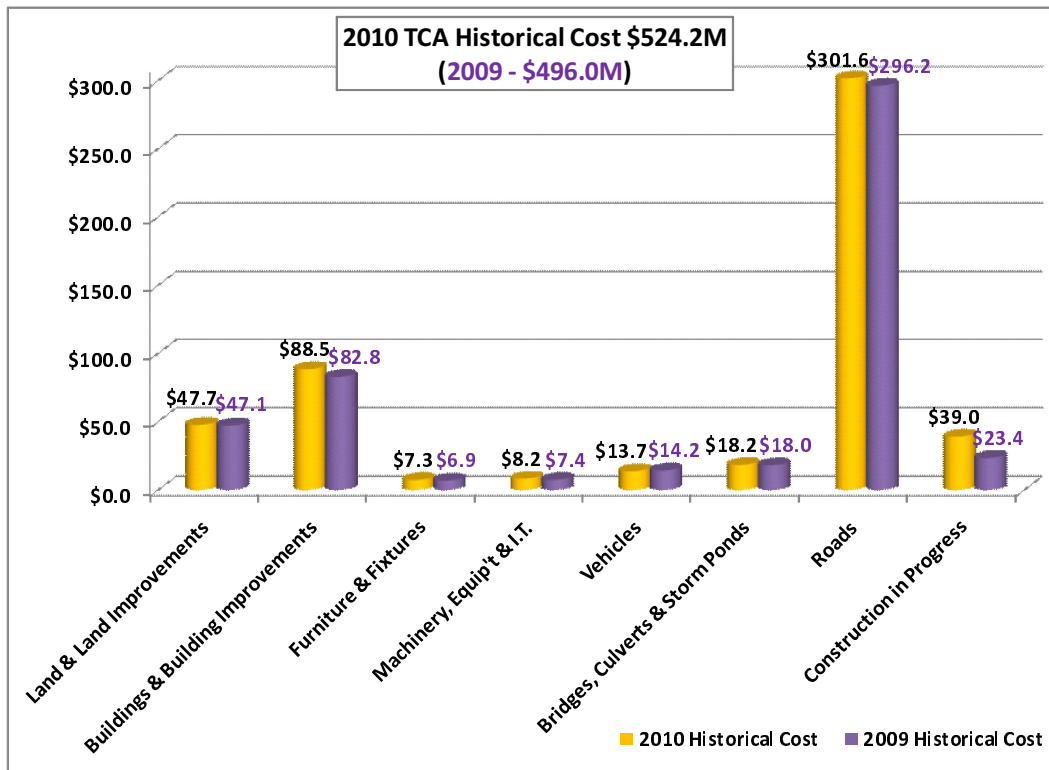
- \$2.5M remaining from the \$5.4M proceeds of the Town's 2010 Debt Issuance for the Bolton Arterial Route (see more information in the Town of Caledon Debt section);
- \$5.7M offset by higher accounts payables;
- \$2.4M increase in "restricted cash" or cash held in the Caledon Debt Retirement Fund, managed by the Region of Peel. The increase relates to investments that matured in 2010 and not re-invested. The remainder, a net

reduction of \$0.2M in cash is the net of short-term investments maturing more than fully offset by operational and capital spending.

The balance of the change in the Town’s financial assets in 2010, a remaining increase of \$6.2M compared to 2009, is in the taxes, accounts and grants receivable. As mentioned in the introduction, the Town’s 2010 financials are positively impacted by the Federal and Provincial Infrastructure Stimulus grant funding. In 2010, the Town has spent a significant amount of money on infrastructure projects (see Tangible Capital Asset Section below). Many of the grants require the Town to spend the funds first and then submit claims for reimbursement of the Federal or Provincial grant portion of the capital projects. As at the end of 2010, the Town has grants receivable of approximately \$2.3M related to tangible capital asset costs expended but awaiting reimbursement. An additional \$2.7M in receivables were established for Region of Peel payments to the Town for the Region’s portion of capital projects (\$1.9M) and the recoverable portion of Harmonized Sales Tax (HST) paid by the Town (\$0.8M). Recovery of sales taxes is higher in 2010 due to the fact that the HST was implemented in July 2010 and the quantum of the Town’s expenditures in tangible capital assets increased significantly in 2010.

Tangible Capital Assets and Other Non-Financial Assets

In 2010, the Town invested approximately \$30M (gross) into tangible capital assets. As shown in the chart below, the historical cost of the Town’s assets has increased from \$496M in 2009 to \$524.2M at the end of 2010.



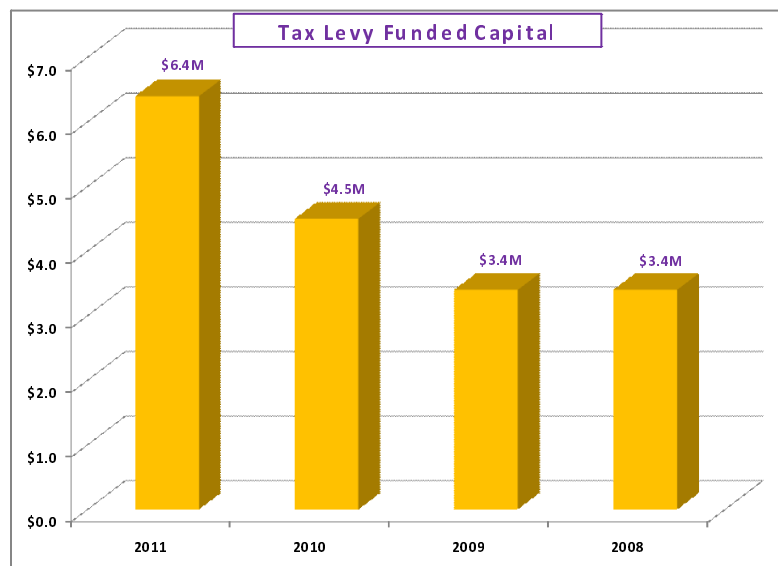
Of the \$30M invested in TCA in 2010, approximately \$11.3M was funded from Federal and Provincial grants, such as the Recreational Infrastructure Canada (RInC) program, the Building Canada Fund, the Community Adjustment Fund and Gas Tax grants. Tangible Capital Asset projects that received significant grant funding include the Mayfield Recreation Complex Renovation, the Caledon Centre for Recreation and Wellness (CCRW) – Youth Centre

Expansion, Heart Lake Road Bridge, 2010 Road Resurfacing and Rehabilitation, and the Caledon Community Complex Arena – Phase 2.

The positive impacts of the Federal and Provincial infrastructure stimulus funding will likely extend into part of 2011 as projects such as the Mayfield Recreation Complex Renovation and the CCRW – Youth Centre Expansion projects, have a RInC grant spending deadline of March 31, 2011.

Adjusting for the impact of the Federal and Provincial infrastructure stimulus funding, the Town still has an infrastructure funding deficit issue that it is continuing to work towards reducing.

As noted in 2009, the Town’s sustainable funding sources for capital does not fully offset 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 2010 and 2011, the Town has actively reduced the infrastructure shortfall by levying more property tax dollars for capital purposes. The chart (on the right) outlines the Town’s base tax levy contributions to capital over the past three years (2008 to 2010) and the budgeted increase for 2011.



Financial Liabilities

Overall Financial Liabilities for the Town have increased by \$12.7M. Of the overall increase, \$5.4M relates to a 2010 debenture issued in 2010 for the third and final phase of the Bolton Arterial Route (BAR). The debenture was issued in 2010 following several Council and Town Hall Budget meetings in which debenture funding was discussed to complete the BAR along Coleraine Drive. The remainder, or \$7.3M, of the overall increase in financial liabilities relates mainly to the timing of payments to the Region, School Boards, and vendors for which there is an offset in the higher cash balance (see Financial Assets section) and a provision related to a recent Municipal Property Assessment Corporation (MPAC) decision regarding the assessment of Golf Courses.

Accumulated Surplus

To complete the discussion on the Town's financial position, the Town's accumulated surplus at the end of December 31, 2010 increased by \$7M (from \$297M in 2009 to \$304M in 2010). The change is due to the 2010 full accrual accounting surplus, discussed in the next section.

2010 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 fund basis of accounting where revenues equal expenditures for budget/planning purposes. On the fund basis of accounting, the Town ended 2010 with a surplus of \$2.5M due primarily to favourable expense variances of \$2.9M offset by unfavourable revenues of (\$0.4M).

Favourable expenses related to external consulting and legal services, salary gapping and lower costs related to a mild 2010 winter were major reasons resulting in the \$2.9M favourable variance.

For revenues, a decline in user fee/rental revenues and the negative impact of a tax revenue provision related to the MPAC golf course reassessments were partially offset by favourable variances from sale of surplus land (which is offset by a transfer to reserves), higher interest revenues related to the proceeds of the BAR debenture, higher penalty/interest revenues from an increase in tax arrears, and one-time (2010) revenues related to G8 support by the Town's Fire & Emergency Services.

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 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 \$2.5M to the full accrual surplus of \$7M:

	<u>2010</u>	<u>2009</u>
Fund Accounting Surplus	\$2.5	\$1.1
TCA Amortization	(\$19.8)	(\$19.4)
Non-TCA Capital Expenditures	(\$0.8)	(\$4.0)
Revised Shortfall	<u>(\$18.1)</u>	<u>(\$22.3)</u>
 Recognition of External Revenues related to TCA		
Federal and Provincial Grants	\$11.3	\$4.4
Deferred Revenues	\$6.0	\$4.0
Other	\$1.1	\$1.9
 Other Full Accrual Accounting Adjustments		
Net Transfers to Reserves not considered expense in full accrual accounting (including \$4.5M in 2010 for tax-levy funded capital)	\$6.7	\$4.0
Other		(\$0.5)
Full Accrual Accounting Surplus	<u><u>\$7.0</u></u>	<u><u>(\$8.5)</u></u>

As shown in the table above, the fund accounting surplus is quickly adjusted to a deficit after accounting for TCA amortization. Further, without federal and provincial grants, listed above at \$11.3M, the full accrual surplus would be a full accrual deficit of \$4.3M (= \$7.0 surplus less grant funding of \$11.3M).

As noted in the previous sections, Federal and Provincial infrastructure stimulus grant funding has positively contributed to the Town's 2010 financial statements and is expected to have a limited impact to the Town's 2011 financials. However, the Town is projected to have full accrual accounting deficits in the near future until there is sustainable funding for capital. Also as outlined in previous sections, the Town has started a plan for sustainable capital funding by increasing the tax-levy funded capital by almost 90% since 2008 (from \$3.4M in 2008 (to \$4.5M in 2010 listed above) and to \$6.4M in 2011).

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.

Hydro Debenture

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 \$8.5M in the Debt Retirement Fund.

Bolton Arterial Route Debenture (2010)

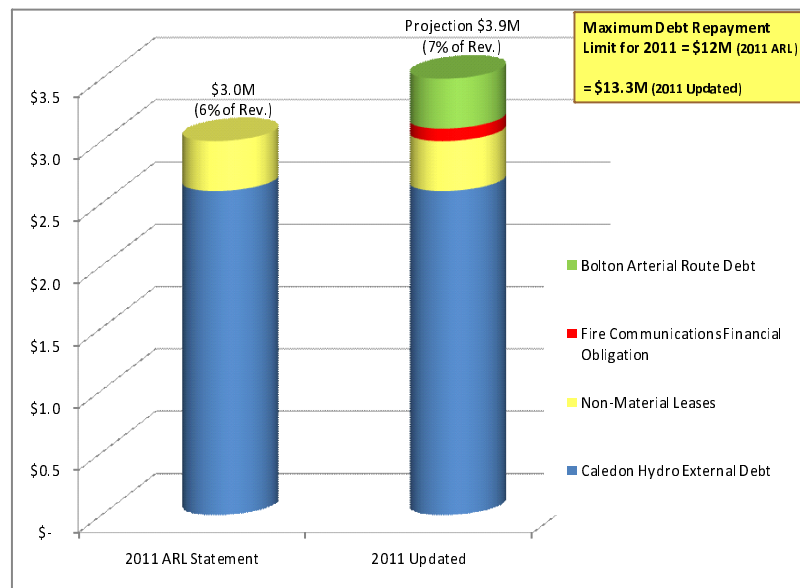
In the 2010 Budget, Council approved additional external debt to be issued, through the Region of Peel, for the completion of the Bolton Arterial Route on Coleraine Drive. The thirty-year, \$5.4M debenture issued in 2010 is known as a “sinker”, where interest payments are made semi-annually and the full amount of the \$5.4M principal is due at the end of 30 years. In 2010, one interest payment was made. On an annual basis, the Town will be making interest payments semi-annually and will contribute towards a sinking fund, held and managed by the Region of Peel, for the purposes of distinguishing 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.

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 revenues), the debt charges reported, and the remaining debt repayment limit. Based on the 2009 Financial Information Return calculations, the Town has net debt charges of \$3.0M or approximately 6.3% of the Town’s Net Revenues. Based on an overall debt repayment limit of \$12M, the Town is well under its ARL.

The impact of the Bolton Arterial Route debenture will not be fully reflected in the ARL until 2011, the first full year of the semi-annual interest payments and contribution to a sinking fund. Accordingly, the chart (below) shows a projection of the impact of the fully annualized BAR

debenture payments on the ARL. The projection also includes an update for a Fire Communications equipment financial obligation that extends beyond the term of the current Council and revised revenues figures based on the 2010 FIR data. As shown in the chart, the financial commitments related to the 2010 debenture (and all other debt/financial obligation changes at the time of the update) would not result in the Town exceeding the \$13.3M (25% of revenues) maximum repayment limit set by the Province.



At \$3.9M, the Town will be utilizing 7% of revenues to service debt. This would leave a balance available of 18% (=25% - 7%) or approximately \$9.6M of the maximum repayment limit.

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 (excluding the impact of infrastructure stimulus grant funds and the 2010 Bolton Arterial Route debenture proceeds). To address this issue, the Town has started to implement the long-term plan to increase funding to the capital program with a \$1M increase to the tax levy funded capital in the 2010 budget and a \$1.9M increase to the tax levy funded capital program in the 2011 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, debt at 7% of revenues is well within the maximum 25% set by the province.



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 28, 2011

Ronald H. Kaufman, CA
Deputy CAO/Director of Corporate Services/CFO
June 28, 2011

Fuwing Wong, CGA
Treasurer
June 28, 2011



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, 2010, 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, 2010, and the results of its operations and changes in net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

CHARTERED ACCOUNTANTS
Licensed Public Accountants

June 28, 2011

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

As at December 31	2010	2009
Financial Assets		
Cash and bank (Note 2)	17,674,921	7,304,752
Temporary investments (Note 3)	7,639,534	8,622,321
Taxes receivable (Note 4)	12,480,963	11,285,868
Accounts and grants receivable (Note 5)	6,943,004	1,896,181
Long-term investments (Note 6)	21,917,045	28,015,066
	66,655,467	57,124,188
Financial Liabilities		
Accounts payable and accrued liabilities	19,052,372	10,226,271
Deferred revenue (Note 7)	10,291,184	10,398,647
Net long-term liabilities (Note 8)	22,901,277	18,922,000
	52,244,833	39,546,918
Net Financial Assets	14,410,634	17,577,270
Non-Financial Assets		
Tangible capital assets - net (Page 32)	288,554,711	278,269,019
Inventories of supplies	463,657	496,190
Prepaid expenses	152,602	196,706
	289,170,970	278,961,915
Total Net Assets	303,581,604	296,539,185
Accumulated Surplus - end of year	303,581,604	296,539,185

THE CORPORATION OF THE TOWN OF CALEDON

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31	2010 Budget (Unaudited)	2010 Actual	2009 Actual
Revenue			
Taxation	34,467,218	33,439,041	31,407,198
Fees and user charges (Note 13)	7,393,244	7,416,129	6,941,193
Canada grants	25,000	4,861,018	2,283,132
Ontario grants	1,318,300	7,854,327	7,571,085
Licenses, permits and rents	3,401,777	3,438,718	3,837,722
Fines, penalties and interest on taxes	3,730,389	4,309,382	3,933,949
Other income (Note 14)	1,947,036	3,113,455	2,756,011
Development charges and other fees	248,311	6,457,689	1,405,368
	52,531,275	70,889,759	60,135,658
Expenditures			
General government	4,569,680	4,785,287	5,562,872
Protection services	9,842,225	9,016,506	9,038,496
Transportation services	12,902,432	11,541,440	14,185,718
Interest on former Caledon Hydro Corporation debt	-	1,390,692	1,337,055
Environmental services	75,232	23,591	24,018
Health services	21,002	11,298	21,196
Social and family services	70,971	30,670	55,400
Recreation and cultural services	13,595,329	12,420,580	13,178,596
Planning and development	6,527,857	5,464,429	5,829,282
	47,604,728	44,684,493	49,232,633
Income before Under-noted Items	4,926,547	26,205,266	10,903,025
Other (Income)/Expense			
(Gain)/Loss on disposal of tangible capital assets	(100,000)	(310,753)	13,431
Amortization of tangible capital assets	-	19,473,600	19,406,587
	(100,000)	19,162,847	19,420,018
Annual Surplus/(Deficit) from Operations	5,026,547	7,042,419	(8,516,993)
Accumulated Surplus - Beginning of Year	-	296,539,185	305,056,178
Accumulated Surplus - End of Year (Note 9)	5,026,547	303,581,604	296,539,185

THE CORPORATION OF THE TOWN OF CALEDON

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31	2010	2009
Annual Surplus from Operations	7,042,419	(8,516,993)
Amortization of tangible capital assets	19,473,600	19,406,587
Acquisition of tangible capital assets	(30,008,424)	(18,485,095)
(Gain)/Loss on disposal of tangible capital assets	(310,753)	13,431
Proceeds on disposal of tangible capital assets	559,885	-
Other	76,637	(130,148)
Increase/(Decrease) in Net Financial Assets	(3,166,636)	(7,712,218)
Net Financial Assets - Beginning of Year	17,577,270	25,289,488
Net Financial Assets - End of Year	14,410,634	17,577,270

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

For the year ended December 31	2010	2009
Cash Provided By (Used In)		
Operating Activities		
Annual Surplus from operations	7,042,419	(8,516,993)
Items not involving cash		
Amortization of tangible capital assets	19,473,600	19,406,587
Loss/(Gain) on disposal of tangible capital assets	(310,753)	13,431
Long-term bond premium amortization	107,881	101,638
	<u>26,313,147</u>	<u>11,004,663</u>
Changes in non-cash working capital items (Note 11)	2,553,357	(3,928,930)
Capital Activities		
Acquisition of tangible capital assets	(30,008,424)	(18,485,095)
Proceeds on disposal of tangible capital assets	559,885	-
	<u>(29,448,539)</u>	<u>(18,485,095)</u>
Investing Activities		
(Increase)/Decrease in restricted cash	(2,370,838)	689,532
Net investment in long-term receivables	-	383,463
Net (purchase)/redemption of investments	6,972,927	166,691
	<u>4,602,089</u>	<u>1,239,686</u>
Financing Activities		
Proceeds of debenture	5,381,277	-
Repayment of long-term liabilities	(1,402,000)	(1,316,000)
	<u>3,979,277</u>	<u>(1,316,000)</u>
Net Change in Cash and Cash Equivalents	7,999,331	(11,485,676)
Cash and Cash Equivalents - Beginning of Year	5,365,495	16,851,171
Cash and Cash Equivalents - End of Year	<u>13,364,826</u>	<u>5,365,495</u>
Cash and Cash Equivalents are Comprised of:		
Cash and bank (unrestricted)	13,364,826	5,365,495

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2010

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, 2010

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, 2010

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, 2010

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, 2010

2. CASH AND BANK

	2010	2009
Unrestricted	13,364,826	5,365,495
Restricted	4,310,095	1,939,257
	<u>17,674,921</u>	<u>7,304,752</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

	2010	2009
Short-term Government of Canada bond	2,587,868	
Short-term Provincial Government bond	-	3,009,000
Region of Peel debt retirement fund investments	5,051,666	5,613,321
	<u>7,639,534</u>	<u>8,622,321</u>

Temporary investments have interest rates ranging from 0.05% to 4.6% and a market value of \$7,622,367 (2009 - \$8,655,244) at the end of the year.

During the year, amortization in the amount of \$3,760 (2009 - \$9,450) 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

	2010	2009
Taxes receivable	12,802,898	11,607,803
Allowance for doubtful accounts	(321,935)	(321,935)
	<u>12,480,963</u>	<u>11,285,868</u>

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2010

5. ACCOUNTS AND GRANTS RECEIVABLE

	2010	2009
Accounts and grants receivable	6,943,004	1,929,250
Allowance for doubtful accounts	-	(33,069)
	6,943,004	1,896,181

6. LONG-TERM INVESTMENTS

	2010	2009
Medium-term Government of Canada bonds	-	2,083,107
Medium-term Provincial Government bonds	2,192,912	-
Long-term Government of Canada bond	2,129,000	2,105,545
Long-term Provincial Government bonds	12,411,783	14,928,816
Long-term Debt Retirement Fund investments	5,183,350	8,897,598
	21,917,045	28,015,066

The long-term investments have interest rates ranging from 4.25% to 5.875% and maturity dates from December 2012 to June 2019. The market value of the long-term investments is \$23,448,493 (2009 - \$28,983,050).

During the year, amortization in the amount of \$107,881 (2009 - \$101,638) 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, 2010

7. DEFERRED REVENUE

	Balance at December 31, 2009	Contributions Received	Investment Income	Revenue Recognized	Balance at December 31, 2010
Obligatory Reserve Funds					
Heritage property grant	-	9,873	-	-	9,873
Development charges	6,776,728	5,989,877	100,947	4,180,102	8,687,450
Recreational land	1,857,582	318,095	9,220	2,177,727	7,170
Building stabilization	796,298	-	7,816	145,292	658,822
Federal gas tax	661,671	3,199,912	5,140	3,247,934	618,789
	<u>10,092,279</u>	<u>9,517,757</u>	<u>123,123</u>	<u>9,751,055</u>	<u>9,982,104</u>
User Charges and Fees					
Deferred memberships	285,657	-	-	2,488	283,169
Deferred grant	20,711	5,200	-	-	25,911
	<u>306,368</u>	<u>5,200</u>	<u>-</u>	<u>2,488</u>	<u>309,080</u>
	<u>10,398,647</u>	<u>9,522,957</u>	<u>123,123</u>	<u>9,753,543</u>	<u>10,291,184</u>

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2010

8. NET LONG-TERM LIABILITIES

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

	2010	2009
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 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	17,520,000	18,922,000
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	-
	<u>22,901,277</u>	<u>18,922,000</u>

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

	Principal	Interest	Total
2011	1,493,000	1,435,488	
2012	1,590,000	1,337,697	2,927,697
2013	1,694,000	1,232,756	2,926,756
2014	1,804,000	1,120,953	2,924,953
2015	1,921,000	1,001,889	2,922,889
2016-2020	9,018,000	2,918,749	11,936,749
Thereafter	5,381,277	5,350,382	10,731,659
	<u>22,901,277</u>	<u>14,397,914</u>	<u>37,299,191</u>

Interest expense in the amount of \$1,390,692 (2009 - \$1,337,055) has been recognized on the consolidated statement of operations.

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.

- (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 \$8,546,009, comprised of \$7,599,183 in principal repayments and \$946,826 of interest repayments.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2010

8. NET LONG-TERM LIABILITIES (Continued)

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.

9. ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following amounts:

	2010	2009
General purposes	(8,433,215)	(9,256,410)
Caledon Library Board (operations)	(133,539)	207,966
Caledon Business Improvement Area (operations)	19,451	11,907
Caledon Youth Services Board	(70,866)	(77,075)
Invested in Tangible Capital Assets	288,554,711	278,269,019
Reserves and Reserve Funds (Note 10)	23,645,062	27,383,778
	303,581,604	296,539,185

10. RESERVES AND RESERVE FUNDS

	2010	2009
Reserves set aside by Council:		
Working funds	1,299,589	1,299,549
Contingencies	2,067,806	1,160,777
Current purposes	110,102	174,263
Capital purposes	1,183,661	687,224
	4,661,158	3,321,813
Reserve funds set aside by Council:		
Hydro proceeds	2,150,600	7,294,863
Current purposes	773,030	216,925
Debt retirement	15,870,648	16,450,177
Bolton Community Improvement	189,626	100,000
	18,983,904	24,061,965
	23,645,062	27,383,778

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2010

11. CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2010	2009
Decrease (Increase) in taxes receivable	(1,195,095)	1,273,244
Decrease (Increase) in trade and other receivables	(5,046,823)	209,578
Decrease (Increase) in inventories	32,533	(175,021)
Decrease (Increase) in prepaid expenses	44,104	44,873
(Decrease) Increase in accounts payable	8,826,101	(5,064,780)
(Decrease) Increase in deferred revenue	(107,463)	(216,824)
	2,553,357	(3,928,930)

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

	2010 Budget (Unaudited)	2010 Actual	2009 Actual
Recreation	3,060,800	2,473,389	2,675,826
Planning and development	2,634,694	2,449,281	1,829,053
Public works	926,750	1,538,709	1,495,012
Administration and general governance	593,600	650,276	657,122
Fire services	162,000	294,273	275,964
Library services	15,400	10,201	8,216
	7,393,244	7,416,129	6,941,193

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2010

14. OTHER INCOME

	2010 Budget (Unaudited)	2010 Actual	2009 Actual
Investment income	753,500	1,375,575	1,540,008
Donations, contributions and agreements	75,600	110,437	118,415
Recovery from other municipalities	1,111,936	1,625,702	971,059
Other	6,000	1,741	126,529
	1,947,036	3,113,455	2,756,011

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 2010 was \$1,291,308 (2009 - \$1,268,544) for current service. The contribution rate for 2010 was 6.4% to 13.1% depending on normal retirement age and income level (2009 - 6.3% to 12.8%).

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.

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:

	2010	2009
Regional Municipality of Peel	38,443,796	36,395,939
School boards	39,212,685	36,489,680
	77,656,481	72,885,619

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

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2010

18. TRUST FUNDS

The trust funds administered by the municipality amounting to \$2,211,604 (2009 - \$2,142,567) 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, 2010, the trust fund balances are as follows:

	2010	2009
Cemetery Perpetual Care	6,013	6,010
Developer Deposits	2,198,451	2,126,532
Other	7,140	10,025
	2,211,604	2,142,567

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 \$250,753 per year. These leases expire in August 2011.
- b) Leases on two properties at an approximate cost of \$92,605 per year. These leases expire in July 2011 and June 2012.
- c) Leases on various postage machines and computer equipment totaling \$9,488 per year. The leases expire in December 2011, September 2013, and November 2013.
- d) The lease of O.P.P. computer equipment at an approximate cost of \$4,172 in 2010. This lease was renewed January 2011 at an approximate cost of \$6,192 per year and expires in January 2014.

The Town of Caledon has entered into contracts worth approximately \$11,077,609 as of December 31, 2010 for capital project spending in 2011 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, 2010

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 \$1,970,047 for the year ended December 31, 2010 (2009 - \$1,779,574).

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, 2010, cost recovery fees of \$401,331 (2009 - \$426,229) were collected from serviced municipalities within the County of Dufferin.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2010

22. COMPARATIVE AMOUNTS

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

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2010

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, streetlights, sidewalks, trails, paths, parks, sports fields, streetscapes, and development design standards and assurance.

Fire and Emergency Services

Protect life, property, and the environment with the largest volunteer fire service in Ontario.

Recreation and Property Services

Operates a wide variety of barrier free accessible recreation programs at facilities and parks, and is responsible for the management and maintenance of all Town owned buildings.

Library Services

Provides for the informational and educational needs of residents and promotes lifelong learning, literacy and the love of reading.

General Governance and Administration

As a liaison between Council and staff, the CAO and Clerk ensure Council directives are carried out. Also includes Council, animal services, customer service, Provincial Offences Act administration and by-law enforcement sections.

Town Counsel

An in-house legal team supporting Council and Town staff to implement legal transactions facing Town staff.

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, 2010

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 and the administration/enforcement 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 & 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 and Administration Division, Information Technology Division and Tax Division.

THE CORPORATION OF THE TOWN OF CALEDON

SCHEDULE OF SEGMENTED INFORMATION

For the year ended December 31, 2010

	Public Works	Fire and Emergency Services	Recreation and Property Services	Library Services	General Governance and Administration	Town Counsel	Human Resources	Other	Total 2010
Revenue									
Taxation	14,479,106	5,952,149	3,979,246	2,675,123	1,972,903	1,203,805	1,003,171	2,173,538	33,439,041
Fees and user charges	1,538,710	294,273	2,462,860	10,201	642,472	15,058	-	2,452,555	7,416,129
Specific grants	3,752,813	11,480	7,564,364	101,487	2,822	-	-	1,282,379	12,715,345
Other revenue	891,323	943,238	1,589,466	42,631	2,517,040	-	-	4,877,857	10,861,555
Development charges & other fees	4,083,317	-	-	-	-	-	-	2,374,372	6,457,689
	<u>24,745,269</u>	<u>7,201,140</u>	<u>15,595,936</u>	<u>2,829,442</u>	<u>5,135,237</u>	<u>1,218,863</u>	<u>1,003,171</u>	<u>13,160,701</u>	<u>70,889,759</u>
Expenses									
Salaries and benefits	5,567,233	4,495,748	4,585,980	1,812,211	3,050,613	792,501	637,789	5,925,821	26,867,896
Interest on debt	138,519	-	-	-	-	-	-	1,252,173	1,390,692
Materials and supplies	4,485,390	1,023,750	2,960,101	396,100	738,511	318,413	123,515	1,195,932	11,241,712
Contracted services	1,323,987	275,058	26,270	-	372,760	575,754	160,250	1,265,489	3,999,568
Other transfers	(268,994)	211,594	(126,750)	162,336	323,925	(228,298)	-	83,625	157,438
Rents and financial expenses	257,364	129,098	52,576	-	59,346	-	-	528,803	1,027,187
	<u>11,503,499</u>	<u>6,135,248</u>	<u>7,498,177</u>	<u>2,370,647</u>	<u>4,545,155</u>	<u>1,458,370</u>	<u>921,554</u>	<u>10,251,843</u>	<u>44,684,493</u>
Net income before undernoted items	13,241,770	1,065,892	8,097,759	458,795	590,082	(239,507)	81,617	2,908,858	26,205,266
Amortization and gain/loss on disposal of tangible capital assets	13,475,658	1,249,498	3,331,745	361,823	744,123	-	-	-	19,162,847
Net Surplus (Deficit)	<u>(233,888)</u>	<u>(183,606)</u>	<u>4,766,014</u>	<u>96,972</u>	<u>(154,041)</u>	<u>(239,507)</u>	<u>81,617</u>	<u>2,908,858</u>	<u>7,042,419</u>

THE CORPORATION OF THE TOWN OF CALEDON

SCHEDULE OF SEGMENTED INFORMATION

For the year ended December 31, 2009

	Public Works	Fire and Emergency Services	Recreation and Property Services	Library Services	General Governance and Administration	Town Counsel	Human Resources	Other	Total 2009 <i>(Note 1)</i>
Revenue									
Taxation	11,934,735	6,281,439	4,082,936	2,512,576	1,884,432	1,570,360	1,256,288	1,884,432	31,407,198
Fees and user charges	1,565,956	275,964	2,744,811	8,216	364,797	93,280	-	1,888,169	6,941,193
Specific grants	7,835,128	-	562,478	100,052	52,689	-	-	1,303,870	9,854,217
Other revenue	300,265	237,187	2,354,410	48,069	2,368,569	37,500	-	5,181,682	10,527,682
Development charges & other fees	1,104,746	-	-	-	-	58,756	-	241,866	1,405,368
	<u>22,740,830</u>	<u>6,794,590</u>	<u>9,744,635</u>	<u>2,668,913</u>	<u>4,670,487</u>	<u>1,759,896</u>	<u>1,256,288</u>	<u>10,500,019</u>	<u>60,135,658</u>
Expenses									
Salaries and benefits	5,951,082	3,551,172	4,539,757	1,391,644	3,089,745	667,029	506,167	5,838,371	25,534,967
Interest on debt	-	-	-	-	-	-	-	1,337,055	1,337,055
Materials and supplies	7,216,052	900,118	2,861,603	488,162	1,232,472	297,924	112,720	2,522,308	15,631,359
Contracted services	1,427,667	282,777	15,255	-	309,588	1,052,562	103,474	2,157,431	5,348,754
Other transfers	(252,184)	194,356	(157,255)	161,413	305,285	(243,200)	-	257,378	265,793
Rents and financial expenses	339,352	-	50,458	-	62,056	-	-	662,839	1,114,705
	<u>14,681,969</u>	<u>4,928,423</u>	<u>7,309,818</u>	<u>2,041,219</u>	<u>4,999,146</u>	<u>1,774,315</u>	<u>722,361</u>	<u>12,775,382</u>	<u>49,232,633</u>
Net income before undernoted items	8,058,861	1,866,167	2,434,817	627,694	(328,659)	(14,419)	533,927	(2,275,363)	10,903,025
Amortization and gain/loss on disposal of tangible capital assets	13,500,347	1,242,003	3,215,834	391,561	1,070,273	-	-	-	19,420,018
Net Surplus (Deficit)	<u>(5,441,486)</u>	<u>624,164</u>	<u>(781,017)</u>	<u>236,133</u>	<u>(1,398,932)</u>	<u>(14,419)</u>	<u>533,927</u>	<u>(2,275,363)</u>	<u>(8,516,993)</u>

THE CORPORATION OF THE TOWN OF CALEDON

SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the year ended December 31, 2010

	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 2010	Total 2009
Cost										
Balance, beginning of year	47,122,609	82,825,570	6,946,006	7,369,466	14,206,899	18,220,255	295,969,572	23,372,984	496,033,361	477,768,120
Additions during the year	694,584	5,641,029	349,341	1,862,506	165,655	-	5,641,391	15,653,918	30,008,424	18,485,095
Disposals during the year	144,028	-	-	1,072,658	661,772	-	-	-	1,878,458	219,854
Balance, end of year	47,673,165	88,466,599	7,295,347	8,159,314	13,710,782	18,220,255	301,610,963	39,026,902	524,163,327	496,033,361
Accumulated Amortization										
Balance, beginning of year	2,587,416	29,574,980	4,696,730	3,389,463	7,997,067	10,386,278	159,132,408	-	217,764,342	198,564,178
Amortization during the year	250,620	4,561,353	668,185	690,077	646,185	368,997	12,288,183	-	19,473,600	19,406,587
Accumulated amortization on disposal	-	-	-	967,554	661,772	-	-	-	1,629,326	206,423
Balance, end of year	2,838,036	34,136,333	5,364,915	3,111,986	7,981,480	10,755,275	171,420,591	-	235,608,616	217,764,342
Net Book Value of Tangible Capital Assets	44,835,129	54,330,266	1,930,432	5,047,328	5,729,302	7,464,980	130,190,372	39,026,902	288,554,711	278,269,019