

# CALEDON

## Financial Report and Consolidated Financial Statements

For the year ended  
December 31, 2015

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

Prepared by  
Corporate Services Department, Town of Caledon

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, 2014. 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.



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, 2014**

A handwritten signature in black ink that reads "Jeffrey R. Emmer". The signature is fluid and cursive, with "Jeffrey" on the top line and "R. Emmer" on the bottom line.

Executive Director/CEO





# Financial Report and Consolidated Financial Statements

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2015



TOWN OF CALEDON

## Introduction Section



# Welcome to Caledon

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The Town of Caledon was established on January 1, 1974 in conjunction with the creation of regional government. Representing an amalgamation of the former County of Peel townships of Albion, Caledon and the northern half of Chinguacousy, the Town of Caledon forms the northern municipality of the present Region of Peel.

It was the rich water and mineral resources that attracted settlers and early industrialists. It has been said that the first European settlers came in search of gold and although gold was never found, our industrial development then began. In present day, we celebrate our golden hillsides, trails, parks, rivers and farmland.

Today, the Town of Caledon offers many services and prospects for residents that help make Caledon a safe, active, healthy and enjoyable community to call home. Recognized as one of Canada's safest town and Ontario's greenest town, Caledon is a blend of urban and rural, modern and historic, all nestled between the Hills of the Headwaters, Oak Ridges Moraine and the Niagara Escarpment.



# Welcome to Caledon

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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.



*Cheltenham Badlands (Caledon)*



*Downtown Bolton Business Area*



*Caledon Trailway Pavilion in Caledon East*



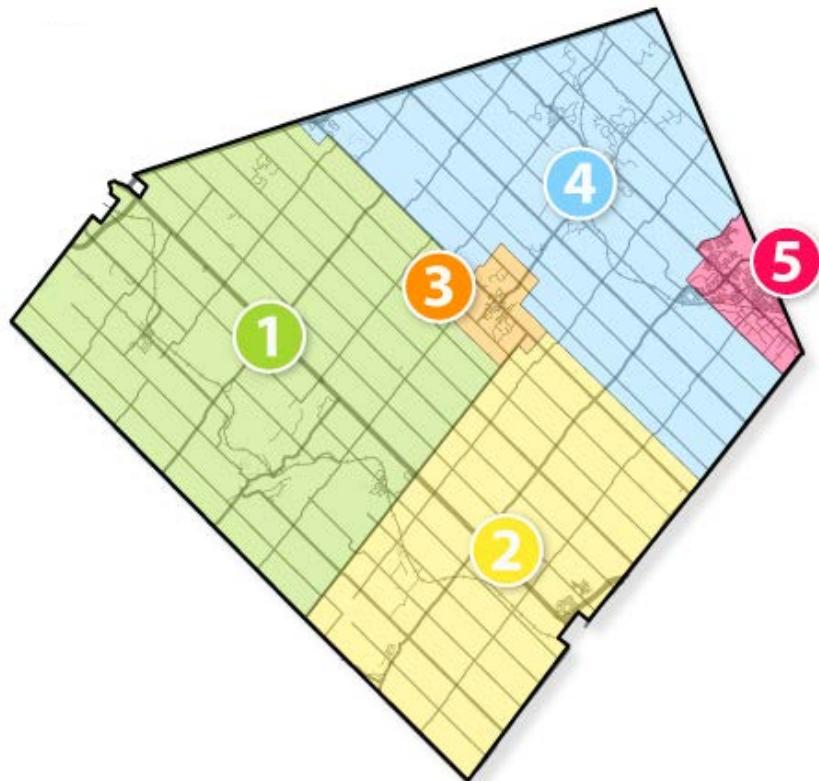
# Welcome to Caledon

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

A vibrant community of 72,040 residents, 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 comprised of five Wards. Council members are elected by their Ward residents, with the last election being held in October 2014.



Caledon is geographically one of the largest municipalities in the Greater Toronto Area (GTA) with 5 wards covering nearly 700km<sup>2</sup> which offers benefits unparalleled in the GTA to residents, businesses and their employees.



*Allan Thompson*  
Mayor

### Message from the Mayor

Enclosed are the Town of Caledon's 2015 Financial Statements and I'm happy to report that we have maintained a stable and healthy financial state.



Council and staff have laid out a long term plan for the future sustainability and affordability of our Town. The Town has made significant investments in infrastructure and the construction of new facilities. In 2015, the Town completed construction of the Caledon Equestrian Park for the 2015 Pan Am & Parapan Am Games funded by TO2015, Equestrian Management Group, Toronto Region Conservation Authority and the Town.

This report shows that the Town's financial assets are able to cover the Town's financial liabilities. We are continuing to work through our plan to fund the projected 2016-2019 investment shortfall in the Hydro debt retirement fund through our internal Hydro reserve funds.

The Town's debt serving cost at 5.61% of net revenues is well below the maximum of 25% set by the Province and the 10% set by our own Council policy.

I want to thank the talented financial team we have here at the Town of Caledon, they are committed to working hard for you.

Sincerely,

Allan Thompson, Mayor

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#### THE CORPORATION OF THE TOWN OF CALEDON

6311 Old Church Road, Caledon East, Caledon, ON, Canada L7C 1J6  
T. 905.584.2272 | 1.888.225.3366 | F. 905.584.1444 | [www.caledon.ca](http://www.caledon.ca) | [allan.thompson@caledon.ca](mailto:allan.thompson@caledon.ca)

# Welcome to Caledon

Ward	Regional Councillors	Area Councillors
Mayor	Allan Thompson	
Ward 1	Barbara Shaughnessy	Doug Beffort
Ward 2	Johanna Downey	Gord McClure
Ward 3 & 4	Jennifer Innis	Nick deBoer
Ward 5	Annette Groves	Rob Mezzapelli



Ward 1  
Barbara Shaughnessy



Ward 1  
Doug Beffort



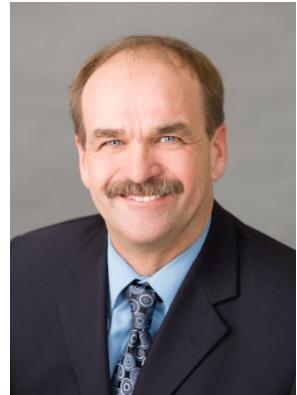
Ward 2  
Johanna Downey



Ward 2  
Gord McClure



Ward 3 & 4  
Jennifer Innis



Ward 3 & 4  
Nick deBoer



Ward 5  
Annette Groves



Ward 5  
Rob Mezzapelli

# Welcome to Caledon

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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.

## **Lifestyle - The Best of All Worlds**

Caledon is a unique mix of enduring rural traditions and vibrant urban neighbourhoods, serviced by a wide range of convenient amenities.

- **Housing Options**

We are a “community of communities”. Each village and hamlet within Caledon has its own distinctive charm. Our growing real estate market offers home buyers a wide range of options: from country estates and heritage properties, to comfortable single, semi-detached and town homes in new and existing subdivisions.

- **Shopping**

Our mix of rural villages and urban centres is reflected in our wide array of retail options which are equally strong and diverse – from quaint, one-of-a-kind boutiques to convenient large brand-name chains meeting both personal and professional needs

- **Schools**

With performance scores well above the provincial average, Caledon offers an impressive choice of public, separate and independent schools.

- **Healthcare**

Healthcare services in Caledon are first-rate with nearby state-of-the-art regional hospitals and close proximity to the extensive facilities in the GTA.

- **Arts and Lifestyle**

Caledon enjoys a thriving arts community with annual arts festivals and a wide selection of live theatre and music options throughout the year. A diverse selection of recreation facilities and programs for residents of all ages support our commitment to healthy, active living.

## **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.

# Welcome to Caledon

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## **The Natural Course of Business**

Home to over 2,300 prosperous companies, Caledon is good for business... Naturally.

Successful industry leaders in Canada and abroad know the benefits of locating in Caledon.

Husky Injection Molding Systems, Mars Canada, Sardo Foods, Cambria, Pioneer H-Bred, Pepsi and Ionics Mass Spectrometry, to name just a few, call Caledon home.

## **Green Development Program**

Our Green Development Program makes it good business to adopt the highest environmental standards for new commercial and industrial development. We offer development charge discounts from 5% to 27.5% for buildings that incorporate the internationally recognized Leadership in Energy and Environmental Design (LEED) certification.

Unique to Caledon's program, discounts are offered for buildings that incorporate green technologies including: solar hot water systems, transpired solar collectors and solar photovoltaic systems.



Caledon's strong and diversified economic base provides a solid foundation for new and expanding industries. Our growth sectors include:

- advanced and industrial machinery manufacturing;
- fabricated structural metal, plastic, and food and beverage products;
- professional, management, scientific and technical services;
- specialized design and engineering services;
- Tourism.

# Welcome to Caledon

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## Roads

Caledon businesses easily team with suppliers to serve customers in Canada's industrial heartland and the United States through an extensive and reliable network of municipal and regional roads (Highways 109, 10, and 50), which connect to major provincial highways (400, 410, 407, 427 and the Queen Elizabeth Way).

## Rail

Nearby CP and CN Railway intermodal terminals provide diversified domestic and overseas containerized service to continent-wide and international markets.

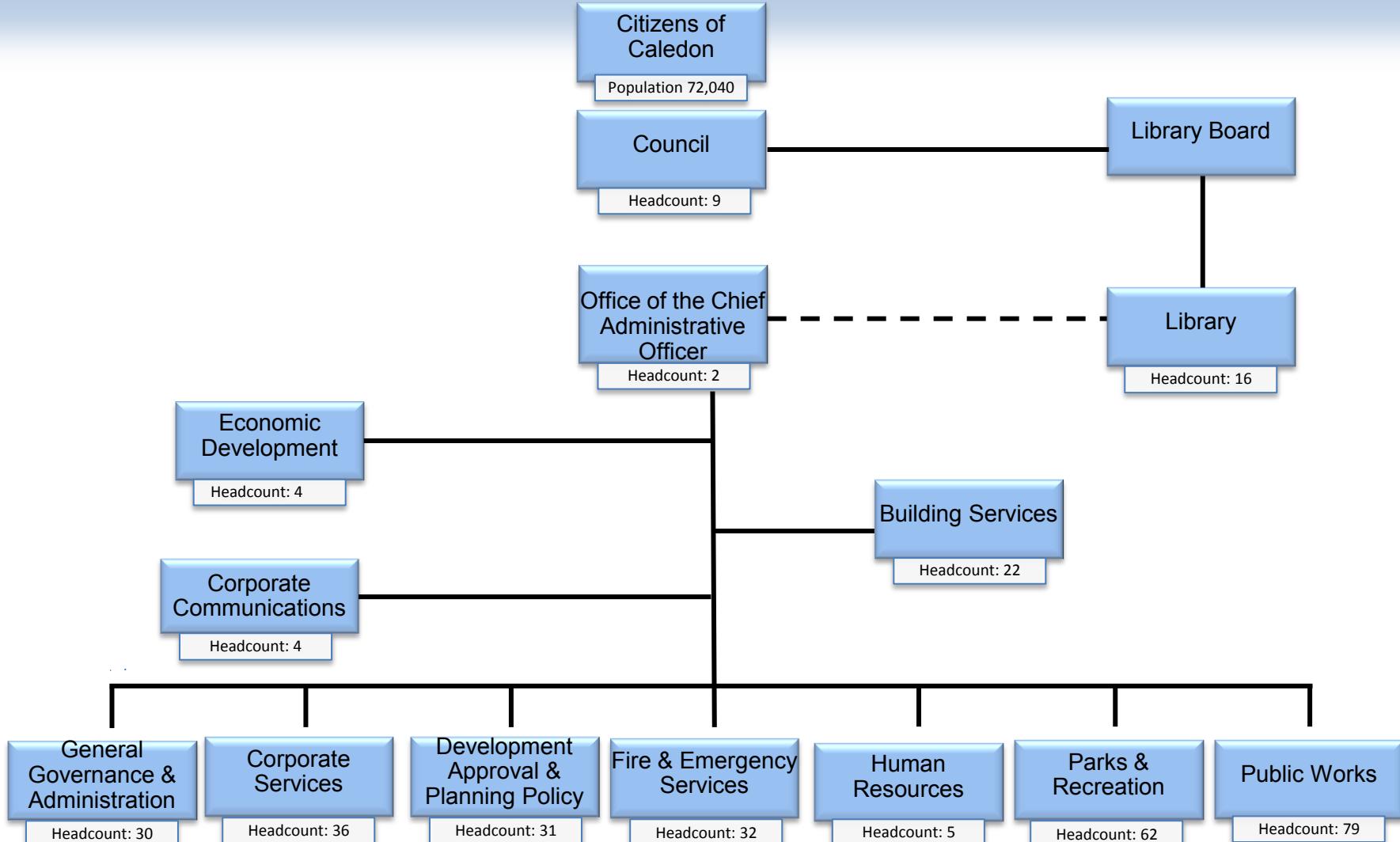


## Air

The Greater Toronto Airports Authority operates Toronto Pearson International Airport (YYZ), a leading international gateway only 30 minutes south of Caledon. With direct access via Highway 427, Pearson is Canada's largest and busiest international airport with cargo service to sixteen North American and international destinations. Over sixty-five airlines operate out of three terminals, offering passengers direct service to twenty-five Canadian, forty-three American and forty-two international cities. Caledon's centrally-located regional airport offers convenient air taxi service to major Ontario destinations and thousands of other North American airports. Companies can also take advantage of executive and priority express delivery services for small packages.



# Town of Caledon Organizational Chart



- **Staff Complement is Full-time Staff Only**
- **Population-Provided by the Planning Department & Excludes undercount**
- **Details of divisions within each department available in departmental Business Plans**
- **Total 2015 Approved Head Count 332**

# Welcome to Caledon

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**The Town of Caledon is divided into the following departments:**

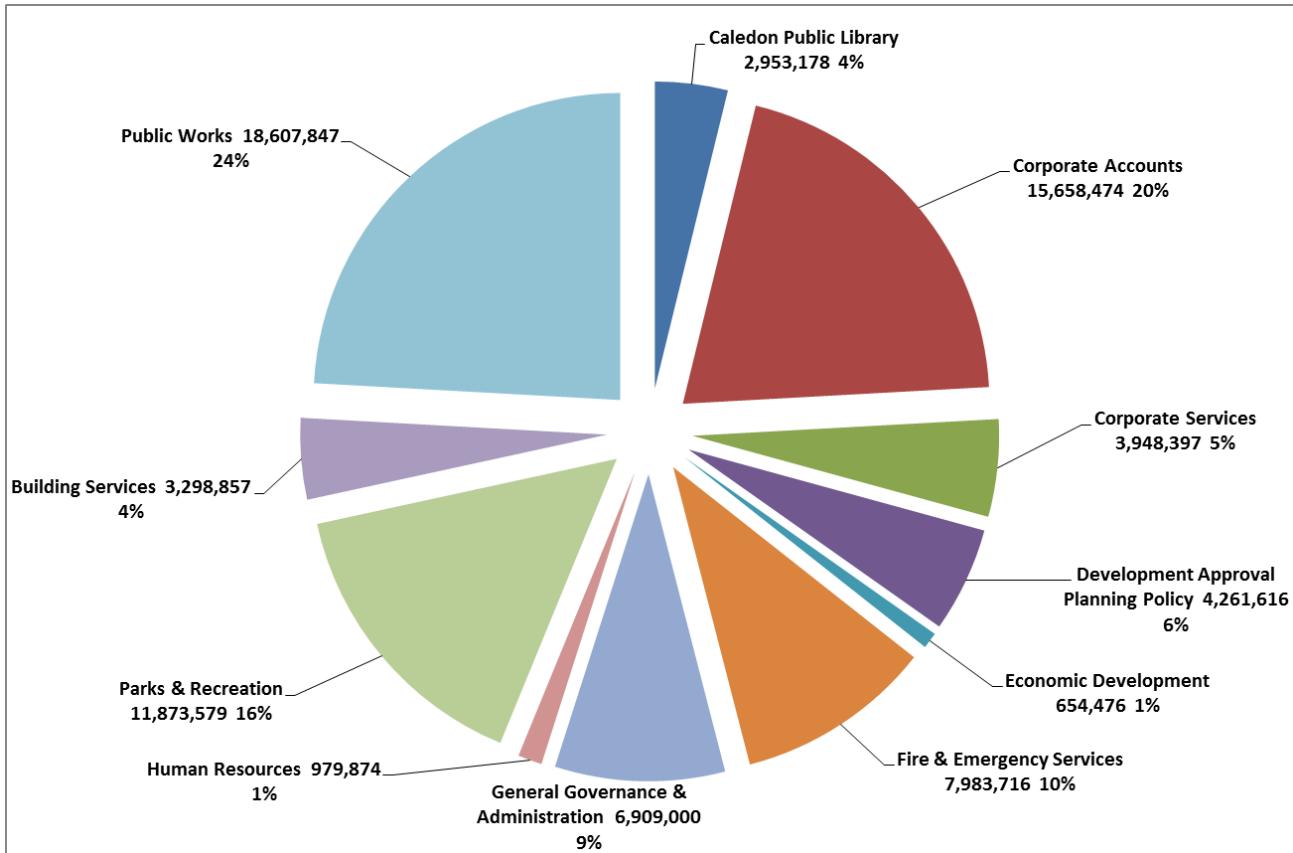


Chart is based on the 2016 Net Budget per Department.

\*Building Services was included with the DAPP Department prior to 2015. The Budget for Building shows a net zero balance in accordance with BILL 124 that mandates Building Services must be fully funded by its revenue from building permits.

## **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.

The 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, Legal Services, Legislative Services, and the Provincial Offences Court.

# Welcome to Caledon

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## **Building Services**

Administering and enforcing the Building Code Act and the Ontario Building Code with respect to buildings while maintaining mandatory legislative requirements and providing an excellent level of service. The department helps to improve customer service by reducing review times and resubmissions of additional information and providing better communication with applicants and their consultants through the permit application process. Bill 124 amended the Building Code Act by requiring that the fees collected by the municipality must not exceed the anticipated reasonable costs of the municipality to administer and enforce the Act which is why the Building department's budget overall nets to zero.

## **Caledon Public Library**

The 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

# Welcome to Caledon

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## Corporate Services

The department helps to shape the future of the community by providing corporate-based financial, procurement, risk management, customer service, 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.
- 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.



# Welcome to Caledon

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## 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.

A composite image for Town of Caledon Careers. At the top, the text "Town of Caledon Careers" is in black, and "make a difference" is in large green letters. Below this is a photograph of the Town Hall building with its name on the side. At the bottom, there are four smaller photographs of Town employees: a woman in an orange jacket, a man in a high-visibility vest, a woman in a light blue shirt, and two people in red "STAFF" hoodies working on a whiteboard.

# Welcome to Caledon

## 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.



**Town of Caledon Summer Camps**  
To register visit [www.caledon.ca/recreation](http://www.caledon.ca/recreation) or contact your local recreation centre.

**Caledon Parks & Recreation**

**Great Experiences Start Here!**

Town-wide summer camps

- Affordable Pricing
- Extended Care
- Inclusive and Adapted Camp Opportunities

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. The department maintains over 260 km of publicly accessible trails, over 74 parks and many playgrounds, picnic areas, splash pads, tennis courts, sports fields, a leash free park, a skateboard park and many other amenities.



A wide-angle photograph of an equestrian competition. In the foreground, there's a dirt arena with several jumps. A white tent is set up near the jumps. In the background, there's a large, modern-looking building with a balcony where spectators are watching. The sky is cloudy.

[cealytetley.com](http://cealytetley.com)

# Welcome to Caledon

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## 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) and by-law enforcement.

The department also maintains 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.

Public Works consists of the following divisions:

- Capital Projects and Facilities
- Animal Shelter
- Engineering
- Traffic
- Fleet
- Energy & Environment
- By-law Enforcement



## 2015 Financial Report

The Town of Caledon is pleased to present its 2015 Financial Report and Consolidated Financial Statements, for the year ended December 31, 2015. 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 Chartered Professional Accountants of Canada and best practices in financial reporting as recommended by the Government Finance Officers Association.

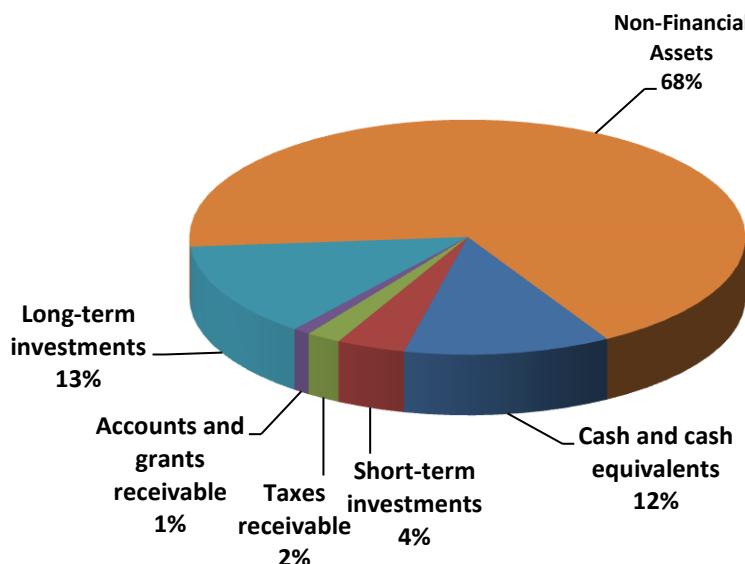
The 2015 Financial Report and Consolidated Financial Statements are the responsibility of Management of the Corporation of the Town of Caledon. The financial statements have been examined by Millard, Rouse and Rosebrugh, LLP Chartered Professional Accountants, the external auditors for the Corporation. 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 public sector accounting standards.

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

### Statement of Financial Position

The following highlights outline the Financial Position as at December 31, 2015 (in thousands of dollars)

What we own (Assets)	\$ 000's	%
Cash and cash equivalents	\$ 46,251	12%
Short-term investments	17,663	4%
Taxes receivable	7,598	2%
Accounts and grants receivable	5,906	1%
Long-term investments	50,648	13%
Non-Financial Assets	271,649	68%
<b>Total</b>	<b>\$ 399,715</b>	<b>100%</b>



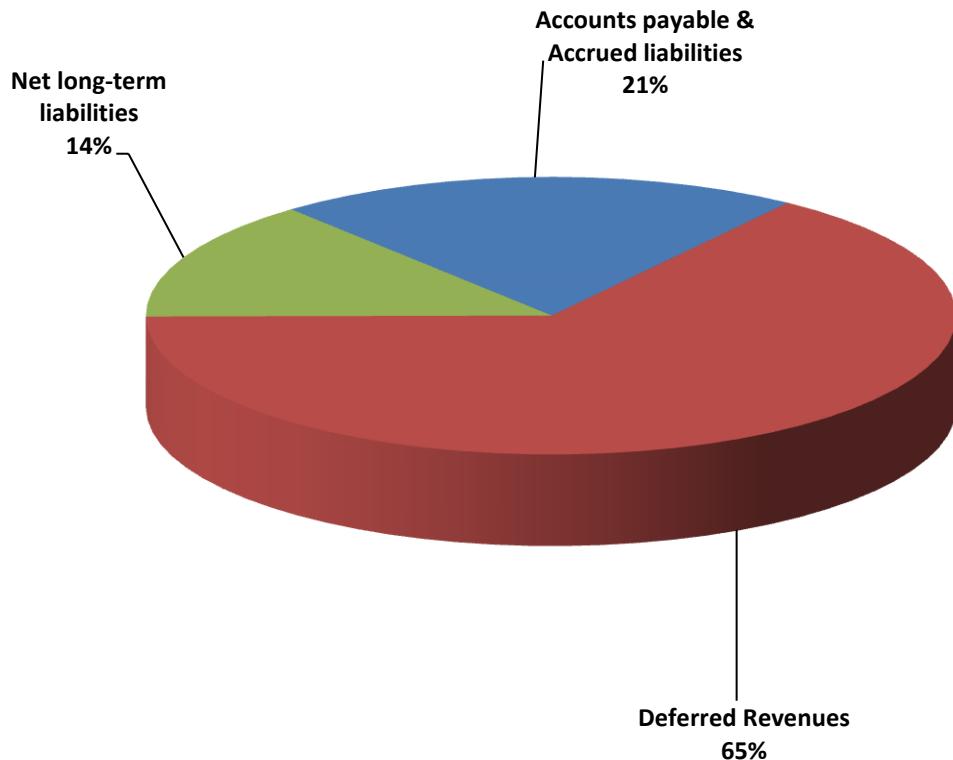
<b>What we owe (Liabilities)</b>	<b>\$ 000's</b>	<b>%</b>
Accounts payable & Accrued liabilities	\$ 22,175	21%
Deferred Revenues	68,484	65%
Net long-term liabilities	15,040	14%
<b>Total</b>	<b>\$ 105,699</b>	<b>100%</b>

<b>Net worth</b>	<b>\$ 000's</b>	<b>%</b>
Accumulated operating surplus (deficit)	\$ (5,012)	-2%
Investment in Tangible Capital Assets	270,702	92%
Reserves and Reserve Funds	28,326	10%
<b>Total</b>	<b>\$ 294,016</b>	<b>100%</b>

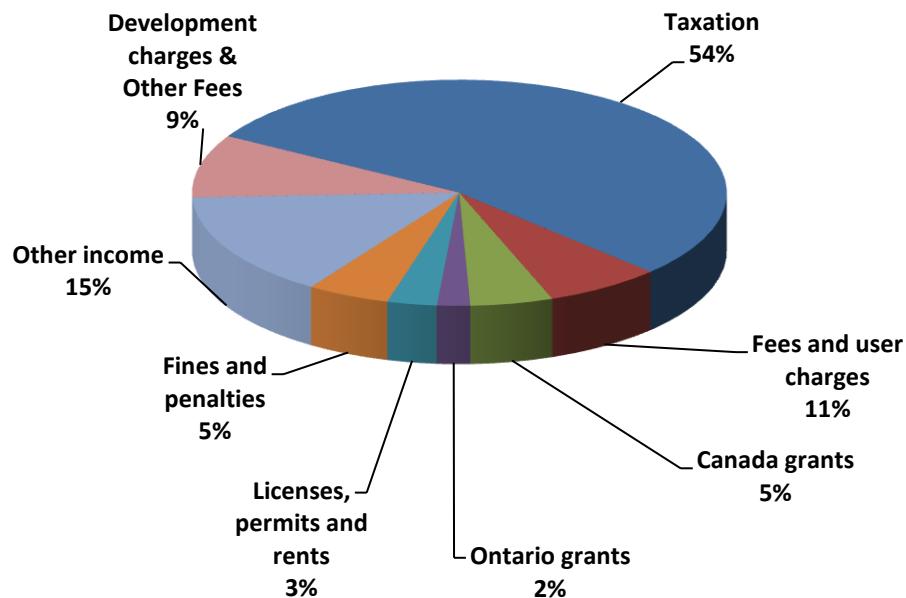
<b>Total Liabilities and Net Worth</b>	<b>\$ 399,715</b>
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## Revenues and Expenses

The following highlights outline the Statement of Operations as at December 31, 2015 (in thousands of dollars)

<b>Where the money came from (Revenues)</b>	<b>\$ 000's</b>	<b>%</b>
Taxation	\$ 52,712	54%
Fees and user charges	6,961	7%
Canada grants	4,444	5%
Ontario grants	2,180	2%
Licenses, permits and rents	3,267	3%
Fines and penalties	4,955	5%
Other income	14,434	15%
Development charges & Other Fees	8,632	9%
 Total	 \$ 97,585	 100%

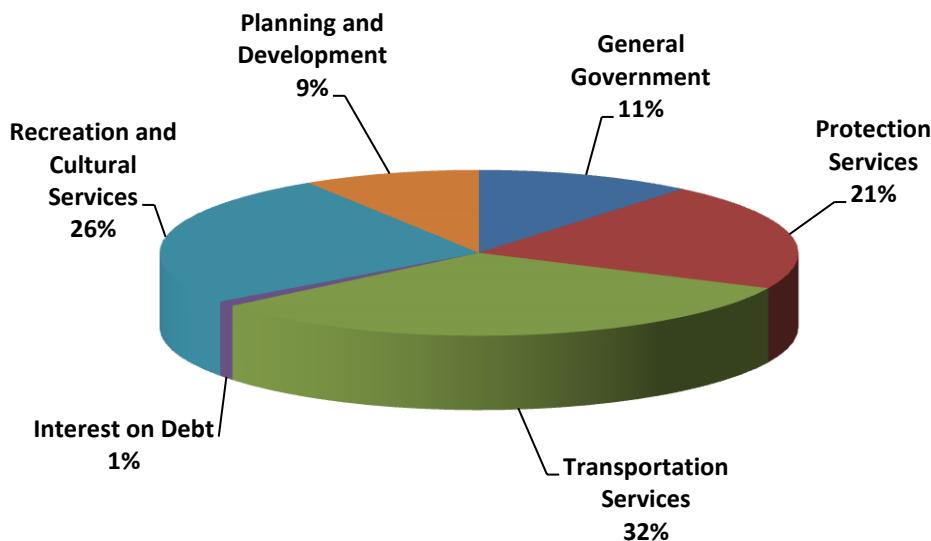


The Town's significant financial accounting policies are contained within the notes to the Town's financial statements. During the year, financial transactions and review/refinement of financial processes/policies are guided by provincial legislation, the *Ontario Municipal Act, 2001* and related regulations, that all municipalities in Ontario must comply with, public sector accounting standards as recommended by the Public Sector Accounting Board of CPA Canada 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

<b>What the money was used for (Expenses)</b>	<b>\$ 000's</b>	<b>%</b>
General Government	\$ 8,756	11%
Protection Services	15,723	21%
Transportation and Environmental Services	24,193	32%
Interest on Debt	1,028	1%
Recreation, Cultural and Social Services	20,018	26%
Planning and Development	6,490	9%
<b>Total</b>	<b>\$ 76,208</b>	<b>100%</b>



In addition to the Management Discussion and Analysis and the Consolidated Financial Statements reported in previous years, the 2015 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.

# 2015 MANAGEMENT DISCUSSION AND ANALYSIS

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The Town of Caledon prepares its budget on a fund accounting basis where capital and operating budgets are balanced. The Town of Caledon like all other municipalities is required under the Public Sector Accounting Board rules to prepare financial statements on the full accrual basis of accounting, including amortization, tangible capital assets, post-employment benefits, solid waste landfill closures and post-closure.

The Consolidated Financial Statements in the 2015 Financial Report have been prepared in accordance with general accepted accounting principles for local government as recommended by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. By converting the Town's statements to a full accrual basis, it changes the budget from a balance budget to recognize either a surplus or deficit. The statements and related information are the responsibility of management and include the financial activities of all entities deemed to be controlled by the Town of Caledon.

Some highlights that impacted the 2015 financial statements include:

- A significant investment in Tangible Capital Assets of \$21.0M in infrastructure, roads, equipment and new facilities
- An increase in short and long-term investments of \$33.4M to better match future cash needs and to invest excess cash flow from operations.
- An increase in deferred revenue on the statement of financial position of \$9.8M which relates primarily to development charges collected.
- A decrease in taxes receivable of \$1.7M which is a direct result of the Town continuing proactive collection on past due amounts and on outstanding property taxes
- The 2015 statement of operations reflects a full accrual surplus of \$21.4M mainly due to the additional \$3.6M tax arrears collected, \$8.6M of development charges and contributed assets (Town assumptions) received in 2015 of \$7.2M.

# 2015 Financial Position of the Town

The Town's total net assets (also referred to as accumulated surplus) increased by \$21.4M in 2015 as shown in the table below:

Account description	Change in 2015 Increase/(Decrease)	
Financial Assets – eg. cash, receivables and investments	\$14.3M	A
Financial Liabilities – eg. Payables, deferred revenues and debt	\$14.3M	B
Non-Financial Assets – eg. Tangible Capital Assets	<u>\$21.4M</u>	C
2015 Change in Total Net Assets	\$21.4M	D= A-B+C

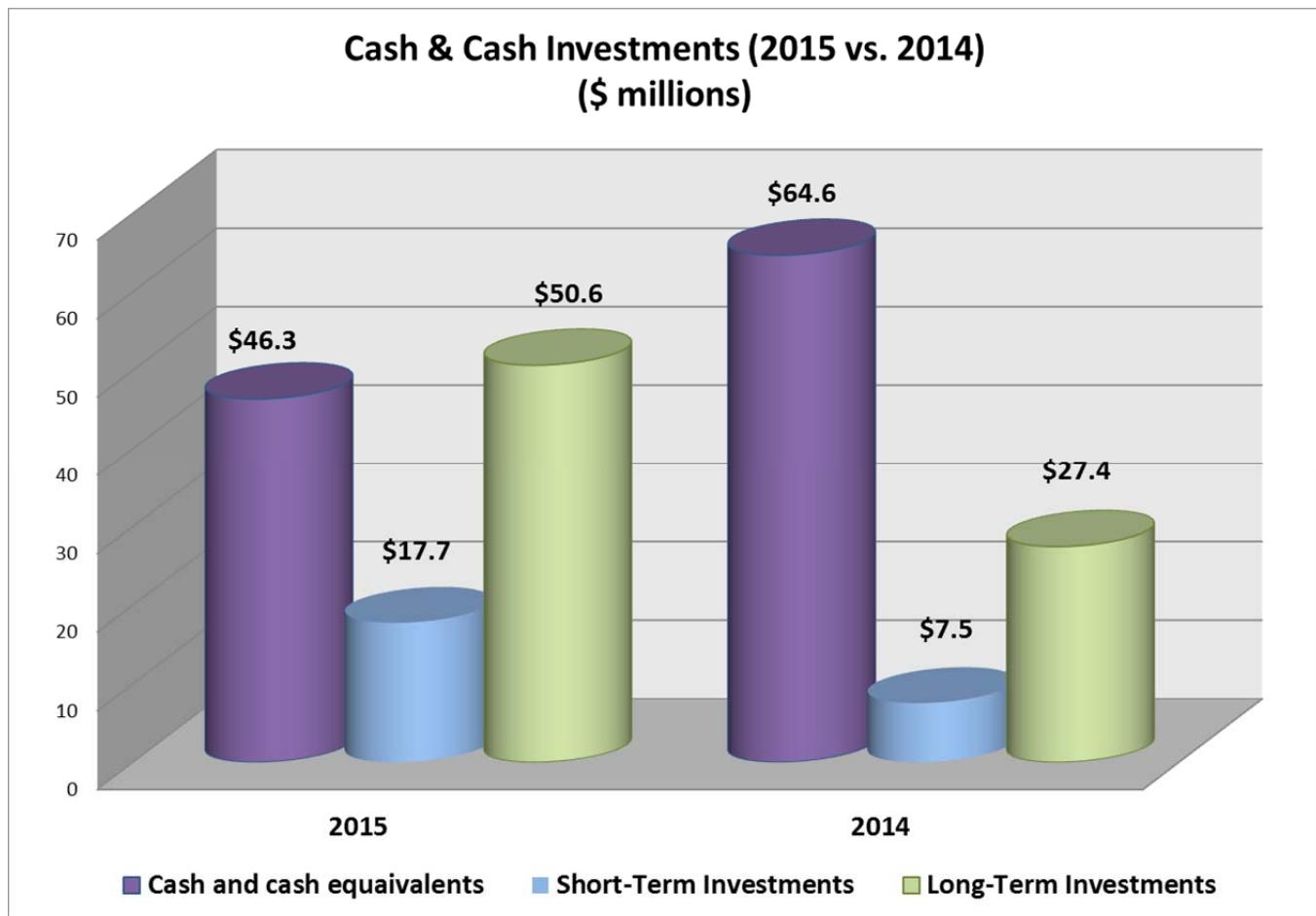
## Financial Assets

As at December 31 (\$ millions)	2015	2014	Change in 2015 Increase/ (Decrease)
Cash and Cash Equivalents	\$ 46.3	\$ 64.6	\$ (18.3)
Short-term Investments	\$ 17.7	\$ 7.5	\$ 10.2
Taxes Receivable	\$ 7.6	\$ 9.3	\$ (1.7)
Accounts Receivable and Grants Receivables	\$ 5.9	\$ 5.0	\$ 0.9
Long-term Investments	\$ 50.6	\$ 27.4	\$ 23.2
	\$ 128.1	\$ 113.8	\$ 14.3

The \$14.3M increase in financial assets for the Town is mainly attributed to the following:

- \$18.3M decrease in cash and cash equivalents is due to investing excess funds in long term investments to match the Town's future long-term cash requirements. Cash equivalents consist of highly liquid investments which amount to \$34.7M in 2015 and \$48.8M in 2014.
- \$10.2M increase in short term investments due to improved cash flows from better collection of tax arrears, additional development charges collected, and some investments that were moved from long-term to short term.

- \$1.7M decrease in taxes receivable as the Town continues a proactive property tax collection process which has included selling properties in tax arrears for more than 3 years. The current collection process also provides for a special tax arrears payment program that has been in place for 3 years now and the majority of accounts previously in arrears are now current status.
- \$0.9M increase in accounts receivable due to balances owing from the Region and School Boards for tax refunds that have been issued for golf course and gravel pit appeals the Town has paid on their behalf.
- \$23.2M increase in long term investments. The Town invested excess cash into long-term investments to match the future long-term needs of the Town in the coming years.

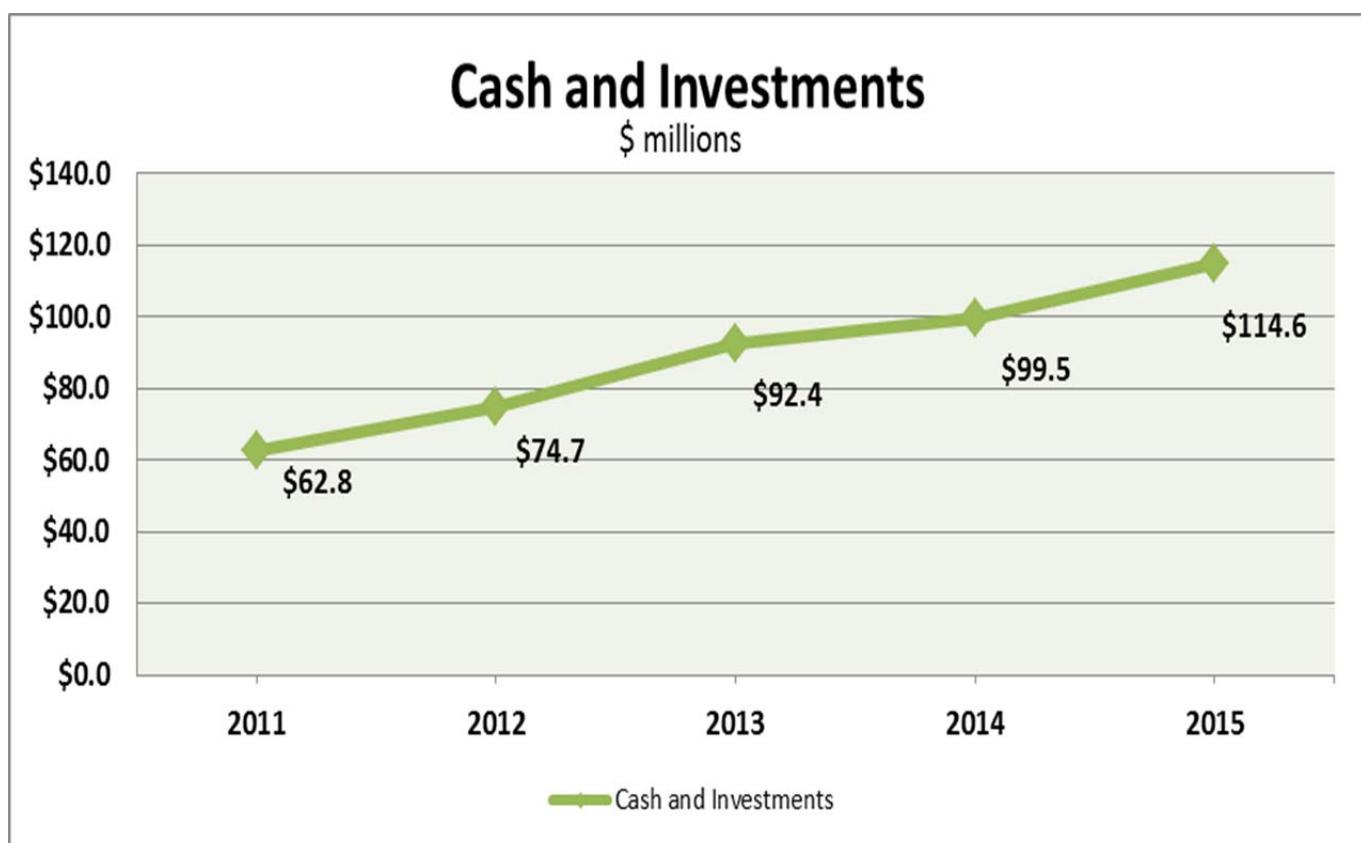


## **Investments**

Overall cash and investments increased by \$15.0M from 2014 to 2015 as a result of improved cash flow from:

- Increase in the collection of outstanding tax arrears
- Increase in the supplementary assessment revenue received for tax assessments from the Municipal Property Association Corporation (MPAC)
- Increase in development activity resulting in an increase of Development Charges collected, building permits and parkland cash-in-lieu

With the Town's improved cash flow management, funds were invested into high interest saving accounts; GIC's or long term bonds to provide a better return on investment. The Town has developed a cash flow model to better predict available funds for investment opportunities in order to generate additional revenue. Over the years the Town has made significant investments in short term and long term, to create a diversified portfolio while generating additional investment income. The chart below shows the 5 year trend on cash and investments balance:



## **Taxes Receivable**

The Town has made progress in reducing its property taxes receivable over the years by offering special payment plans for residents in arrears and proactively conducting tax sales on properties in arrears. The payment plans are offered to both residential and commercial properties for either 3 or 5 years depending on the property type. These plans came into effect in 2012 and positive results are being realized over the years. Completing tax sales on properties in arrears brings those properties back into productive use has also been an effective tool to bring taxes receivable as a percentage of total taxes are down considerably. (11% in 2011 vs 5% at the end of 2015)

	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Taxes Receivable (\$ millions)	7.6	9.3	10.4	11.0	13.0
Taxes Receivable %	5.1%	7.0%	8.3%	9.0%	10.8%

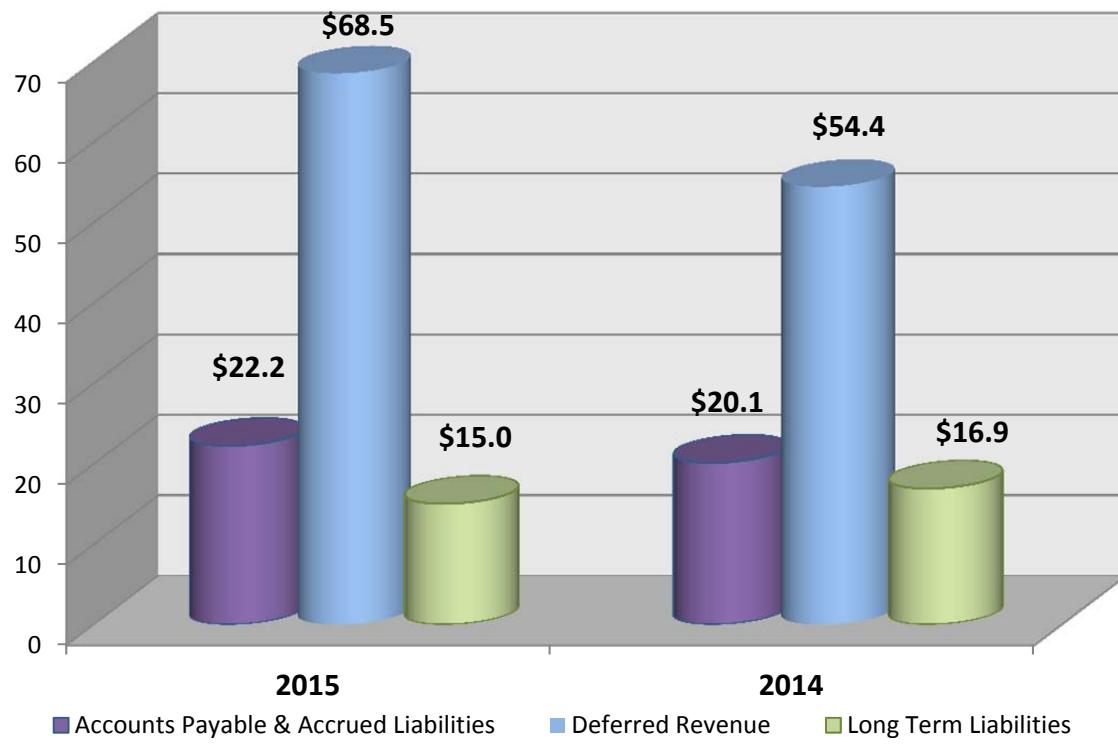
## **Financial Liabilities**

<b>As at December 31 (\$ millions)</b>	<b>Change in 2015 Increase/ (Decrease)</b>				
	<b>2015</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>
Accounts Payable and Accrued Liabilities	\$ 22.2	\$ 20.1	\$ 20.1	\$ 20.1	\$ 2.1
Deferred Revenue	\$ 68.5	\$ 54.4	\$ 54.4	\$ 54.4	\$ 14.1
Long-term Liabilities	\$ 15.0	\$ 16.9	\$ 16.9	\$ 16.9	\$ (1.9)
	<b>\$ 105.7</b>	<b>\$ 91.4</b>	<b>\$ 91.4</b>	<b>\$ 91.4</b>	<b>\$ 14.3</b>

Overall, financial liabilities for the Town have increased by \$14.3M primarily due to the following:

- An increase in accounts payable and accrued liabilities by \$2.1M which is attributed to fluctuations in accruals and commitments in 2015 which will be paid in 2016.
- \$14.1M increase in deferred revenues from additional development charges, building permits and cash-in-lieu of parkland dedication received from building activity.
- Offsetting the increases above, Net Long Term Liabilities was reduced by \$1.9M due to the annual principal and interest payment on the Hydro debt.

## Financial Liabilities (2015 vs. 2014) (\$ millions)



## *Non-Financial Assets*

As at December 31 (\$ millions)				Change in 2015 Increase/ (Decrease)
	2015	2014		
Tangible Capital Assets - Net	\$ 270.7	\$ 249.7		\$ 21.0
Inventories of Supplies	\$ 0.5	\$ 0.4		\$ 0.1
Prepaid expenses	\$ 0.5	\$ 0.2		\$ 0.3
	\$ 271.7	\$ 250.3		\$ 21.4

Total non-financial assets are predominately tangible capital assets but also include supplies of inventories and prepaid expenses. The Town had made significant investment in tangible capital assets of approximately \$21.0M in tangible capital assets in 2015.

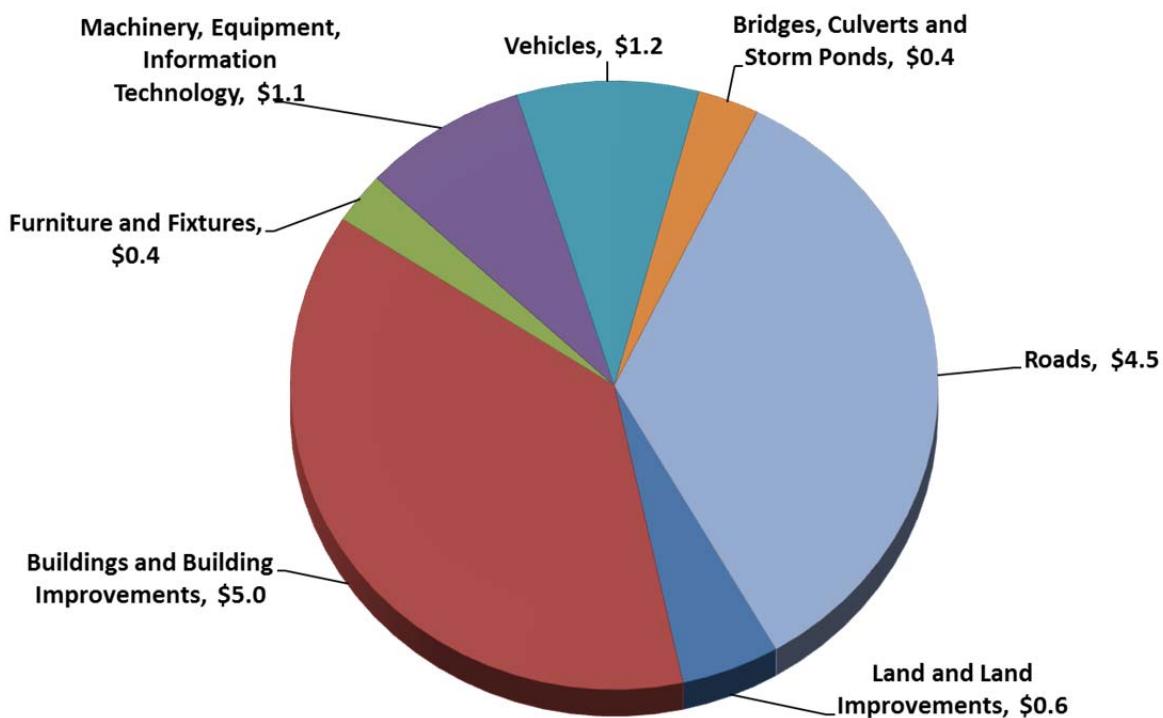
In 2015, the Town capitalized \$35.8M in gross capital assets. Below are some of the major projects completed.

### Major Projects Capitalized in 2015 - \$ millions

Caledon Equestrian Park	\$11.30
Kennedy Road Construction	\$4.40
2015 Enhanced roads program	\$2.90
2015 Bridge Program (Inglewood, Beech Grove, Humber Glen, Duffy's Lane Bridge)	\$2.90
Palgrave Community Facility	\$1.90
2015 Road Program (Various Roads)	\$1.80
Self-Contained Breathing Apparatus Equipment Replacement	\$1.40
2014 Roads Reconstruction & Rehabilitation (Creditview Road, Bolton Heights Road)	\$1.40

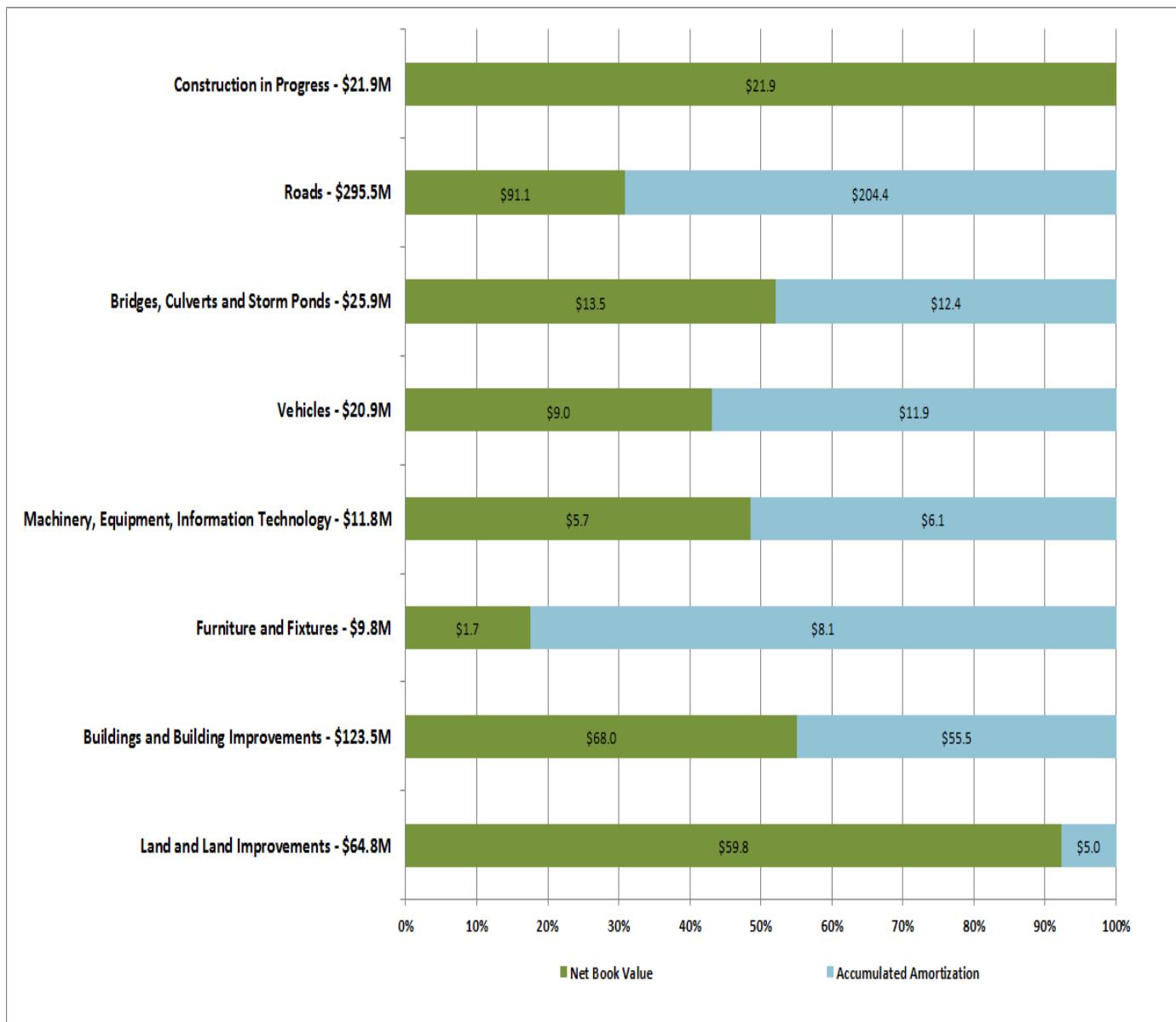
The amount amortized by asset provides an indication of how much should be aside each year for repair or replacement of Town assets. The chart below shows the breakdown of amortization expense by asset.

**2015 Amortization Expense by Asset Type – Total \$13.2M**  
(\$ millions)



The next chart shows the historical cost of the Town's assets with details on the portion that has been amortized / depreciated to date (i.e. accumulated amortization) and the portion that still has an accounting useful life (i.e. Net Book Value). As noted below, in most cases more than 50% of the Town's assets are depreciated based on category.

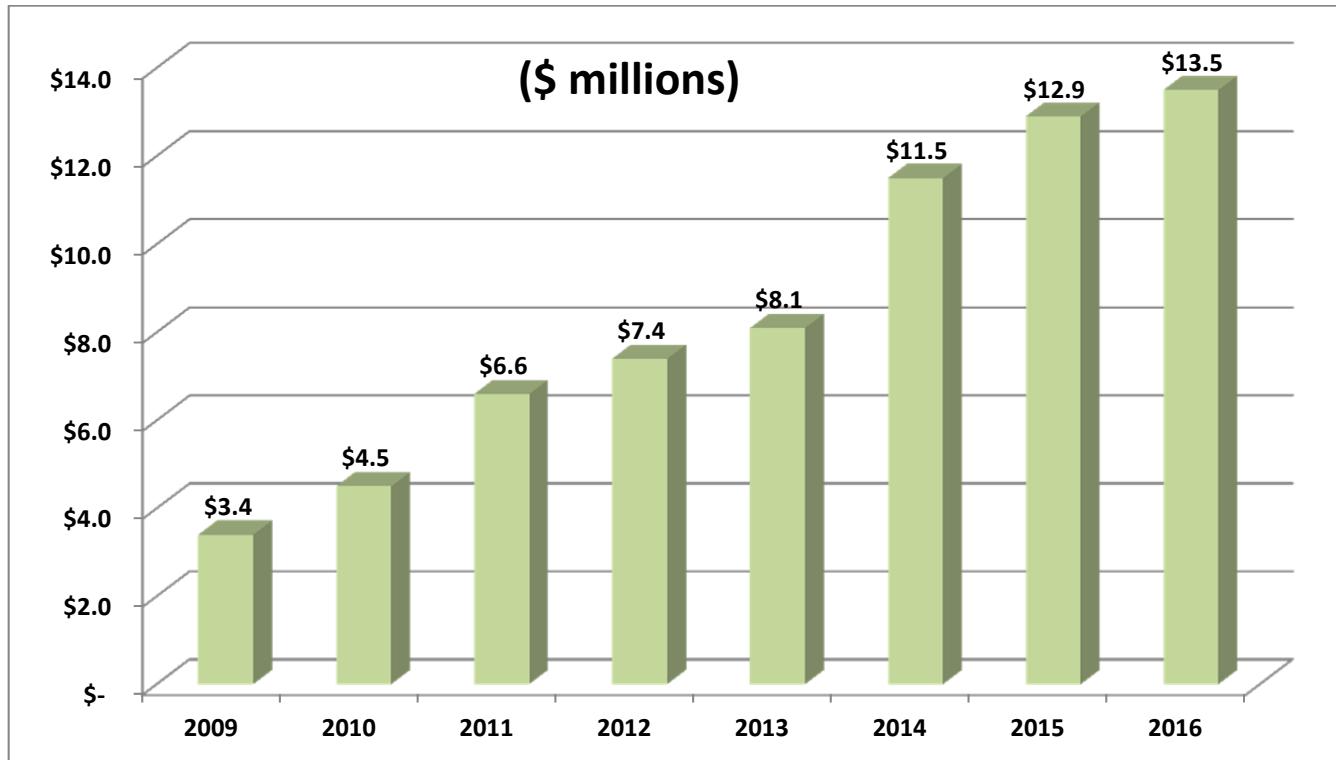
## 2015 Tangible Capital Assets: Historical Cost \$574.1M and Net Book Value \$270.7M (In millions)



The Town's sustainable funding source for capital almost offsets the projected amortization expenses of approximately \$13.2M 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. The goal for our tax funded capital program is \$20.0M which since 2009 was the Town's annual amortization amount since:

1. Amortization is based on historical cost and replacement cost is higher
2. Tax funded capital is used to pay for repairs, maintenance as well as the Town's share of net new infrastructure due to growth

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 eight years (2009 to 2016) and also includes the 2016 tax levy funded capital approved in the 2016 budget.



### Accumulated Surplus

As at December 31 (\$ millions)	2015	2014	Change in 2015 Increase/ (Decrease)		
				A	B
Financial Assets	\$ 128.1	\$ 113.8	\$ 14.3	A	
Financial Liabilities	\$ 105.7	\$ 91.4	\$ 14.3	B	
Net Financial Assets	\$ 22.4	\$ 22.4	\$ -	C=A-B	
Non-Financial Assets	\$ 271.7	\$ 250.3	\$ 21.4	D	
<b>Accumulated Surplus - End of Year</b>	<b>\$ 294.1</b>	<b>\$ 272.7</b>	<b>\$ 21.4</b>		D

Another important change in the statement of financial position is the accumulated surplus, this increase represents the addition to tangible capital assets. The change to this position is equal to the annual surplus reported in the consolidated statement of operations. In 2015, the Town's financial position, the Town's accumulated surplus at the end of December 31, 2015, increased by \$21.4M (from \$272.7M in 2014 to \$294.1M in 2015). Other balances included in the accumulated surplus are disclosed in Note 10 of the financial statements.

# 2015 OPERATIONS AND FULL ACCRUAL ACCOUNTING DEFICIT

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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 2015 with a minor deficit of \$0.6M due primarily to higher than expected volunteer firefighter costs, and additional maintenance on roads and fleet vehicles.

Overall the Town is showing an increase in revenue over 2014 which is attributed to additional tax revenues from an increase in supplementary assessment received from Municipal Property Association Corporation (MPAC) and an increase in general tax levy. Supplementary tax revenue is incremental revenue mainly related to properties that increase in value due to redevelopment (e.g. tax revenue from vacant land changed to a house on the same land). The Town has been working proactively with MPAC to ensure the tax rolls are updated to include all closed building permits in order to bring in additional tax revenue to the Town and ensure properties are assessed correctly.

Further, there was more development charge revenue recognized in 2015 due to the amount of work on growth related projects that occurred during the year. The Town assumed several roads and storm water ponds for a total of \$7.2M of contributed tangible capital assets recognized in 2015. Fees and user charges showed fluctuations as compared to budget in particular in the planning and development area due to several subdivision application plans that did not materialize in 2015 however, these are expected to be submitted in 2016.

## Conversion to Full Accrual Accounting

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. 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 tangible capital assets (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 financial position 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 Town has a long-term plan of increasing tax funded capital to reduce the gap between sustainable tax funded capital and TCA amortization. However, by meeting this gap it only covers the historical cost of the asset and not the replacement cost.

Further, Ontario Regulation 284/09, requires that municipalities that have excluded expenses in budgets must present a report to Council providing the impact of full accrual basis of accounting on the 2015 fund accounting budget and the impact on the Town's full accrual accounting accumulated surplus. For year-end purposes the Town will include all full accrual basis of accounting to prepare and present the financial statements in accordance with Public Sector Accounting Board. The items below are to be included December 31, 2015 financial statements:

- Amortization of tangible capital assets
- Accumulated Surplus/(Deficit) from Operations
- Revenue – Grants/Other - for Capital
- Revenue – Interest earned on the debt retirement reserve fund
- Revenue/Expenditures – Transfer from/to Reserves
- Expenditures – Interest on former Caledon Hydro Corporation debt

The following is the adjustment from the Town's fund accounting deficit of \$0.6M to the actual full accrual surplus of \$21.4M:

	\$ Millions
<b>2015 - Fund Accounting Deficit</b>	(\$0.6)
Tangible Capital Asset Amortization	(\$13.2)
Tax Levy Funded Capital Program	\$12.3
Capital Budget Items not considered TCA	(\$4.0)
Loss due to disposal of Tangible Capital Assets	(\$0.9)
	<u>(\$5.8)</u>
<b>Revised deficit after accounting for TCA</b>	(\$6.4)
<b>Other Full Accrual Adjustments</b>	
Deferred Revenues & Other external Funding (e.g. grants)	\$24.6
Net 2015 Transfers to Reserves not considered an Expense	<u>\$3.2</u>
	<u><u>\$27.8</u></u>
<b>2015 Full Accrual Surplus</b>	<u><u><u>\$21.4</u></u></u>

As shown in the table above, deferred revenue and other full accrual adjustments for revenue are the main drivers of the full accrual surplus. TCA amortization, at \$13.2M is a significant full accrual adjustment that historically has resulted in a full accrual accounting deficit.

## MUNICIPAL DEBT

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The Town of Caledon currently has external debt, issued by the upper-tier municipality, the Region of Peel, related to capital infrastructure. Provincial limits on municipal debt are set based on a maximum percentage of revenues that may be used to service the debt costs (e.g. interest and principal payments) on an annual basis.

In the Province of Ontario, municipalities have the authorization to incur long-term debt for municipal infrastructure as long as annual debt repayments do not exceed 25% of net revenues. The Province provides an annual statement for municipalities known as the Annual Repayment Limit statement, outlining the revenue and debt servicing calculations. The Town of Caledon's 2016 Annual Repayment Limit (ARL) statement from the Province states that the Town is utilizing 4.57% of net revenues to service debt.

The Town of Caledon's debt servicing costs, as a percentage of net revenues, are projected not to exceed the provincial ARL of 25%. In 2011, Town of Caledon Council approved the establishment of an internal long-term debt limit for the Town of 10% of net revenues (below the Provincial limit of 25%).

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)***

In 1999, the Town issued debt for the purchase of hydro assets. The hydro assets were subsequently sold and a portion of the funds were transferred to the Region of Peel to setup a Debt Retirement Fund. Semi-annual payments of principal and interest for the Hydro debenture are funded from a Debt Retirement Fund. 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 projected shortfall between the debt retirement reserve fund and the Town's external long-term debt repayments is planned to be covered from the Town's other reserve funds. The Town of Caledon plans to use an existing internal reserve fund that has accumulated sufficient 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 addition to annual internal payments the Town contributes annually to a 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. Since the BAR was transferred to the Region of Peel in 2014, the Region has assumed the debt servicing costs. However, due to the fact that the debenture was issued for the Town of Caledon the debenture will continue to be reported on the Town of Caledon’s financial statement with an offsetting revenue payment from the Region of Peel until maturity in 2040.

### **Fire Aerial Apparatus (2011)**

In 2011, Council approved additional external debt to be issued, through the Region of Peel, for the purchase of a Fire Aerial truck. The ten-year, \$0.6M debenture issued in 2011 is also a “sinker”, described above where interest payments are made semi-annually and the full amount of the \$0.6M principal is due at the end of 10 years. 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.

The ARL includes the maximum amount the Town or a municipality has available to commit to payments relating to debt and financial agreements. Included in the calculation are payments for long term financial commitments, liabilities and contractual obligations excluding debt. The following are fixed payments beyond the term of council and are considered debt obligations therefore are included in the calculation of the Town’s annual repayment limit.

### **Fleet Repayment (2012)**

In 2012, Council approved a capital project for the replacement of 34 vehicles and equipment. The annual debenture payments were estimated at \$640,000 annually for a five year term (2013 to 2017), which is included in the 2013 operating budget. Due to a positive cash flow in the Town’s account the issuance of this debenture was not required however the payment will still remain as part of the base operating budget to repay the capital project over the original 5 year term of the estimated debt.

### **Trackless Equipment – Repayment (2013)**

In 2013, Council approved the purchase of (7) Seven used Trackless Sidewalk Plows and Sanding Units for \$629,691. The project is to be funded from the Public Works Operating Budget savings related to equipment rentals for 2013 to 2016. These are fixed payments beyond the term of council and are considered like debt obligations to be included as part of the annual repayment limit (ARL).

## ***Non-Material Leases***

These are fixed payments over a term that the Town has agreements with which includes leases for the OPP Orangeville location and photocopiers. These are financing agreements that the Town has entered into which are calculated as part of the ARL.

## ***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 ARL statement that outlines the maximum debt charges allowed (25% of net revenues), the debt charges reported, and the remaining debt repayment limit. Further, as part of the 2012 Budget, Council adopted a debt policy where the Town may issue debt to a maximum projected debt servicing charges (principal and interest payments) of 10% of net revenues.

The Province provides each municipality with an ARL statement, in accordance with Regulation 403/02 of Section 401 of the Municipal Act 2001, outlining the percentage of net revenues the municipality is currently using to service debt. The calculation of the ARL for a municipality in 2016 is based on its analysis of data contained in the 2014 Financial Information Return (FIR). The Town of Caledon's 2016 ARL statement report indicates that the Town has net debt charges of \$3.1M or approximately 4.57% of the Town's net revenues. This leaves a balance of 20.43% (25% - 4.57%) or approximately \$14.0M of the ARL available.

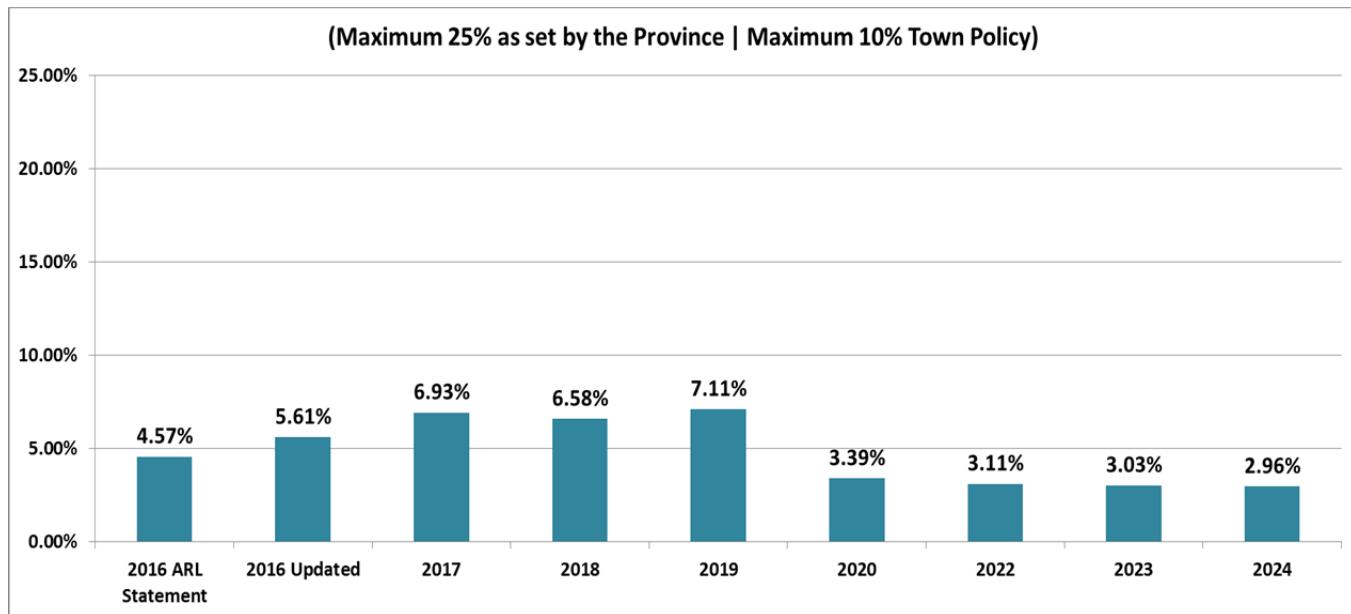
The Treasurer is required to calculate an updated ARL and disclose it to Council in order to assist Council in decisions as part of the budget process for capital programs and debt.

An update of the ARL/debt servicing costs as a percentage of net revenues based on the recommended debentures and projections included the following updates and assumptions such as:

- Future debentures assumed:
  - 2014 Reconstruction and Rehabilitation Roads Project (Enhanced) \$3.1M -2016
  - 2015 to 2018 Enhanced Road Project \$4.1M each year.
- Maturity of Caledon Hydro Debenture in 2019
- Assessment growth revenue projections for 2015 to 2023 based on the same assumptions used in the 2016 budget

Prior to authorizing these commitments, the Treasurer is required by the Municipal Act to update the Town's annual financial debt and obligation repayment limit (debt capacity), incorporating the new commitments and certifying that the Town remains within this limit. The annual debt repayments / debt servicing costs may not exceed 25% of revenues as set by the Province of Ontario. The Town's policy for debt is 10% of Net Revenues. After updating the annual financial debt and obligation repayment limit calculations, the Treasurer for the Town of Caledon certifies that the Town is projected to remain below both the Provincial and the Town's internal debt repayment limits.

The chart below shows the projected ARL adjusted for the current debt rates from Infrastructure Ontario and assumptions above:



As noted in the chart above, there is a projected increase in debt servicing costs from 2016 to 2019 due to projected debt related to the Town's enhanced road program of \$4.1M per year. However, in 2020 it is important to note the Town's debt for Hydro will be completed and is reflected in the projection chart above.

## **CONCLUSION**

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Through on-going collaboration and regular consultation with Council, staff will continue to present a well-balanced annual budget each year based on the seven financial principles to ensure fiscal sustainability. These principles include the use of:

- A 10- year capital plan budget model to mitigate significant fluctuations in taxes
- Reserve funding geared towards specific purposes including keeping municipal infrastructure in a state of good repair
- Matching reserve funds contributions to fund future debt obligations
- Asset plans to guide asset maintenance and replacement
- Borrowing only when necessary and at affordable levels
- Innovative approaches to financing to better reduce external levels and
- Prudent investing to maximize investment returns

With a focused approach on the seven financial principles, the Town will continue to maintain its strong financial position well into the future.



Peggy Tollett, CPA, CGA  
Treasurer  
Corporate Services  
May 31, 2016

2015

TOWN OF CALEDON

## Financial Section





## Management Report

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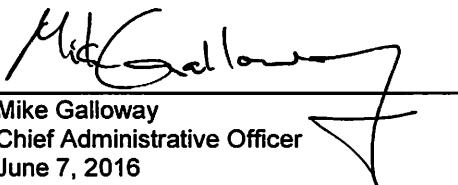
The accompanying consolidated financial statements of the Corporation of the Town of Caledon are the responsibility of the Town's management and have been prepared in accordance with Canadian public sector accounting standards. The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

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

The financial statements have been examined by Millard, Rouse and Rosebrugh, LLP, Chartered Professional 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 public sector accounting standards.

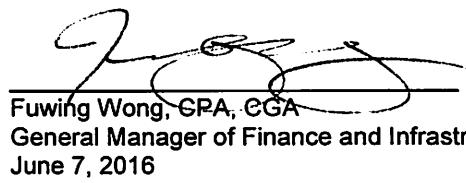
Town Council, through the Audit Committee, is responsible for ensuring that management fulfills its responsibility for financial reporting and internal control. The Audit Committee meets periodically with management, as well as with the external auditors to satisfy itself, that each party is properly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

The audit committee meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.



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Mike Galloway  
Chief Administrative Officer  
June 7, 2016



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Fuwing Wong, CPA, CGA  
General Manager of Finance and Infrastructure Services/CFO  
June 7, 2016



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Peggy Tollett, CPA, CGA  
Treasurer  
June 7, 2016



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Heather Haire, CPA, CA  
Manager of Finance/Deputy-Treasurer  
June 7, 2016

## 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, 2015, 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.

#### **Management's Responsibility for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditors' Responsibility**

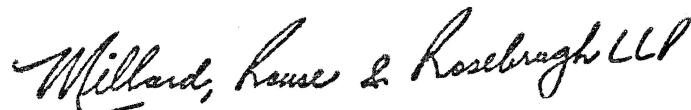
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain 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' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

#### **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, 2015, and the consolidated results of its operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.



June 7, 2016  
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

# THE CORPORATION OF THE TOWN OF CALEDON

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

<b>As at December 31</b>	<b>2015</b>	<b>2014</b>
<b>Financial Assets</b>		
Cash and cash equivalents (Note 3)	46,251,430	64,631,458
Short-term investments (Note 4)	17,661,660	7,472,257
Taxes receivable (Note 5)	7,598,426	9,294,659
Accounts and grants receivable (Note 6)	5,906,043	5,038,165
<u>Long-term investments (Note 7)</u>	<u>50,648,982</u>	<u>27,430,673</u>
	128,066,541	113,867,212
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	22,175,075	20,084,411
Deferred revenue (Note 8)	68,483,790	54,397,448
<u>Long-term liabilities (Note 9)</u>	<u>15,040,365</u>	<u>16,961,365</u>
	105,699,230	91,443,224
<b>Net Financial Assets</b>	<b>22,367,311</b>	<b>22,423,988</b>
<b>Non-Financial Assets</b>		
Tangible capital assets - net (Note 11)	270,702,307	249,651,811
Inventories of supplies	459,305	366,176
Prepaid expenses	487,646	197,056
	271,649,258	250,215,043
<b>Total Net Assets</b>	<b>294,016,569</b>	<b>272,639,031</b>
<b>Accumulated Surplus - End of Year (Note 10)</b>	<b>294,016,569</b>	<b>272,639,031</b>

*See accompanying notes*

**THE CORPORATION OF THE TOWN OF CALEDON**  
**CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS**

<b>For the year ended December 31</b>	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>Revenue</b>			
Taxation (Note 14)	52,247,109	52,711,772	49,103,995
Fees and user charges (Note 15)	8,763,151	6,961,432	7,889,940
Canada grants	5,280,754	4,444,279	5,603,289
Ontario grants	1,692,918	2,179,621	1,513,234
Licenses, permits and rents	4,365,156	3,266,876	3,236,226
Fines, penalties and interest on taxes	4,793,864	4,955,617	4,671,500
Other income (Note 16)	5,721,217	14,433,850	5,869,636
Development charges and other fees	2,325,200	8,631,948	2,886,281
	85,189,369	97,585,395	80,774,101
<b>Expenses</b>			
General government	8,255,084	8,755,847	9,627,315
Protection services	16,679,951	15,723,300	14,278,137
Transportation services	23,379,820	23,432,103	22,131,455
Environmental services	593,008	760,610	670,910
Social and family services	55,914	48,472	55,913
Recreation and cultural services	22,013,161	19,969,915	18,470,131
Planning and development	5,659,317	6,490,032	6,062,680
Interest on corporate debt (Note 9 a)	717,929	1,027,578	1,280,442
	77,354,184	76,207,857	72,576,983
<b>Annual Surplus from Operations before transfer</b>	<b>7,835,185</b>	<b>21,377,538</b>	<b>8,197,118</b>
Loss due to transfer to upper tier (Note 11 c)	-	-	(33,206,818)
<b>Annual Surplus/(Deficit) from Operations</b>	<b>7,835,185</b>	<b>21,377,538</b>	<b>(25,009,700)</b>
<b>Accumulated Surplus - Beginning of Year</b>	<b>272,639,031</b>	<b>272,639,031</b>	<b>297,648,731</b>
<b>Accumulated Surplus - End of Year (Note 10)</b>	<b>280,474,216</b>	<b>294,016,569</b>	<b>272,639,031</b>

*See accompanying notes*

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

<b>For the year ended December 31</b>	<b>2015 Budget</b>	<b>2015 Actual</b>	<b>2014 Actual</b>
<b>Annual Surplus from Operations</b>	7,835,185	21,377,538	(25,009,700)
Amortization of tangible capital assets	20,000,000	13,249,052	13,281,035
Acquisition of tangible capital assets	(12,300,000)	(35,769,525)	(25,260,428)
Loss on disposal of tangible capital assets	-	562,921	394,581
Loss due to transfer to upper tier (Note 11 c)	-	-	33,206,818
Proceeds on disposal of tangible capital assets	-	907,056	381,870
Other	-	(383,719)	(64,886)
<b>Increase/(Decrease) in Net Financial Assets</b>	15,535,185	(56,677)	(3,070,710)
<b>Net Financial Assets - Beginning of Year</b>	22,423,988	22,423,988	25,494,698
<b>Net Financial Assets - End of Year</b>	37,959,173	22,367,311	22,423,988

# THE CORPORATION OF THE TOWN OF CALEDON

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31	2015	2014
<b>Cash Provided By (Used In)</b>		
<b>Operating Activities</b>		
Annual Surplus from operations	21,377,538	(25,009,700)
Items not involving cash		
Amortization of tangible capital assets	13,249,052	13,281,035
Loss/(Gain) on disposal of tangible capital assets	562,921	33,601,399
Long-term bond premium amortization	28,510	31,532
	<u>35,218,021</u>	<u>21,904,266</u>
Changes in non-cash working capital items (Note 13)	16,621,642	11,875,713
<b>Capital Activities</b>		
Acquisition of tangible capital assets	(35,769,525)	(25,260,428)
Proceeds on disposal of tangible capital assets	907,056	381,870
	<u>(34,862,469)</u>	<u>(24,878,558)</u>
<b>Investing Activities</b>		
Net (purchase)/redemption of investments	(33,436,222)	(1,472,543)
<b>Financing Activities</b>		
Repayment of long-term liabilities	(1,921,000)	(1,804,000)
<b>Net Change in Cash and Cash Equivalents</b>	(18,380,028)	5,624,878
<b>Cash and Cash Equivalents - Beginning of Year</b>	64,631,458	59,006,580
<b>Cash and Cash Equivalents - End of Year</b>	<u>46,251,430</u>	<u>64,631,458</u>
<b>Cash and Cash Equivalents are Comprised of:</b>		
Cash and bank (unrestricted)	43,279,394	59,179,402
Cash and bank (restricted)	2,972,036	5,452,056
	<u>46,251,430</u>	<u>64,631,458</u>

# **THE CORPORATION OF THE TOWN OF CALEDON**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended December 31, 2015**

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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**

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The consolidated financial statements of the Corporation of the Town of Caledon (the “Town”) are prepared by management in accordance with Canadian public sector accounting standards as recommended by the Public Sector Accounting Board of Chartered Professional Accountants Canada.

#### **(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 Provincial Offences Office

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

#### **Reporting Entities**

##### **(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) Cash and Cash Equivalents**

Cash and cash equivalents include short-term, highly liquid investments with a term to maturity of 90 days or less after year-end and includes funds held at the Region of Peel.

##### **(iii) 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, 2015

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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#### (b) Basis of Accounting (Continued)

##### (iv) 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		

###### 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.

##### (v) Investments

Investments are recorded at the lower of cost and amortized cost. Any discount or premium is amortized over the remaining term of the investments. 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.

##### (vi) 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.

# THE CORPORATION OF THE TOWN OF CALEDON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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#### (b) Basis of Accounting (Continued)

##### (vii) 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.

##### (viii) 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 fees are recognized as revenue and reported on the consolidated statement of operations in the year the related costs incurred.

##### (ix) Liability for Contaminated Sites

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the organization is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

##### (x) 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. Taxes are recorded at estimated amount when they meet the definition of an asset, have been authorized and the taxable event occurs. Tax receivables are recognized net of an allowance for anticipated uncollectible amounts. 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.

##### (xi) 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.

# **THE CORPORATION OF THE TOWN OF CALEDON**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended December 31, 2015**

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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#### **(b) Basis of Accounting (Continued)**

##### **(xii) Government Transfers**

Government transfers, which include entitlements and legislative grants, are recognized as revenue in the financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled. Government transfers consist of grants and subsidies received for various operating and capital programs.

##### **(xi) 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.

##### **(xii) 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.

##### **(xv) Pension Plan**

The municipality is an employer of the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer, defined benefit pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the pension plan, including investment of the assets and administration of the benefits. The municipality has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles. As such, the municipality's contributions due during the year are expensed as incurred.

##### **(xvi) Use of Estimates**

The preparation of the consolidated financial statements in accordance with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions on such areas as useful life and valuation of tangible capital assets, allowance for doubtful accounts, contributed assets, accrued liabilities and contingencies. Actual results could differ from management's best estimates as additional information becomes available in the future.

# **THE CORPORATION OF THE TOWN OF CALEDON**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**For the year ended December 31, 2015**

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### **2. CHANGE IN ACCOUNTING POLICY**

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Effective January 1, 2015, the Municipality adopted Public Sector Accounting Standard Section PS 3260, Liability for Contaminated Sites. These changes in accounting policies have been made in accordance with the transitional provisions of the standards which are to be applied either retroactively or prospectively. The Municipality has chosen to apply these revised standards prospectively. For PS 3260, there has been no effect on the consolidated financial statements.

### **3. CASH AND CASH EQUIVALENTS**

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	<b>2015</b>	<b>2014</b>
Unrestricted	43,279,394	59,179,402
Restricted - debt retirement fund	2,972,036	5,452,056
	<b>46,251,430</b>	<b>64,631,458</b>

Included in unrestricted cash and cash equivalents are funds held in high interest savings accounts in the amount of \$34,604,320 (2014 - \$48,913,483).

The Town's Debt Retirement Fund investments held by the Region of Peel are restricted for the purpose of providing periodic repayments related to the 1999 debt issued on behalf of the Town.

### **4. SHORT-TERM INVESTMENTS**

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	<b>2015</b>	<b>2014</b>
Short-term interest bearing investments	15,559,869	5,242,651
Short-term Provincial Government bond	2,092,112	2,210,959
Restricted - debt retirement fund investments	9,679	18,647
	<b>17,661,660</b>	<b>7,472,257</b>

Short-term investments have interest rates ranging from 1.55% to 4.5% and a market value of \$17,930,663 (2014 - \$7,702,389) at the end of the year.

During the year, amortization in the amount of \$3,022 (2014 - \$7,685) 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 related to the 1999 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, 2015

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### 5. TAXES RECEIVABLE

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	<b>2015</b>	<b>2014</b>
Taxes receivable	7,954,131	9,955,484
Allowance for doubtful accounts	(355,705)	(660,825)
	<b>7,598,426</b>	<b>9,294,659</b>

### 6. ACCOUNTS AND GRANTS RECEIVABLE

---

	<b>2015</b>	<b>2014</b>
Accounts receivable	5,728,789	4,105,929
Grants receivable - Federal	-	441,755
Grants receivable - Provincial	177,254	490,481
	<b>5,906,043</b>	<b>5,038,165</b>

### 7. LONG-TERM INVESTMENTS

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	<b>2015</b>	<b>2014</b>
Long-term Government of Canada bond	2,032,149	2,045,440
Long-term bonds	47,905,769	24,814,157
Restricted - sinking fund	711,064	571,076
	<b>50,648,982</b>	<b>27,430,673</b>

The long-term investments have interest rates ranging from 1.70% to 5.75% and maturity dates from April 2017 to May 2025. The market value of the long-term investments is \$49,888,261 (2014 - \$27,709,458). There are four long-term investments where the total cost exceeds market value by \$411,677.

During the year, amortization in the amount of \$28,510 (2014 - \$31,532) was taken on premiums paid on the investments.

The Town's Restricted Sinking Funds investments held by the Region of Peel are restricted for the purpose of providing repayments of debt issued on behalf of the Town. Included in these amounts are the debenture discounts in the amount of \$67,458 (2014 - \$70,709) that will be amortized over the term of the debenture.

# THE CORPORATION OF THE TOWN OF CALEDON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the year ended December 31, 2015

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### 8. DEFERRED REVENUE

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	Balance at December 31 2014	Contributions Received	Investment Income	Revenue Recognized	Balance at December 31 2015
<b>Obligatory Reserve Funds</b>					
Heritage property grant	15,838	5,779	160	-	21,777
Development charges	46,828,123	20,862,454	490,682	(8,631,948)	59,549,311
Recreational land	2,891,447	520,084	31,632	-	3,443,163
Building stabilization	3,381,658	746,866	32,442	(137,890)	4,023,076
Federal gas tax	597,630	3,155,340	6,985	(2,953,576)	806,379
	<b>53,714,696</b>	<b>25,290,523</b>	<b>561,901</b>	<b>(11,723,414)</b>	<b>67,843,706</b>
<b>User Charges and Fees</b>					
Deferred memberships	349,534	204,387	-	(345,572)	208,349
Deferred revenue	191,819	353,897	-	(171,819)	373,897
Aggregate Levy	141,399	239,472	-	(323,033)	57,838
	<b>682,752</b>	<b>797,756</b>	<b>-</b>	<b>(840,424)</b>	<b>640,084</b>
	<b>54,397,448</b>	<b>26,088,279</b>	<b>561,901</b>	<b>(12,563,838)</b>	<b>68,483,790</b>

# THE CORPORATION OF THE TOWN OF CALEDON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

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### 9. LONG-TERM LIABILITIES

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- (a) 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 and/or annual contribution towards sinking funds that would be used to extinguish the debt at maturity. The total long-term liabilities reported on the consolidated statement of financial position include the following:

	2015	2014
The long-term debt, issued in 1999 in the amount of \$16,027,000, 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:	9,018,000	10,939,000
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
Long-term liabilities	15,040,365	16,961,365
Less: sinking fund assets	643,606	500,367
<b>Net long-term liabilities</b>	<b>14,396,759</b>	<b>16,460,998</b>

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

	Principal	Interest	Total
2016	2,167,046	912,608	3,079,654
2017	2,300,046	776,548	3,076,594
2018	2,441,046	796,098	3,237,144
2019	2,594,046	312,910	2,906,956
2020	121,046	312,910	433,956
2021 - 2025	529,939	1,474,798	2,004,737
Thereafter	1,439,235	4,284,572	5,723,807
Interest to be earned on sinking funds	3,447,961	-	3,447,961
	15,040,365	8,870,444	23,910,809

# THE CORPORATION OF THE TOWN OF CALEDON

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015

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### 9. LONG-TERM LIABILITIES (Continued)

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Interest expense in the amount of \$1,027,578 (2014 - \$1,280,442) 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.

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 has a balance of \$2,972,036 (2014 - \$5,452,056) in restricted cash and \$9,679 (2014 - \$18,647) in short term investments for a total of \$2,981,715 (2014 - \$5,470,703). The funds held by the Region are projected to have sufficient funds to repay the principal and interest payments until December 2016. The Town will assume the balance of the payments from 2017 - 2019 in the amount of \$8,157,307. This is comprised of \$7,210,481 in principal repayments and \$946,826 of interest repayments. This projected shortfall between the debt retirement reserve fund and the Town's external long-term debt repayments is 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. The balance in the restricted fund is \$536,451 (2014 - \$421,110).
- (d) For the 2011 debt issuance, the Town is contributing \$25,096 annually to a sinking fund held at the Region of Peel. 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. The balance in the restricted sinking fund is \$107,155 (2014 - \$79,257).

### 10. ACCUMULATED SURPLUS

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Accumulated surplus is comprised of the following amounts:

	2015	2014
General purposes	(5,382,904)	(5,467,981)
Caledon Library Board (operations)	332,436	54,660
Caledon Business Improvement Area (operations)	39,138	34,241
Invested in Tangible Capital Assets	270,702,307	249,651,811
Reserves and Reserve Funds (Note 12)	<u>28,325,592</u>	<u>28,366,300</u>
	<u>294,016,569</u>	<u>272,639,031</u>

**THE CORPORATION OF THE TOWN OF CALEDON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2015

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**11. TANGIBLE CAPITAL ASSETS**

	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 2015	Total 2014
<b>Cost</b>										
Balance, beginning of year	59,566,489	116,920,297	9,017,757	9,577,433	20,499,467	21,785,174	286,742,213	17,939,386	542,048,216	560,438,471
Additions during the year	5,265,798	9,200,920	853,151	2,463,783	1,181,999	4,056,469	8,768,023	3,979,382	35,769,525	25,260,428
Disposals during the year	(82,752)	(2,614,793)	-	(232,190)	(838,761)	-	-	-	(3,768,496)	(43,650,683)
Balance, end of year	64,749,535	123,506,424	9,870,908	11,809,026	20,842,705	25,841,643	295,510,236	21,918,768	574,049,245	542,048,216
<b>Accumulated Amortization</b>										
Balance, beginning of year	4,305,900	51,825,366	7,781,920	5,195,683	11,485,464	11,964,915	199,837,157	-	292,396,405	288,782,784
Amortization during the year	652,822	4,980,605	360,684	1,088,691	1,203,661	404,595	4,557,994	-	13,249,052	13,281,035
Accumulated amortization on disposal	-	(1,256,867)	-	(208,838)	(832,814)	-	-	-	(2,298,519)	(9,667,414)
Balance, end of year	4,958,722	55,549,104	8,142,604	6,075,536	11,856,311	12,369,510	204,395,151	-	303,346,938	292,396,405
Net Book Value of Tangible Capital Assets	59,790,813	67,957,320	1,728,304	5,733,490	8,986,394	13,472,133	91,115,085	21,918,768	270,702,307	249,651,811

**THE CORPORATION OF THE TOWN OF CALEDON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2015

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**11. TANGIBLE CAPITAL ASSETS (Continued)**

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- a) Assets under construction:  
Assets under construction having a value of \$21,918,768 (2014 - \$17,939,396) have not been amortized. Amortization of these assets will commence when the asset is put into service.
- b) Contributed tangible capital assets:  
Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year was \$7,156,421 (2014 - \$222,532). These assets consist of storm water management ponds, land improvements and roads.
- c) Loss due to transfer to upper tier:  
In 2014, the Bolton Arterial Route (Coleraine Drive) was transferred to the Region of Peel from the Town of Caledon. The road will be maintained by the Region of Peel in the future. The financial accounting loss of \$33,206,818 on the road reflects the transfer of the net book value of these assets to the Region of Peel with no revenue offset.

**12. RESERVES AND RESERVE FUNDS**

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	<b>2015</b>	<b>2014</b>
<b>Reserves set aside by Council:</b>		
Working funds	1,299,647	1,299,647
Contingencies	4,800,444	4,711,964
Current purposes	78,433	78,433
Capital purposes	2,461,219	2,615,284
	<hr/>	<hr/>
	8,639,743	8,705,328

**Reserve funds set aside by Council:**

Capital asset replacement fund (formerly Caledon Hydro Reserve)	14,353,328	12,363,687
Current purposes	1,851,313	1,309,389
Debt retirement	2,981,715	5,470,703
Bolton Community Improvement	499,493	517,193
	<hr/>	<hr/>
	19,685,849	19,660,972
	<hr/>	<hr/>
	28,325,592	28,366,300

The 2014 Debt retirement reserve fund balance has been restated to reflect payments made by the Region of Peel on behalf of the Town. The change to the Debt retirement reserve fund balance did not impact the total accumulated surplus for the Town.

**THE CORPORATION OF THE TOWN OF CALEDON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2015

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**13. CHANGE IN NON-CASH WORKING CAPITAL ITEMS**

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	<b>2015</b>	<b>2014</b>
Decrease (Increase) in taxes receivable	1,696,233	1,106,954
Decrease (Increase) in trade and other receivables	(867,878)	(514,539)
Decrease (Increase) in inventories	(93,129)	(170,586)
Decrease (Increase) in prepaid expenses	(290,590)	105,700
(Decrease) Increase in accounts payable	2,090,664	1,539,298
(Decrease) Increase in deferred revenue	14,086,342	9,808,886
	<b>16,621,642</b>	<b>11,875,713</b>

**14. TAXATION**

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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.

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

	<b>2015</b>	<b>2014</b>
Taxation revenue	142,743,353	136,911,202
Amount levied and remitted to Regional Municipality of Peel	(46,066,086)	(45,073,603)
Amount levied and remitted to School Boards	(43,965,495)	(42,733,604)
Net taxation	<b>52,711,772</b>	<b>49,103,995</b>

**THE CORPORATION OF THE TOWN OF CALEDON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
For the year ended December 31, 2015

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**15. FEES AND USER CHARGES**

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	2015 Budget	2015 Actual	2014 Actual
Recreation	4,364,406	4,793,919	4,212,414
Planning and development	2,601,896	923,735	1,871,479
Public works	1,090,935	590,345	1,070,698
Administration and general governance	401,314	430,852	468,403
Fire services	299,900	217,620	266,420
Library services	4,700	4,961	526
	8,763,151	6,961,432	7,889,940

**16. OTHER INCOME**

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	2015 Budget	2015 Actual	2014 Actual
Investment income	718,000	1,623,704	1,218,104
Donations, contributions and agreements	25,200	192,411	182,316
Recovery from other municipalities	2,407,775	2,385,139	2,964,858
Developer contributions	2,341,742	9,127,779	1,122,488
Other	228,500	1,104,817	381,870
	5,721,217	14,433,850	5,869,636

**17. PENSION AGREEMENTS**

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Ontario Municipal Employees Retirement Fund (OMERS) provides pension services to more than 461,000 active and retired members and approximately 1,000 employers. Each year an independent actuary determines the funding status of OMERS Primary Pension Plan (the Plan) by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan was conducted at December 31, 2015. The results of the valuation disclosed total actuarial liabilities of \$81,924 million in respect of benefits accrued for service with actuarial assets at that date of \$74,947 million indicating an actuarial deficit of \$6,977 million. OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Town of Caledon does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Town to OMERS for 2015 were \$2,589,706 (2014 - \$2,454,299) on behalf of 404 employees. The contribution rate for 2015 was 9% to 15.8% depending on normal retirement age and income level (2014 - 9% to 15.8%).

**THE CORPORATION OF THE TOWN OF CALEDON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2015**

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**18. BUDGET AMOUNTS**

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Under Public sector accounting standards, budget amounts are to be reported on the consolidated statements of operations and changes in net financial assets for comparative purposes.

The Town's 2015 budget was approved by council on March 3, 2015 on the fund basis of accounting where revenues balance to expenses. Also on March 3, 2015, council received and approved a report on the full accrual accounting impact of the 2015 budget based on assumptions such as the timing of capital expenses, recognition of deferred revenues, and projections on tangible capital asset amortization. The 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.

**19. TRUST FUNDS**

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The trust funds administered by the municipality amounting to \$5,475,703 (2014 - \$6,261,959) 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, 2015, the trust fund balances are as follows:

	<b>2015</b>	<b>2014</b>
Cemetery Perpetual Care	6,028	6,022
Developer Deposits	5,463,261	6,249,523
Heritage	6,414	6,414
	<b>5,475,703</b>	<b>6,261,959</b>

**20. CONTRACTUAL COMMITMENTS**

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The Town of Caledon has entered into the following contracts:

- a) The annual lease cost for the OPP portion of the Orangeville Courthouse is \$12,211 which expires December 2017.
- b) The Town entered into an agreement with the Caledon Professional Firefighters Association on December 3, 2015 to award pre-65 post retirement employment benefits effective December 31, 2018. Currently the total estimated cost for 2019 is \$83,100. For subsequent years the total estimated annual cost is 11,200.

The Town of Caledon has entered into contracts worth approximately \$20,113,516 as of December 31, 2015 for capital project spending in 2016 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, 2015**

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**21. CONTINGENCIES**

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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.

**22. GOVERNMENT TRANSFERS**

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Government transfers include monetary transfers based on cost-sharing agreements between the three levels of government. Some funds are transferred when the Town provides evidence that the qualifying expenditures have been incurred. The Town also receives government transfers once certain criteria have been met or with conditions that the funds are used for specific programs or expenses (entitlements with conditions). Any transfers received where the transfer conditions have not been met by year-end are recorded as deferred revenue (see Note 8).

The following kinds of transfers were included in revenue:

	<b>2015</b>	<b>2014</b>
Grants with conditions	5,502,100	6,014,823
Other grants	1,121,800	1,101,700
	6,623,900	7,116,523

**THE CORPORATION OF THE TOWN OF CALEDON**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**For the year ended December 31, 2015**

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**23. PROVINCIAL OFFENCES ADMINISTRATION**

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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 \$2,979,450 for the year ended December 31, 2015 (2014 - \$2,616,996).

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, 2015, cost recovery fees of \$530,700 (2014 - \$564,175) were collected from serviced municipalities within the County of Dufferin.

**24. COMPARATIVE AMOUNTS**

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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, 2015**

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**25. SEGMENTED INFORMATION**

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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**

The Public works department is responsible for the design, construction and maintenance of Town roads, storm sewers, storm water management, sidewalks, streetscapes, streetlights, development design standards, enforcement of bylaws and the administration of animal services.

**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, construction and maintenance of Town parks, trails, paths and sports fields.

**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 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.

**Other**

Other includes:

- Development Approval and Planning Policy which is responsible for official plan policy, the Town's zoning bylaw, development applications, the heritage resource office, the office of environmental progress and planning law.
- Building Services which is responsible for the administration and enforcement of the Building Code Act and the 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 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, 2015

	Public Works	Fire and Emergency Services	Parks and Recreation	Library Services	General Governance and Administration	Human Resources	Other	Total 2015
<b>Revenue</b>								
Taxation	18,614,712	6,038,721	11,034,378	2,482,088	8,101,913	469,662	5,970,298	52,711,772
Fees and user charges	284,413	217,620	4,793,919	4,961	327,293	-	1,333,226	6,961,432
Specific grants	3,801,211	-	1,547,297	98,962	5,163	-	1,171,267	6,623,900
Other revenue	10,634,056	154,258	1,265,960	30,958	3,716,857	-	6,854,254	22,656,343
Development charges and other fees	5,527,639	65,184	2,562,069	-	-	-	477,056	8,631,948
	38,862,031	6,475,783	21,203,623	2,616,969	12,151,226	469,662	15,806,101	97,585,395
<b>Expenses</b>								
Salaries and benefits	6,776,927	6,179,760	7,754,958	2,331,477	7,975,329	705,048	5,555,681	37,279,180
Interest on debt	277,037	23,097	-	-	727,444	-	-	1,027,578
Materials and supplies	6,594,737	1,139,815	3,152,626	234,295	3,388,636	117,884	1,411,636	16,039,629
Contracted services	2,051,180	429,141	555,900	104,650	1,769,101	79,059	392,483	5,381,514
Other transfers	18,968	-	44,945	-	66,382	-	67,701	197,996
Rents and financial expenses	1,810,123	-	-	7,118	502,775	-	712,892	3,032,908
Amortization on tangible capital assets	6,078,904	1,372,742	4,116,132	255,500	984,905	-	440,869	13,249,052
	23,607,876	9,144,555	15,624,561	2,933,040	15,414,572	901,991	8,581,262	76,207,857
<b>Net Surplus (Deficit)</b>	<b>15,254,155</b>	<b>(2,668,772)</b>	<b>5,579,062</b>	<b>(316,071)</b>	<b>(3,263,346)</b>	<b>(432,329)</b>	<b>7,224,839</b>	<b>21,377,538</b>

**THE CORPORATION OF THE TOWN OF CALEDON**  
**CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION**  
For the year ended December 31, 2014

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	Public Works	Fire and Emergency Services	Parks and Recreation	Library Services	General Governance and Administration	Human Resources	Other	Total 2014
<b>Revenue</b>								
Taxation	14,051,983	6,212,318	9,973,605	2,282,965	10,585,145	564,862	5,433,117	49,103,995
Fees and user charges	723,957	266,420	4,213,950	526	361,557	-	2,323,530	7,889,940
Specific grants	3,864,064	-	2,056,481	74,087	3,213	-	1,118,678	7,116,523
Other revenue	2,016,856	184,482	2,107,076	32,888	3,422,865	-	6,013,195	13,777,362
Development charges and other fees	1,436,831	47,535	558,000	12,344	-	-	831,571	2,886,281
	22,093,691	6,710,755	18,909,112	2,402,810	14,372,780	564,862	15,720,091	80,774,101
<b>Expenses</b>								
Salaries and benefits	5,946,333	4,890,691	7,380,969	2,221,228	7,774,444	708,555	5,176,124	34,098,344
Interest on debt	277,037	24,415	-	-	978,990	-	-	1,280,442
Materials and supplies	5,255,398	1,637,369	2,822,570	398,134	4,287,631	117,900	1,708,113	16,227,115
Contracted services	2,645,053	298,594	574,817	194,515	1,765,708	55,566	419,756	5,954,009
Other transfers	11,509	-	51,636	-	58,994	-	65,103	187,242
Rents and financial expenses	1,029,261	-	-	4,242	503,066	-	12,227	1,548,796
Amortization on tangible capital assets	7,043,730	1,267,922	3,288,269	260,039	980,365	-	440,710	13,281,035
	22,208,321	8,118,991	14,118,261	3,078,158	16,349,198	882,021	7,822,033	72,576,983
Net Surplus (Deficit) before loss on transfer	(114,630)	(1,408,236)	4,790,851	(675,348)	(1,976,418)	(317,159)	7,898,058	8,197,118
Loss on transfer to upper tier	(33,206,818)	-	-	-	-	-	-	(33,206,818)
<b>Net Surplus (Deficit)</b>	<b>(33,321,448)</b>	<b>(1,408,236)</b>	<b>4,790,851</b>	<b>(675,348)</b>	<b>(1,976,418)</b>	<b>(317,159)</b>	<b>7,898,058</b>	<b>(25,009,700)</b>

2015

TOWN OF CALEDON

## Statistical Section



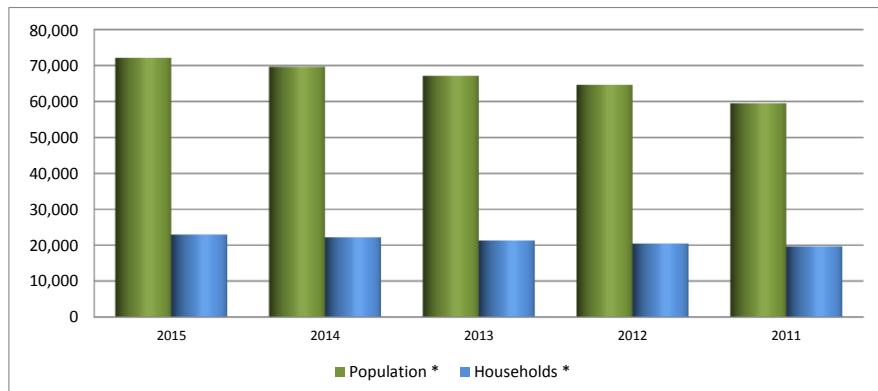
## FIVE YEAR REVIEW SUMMARY

Fiscal Year	2015	2014	2013	2012	2011
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### MUNICIPALITY STATISTICS

Population *	72,040	69,547	67,054	64,560	59,460
Households *	22,989	22,154	21,319	20,484	19,649
Area in hectares *	68,717	68,717	68,717	68,717	68,717
Construction activity (value)	\$ 20,113,516	\$ 17,035,074	\$ 11,867,474	\$ 11,581,437	\$ 5,733,968

\* from Financial Information Report / Statistics Canada / MPAC



### Staffing Statistics

Full Time Staff	332	308	298	298	257
per 1000 people	0.46%	0.44%	0.44%	0.46%	0.43%
Part Time Staff	324	348	337	338	407

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

Residential, farm, multi-residential	11,858,096,542	11,082,039,296	10,345,924,627	9,675,607,730	9,023,667,436
Commercial, industrial and other	2,433,233,703	2,261,796,217	2,047,675,541	1,646,595,694	1,506,853,612
<b>Total Taxable Assessment</b>	<b>14,291,330,245</b>	<b>13,343,835,513</b>	<b>11,994,229,811</b>	<b>11,322,203,424</b>	<b>10,530,521,048</b>
<i>Total per capita</i>	<i>198,380</i>	<i>191,868</i>	<i>178,874</i>	<i>170,179</i>	<i>177,103</i>

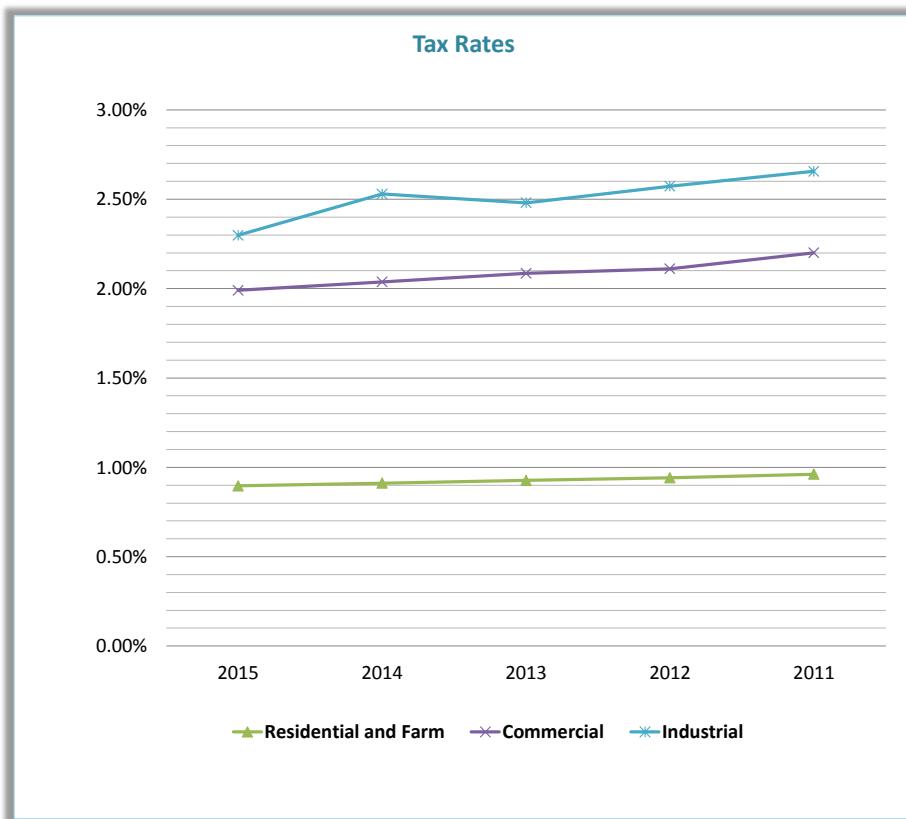
### TOP TEN CORPORATE TAXPAYERS

(by taxes paid)

1. AMB AIRPORT ROAD CANCO INC
2. GREYPAN 4 PROPERTIES GP INC
3. ACKLANDS-GRAINGER INC
4. CALLOWAY REIT (BOLTON) INC
5. PIRET(86 PILLSWORTH)HOLDINGS INC
6. HUSKY INJECTION MOLDING
7. PENRETAIL MANAGEMENT LTD
8. 2281140 ONTARIO INC.
9. PROLOGIS CANADA INC
10. MARS CANADA INC

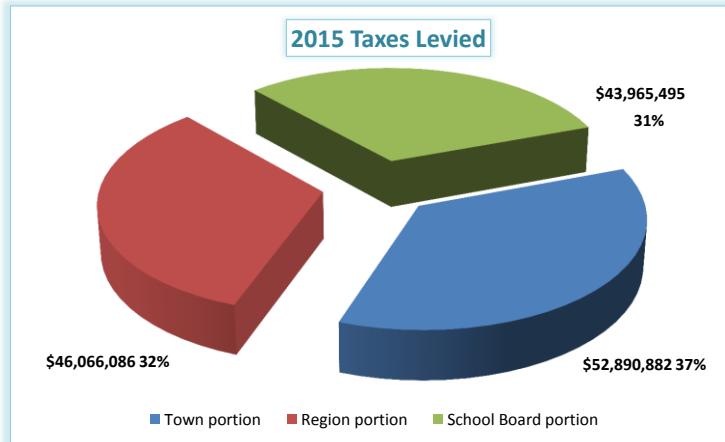
## FIVE YEAR REVIEW SUMMARY

Fiscal Year	2015	2014	2013	2012	2011
<b>Residential and Farm</b>					
Town purposes	0.374407%	0.370122%	0.366249%	0.360371%	0.360686%
Region purposes	0.327139%	0.338600%	0.348476%	0.359716%	0.369991%
School purposes	0.195000%	0.203000%	0.212000%	0.221000%	0.231000%
<b>Total - Residential and Farm</b>	<b>0.896546%</b>	<b>0.911722%</b>	<b>0.926725%</b>	<b>0.941087%</b>	<b>0.961677%</b>
<b>Commercial</b>					
Town purposes	0.491358%	0.485734%	0.480651%	0.467437%	0.467846%
Region purposes	0.429325%	0.444366%	0.457327%	0.466588%	0.479915%
School purposes	1.069252%	1.107083%	1.147477%	1.177386%	1.253034%
<b>Total - Commercial</b>	<b>1.989935%</b>	<b>2.037183%</b>	<b>2.085455%</b>	<b>2.111411%</b>	<b>2.200795%</b>
<b>Industrial</b>					
Town purposes	0.591751%	0.578857%	0.529745%	0.530208%	0.507532%
Region purposes	0.517044%	0.550766%	0.528783%	0.543887%	0.562785%
School purposes	1.190000%	1.399256%	1.421817%	1.499357%	1.585675%
<b>Total - Industrial</b>	<b>2.298795%</b>	<b>2.528879%</b>	<b>2.480345%</b>	<b>2.573452%</b>	<b>2.655992%</b>



## FIVE YEAR REVIEW SUMMARY

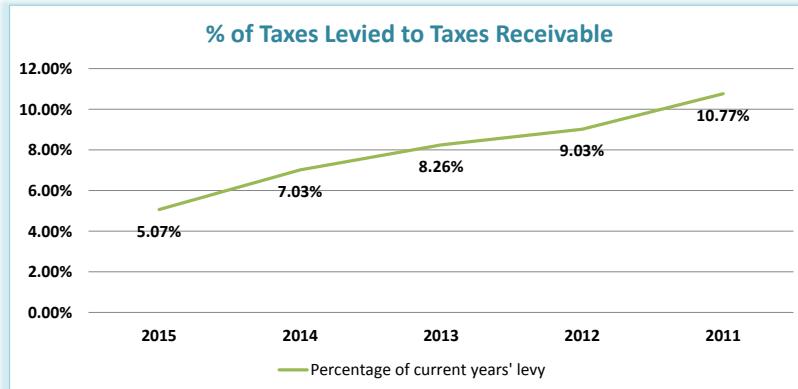
Fiscal Year	2015	2014	2013	2012	2011
<b>TAX INFORMATION</b>					
<b>Taxes Levied</b>					
Town portion	\$ 52,890,882	\$ 47,585,276	\$ 43,985,488	\$ 41,076,937	\$ 39,501,484
Region portion	46,066,086	43,532,603	41,851,006	41,002,284	40,371,511
School Board portion	43,965,495	41,149,789	40,114,171	40,193,951	40,655,091
<b>Total</b>	<b>\$ 142,922,463</b>	<b>\$ 132,267,668</b>	<b>\$ 125,950,665</b>	<b>\$ 122,273,172</b>	<b>\$ 120,528,086</b>



<b>Taxes Collected</b>					
Town collection	\$ 51,296,238	\$ 47,484,573	\$ 43,020,004	\$ 36,656,384	\$ 34,100,541
Taxes transferred to the Region	44,820,213	43,018,166	41,999,274	40,371,511	38,689,338
Taxes transferred to the School Boards	42,477,505	40,558,272	41,131,444	40,655,091	39,515,899
<b>Total</b>	<b>\$ 138,593,956</b>	<b>\$ 131,061,011</b>	<b>\$ 126,150,722</b>	<b>\$ 117,682,986</b>	<b>\$ 112,305,778</b>

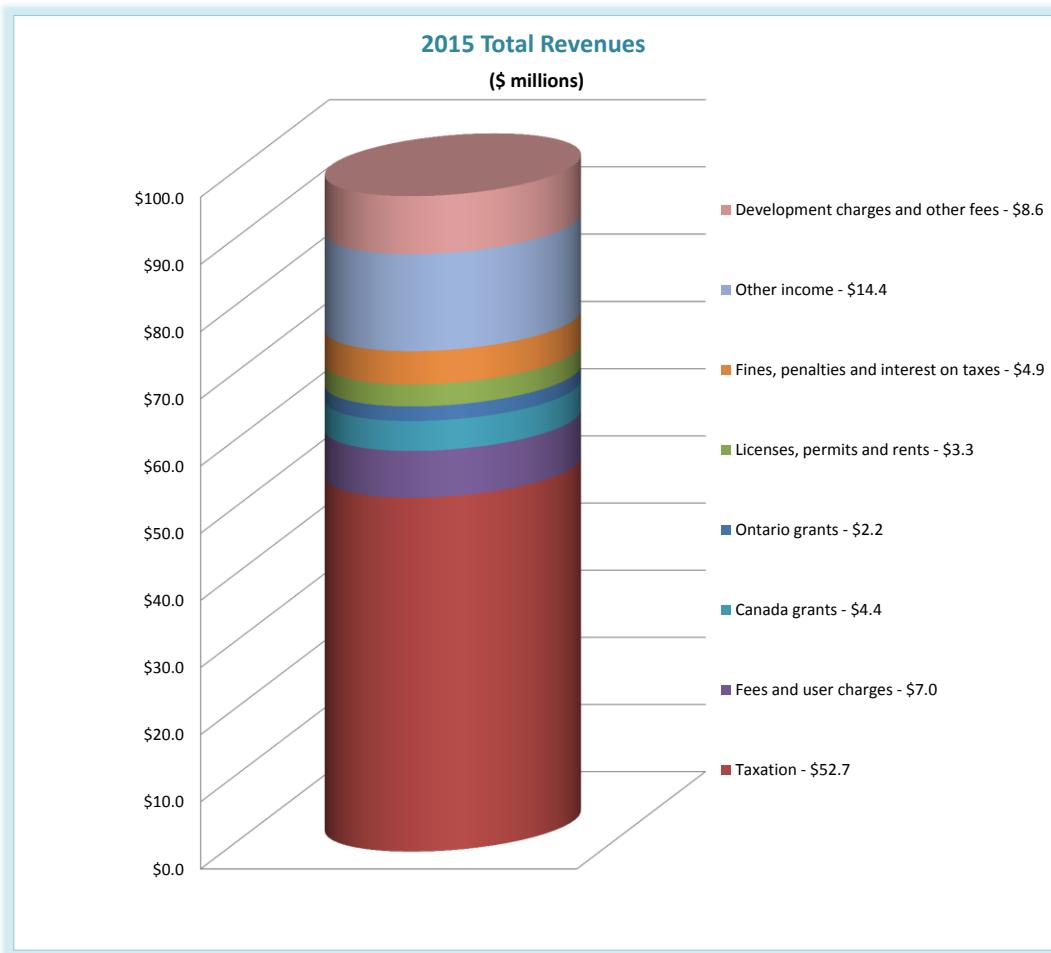
### Taxes Receivable, End of Year

Taxes Receivable	\$ 7,598,426	\$ 9,294,659	\$ 10,401,613	\$ 11,040,251	\$ 12,976,647
Taxes Receivable per capita	105.48	133.65	155.12	171.01	218.24
Percentage of current years' levy	5.07%	7.03%	8.26%	9.03%	10.77%



## FIVE YEAR REVIEW SUMMARY

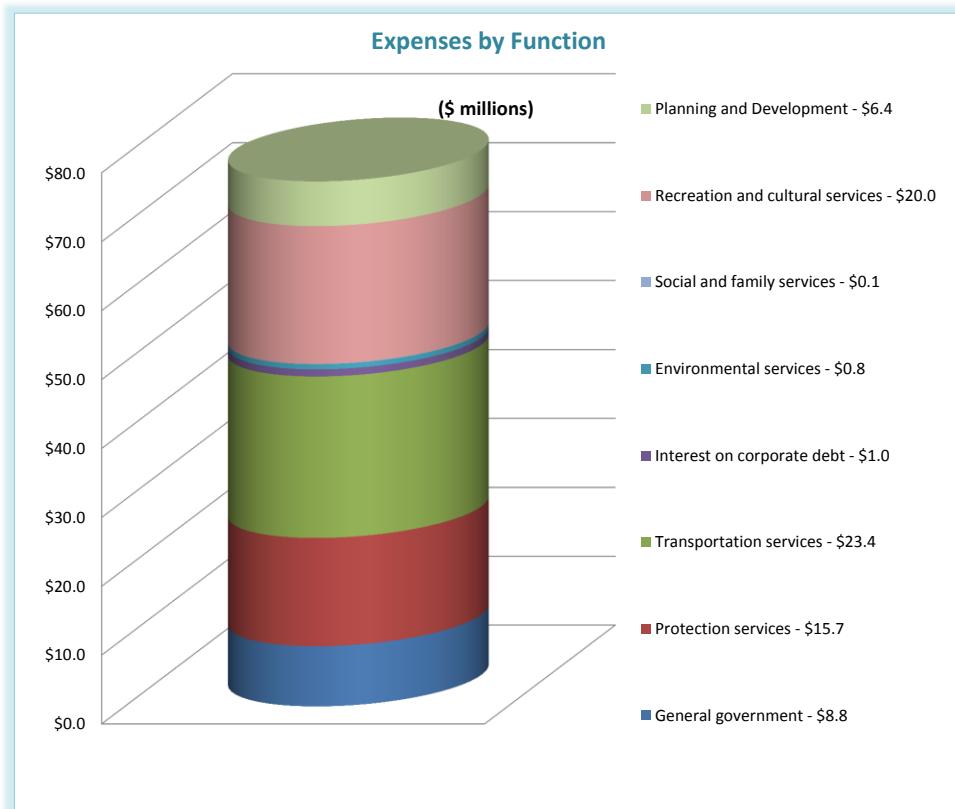
Fiscal Year	2015	2014	2013	2012	2011
<b>FINANCIAL INFORMATION</b>					
<b>Consolidated Revenues</b>					
Taxation	\$ 52,711,772	\$ 49,103,995	\$ 45,125,535	\$ 40,568,240	\$ 38,474,230
Fees and user charges	6,961,432	7,889,940	6,052,130	7,659,916	6,800,988
Canada grants	4,444,279	5,603,289	5,044,194	3,707,309	3,646,523
Ontario grants	2,179,621	1,513,234	1,205,319	1,825,211	1,814,906
Licenses, permits and rents	3,266,876	3,236,226	3,916,969	4,225,780	3,909,878
Fines, penalties and interest on taxes	4,955,617	4,671,500	4,307,797	4,859,597	4,786,324
Other income	14,433,850	5,869,636	8,485,386	9,414,159	5,812,349
Development charges and other fees	8,631,948	2,886,281	3,395,488	2,461,735	4,628,643
<b>Total</b>	<b>\$ 97,585,395</b>	<b>\$ 80,774,101</b>	<b>\$ 77,532,818</b>	<b>\$ 74,721,947</b>	<b>\$ 69,873,841</b>



## FIVE YEAR REVIEW SUMMARY

Fiscal Year	2015	2014	2013	2012	2011
<b>Consolidated Expense by Function</b>					
General government	\$ 8,755,847	\$ 9,627,315	\$ 7,322,504	\$ 7,112,784	\$ 3,912,061
Protection services	15,723,300	14,278,137	13,822,735	13,495,243	11,809,467
Transportation services	23,432,103	22,131,455	25,895,788	25,987,977	12,907,547
Interest on corporate debt	1,027,578	1,280,442	1,258,586	1,362,727	1,438,931
Environmental services	760,610	670,910	682,177	134,015	507,862
Social and family services	48,472	55,913	48,686	41,392	41,718
Recreation and cultural services	19,969,915	18,470,131	19,195,002	18,357,310	13,821,567
Planning and Development	6,490,032	6,062,680	6,320,270	5,156,184	4,316,924
(Gain)/Loss on disposal of capital assets*	-	-	-	-	(145,275)
Amortization of tangible capital assets*	-	-	-	-	19,908,980
<b>Total before loss due to transfer to upper tier</b>	<b>\$ 76,207,857</b>	<b>\$ 72,576,983</b>	<b>\$ 74,545,748</b>	<b>\$ 71,647,632</b>	<b>\$ 68,519,782</b>
Loss due to transfer to upper tier		33,206,818			
<b>Total</b>	<b>\$ 76,207,857</b>	<b>\$ 105,783,801</b>	<b>\$ 74,545,748</b>	<b>\$ 71,647,632</b>	<b>\$ 68,519,782</b>

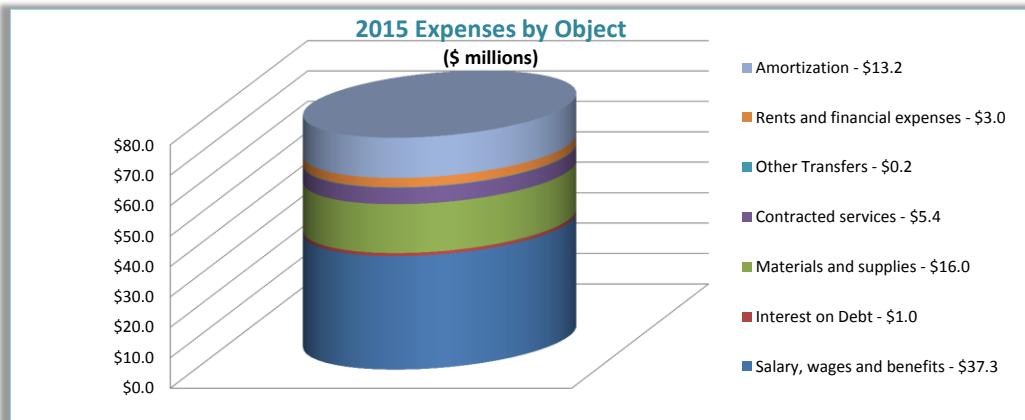
\* (Gain)/ Loss on disposal and Amortization has been consolidated to the functional groups



## FIVE YEAR REVIEW SUMMARY

Fiscal Year	2015	2014	2013	2012	2011
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FINANCIAL INFORMATION					
Consolidated Expenses by Object					
Salary, wages and benefits	\$ 37,279,180	\$ 34,098,344	\$ 33,394,570	\$ 32,198,435	\$ 28,952,206
Interest on Debt	1,027,578	1,280,442	1,258,586	1,362,727	1,438,931
Materials and supplies	16,039,629	16,227,115	16,444,905	13,726,698	13,538,515
Contracted services	5,381,514	5,954,009	4,365,072	3,420,115	3,817,968
Other Transfers	197,996	187,242	259,253	809,284	97,071
Rents and financial expenses	3,032,908	1,548,796	582,104	650,468	911,386
Amortization	13,249,052	13,281,035	17,739,846	19,517,787	19,908,980
Loss due to transfer to upper tier		33,206,818			
Loss on disposal of assets			-	(37,882)	(145,275)
<b>Total</b>	<b>\$ 76,207,857</b>	<b>\$ 105,783,801</b>	<b>\$ 74,044,336</b>	<b>\$ 71,647,632</b>	<b>\$ 68,519,782</b>



Long-Term Liabilities	2015	2014	2013	2012	2011
Gross long term debt	\$ 15,040,365	\$ 16,961,365	\$ 18,765,365	\$ 20,459,365	\$ 21,951,640
<i>Per capita</i>	208.78	243.88	279.85	316.90	369.18
Interest on Long-term debt	\$ 1,027,578	\$ 1,280,442	\$ 1,258,586	\$ 1,362,727	\$ 1,390,692
<i>Per capita</i>	14.26	18.41	18.77	21.11	23.39
Sources of Debt Repayment					
Debt Retirement Fund *	\$ 2,648,444	\$ 2,650,508	\$ 2,652,312	\$ 2,653,252	\$ 2,654,044
Development Charges	174,085	174,085	174,085	132,431	132,431
Tax Supported	196,309	196,309	196,309	196,309	196,309
<b>Total - Funding</b>	<b>\$ 3,018,838</b>	<b>\$ 3,020,902</b>	<b>\$ 3,022,706</b>	<b>\$ 2,981,992</b>	<b>\$ 2,982,784</b>

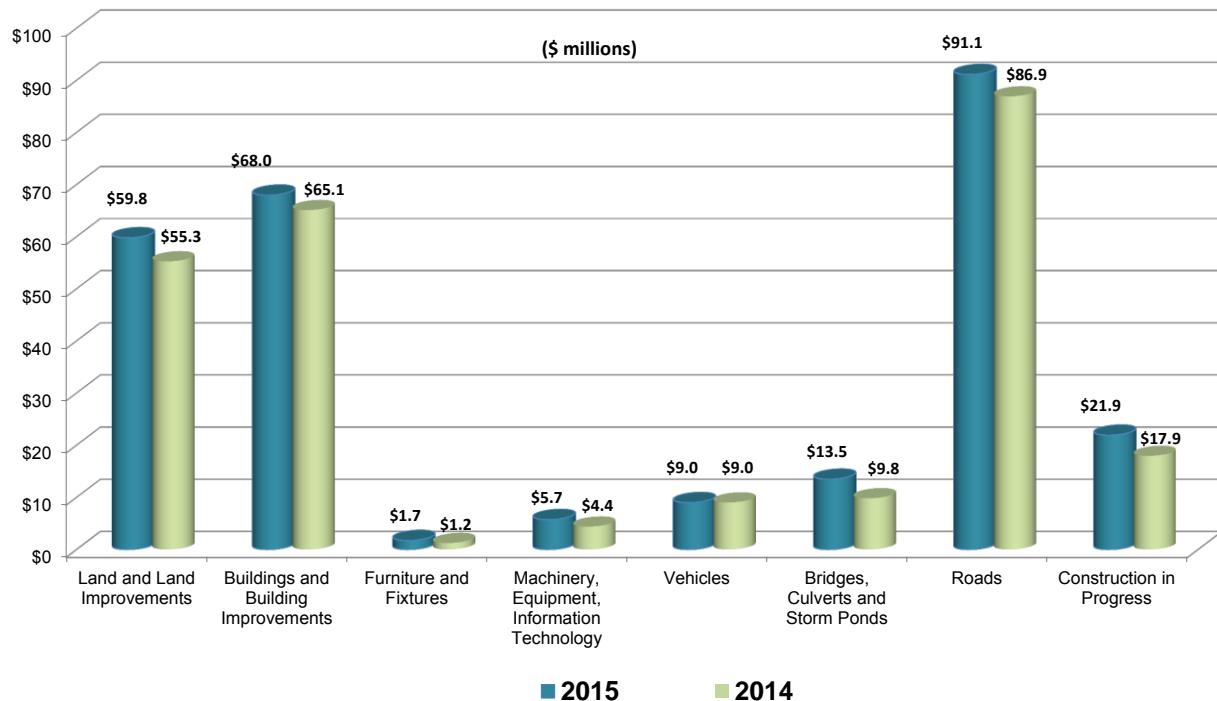
\*Debt Retirement Fund held by the Region of Peel

FIR schedule 81					
Annual Debt Repayment Limit (ARL) (as determined by the Province of Ontario)	\$ 15,222,622	\$ 13,982,588	\$ 13,105,362	\$ 11,482,724	\$ 10,744,056
<b>ARL as a % of Net Revenues</b>	<b>4.11%</b>	<b>4.57%</b>	<b>4.73%</b>	<b>5.47%</b>	<b>5.91%</b>

## FIVE YEAR REVIEW SUMMARY

Fiscal Year	2015	2014	2013	2012	2011
<b>Tangible Capital Asset Net Book Value</b>					
Land and Land Improvements	\$ 59,790,813	\$ 55,260,589	\$ 53,861,598	\$ 51,254,227	\$ 51,021,002
Buildings and Building Improvements	67,957,320	65,094,931	65,447,272	58,594,643	58,872,278
Furniture and Fixtures	1,728,304	1,235,837	1,434,207	1,516,423	1,644,269
Machinery, Equipment, Information Technology	5,733,490	4,381,750	3,088,033	3,110,008	5,012,455
Vehicles	8,986,394	9,014,003	10,212,054	9,985,218	7,401,183
Bridges, Culverts and Storm Ponds	13,472,133	9,820,259	8,939,670	9,255,971	8,700,576
Roads	91,115,085	86,905,056	117,746,187	123,677,260	126,030,032
Construction in Progress	21,918,768	17,939,386	10,926,665	16,501,103	16,731,082
<b>Total</b>	<b>\$ 270,702,307</b>	<b>\$ 249,651,811</b>	<b>\$ 271,655,686</b>	<b>\$ 273,894,853</b>	<b>\$ 275,412,877</b>

**2015 TCA Net Book Value \$270.7M  
(2014 - \$249.6M)**



## FIVE YEAR REVIEW SUMMARY

Fiscal Year	2015	2014	2013	2012	2011
<b>Tangible Capital Asset Cost</b>					
Assets - Beginning of Year	\$ 542,048,216	\$ 560,438,471	\$ 545,318,623	\$ 528,733,753	\$ 514,522,802
Additions	35,769,525	25,260,428	26,334,380	18,135,692	36,881,409
Disposals and Transfers	3,768,496	43,650,683	11,214,532	1,550,822	22,672,455
<b>Assets - End of Year</b>	<b>\$ 574,049,245</b>	<b>\$ 542,048,216</b>	<b>\$ 560,438,471</b>	<b>\$ 545,318,623</b>	<b>\$ 528,731,756</b>
<b>Tangible Capital Asset Amortization</b>					
Accumulated Amortization - Beginning of Year	\$ 292,396,405	\$ 288,782,784	\$ 271,423,770	\$ 253,320,881	\$ 233,763,513
Amortization during the year	13,249,052	13,281,035	17,739,846	19,517,787	19,908,980
Accumulated Amortization on disposal	2,298,519	9,667,414	380,832	1,414,898	353,614
<b>Accumulated Amortization - End of Year</b>	<b>\$ 303,346,938</b>	<b>\$ 292,396,405</b>	<b>\$ 288,782,784</b>	<b>\$ 271,423,770</b>	<b>\$ 253,318,879</b>
<b>Net Book Value of Tangible Capital Assets</b>	<b>\$ 270,702,307</b>	<b>\$ 249,651,811</b>	<b>\$ 271,655,687</b>	<b>\$ 273,894,853</b>	<b>\$ 275,412,877</b>
<b>Net Financial Assets</b>					
Net Financial Assets - Beginning of Year	\$ 22,423,988	\$ 25,494,698	\$ 20,365,907	\$ 20,931,176	\$ 14,410,634
Net Financial Assets	(56,677)	(3,070,710)	5,128,791	4,987,625	6,520,542
<b>Net Financial Assets - End of Year</b>	<b>\$ 22,367,311</b>	<b>\$ 22,423,988</b>	<b>\$ 25,494,698</b>	<b>\$ 25,918,801</b>	<b>\$ 20,931,176</b>



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