



Financial Report and Consolidated Financial Statements

For the year ended
December 31, 2021

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

Prepared by
Finance, 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, 2020. 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 to determine its eligibility for another award.



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, 2020

Christopher P. Monill

Executive Director/CEO



Financial Report and Consolidated Financial Statements

For the year ended
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The Corporation of the Town of Caledon
Caledon, Ontario, Canada

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Finance, Town of Caledon



Allan Thompson
Mayor



Message from the Mayor

Enclosed are the Town of Caledon's 2021 Financial Statements.

In 2021 our citizens continued to be impacted by a global pandemic. At the same time, we are managing the affects of rising costs and supply chain shortages. Despite these challenges we continue to work, plan and invest in the future of community of communities.

In this report, you will see an organization committed to financial excellence, efficiency and transparency. The Town's net tangible capital assets increased by \$46.9 million reflecting our focus on smart financial planning and asset management.

The Town's 2021 debt servicing costs are 3.21 per cent of net revenues. This is below the maximum of 25 per cent set by the Province and the 10 per cent set by our own Council policy.

As I am not running for re-election, this is my final financial reporting out as Mayor. I want to say a very special thank you to the talented and dedicated team of professionals who work so hard to manage our Town's finances throughout difficult and unprecedented times while remaining focused on future recovery and renewal.

Sincerely,

Allan Thompson, Mayor

THE CORPORATION OF THE TOWN OF CALEDON

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TOWN OF CALEDON

Introduction

2021



Welcome to Caledon



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.

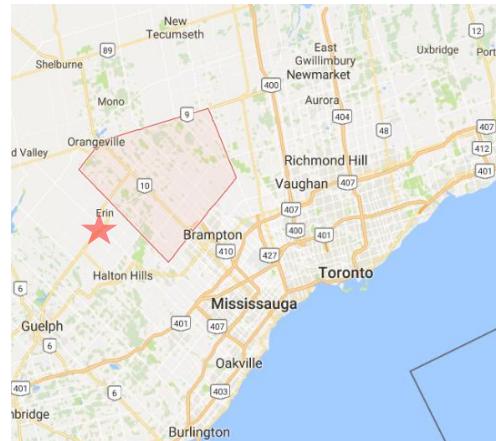
It was the rich water and mineral resources that attracted settlers and early industrialists. It has been said that the first European settlers came in search of gold and although gold was never found, our industrial development then began. In present day, we celebrate our golden hillsides, trails, parks, 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. For several years running, Caledon made the Maclean's magazine's annual rankings of "Canada's Safest Cities". Caledon was named by MoneySense magazine as "one of the top places to live in Canada." It has also been awarded "Ontario's Greenest Community" twice by TVO – Ontario's public television organization. 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.

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

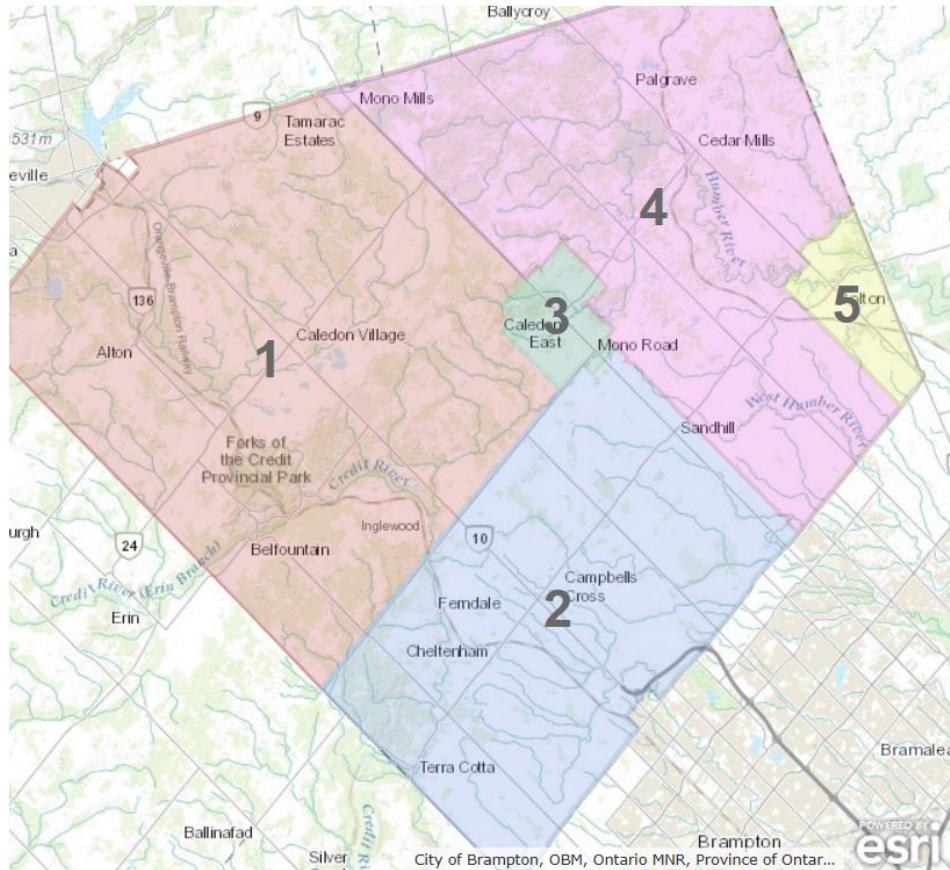
Caledon is one of three local area municipalities which combined, makes up the upper tier Region of Peel.

A vibrant community of 75,270 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.



Welcome to Caledon

Caledon is comprised of five Wards. Council members are elected by their Ward residents, with the last election being held in October 2018.



Caledon covers nearly 700 km², making it one of the largest municipalities in the Greater Toronto Area.

Welcome to Caledon



Ward 1
Regional Councillor
Ian Sinclair



Ward 1
Area Councillor
Lynn Kiernan



Ward 2
Regional Councillor
Johanna Downey



Ward 2
Area Councillor
Christina Early



Wards 3 & 4
Regional Councillor
Jennifer Innis



Wards 3 & 4
Area Councillor
Nick deBoer



Ward 5
Regional Councillor
Annette Groves



Ward 5
Area Councillor
Tony Rosa

Welcome to Caledon

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

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

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. The 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**

The mix of rural villages and urban centres is reflected in the 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.

The Natural Course of Business

Caledon is home to Husky Injection Molding Systems, Amazon, UPS, Mars Canada, Sardo Foods, Cambria, DuPont Pioneer, EnerMotion and Ionics Mass Spectrometry, to name just a few of the 2,300 prosperous companies that have set roots here.

Welcome to Caledon

Green Development Program

Our Green Development Program encourages 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.

Development Charge 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:

- Construction;
- Manufacturing;
- Finance and Insurance;
- Professional, Scientific and Technical Services

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.

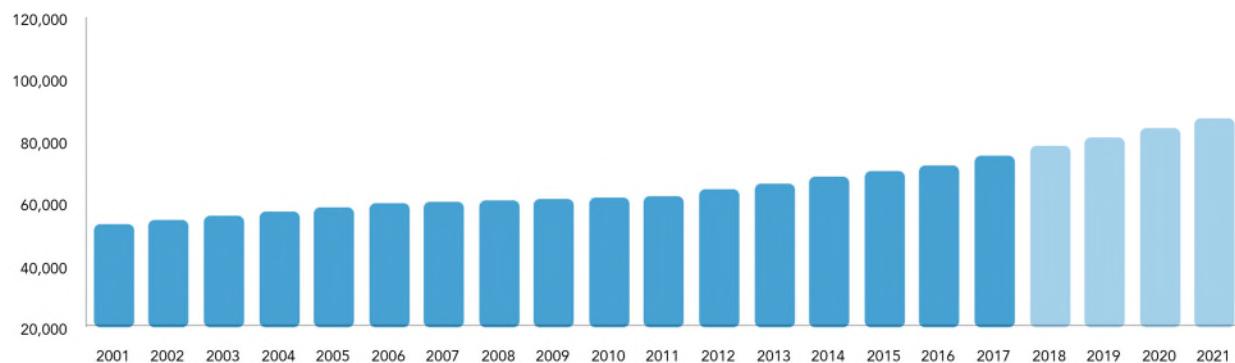
Air

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. Passengers can fly non-stop or with same plane service to more than 174 cities around the world. 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.

Welcome to Caledon

Demographics

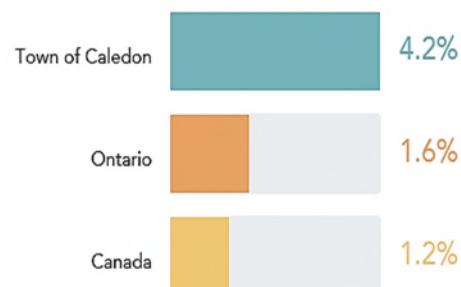
Town of Caledon Population



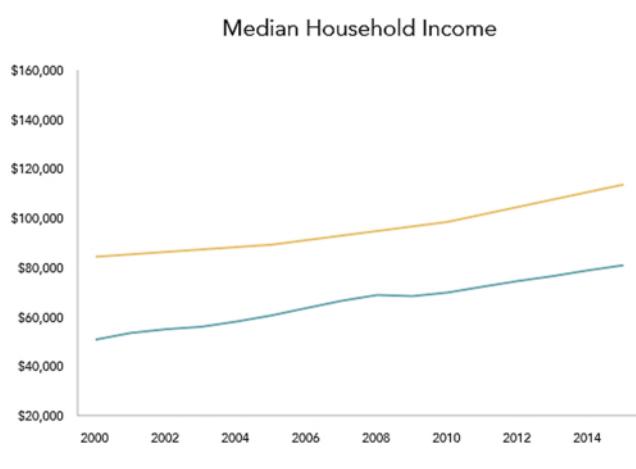
Over the last decade, the Town's population has significantly increased by 19.3%. At this rate of growth, the population is expected to exceed 87,000 people in the near future.

By 2041 Caledon will have a population of 160,000 people and 80,000 new jobs, as prescribed by the Province of Ontario Places to Grow Plan. The incredible development of the Town over the last decade has encouraged more residents of the GTA to choose Caledon as their new home. With 518 new home developments in 2016, the total dwellings in Caledon have risen to 22,021. This number is also on an upward trend, growing 2.41% annually.

Population Growth Rates
2016-2017



Source: Statistics Canada 2016



Source: Statistics Canada 2018

Part of the Town's growing population contributes to the strong and diverse labor force in Caledon, which was reported to be over 38,000 people in 2016. The average hourly wage is \$26.61, which is on par with most major cities in Ontario. However, the median household income, on average, has been 37% higher than the Canadian median since before 2000.

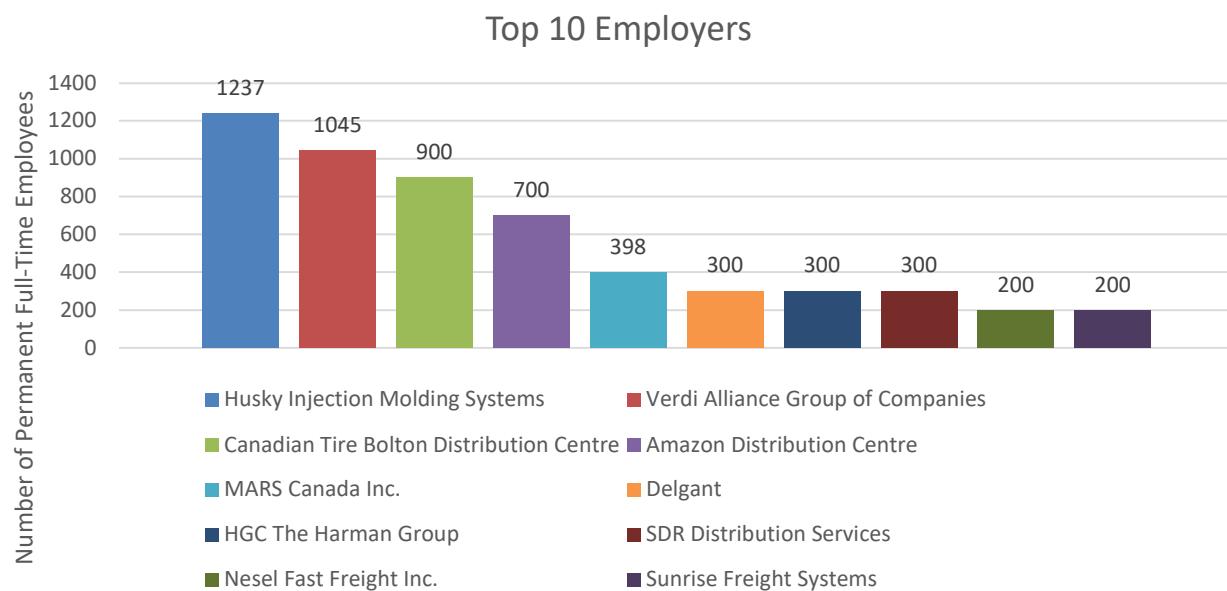
Welcome to Caledon

Business Climate

Over the years, many large companies have chosen to set up business in Caledon. Today, the Town is home to 2,300 companies from a wide range of industry sectors. These companies have helped to further strengthen Caledon's economy. The list below outlines Caledon's top ten corporate taxpayers.

Top 10 Corporate Taxpayers
CANADIAN TIRE PROPERTIES INC
ONTARI HOLDINGS LTD
PROLOGIS CALEDON CANCO INC
AMB AIRPORT ROAD CANCO INC
GREYCAN 4 PROPERTIES GP INC, GREYPAN EQUITIES INC
BOLTCOL HOLDINGS NORTH INC; BOLTCOL HOLDINGS NORTH LP
12333 AIRPORT RD HOLDINGS ULC
PIRET (86 PILSWORTH)HOLDING INC
CALLOWAY REIT (BOLTON) INC
ACKLANDS-GRAINGER INC

Due to Caledon's prosperous business environment, there are a range of employment and career growth opportunities available in the Town. Below is a chart depicting the Town's top 10 employers.



Welcome to Caledon

Town of Caledon Corporate Structure

On October 29, 2020, the Town of the Caledon completed a corporate restructure known as Reimagine Caledon. The new structure will help the organization meet Council's priorities of economic development, customer service and innovation. Previously broad departments led by General Managers were re-organized to smaller departments with Directors that are experts in the departments that they lead. The goal of the shift to the Director leadership model is to provide better support to the CAO as the Town builds the foundation to grow. The public, Council, and the CAO have greater connection to every area across the organization, and Directors and Managers now have more opportunities to ensure teams are focused and can act quickly to move the vision forward.



An inspired team leading a modern, resident focused organization, positioned for future growth.

The Reimagine Caledon corporate structure is reflected in the Town of Caledon's budget and financial documents for 2021 forward.

The Town of Caledon's budget is divided into the following areas:

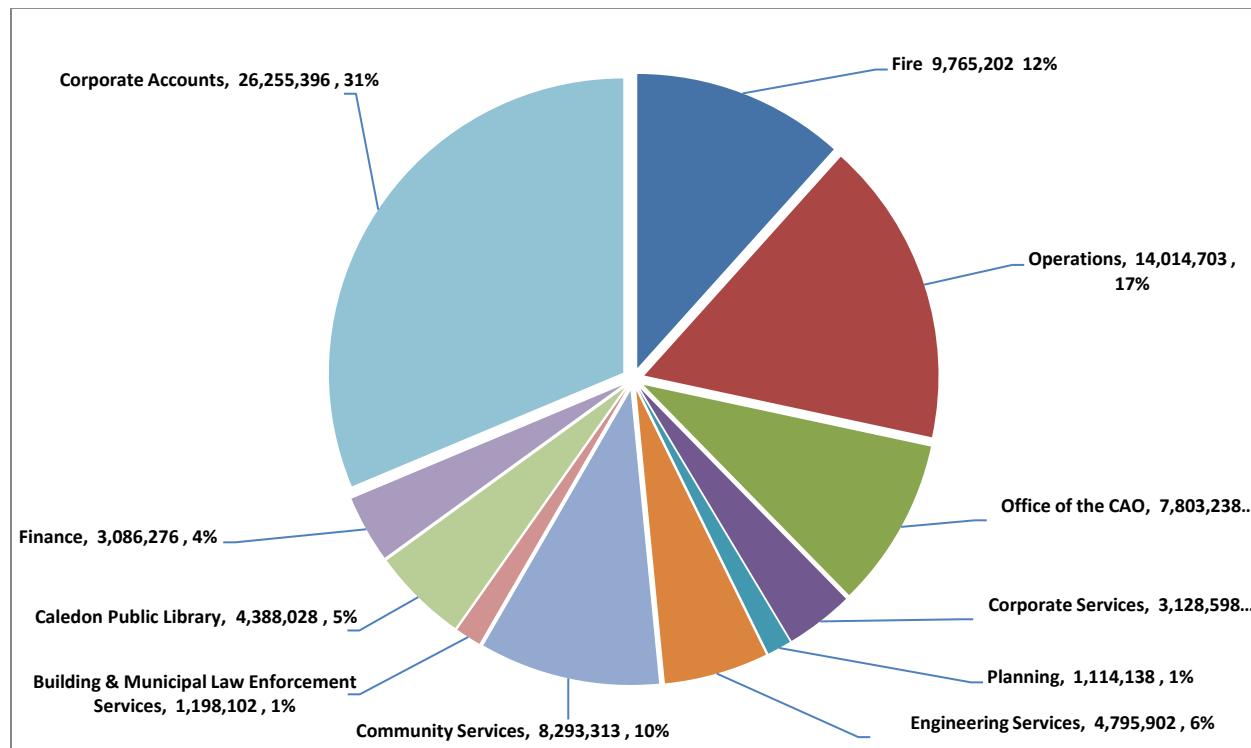


Chart is based on the 2021 Net Budget per Department and excludes Taxation Revenue

Welcome to Caledon

1) Building & Municipal Law Enforcement Services Department

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. 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 Service's budget overall nets to zero. That is, Building Services operate on a full cost recovery from building permit fees and does not have a property tax subsidy. Municipal Law Enforcement Services is responsible in assisting residents with concerns related to various property matters and to foster a safe and welcoming community for residents, business owners and visitors.

2) Caledon Public Library

The Caledon Public Library (CPL) offers services, collections and programs through seven branches located across Caledon. Acting as a community hub to both suburban neighborhoods and rural villages, CPL serves as a cornerstone of the community, connecting people to each other and the world beyond. As a community-led organization, the Library serves and benefits Caledon by meeting the informational, educational and recreational needs of residents and businesses, promoting lifelong learning and bridging the digital divide.



3) Community Services Department

The Community Services Department is responsible for the overall operations and administration of the Town's community and corporate facilities, recreation programs, events and indoor and outdoor rental spaces. The Department is focused on meeting and exceeding the needs of the community through active engagement, strengthening partnerships, managing agreements, implementing policies, all with a collaborative goal of delivering quality services and amenities for the community to enjoy.

The department comprised of three divisions: Community Facilities, Corporate Facilities and Community Development-Recreation. Community Facilities strives to advance proactive infrastructure development solutions for growth management; to seek opportunities to connect Caledon villages to help bridge the rural/urban divide; to plan and fund recreation infrastructure that meets the changing needs of the community and to explore community hub models for service delivery. Corporate Facilities main functions are to enhance civic campus; to balance financial planning for operating and capital budgets and to manage reasonable community expectations. Community Development-Recreation is responsible in the development of a Community Safety and Well-Being Plan in partnership with Peel Public Health; promoting community enrichment through support of local groups, enhanced partnerships, and events and Applying a diverse lens throughout the Town's operations and services.

4) Corporate Services Department

The Corporate Services department provides efficient and effective service delivery, while maintaining a high level of integrity and adhering to regulatory and statutory obligations. As the liaison between Council and staff, the CAO and Clerk ensure Council directives are carried out. The department also provides the following services: Animal Services, Legal Services, Legislative Services, Mayor & Council Support and the Provincial Offences Court.

Welcome to Caledon

5) Corporate Strategy & Innovation

Corporate Strategy and Innovation includes Information Technology, Project Management Office and Energy and Environment. Information Technology (IT) focuses on digital solutions and improving systems to reduce our reliance on paper-based processes. The central Project Management Office ensures all departments stay strategically aligned with our vision and support large Corporate projects from process improvements to capital project oversight. Energy and Environment is responsible for coordinating the Town's response to the global challenge related to climate change and looking for solutions to be more energy efficient.

6) Customer Service and Communications

Customer Service and Communications department's mission is to facilitate connection to address challenges and create opportunities both internally and externally, through service excellence. The department is comprised of the following teams: Service Caledon, Communications and Adult 55+, Diversity, Equity and Inclusion. Service Caledon is providing centralized service offerings to residents and stakeholders enhancing the effectiveness and efficiency of the service experience with the Town. Communications educates, inspires and informs through collaboration, consistency and innovative internal and external outreach. Adult 55+, Diversity, Equity and Inclusion is responsible in addressing the various needs of the 55+ population in Caledon and to foster a diverse and inclusive environment.

7) Economic Development

Economic development supports, promotes and enables business development and investment to enhance community prosperity, including tourism and culture.

8) Engineering Services

The department is responsible for the design and construction of Town-owned infrastructure. Town-owned infrastructure includes roads, storm water management infrastructure (ditches, culverts, storm sewer and storm water management facilities), bridges (vehicle and pedestrian) and culverts, sidewalks, and streetlights. It is also responsible for the planning and design of traffic operations and proactively strategize improvements for all modes of transportation. Its four divisions are Development Engineering, Development Inspection and Transportation Engineering.

9) Finance Department

The department serves internal and external clients and helps to shape the future of the community by providing professional corporate-based financial, procurement, risk management, property tax/Town revenue services and advice.

The Finance Department includes the Purchasing & Risk Management, and Finance divisions responsible for:

- Public procurement and vendor payments;
- Insurance and risk management;
- Financial planning and reporting;
- Property tax collection and other revenues;
- Investments and debentures;
- Asset Management Planning

Welcome to Caledon

10) Fire Department

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 Services in Ontario, the Caledon Fire & Emergency Services division prides itself on protecting life, property and the environment.



11) Operations Department

The Operations Department is responsible to maintain all of the road, park and fleet assets throughout the Town. It comprised of Roads and Fleet Services and Parks Operations divisions.

Road and Fleet Services is focused on ensuring that infrastructure within the Town's right-of-way is safe and meets Provincially mandated minimum maintenance standards or service levels, that all aspects of roads operations, vehicles and equipment are operated in a safe and compliant manner, that Town's fleet is sourced and acquired to meet energy efficiency targets. It also manages a winter maintenance program to ensure public safety on Town Roads during the winter months and a summer maintenance program to ensure public safety on Town Roads during the summer months.

Parks Operations ensures all parks and trails are developed and maintained to enrich the quality of life in Caledon through creative partnerships with the community, protection and enhancement of the natural environment to meet Council directives and approved service levels. It also ensures public safety regarding parks, sports fields and their amenities and public safety regarding sidewalk winter control in accordance with Council directed and approved service levels.



Welcome to Caledon



12) People Services Department

People Services Department supports organizational capability and effectiveness, delivers HR value-added programs and service excellence and strives to create a positive and enriching employee experience.

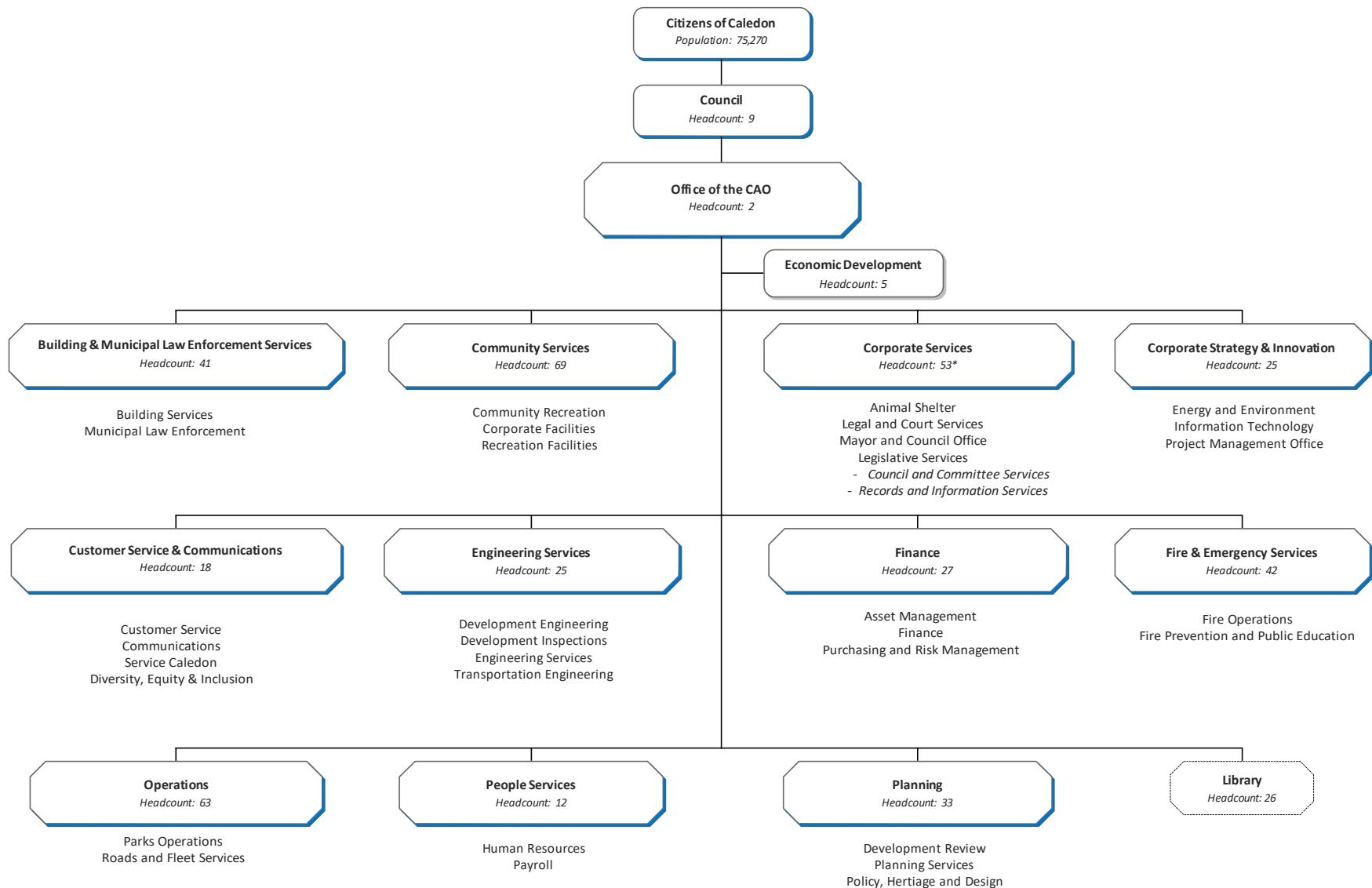
13) Planning Department

The department helps to create a prosperous and livable community that values its past, 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.

The Policy & Sustainability division's role is to set the long-term policy framework to assist Town Council through studies, policy development for Caledon through the Town's Official Plan. The division is also responsible for the management of Heritage/Cultural Resources through the processes of listing and designating heritage properties, reviewing and commenting on planning applications, advocacy & public outreach, management of grants to support property stewardship.

Town of Caledon Organizational Chart



Total 2021 Approved Headcount 441 (includes two (2) full-time positions for knowledge transfer of retirees)
 Population taken from the Peel Data Centre (2020 population)
 Police Services are provided contractually through the Ontario Provincial Police and are not shown above
 * Corporate Services Headcount includes Mayor and Council headcount

2021 FINANCIAL REPORT

The Town of Caledon is pleased to present its 2021 Financial Report and Consolidated Financial Statements, for the year ended December 31, 2021. 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.

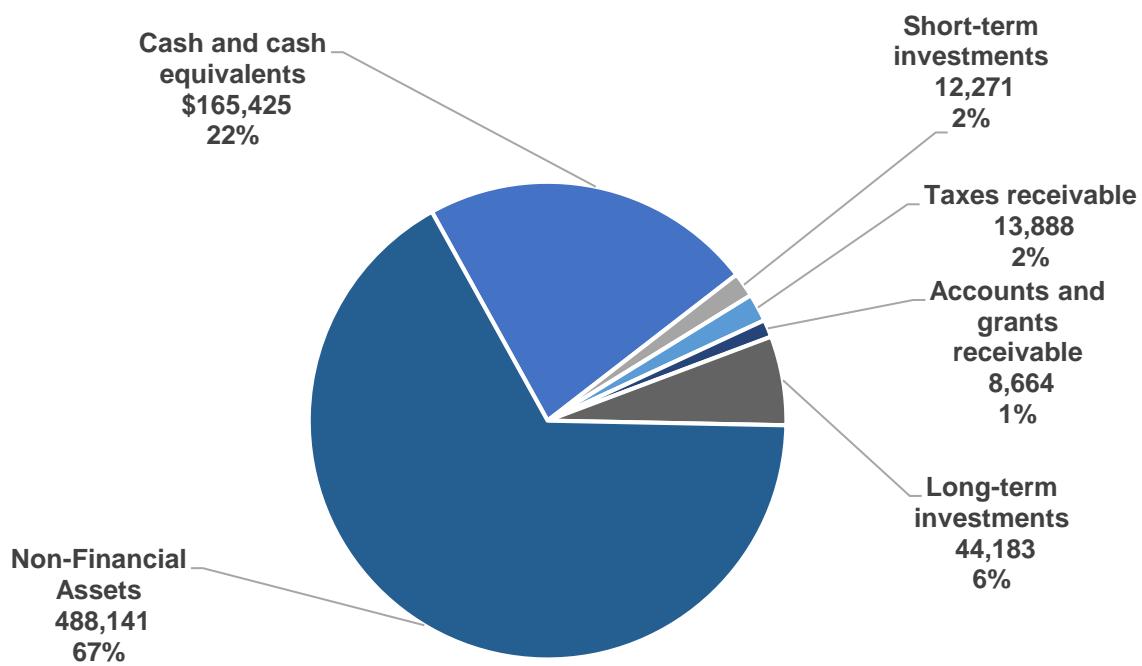
The 2021 Financial Report and Consolidated Financial Statements are the responsibility of Management of the Corporation of the Town of Caledon. The financial statements have been examined by Millards LLP Chartered Professional Accountants, the external auditors for the Corporation. The responsibility 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

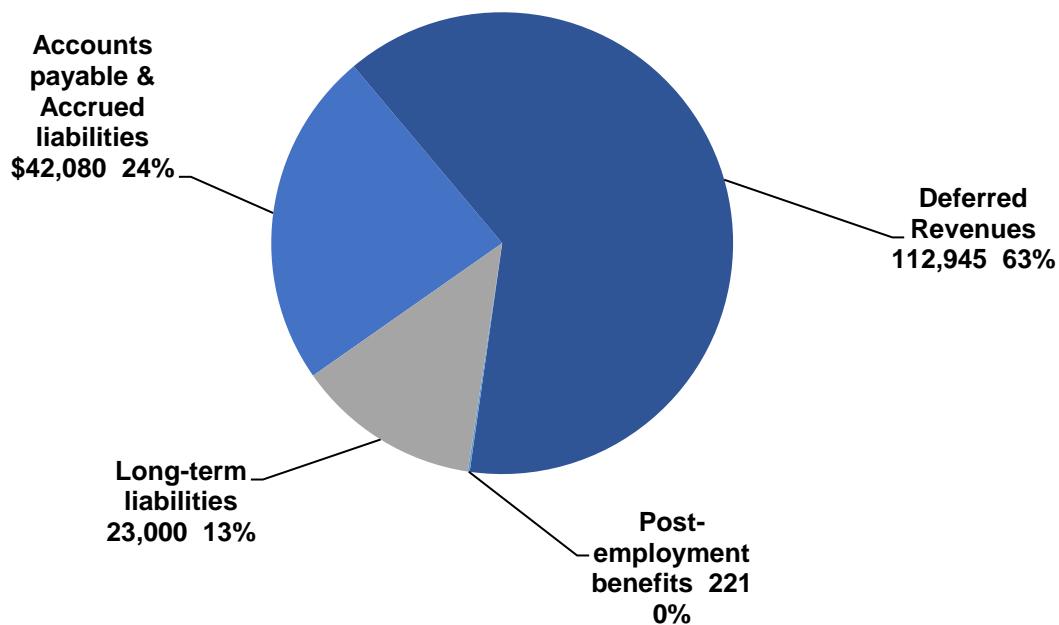
The following highlights outline the Financial Position as at December 31, 2021
(In thousands of dollars)

What we own (Assets)	\$ 000's	%
Cash and cash equivalents	\$ 165,425	22%
Short-term investments	12,271	2%
Taxes receivable	13,888	2%
Accounts and grants receivable	8,664	1%
Long-term investments	44,183	6%
Non-Financial Assets	488,141	67%
Total	\$ 732,572	100%



What we owe (Liabilities)	\$ 000's	%
Accounts payable & Accrued liabilities	\$ 42,080	24%
Deferred Revenues	112,945	63%
Post-employment benefits	221	0%
Long-term liabilities	23,000	13%
Total	\$ 178,246	100%

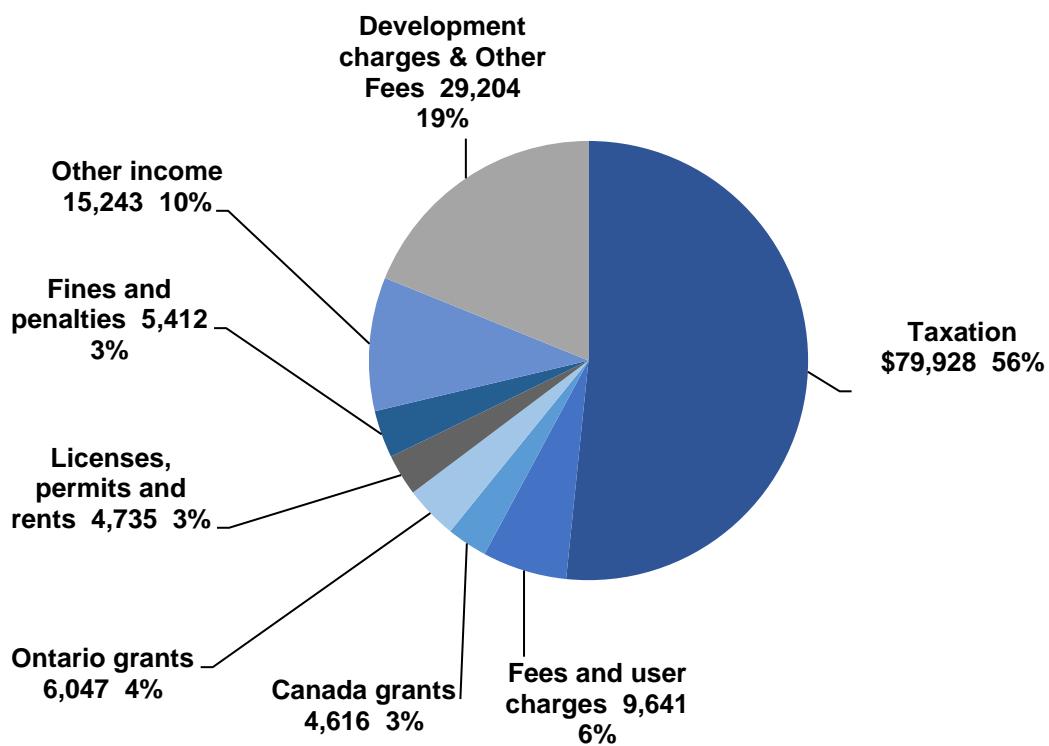
Net worth	\$ 000's	%
Accumulated operating surplus	\$ 19,850	3%
Investment in Tangible Capital Assets	486,692	88%
Reserves and Reserve Funds	47,784	9%
Total	\$ 554,326	100%
Total Liabilities and Net Worth	\$ 732,572	



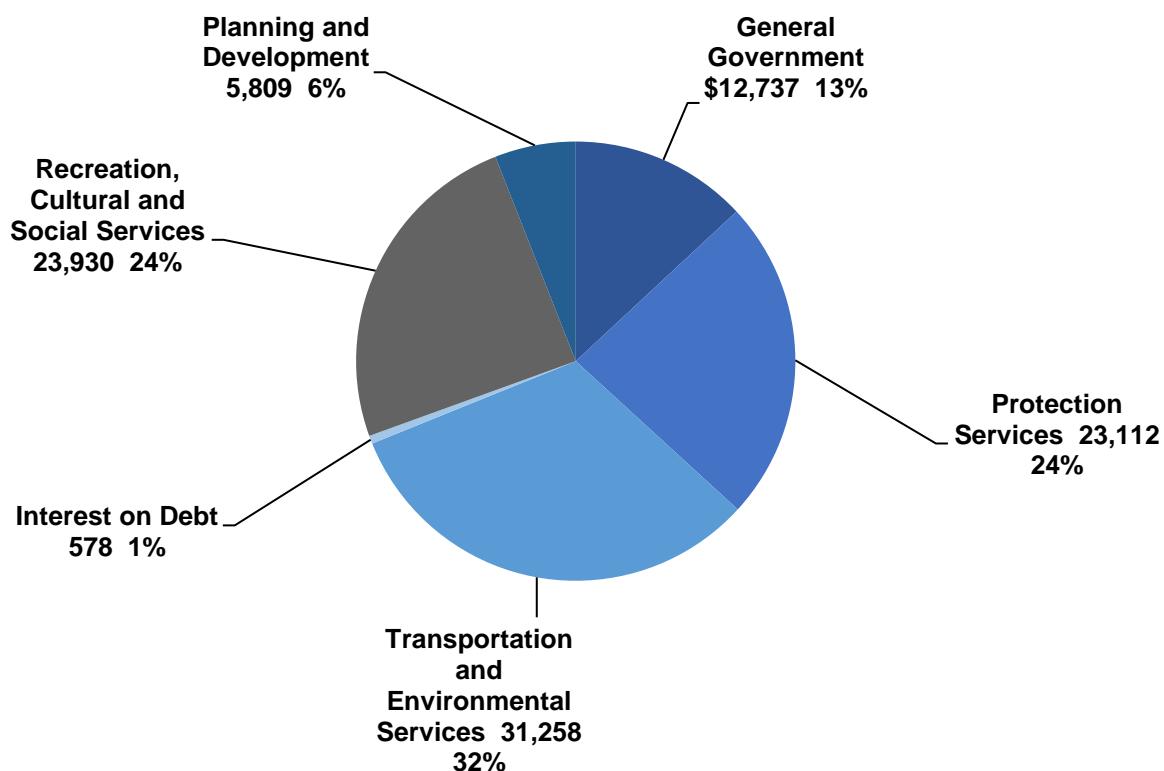
Revenues and Expenses

The following highlights outline the Statement of Operations as at December 31, 2021 (in thousands of dollars)

Where the money came from (Revenues)	\$ 000's	%
Taxation	\$ 79,928	52%
Fees and user charges	9,641	6%
Canada grants	4,616	3%
Ontario grants	6,047	4%
Licenses, permits and rents	4,735	3%
Fines and penalties	5,412	3%
Other income	15,243	10%
Development charges & Other Fees	29,204	19%
Total	\$ 154,826	100%



What the money was used for (Expenses)	\$ 000's	%
General Government	\$ 12,737	13%
Protection Services	23,112	24%
Transportation and Environmental Services	31,258	32%
Interest on Debt	578	1%
Recreation, Cultural and Social Services	23,930	24%
Planning and Development	5,809	6%
Total	\$ 97,424	100%



In addition to the Management Discussion and Analysis and the Consolidated Financial Statements, the 2021 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 (see Statistical Section).

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 provincial regulations that all municipalities in Ontario must comply with, public sector accounting standards as recommended by the Public Sector Accounting Board of CPA Canada.

2021 MANAGEMENT DISCUSSION AND ANALYSIS

The Town of Caledon prepares its budget on a fund accounting basis where budgeted capital and operating expenditures are balanced with revenues. Like all other municipalities, the Town of Caledon 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 and post-employment benefits.

The Consolidated Financial Statements in the 2021 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 balanced 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 of the 2021 financial statements include:

- A significant net investment in Tangible Capital Assets of \$47.0 million in infrastructure, roads, equipment and facilities.
- An increase in cash and investments of \$39.4 million to better match future cash needs related to debt, capital investments, and the Town's Asset Management Plan. With the increase in interest rates in 2022 the Town will be looking for opportunities to invest in long-term investments.
- An increase in accounts payable and accrued liabilities of \$17.2 million that is attributed to the timing of large capital projects and commitments at year-end.
- An increase in deferred revenue of \$8.7 million mainly related to additional funding received from the Canada Community Building Fund in 2021 that was unable to be fully spent in 2021 due to the timing of capital projects and due to an increase in development charges at year-end based on the timing of growth-related capital projects.
- An increase in net long-term liabilities of \$6.3 million due to debenturing two Road Reconstruction and Rehabilitation programs of \$8.1 million to coordinate with the Region of Peel and to receive favourable debt terms.
- The 2021 statement of operations reflects a full accrual surplus of \$57.4 million mainly due to contributed assets (e.g. Town assumption of public infrastructure works from completed developments) received in 2021 of \$9.0 million, \$29.2 million of development charge revenue recognized relating to growth-related construction projects such as the Growth Related Roads Program, MW2 Spine Road and McLaughlin Road, Caledon East Community Centre and Rotary Place Expansion, and \$4.3 million of Canada-Community Building fund related to road and bridge rehabilitation projects. Compared to budget there was a surplus of \$7.8 million mainly due to \$3.1 million in safe restart funding received from the Federal and Provincial government to assist with COVID-19 budget pressures such as revenue losses, one-time supplementary tax revenue received, along with tax adjustments relating to successful appeals at ARB related to development lands.

2021 FINANCIAL POSITION OF THE TOWN

The Town's total net assets (also referred to as accumulated surplus) increased by \$57.4 million in 2021 as shown in the table below:

Description	Change in 2021 Increase/(Decrease) (\$ millions)	Calculation
Financial Assets – e.g. cash, receivables and investments	\$42.6	A
Financial Liabilities – e.g. payables, deferred revenues and debt	(\$32.1)	B
Non-financial Assets – e.g. tangible capital assets	\$46.9	C
2021 Change in Total Net Assets	\$57.4	D=A-B+C

Financial Assets

As at December 31 (\$ millions)	2021	2020	Change in 2021 Increase/(Decrease)
Cash and Cash Equivalents	\$165.4	\$89.6	\$75.8
Short-term Investments	\$12.3	\$37.0	(\$24.7)
Taxes Receivable	\$13.9	\$13.1	\$0.8
Trade and other receivables	\$8.5	\$6.2	\$2.3
Long-term Investments	\$44.2	\$55.9	(\$11.7)
	\$244.3	\$201.8	\$42.5

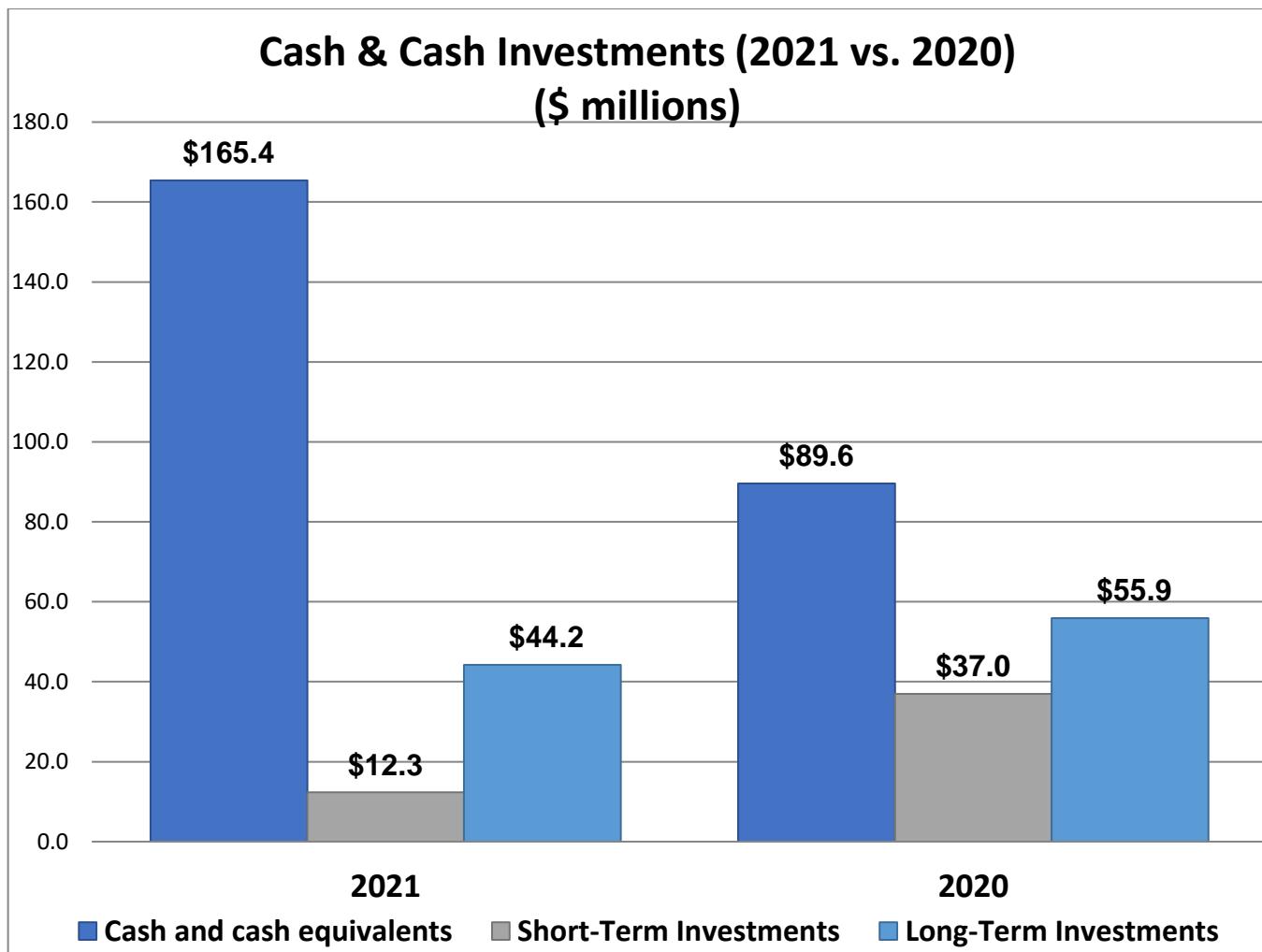
The \$42.5 million increase in financial assets for the Town is primarily attributed to the following:

- \$75.8 million increase in cash and cash equivalents mainly from the maturity of short-term investments, a year end surplus and an increase in deferred revenues such as the Canada Community Building Fund. Cash equivalents consist of highly liquid investments which amount to \$165.4 million in 2021 and \$51.3 million in 2020.
- \$24.7 million decrease in short term investments as many short-term investments matured in 2021, allowing these funds to be held in the Town's high interest savings account which had a more attractive rate than investing in long-term opportunities at the time.
- \$11.7 million decrease in long term investments due to investments maturing and the Town waiting for interest rates to increase to find more appealing long term investment opportunities.
- Change in Trade and other receivables mainly relates to timing and less activity in Recreation due to the pandemic.

Investments

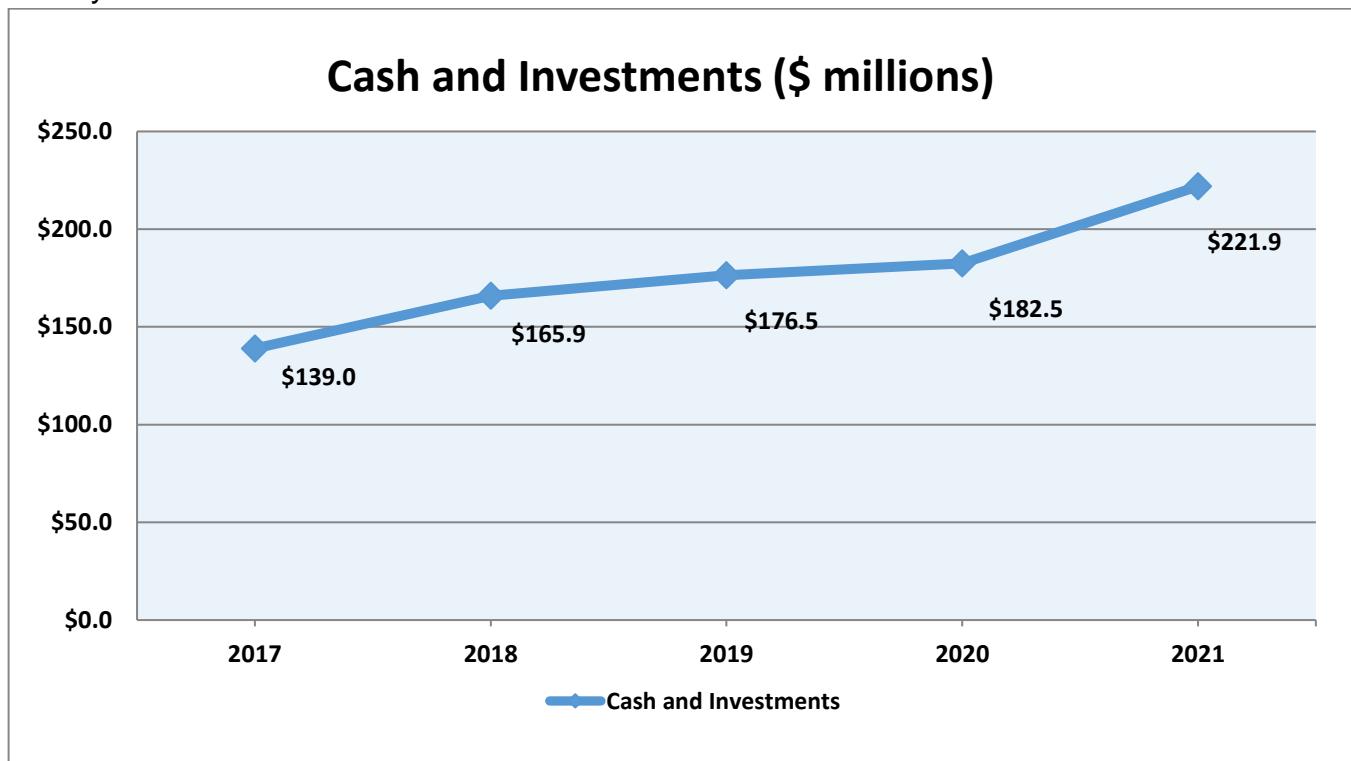
Overall cash and investments increased by \$39.4 million from 2020 to 2021 as a result of improved cash flow from:

- Increase in Canada-Community Building Funding in 2021 that was deferred due to the timing of the construction programs;
- Funding received from the government for Safe Restart Funding to allow the Town to operate safely during the pandemic;
- Proceeds from the debenturing of completed Road Rehabilitation capital programs;
- Increase in the supplementary assessment revenue received for new tax assessments from the Municipal Property Assessment Corporation (MPAC), payment in lieu of property taxes and successful assessment appeals;
- More cash at year end than expected due to the timing of accounts payables.



With the Town's improved cash flow management, funds that matured in 2021 were re-invested in the Town's High interest savings account (HISA) due to the decline in interest rates and the overall comparable attractive HISA rates. With the expected increase in interest rates in 2022 the Town will be actively looking for long-term investment opportunities to maximize return on investments. The Town has developed a cash flow model to better predict funds

available for investment opportunities in order to generate additional revenue. Over the years, the Town has made significant contributions in short term and long-term investments 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 a period of 3 years. 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 and has also been an effective tool to bring taxes receivable as a percentage of total taxes down considerably. Due to the worldwide COVID-19 pandemic and the Town's 2020 tax deferral program, that allowed taxpayers to defer tax payments interest and penalty free to December 31, 2020, Tax receivables have increased in 2020 which is to be expected.

In 2021, the Town extended its property tax deferral program that allowed taxpayers to defer tax payments interest and penalty free to December 31, 2021. The Town also introduced an interest free payment plan for those taxpayers affected by COVID-19 but were in a position to begin making some payments towards their outstanding taxes. The 2021 Taxes Receivable are at similar levels as 2020 as a consequence of the COVID-19 pandemic and further increases were mitigated by these payment plans.

Taxes Receivables	2021	2020	2019	2018	2017	2016	2015	2014
Taxes Receivable (\$ millions)	13.9	13.2	9.9	8.9	8.6	8.2	7.6	9.3
Taxes Receivable % of Total Taxes	7.3%	7.3%	5.8%	5.4%	5.6%	5.6%	5.5%	7.0%

Financial Liabilities

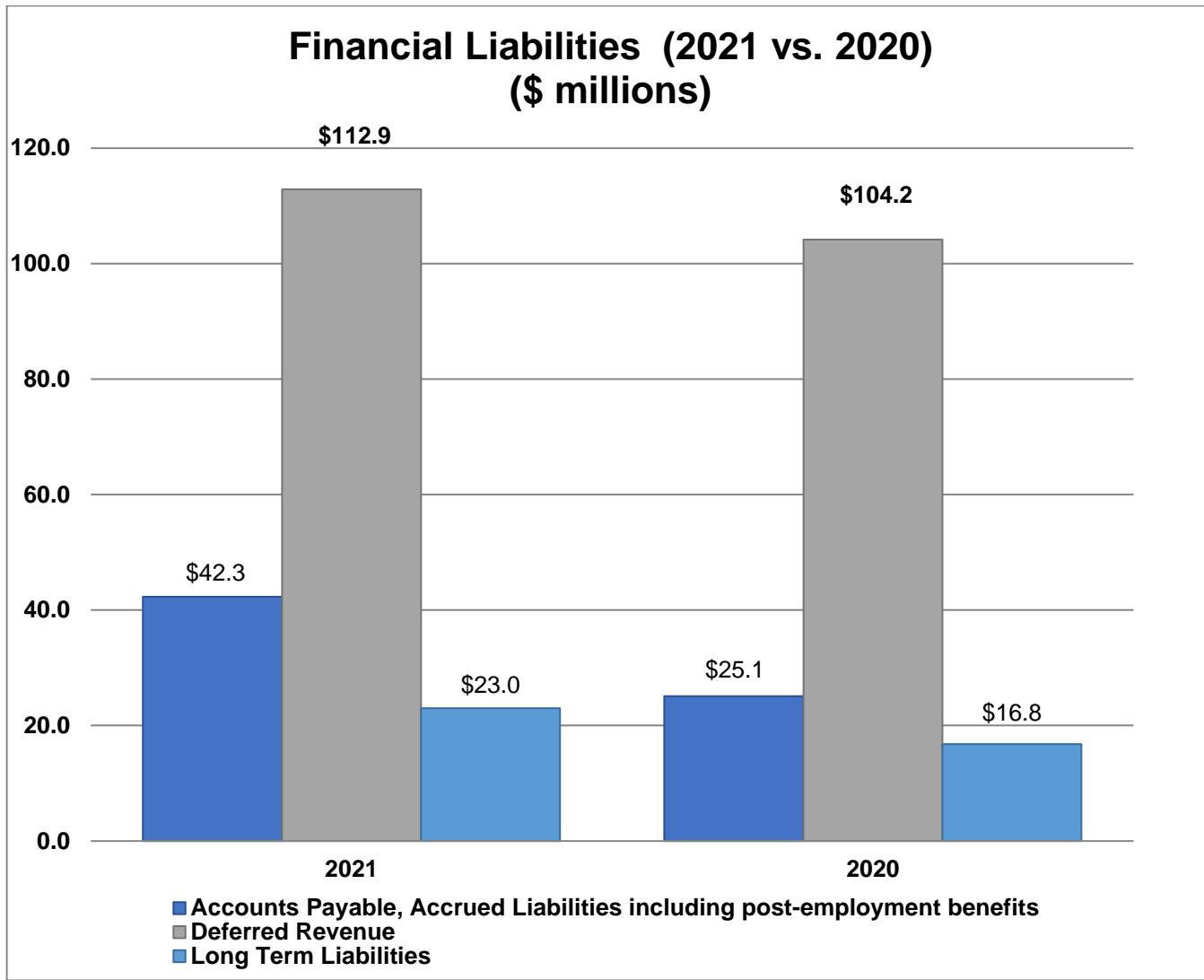
As at December 31 (\$ millions)	2021	2020	Change in 2021 Increase/ (Decrease)
Accounts Payable and Accrued Liabilities	\$42.1	\$24.9	\$17.2
Deferred Revenue	\$112.9	\$104.2	\$8.7
Post-employment benefits	\$0.2	\$0.2	\$0.0
Long-term Liabilities	\$23.0	\$16.8	\$6.2
	\$178.2	\$146.1	\$32.1

Overall, financial liabilities for the Town have increased by \$32.1 million primarily due to the following:

- An increase in accounts payable and accrued liabilities by \$17.2 million that is attributed to the timing of large capital projects and commitments at year-end.
- An increase in deferred revenue of \$8.7 million mainly related to additional funding received from the Canada Community Building Fund in 2021 that was deferred due to the timing of capital projects and an increase in development charges at year-end based on the timing of growth-related capital projects.
- Long Term Liabilities increased by \$6.2 million due to the issuance of debt related to the Enhanced Roads program and Roads Rehabilitation and Construction program in 2021. Note 10 of the Town's audited financial statements shows the individual debentures and terms.

The Net Long-Term liabilities balance of \$21.7 million, shown below, represents the Town's debentures net of sinking fund assets that are included under the long-term investments in Note 10 of the Town's 2021 financial statements. The Town repaid one of the Town's debentures in 2021 leading to an overall decrease in sinking fund assets since one of the two sinking funds in the town's name was applied against the debenture as part of the repayment. More details of the Town's outstanding debt, issued through the Region of Peel, is provided in the Municipal Debt section of this Management Discussion and Analysis.

As at December 31 (\$ millions)	2021	2020	Change in 2021 Increase/ (Decrease)
Long-term Liabilities	\$23.0	\$16.8	\$6.2
Sinking Fund Assets	(\$1.3)	(\$1.4)	\$0.1
Net Long-Term Liabilities	\$21.7	\$15.4	\$6.3



Non-Financial Assets

As at December 31 (\$ millions)	2021	2020	Change in 2021 Increase/ (Decrease)
Tangible Capital Assets - Net	\$486.7	\$439.7	\$47.0
Inventory	\$0.6	\$0.5	\$0.1
Prepaid expenses	\$0.8	\$1.0	(\$0.2)
	\$488.1	\$441.2	\$46.9

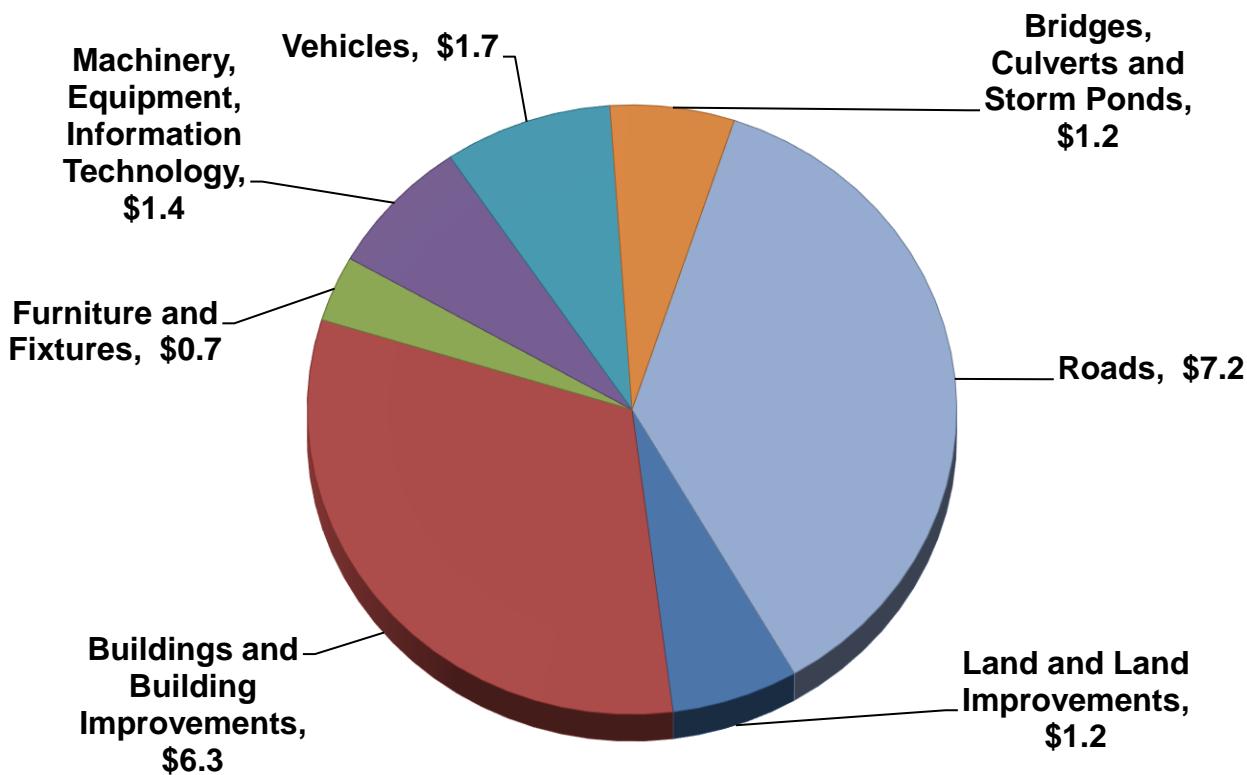
Total non-financial assets are predominately tangible capital assets but also include operating supplies counted as inventory and prepaid expenses. The Town had made significant investment in tangible capital assets of approximately \$77.3 million with a net increase of \$47.0 million in tangible capital assets in 2021 once amortization (\$19.7 million) and disposals are accounted for.

In 2021, the Town capitalized \$37.5 million in gross capital assets (net of changes in construction-in-progress), meaning these assets are substantially complete. Below are some of the major capital projects capitalized in 2021:

Major Projects Capitalized in 2021	\$ millions
Replacement of Two Tri-Axle Dump Trucks	\$1.1
2019 Growth-related Roads Program	\$5.3
2020 Roads Rehabilitation & Reconstruction Program	\$1.8
Large Fire Apparatus Replacement (6)	\$1.5
2021 Roads Rehabilitation Construction Program (Debt Funded)	\$3.7
2021 Bridge & Culvert Construction Program	\$1.0
Mayfield West 2 Spine Highway Interchange	\$2.7

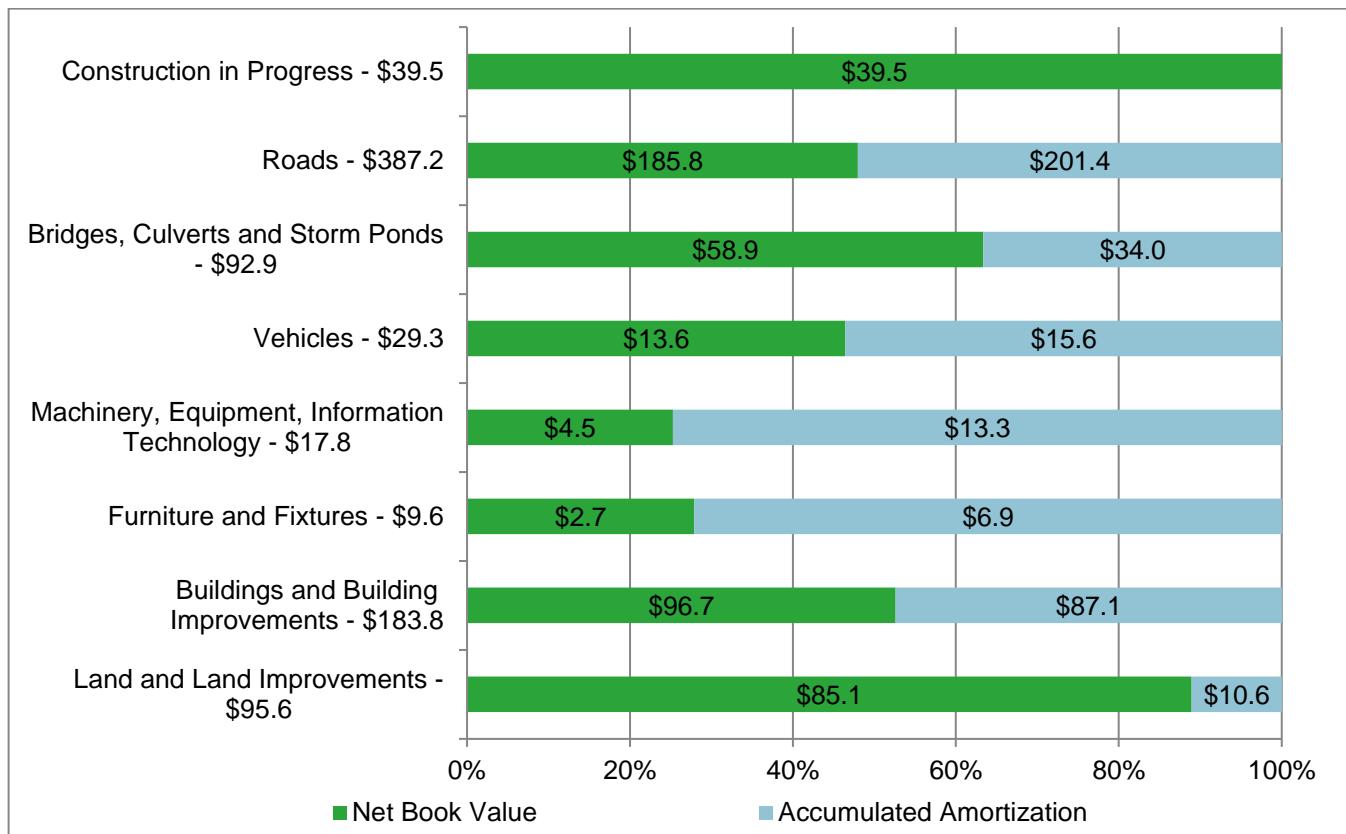
The amount amortized by asset provides an indication of how much should be set aside each year for repair or replacement of Town assets. The chart below shows the breakdown of amortization expense by asset.

2021 Amortization Expense by Asset Type – Total \$19.7 (\$ 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 amortized based on category.

2021 Tangible Capital Assets: Historical Cost \$855.7 and Net Book Value \$486.7 (In millions)



The Town's sustainable funding source for capital offsets the projected amortization expenses of approximately \$19.7 million 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 the Town's tax funded capital program in the past was \$20 million which was based upon annual amortization levels in 2009/2010.

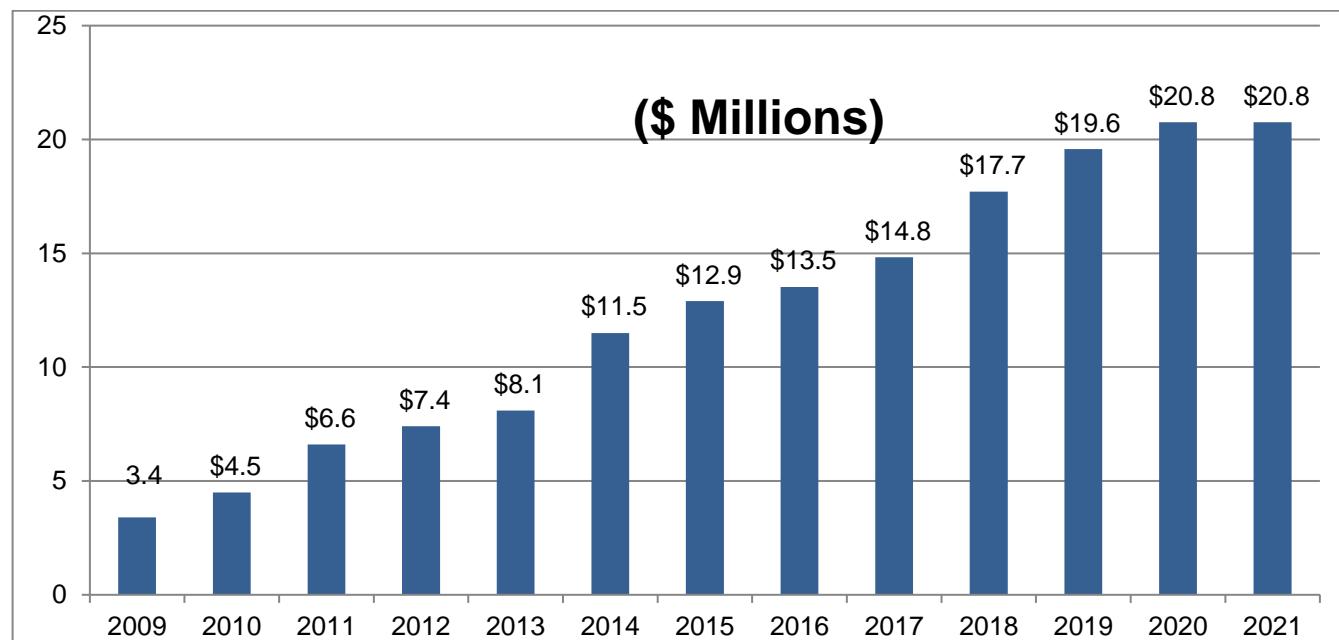
Through the Town's 2020 Asset Management Plan (AMP) a new target of \$37.7 million has been identified as the Average Annual Investment Required to maintain the Town's infrastructure based on replacement cost.

As noted above, the previous target was established using amortization as a proxy at the time. However, amortization is based on historical cost of assets and the future cost to replace an asset (such as a bridge) will cost more than what the Town paid for it more than 50 years ago. The recent AMP work looks at assets, asset conditions, asset life cycles and projects future costs of replacement. The preliminary target projection is \$37.7 million annually but this will be refined as the Town continues to complete the AMP per provincial regulations.

As the Town continues to work towards a comprehensive AMP, the Average Annual Investment Required will be refined, and the infrastructure gap will be quantified with the goal of creating a long-term strategy to fund the gap. This strategy will continue to look at best practices to maintain assets using a proactive approach to avoid the large costly repairs that can occur when assets need to be completely replaced vs maintained. The cost of the growth assets will also eventually be incorporated into the Asset Management plan along with levels of service.

The Town of Caledon has made significant progress towards developing a sustainable funding source for capital infrastructure. To illustrate the Town's commitment to funding the Town's infrastructure gap, the following chart outlines the Town's base tax levy contributions to capital over the past thirteen years (2009 to 2021) and includes the 2021 tax levy funded capital approved in the 2021 budget.

Tax Funded Capital Program



As at December 31 (\$ millions)	2021	2020	Change in 2021 Increase/ (Decrease)
Financial Assets	\$244.4	\$201.8	\$42.6
Financial Liabilities	\$178.2	\$146.1	\$32.1
Net Financial Assets	\$66.2	\$55.7	\$10.5
Non-Financial Assets	\$488.1	\$441.2	\$46.9
Total Net Assets	\$554.3	\$496.9	\$57.4
Accumulated Surplus - End of Year	\$554.3	\$496.9	\$57.4

The 2021 accumulated surplus change is equal to the 2021 annual surplus from operations reported in the consolidated statement of operations and outlined in detail on the next section of this Management Discussion and Analysis. In 2021, the Town's financial position, the Town's accumulated surplus at the end of December 31, 2021, increased by \$57.4 million (from \$496.9 million in 2020 to \$554.3 million in 2021). Other balances included in the accumulated surplus are disclosed in Note 12 of the financial statements.

2021 OPERATIONS AND FULL ACCRUAL ACCOUNTING SURPLUS

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 2021 with a surplus of \$7.8 million due primarily to the following reasons:

- Salary gapping attributable to the pandemic with recreation and library facilities being closed to the public, along with delays in filling vacancies due to a shortage of suitable workforce employers experienced in 2021;
- \$3.1 million of Safe Restart funding provided by the Federal and Provincial government in 2021 to address COVID-19 budget pressures;
- Various contract savings such as training and development as a result of the pandemic;
- Utility savings due to staff working remotely and town facilities being closed due to the pandemic;
- There has been an increase in revenue that is attributed to additional tax revenues from an increase in supplementary assessment received from Municipal Property Assessment Corporation (MPAC), payment in lieu of property taxes and an increase in the general tax levy. Supplementary tax revenue is incremental revenue 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 on assessment appeals related to developable land and saw an increase in successful assessment appeals as a result.

Overall the Town has a 2021 year-end full accrual surplus of \$57.4 million which was higher than the 2020 year end surplus of \$44.8 million primarily due to the increase in development charge revenue recognized due to the nature of the growth related infrastructure projects that occurred in 2021 when compared to work done in 2020. In 2020, there was more gas tax grant revenue recognized of \$8.9 million due to more expenditures being incurred on road and bridge infrastructure compared to 2021.

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 present 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, like 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 Statement of 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 items below are included in the December 31, 2021 financial statements:

- Amortization of tangible capital assets
- Accumulated Surplus/(Deficit) from Operations
- Net Book Value loss on disposal of Tangible Capital Assets
- Revenue – Grants (including Canada Community Building Fund)/Development Charges/Recoveries from other municipalities/Other - for Capital
- Revenue – Contributed Assets (assets assumed by the Town)
- Expenditures – Removal of debt principal on debt such as Enhanced Roads Program debt
- Transfer from/to Reserves are not considered Revenue or Expenses and are removed from the Town's Surplus

The following is the adjustment from the Town's fund accounting surplus of \$7.8 million to the actual full accrual surplus of \$57.4 million:

	\$ Millions
2021 Fund Accounting Operating Budget Surplus	\$7.8
2021 Tangible Capital Asset Amortization	(\$19.7)
2021 Budget Tax Levy Funded Capital Program	\$20.8
2021 Capital Budget Items not considered TCA	(\$6.0)
2021 Budget Transfer from Reserves considered	
Deferred Revenue & Other external Funding (e.g. grants)	\$46.9
	<u><u>\$43.5</u></u>
Revised surplus after accounting for TCA	\$49.8
Other Full Accrual Adjustments	
Net 2021 Budget Transfers to Reserves not considered as Expenses	\$5.8
Long Term debt Principal Payment (External)	\$1.8
	<u><u>\$7.6</u></u>
Estimated Impact on the ending 2021 Accumulated Surplus	<u><u>\$57.4</u></u>

As shown in the table above, deferred revenue and other full accrual adjustments for revenue are the main drivers of the fund accounting surplus of \$7.8 million becoming a full accrual surplus of \$57.4 million.

MUNICIPAL DEBT

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 2021 Annual Repayment Limit statement from the Province states that the Town is utilizing 4.4% 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 completion of the Bolton Arterial Route (BAR) – Phase 3 on Coleraine Drive
2. Caledon East Concrete Road
3. The completion of the 2014-2019 Enhanced Road Programs.

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, \$5.4 million debenture issued is known as a "sinker", where interest payments are made semi-annually, and the full amount of the \$5.4 million principal is due at the end of 30 years. In addition to annual internal payments the Town contributes annually to a sinking fund that 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 2041.

Caledon East Concrete Road (2010)

In 2010, Council approved funding the Caledon East Concrete Road Project from Debt. Town staff allocated surplus funds from the BAR debenture in lieu of a separate Caledon East Concrete Road debenture. Annual Debt repayments are \$0.3 million per year.

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, \$0.6 million debenture issued in 2011 is also a "sinker", described above where interest payments are made semi-annually and the full

amount of the \$0.6 million principal is due at the end of 10 years. This debenture was fully repaid in 2021.

Enhanced Roads Program (2016)

In 2014, Council approved a capital project for the reconstruction and rehabilitation of roads in Caledon funded by external debt to be issued, through the Region of Peel for \$3.1 million. The ten-year debenture issued in 2016 requires annual principal payments of \$0.3 million with interest costs ranging from 1.15% to 2.5%. These costs have been included in the Town's operating budget.

Enhanced Roads Programs (2018)

In 2015 and 2016, Council approved capital projects for the reconstruction and rehabilitation of roads in Caledon funded by external debt, through the Region of Peel for \$7.0 million. The ten-year debenture was issued in 2018 and requires annual debt repayments ranging from \$0.6 million to \$0.8 million with interest costs ranging from 1.8% to 3.05%. These debt payments have been included in the calculation of the Town's updated annual repayment limit.

Enhanced Roads Program (2019)

In 2018, Council approved capital projects for the reconstruction and rehabilitation of roads in Caledon funded by external debt, through the Region of Peel of \$3.61 million. The ten-year debenture was issued in 2019 and requires annual debt repayments of \$0.4 million with interest costs ranging from 1.9% to 2.25%. These debt payments have been included in the calculation of the Town's updated annual repayment limit.

Enhanced Roads Programs (2020)

In 2019, Council approved capital projects for the reconstruction and rehabilitation of roads in Caledon funded by external debt, through the Region of Peel of \$4.1 million. The ten-year debenture was planned to be issued in 2020 but due to a lack of opportunity to debenture as a result of the pandemic, this was delayed to February 2021. The ten-year debenture was issued in 2021 and requires annual debt repayments of \$0.4 million with interest costs ranging from 0.25% to 1.5%. These debt payments have been included in the calculation of the Town's updated annual repayment limit.

Roads Programs (2021)

In 2021, Council approved capital projects for the reconstruction and rehabilitation of roads in Caledon funded by external debt, through the Region of Peel of \$4.0 million. The ten-year debenture was issued in 2021 and requires annual debt repayments of \$0.4 million with interest costs ranging from 0.8% to 2.3%. These debt payments have been included in the calculation of the Town's updated annual repayment limit.

Non-Material Leases

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

Annual Repayment Limit (ARL)

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

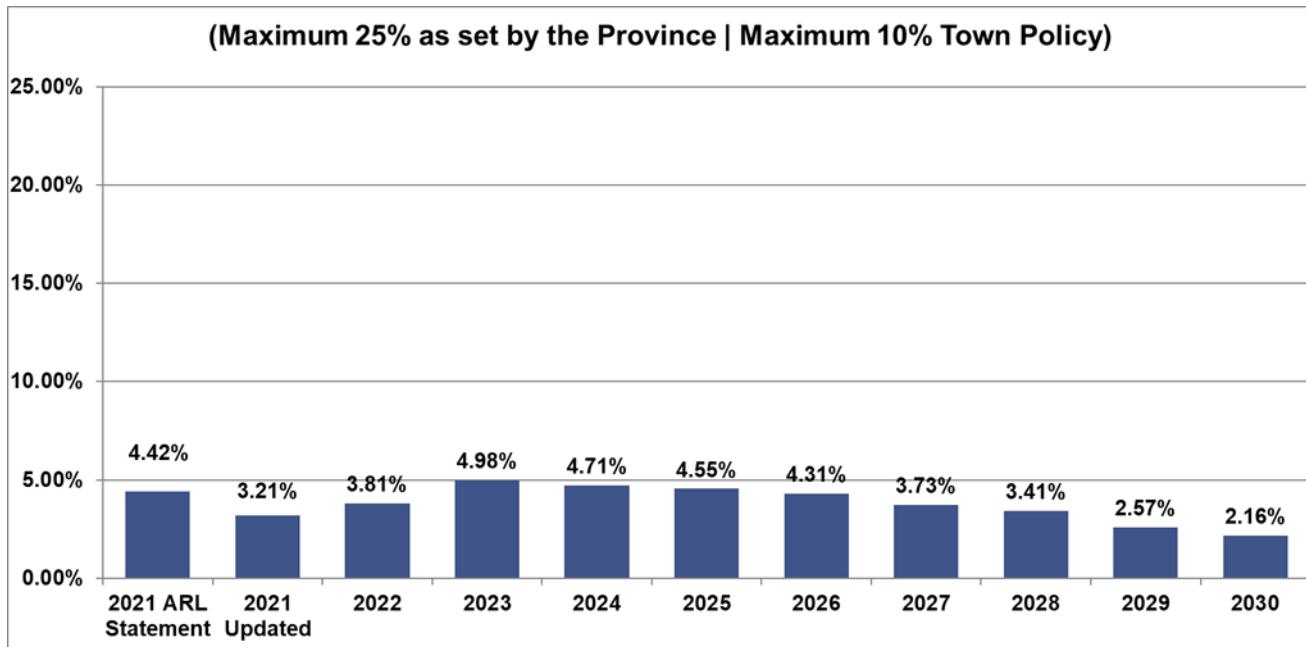
municipality in 2021 is based on its analysis of data contained in the 2019 Financial Information Return (FIR). The Town of Caledon's 2021 ARL statement report indicates that the Town has net debt charges of \$4.1 million or approximately 4.4% of the Town's net revenues. This leaves a balance of 20.6% (25% - 4.4%) or approximately \$19 million 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:

- Photocopier and OPP Property lease costs;
- Removal of the Caledon Hydro Debenture due to maturity in 2019;
- Removal of Fire Aerial debenture due to maturity in 2021;
- 2021 Roads Project of \$4.1 million to be debentured in 2022;
- Future debentures assumed: 2020 Streetlight LED Retrofit program of \$3.4 million beginning in 2022;
- Future debenture assumed: Caledon East Community Complex Phase 4 Expansion of \$5.4 million to fund the tax portion of the project beginning in 2023;
- Future debenture assumed: 2022 Roads Rehabilitation, Castlederg Sideroad, Bridge and Culvert Construction, Storm Sewer lining of \$6.8 million in 2022;
- Assessment growth revenue projections based on the same assumptions used in the 2022 budget
- As outlined in Staff Report 2021-0026 the Southwestern Ontario Integrated Fibre Technology (SWIFT) loan guarantee of \$955,000 is required to be included in the ARL update. This commitment will continue to be reflected in the Annual Repayment Limit until the Town is removed from the loan guarantee;

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 limit (25%) and the Town's internal debt repayment limits (10%).

The chart below shows the projected ARL adjusted for the current debt rates from the Region of Peel and assumptions above:



As shown in the chart above, the Town's updated 2021 ARL reflects the maturity of the Town's Caledon Hydro debenture and Fire Aerial. There is a gradual increase in debt servicing costs from 2021 to 2025 due to projected debt related to the Town's existing infrastructure and a planned 20 year debenture for the expansion of the Caledon East Community Centre as outlined above. In 2026 onwards we show a projected decrease in debt as previously issued 10 year debt issuances are repaid. As shown in the chart above, the Town is projected to be below both the Town's debt policy of debt payments not exceeding 10% of net revenues and the Provincial ARL of 25% of net revenues.

CONCLUSION

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

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

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



Heather Haire, CPA, CA

Treasurer

Finance

July 11, 2022



TOWN OF CALEDON

Financial Information

2021





Management Report

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 material 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.

Carey Herd
Chief Administrative Officer
July 11, 2022

Myuran Palasandiran, CPA, CA
Director, Finance/Chief Financial Officer
July 11, 2022

Heather Haire, CPA, CA
Treasurer
July 11, 2022

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of The Corporation of the Town of Caledon (the 'Town'), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2021, and the results of its operations, its changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information – Annual Report

Management is responsible for other information. The other information comprises the information other than the financial statements and our auditors' report thereon, in the Annual Financial Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Financial Report prior to the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditors' report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



July 11, 2022
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

THE CORPORATION OF THE TOWN OF CALEDON

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31	2021	2020
		(Restated - Note 2)
Financial Assets		
Cash and cash equivalents (Note 3)	165,424,655	89,551,288
Short-term investments (Note 4)	12,271,397	37,003,329
Taxes receivable (Note 5)	13,888,258	13,156,159
Trade and other receivable (Note 6)	8,664,418	6,172,982
<u>Long-term investments (Note 7)</u>	<u>44,183,018</u>	<u>55,944,223</u>
	244,431,746	201,827,981
Financial Liabilities		
Accounts payable and accrued liabilities	42,079,606	24,908,130
Deferred revenue (Note 8)	112,944,728	104,163,682
Post-employment benefits (Note 9)	221,126	198,397
<u>Long-term liabilities (Note 10)</u>	<u>23,000,277</u>	<u>16,866,365</u>
	178,245,737	146,136,574
Net Financial Assets	66,186,009	55,691,407
Non-Financial Assets		
Tangible capital assets - net (Note 11)	486,692,185	439,755,868
Inventories of supplies	630,459	514,813
Prepaid expenses	818,650	963,425
	488,141,294	441,234,106
Total Net Assets	554,327,303	496,925,513
Accumulated Surplus - End of Year (Note 12)	554,327,303	496,925,513

See accompanying notes

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

For the year ended December 31	2021 Budget (Note 19)	2021 Actual	2020 Actual
(Restated - Note 2)			
Revenue			
Taxation (Note 15)	77,178,376	79,928,027	74,558,462
Fees and user charges (Note 16)	13,848,975	9,640,969	8,946,382
Canada grants	7,226,958	4,615,619	9,046,484
Ontario grants	4,345,823	6,047,026	3,801,071
Licenses, permits and rents	6,625,575	4,735,299	3,736,453
Fines, penalties and interest on taxes	6,331,562	5,412,415	2,886,899
Other income (Note 17)	6,587,386	15,242,559	13,398,683
Development charges and other fees	47,619,864	29,204,172	17,915,060
	169,764,519	154,826,086	134,289,494
Expenses			
General government	12,971,607	12,736,895	11,637,392
Protection services	23,914,811	23,112,376	20,967,371
Transportation services	31,331,561	30,102,464	28,625,760
Environmental services	1,112,134	1,155,480	1,109,636
Social and family services	59,776	48,840	55,970
Recreation and cultural services	28,957,084	23,881,000	20,899,348
Planning and development	6,155,607	5,809,160	5,654,670
Interest on corporate debt (Note 10 a)	2,015,920	578,081	589,605
	106,518,500	97,424,296	89,539,752
Annual Surplus from Operations	63,246,019	57,401,790	44,749,742
Accumulated Surplus - Beginning of Year	496,925,513	496,925,513	452,175,771
Accumulated Surplus - End of Year (Note 12)	560,171,532	554,327,303	496,925,513

See accompanying notes

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

For the year ended December 31	2021 Budget (Note 19)	2021 Actual	2020 Actual
Annual Surplus from Operations	63,246,019	57,401,790	(Restated-Note 2) 44,749,742
Amortization of tangible capital assets	21,500,000	19,718,219	18,517,114
Acquisition of tangible capital assets (net of changes in construction in progress)	(18,751,144)	(57,922,808)	(46,601,362)
(Gain)/Loss on disposal of tangible capital assets	-	19,940	(183,353)
Contributed tangible capital assets	-	(9,037,399)	(5,788,263)
Proceeds on disposal of tangible capital assets	-	285,731	457,104
Other	-	29,129	(176,103)
Increase/(Decrease) in Net Financial Assets	65,994,875	10,494,602	10,974,879
Net Financial Assets - Beginning of Year	55,691,407	55,691,407	44,716,528
Net Financial Assets - End of Year	121,686,282	66,186,009	55,691,407

See accompanying notes

THE CORPORATION OF THE TOWN OF CALEDON

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31	2021	2020
Cash Provided By (Used In)		
Operating Activities		
Annual Surplus from operations	57,401,790	44,749,742
Items not involving cash		
Amortization of tangible capital assets	19,718,219	18,517,114
Contributed tangible capital assets	(9,037,399)	(5,788,263)
Loss/(Gain) on disposal of tangible capital assets	19,940	(183,353)
	<u>68,102,550</u>	<u>57,295,240</u>
Changes in non-cash working capital items (Note 14)	22,780,845	(3,797,289)
Capital Activities		
Acquisition of tangible capital assets (Net of changes in Construction in Progress)	(57,922,808)	(46,601,362)
Proceeds on disposal of tangible capital assets	285,731	457,104
	<u>(57,637,077)</u>	<u>(46,144,258)</u>
Investing Activities		
Net (purchase)/redemption of investments	36,493,137	(2,374,805)
Financing Activities		
Proceeds of debenture	8,100,000	-
Repayment of long-term liabilities	(1,966,088)	(1,312,000)
	<u>6,133,912</u>	<u>(1,312,000)</u>
Net Change in Cash and Cash Equivalents	75,873,367	3,666,888
Cash and Cash Equivalents - Beginning of Year	89,551,288	85,884,400
Cash and Cash Equivalents - End of Year	165,424,655	89,551,288

See accompanying notes

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

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, 2001 and related legislation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the Town of Caledon (the “Town”) are prepared by management in accordance with Canadian 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 Viamonde
Conseil Scolaire Catholique mon Avenir

(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, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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	10-50 years	Information technology	2-7 years
Buildings	40-75 years	Fibre Optic Cabling System	25 years
Building improvements	10-40 years	Roads	7-50 years
Vehicles	5-20 years	Machinery and equipment	2-25 years
Furniture and fixtures	5-10 years	Bridges, culverts, storm sewers and storm ponds	20-75 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.

Tangible Capital Assets Disclosed at Nominal Values

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land, historical artifacts and artwork is the only category where nominal values were assigned.

(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, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 Town 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.

(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, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(xiii) 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.

(xiv) 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) Post-Employment Benefits

The municipality provides post-employment health, dental and life insurance benefits to eligible Caledon Firefighters. The cost of the benefits earned by employees are actuarially determined using the accrued benefit method.

(xvi) 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.

(xvii) 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, 2021

2. PRIOR PERIOD ADJUSTMENT

A correction was made to assets related to a development that was assumed in 2014 by the Town, along with additional culverts that have been identified as part of a review of Town structures that had not been capitalized previously. These capital assets have been recognized at their cost at their in-service dates requiring a restatement of the 2020 year-end financial information. The net book value of these adjustments is \$1,667,864. The impact of the above noted prior period adjustment is as follows:

	2020
Statement of Financial Position	
Increase to Tangible Capital Assets	1,667,864
Change in Non-Financial Assets	1,667,864
Accumulated Surplus - Beginning of year, as previously reported	450,464,122
Increase to Tangible Capital Assets	1,711,649
Accumulated Surplus - Beginning of year, as restated	452,175,771
Statement of Operations	
Increase to amortization expense	43,785
Net decrease in Annual Surplus	43,785

3. CASH AND CASH EQUIVALENTS

	2021	2020
Unrestricted	165,424,655	89,551,288

Included in unrestricted cash and cash equivalents are funds held in high interest savings accounts in the amount of \$143,912,467 (2020 - \$51,288,400).

4. SHORT-TERM INVESTMENTS

	2021	2020
Short-term interest bearing investments	12,271,397	37,003,329

Short-term investments have interest rates ranging from 2.00% to 2.98% and a market value of \$12,271,397 (2020 - \$37,139,698) at the end of the year.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

5. TAXES RECEIVABLE

	2021	2020
Taxes receivable	14,518,394	13,934,580
Allowance for doubtful accounts	(630,136)	(778,421)
	13,888,258	13,156,159

6. TRADE AND OTHER RECEIVABLES

	2021	2020
Accounts receivable	8,707,322	6,242,787
Allowance for doubtful accounts	(42,904)	(69,805)
	8,664,418	6,172,982

7. LONG-TERM INVESTMENTS

	2021	2020
Long-term Provincial Government bond	2,196,785	2,153,438
Long-term interest bearing investments	40,503,158	52,246,665
Restricted - sinking fund	1,483,075	1,544,120
	44,183,018	55,944,223

The long-term investments have interest rates ranging from 1.17% to 3.25% and maturity dates from June 2023 to May 2029. The market value of the long-term investments is \$42,390,165 (2020 - \$54,978,710). There are long-term investments where the total cost exceeds market value by \$474,450 (2020-\$31,300) however these investments are intended to be held to maturity and have a fixed maturity amount, therefore the decline in market value is considered temporary.

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 \$150,916 (2020 - \$113,869) 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, 2021

8. DEFERRED REVENUE

	Balance at December 31 2020	Contributions Received	Investment Income	Revenue Recognized	Credits Provided	Balance at December 31 2021
Obligatory Reserve Funds						
Heritage grant	2,845	-	7	-	-	2,852
Development charges	80,835,077	29,449,953	174,064	(29,204,172)	4,256,964	85,511,886
Recreational land	10,831,806	903,902	27,496	(161,165)	-	11,602,039
Provincial gas tax	285,318	379,401	1,188	-	-	665,907
Deferred grants	35,999	-	90	-	-	36,089
Building stabilization	5,148,965	840,955	12,654	(177,930)	-	5,824,644
Canada-Community Building fund	3,906,033	7,570,123	13,926	(4,255,518)	-	7,234,564
	101,046,043	39,144,334	229,425	(33,798,785)	4,256,964	110,877,981
User Charges and Fees						
Deferred memberships	9,709	1,277,397	-	(1,112,354)	-	174,752
Deferred revenue	2,831,190	603,072	2,443	(1,661,020)	-	1,775,685
Aggregate Levy	276,740	389,950	-	(550,380)	-	116,310
	3,117,639	2,270,419	2,443	(3,323,754)	-	2,066,747
	104,163,682	41,414,753	231,868	(37,122,539)	4,256,964	112,944,728

9. POST-EMPLOYMENT BENEFITS

The Town entered into an agreement with the Caledon Professional Firefighters Association in 2015 to provide post retirement employment benefits including health, dental and life insurance effective December 31, 2018 to age 65. Using the information contained in an independent actuarial valuation dated November 17th, 2020, management has estimated the post retirement benefits liability for 2021 at \$221,126 (2020 - \$198,397) as follows:

	2021	2020
	Medical, Dental, Life Insurance	Medical, Dental, Life Insurance
Liability as at January 1	198,397	140,755
Current period service cost	17,345	12,577
Retirement interest expense	5,384	5,514
Accrued Benefit Obligation as at December 31	221,126	158,846
(Gains) Losses	-	39,551
Liability as at December 31	221,126	198,397

The Town established a Firefighter Post-Retirement Benefits Reserve in the amount of \$198,822 (2020 - \$141,584) to partially fund this liability.

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

10. LONG-TERM LIABILITIES

- (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:

	2021	2020
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
Long-term debt, issued in 2016 in the amount of \$3,100,000, has annual principal payments of \$310,000 with interest rates ranging from 1.15% to 2.5% and a maturity date of June 1, 2026. At the end of the year the outstanding principal amount of the liability is:	1,550,000	1,860,000
Long-term debt, issued in 2018 in the amount of \$7,000,000, has annual principal payments ranging from \$624,000 to \$789,000 with interest rates ranging from 1.80% to 3.05% and a maturity date of March 27, 2028. At the end of the year the outstanding principal amount of the liability is:	5,081,000	5,735,000
Long-term debt, issued in 2019 in the amount of \$3,610,000, has annual principal payments of \$361,000 with interest rates ranging from 1.90% to 2.25% and a maturity date of October 15, 2029. At the end of the year the outstanding principal amount of the liability is:	2,888,000	3,249,000
Long-term debt, issued in 2021 in the amount of \$8,100,000, has annual principal payments of \$810,000 with interest rates ranging from 0.25% to 2.3% and a maturity date of 2031. At the end of the year the outstanding principal amount of the liability is:	8,100,000	-
Long-term liabilities	23,000,277	16,866,365
Less: sinking fund assets	1,332,158	1,430,251
Net long-term liabilities	21,668,119	15,436,114

THE CORPORATION OF THE TOWN OF CALEDON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

10. LONG-TERM LIABILITIES (CONTINUED)

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

	Principal	Interest	Total
2022	2,245,949	604,766	2,850,715
2023	2,262,949	569,986	2,832,935
2024	2,280,949	531,078	2,812,027
2025	2,299,949	488,870	2,788,819
2026	2,320,949	443,406	2,764,355
2026 - 2030	7,167,745	1,665,715	8,833,460
Thereafter	863,541	2,478,239	3,341,780
Interest to be earned on sinking funds	3,558,246	-	3,558,246
	23,000,277	6,782,060	29,782,337

- (a) Interest expense in the amount of \$578,081 (2020 - \$589,605) 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 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 \$1,332,158 (2020 - \$1,172,944).
- (c) For the 2011 debt issuance the principal was fully funded by maturity in 2021 of \$641,088 with the combined sinking fund contributions, a lump sum 2021 repayment and investment income. The balance in the restricted sinking fund is \$- (2020 - \$257,307).
- (d) The Town has a Demand Operating Credit of \$24,000,000 that can be used for temporary borrowing of money to meet current expenditures of the Town in accordance with the approved Temporary Borrowing By-law. The year-end balance of the Demand Operating Credit is Nil.

THE CORPORATION OF THE TOWN OF CALEDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

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 2021	Total 2020 Restated (Note 2)
Cost										
Balance, beginning of year	92,562,961	182,143,701	9,368,182	16,247,740	26,976,692	86,893,434	369,345,722	10,165,231	793,703,663	746,837,625
Additions during the year	3,084,607	1,851,168	553,351	1,642,537	4,361,607	6,051,730	20,002,749	39,774,171	77,321,920	75,803,824
Disposals/transfers during the year	-	(241,625)	(370,561)	(77,632)	(2,024,193)	(74,024)	(2,127,357)	(10,390,395)	(15,305,787)	(28,937,786)
Balance, end of year	95,647,568	183,753,244	9,550,972	17,812,645	29,314,106	92,871,140	387,221,114	39,549,007	855,719,796	793,703,663
Accumulated Amortization										
Balance, beginning of year	9,335,273	80,984,806	6,570,165	11,952,928	15,919,433	32,865,363	196,319,827	-	353,947,795	340,680,517
Amortization during the year	1,243,745	6,268,471	688,415	1,436,536	1,650,887	1,219,635	7,210,530	-	19,718,219	18,517,114
Accumulated amortization on disposal	-	(181,142)	(370,561)	(74,698)	(1,826,765)	(74,024)	(2,111,213)	-	(4,638,403)	(5,249,836)
Balance, end of year	10,579,018	87,072,135	6,888,019	13,314,766	15,743,555	34,010,974	201,419,144	-	369,027,611	353,947,795
Net Book Value of Tangible Capital Assets	85,068,550	96,681,109	2,662,953	4,497,879	13,570,551	58,860,166	185,801,970	39,549,007	486,692,185	439,755,868

THE CORPORATION OF THE TOWN OF CALEDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

11. TANGIBLE CAPITAL ASSETS (Continued)

a) Assets under construction:

Assets under construction having a value of \$39,549,007 (2020 - \$10,165,231) 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 \$9,037,399 (2020 - \$5,788,263). These assets consist of storm water management ponds, storm sewers, parklands, street lights, roads, sidewalks and curbs.

12. ACCUMULATED SURPLUS

Accumulated surplus is comprised of the following amounts:

	2021	2020
	(Restated - Note 2)	
General purposes (Includes Caledon Library Board)	19,832,589	9,854,430
Caledon Business Improvement Area (Operations)	18,843	11,851
Invested in Tangible Capital Assets	486,692,185	439,755,868
Reserves and Reserve Funds (Note 13)	47,783,686	47,303,364
	554,327,303	496,925,513

13. RESERVES AND RESERVE FUNDS

	2021	2020
Reserves set aside by Council:		
Contingencies	11,042,592	13,157,598
Current purposes	73,443	73,260
Capital purposes	6,187,450	8,372,899
	17,303,485	21,603,757
Reserve funds set aside by Council:		
Capital asset replacement fund	17,426,312	15,610,545
Current purposes	12,434,887	9,413,765
Capital purposes	558,192	540,609
Community Improvement Plan	60,810	134,688
	30,480,201	25,699,607
	47,783,686	47,303,364

THE CORPORATION OF THE TOWN OF CALEDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

14. CHANGE IN NON-CASH WORKING CAPITAL ITEMS

	2021	2020
(Increase) in taxes receivable	(732,099)	(3,249,295)
(Increase) Decrease in trade and other receivables	(2,491,436)	1,728,737
(Increase) Decrease in inventories	(115,646)	11,059
Decrease (Increase) in prepaid expenses	144,775	(187,162)
Increase (Decrease) in accounts payable	17,171,476	(2,925,193)
Increase in post-employment benefits	22,729	57,642
Increase in deferred revenue	8,781,046	766,923
	22,780,845	(3,797,289)

15. TAXATION

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

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

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

	2021	2020
Taxation revenue	191,217,986	179,374,265
Amount levied and remitted to Regional Municipality of Peel	(57,736,957)	(53,919,259)
Amount levied and remitted to School Boards	(53,553,001)	(50,896,544)
Net taxation	79,928,028	74,558,462

THE CORPORATION OF THE TOWN OF CALEDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

16. FEES AND USER CHARGES

	2021 Budget	2021 Actual	2020 Actual
Recreation	5,761,876	1,270,678	1,319,350
Planning and development	3,446,739	4,861,510	4,590,780
Public works	3,571,328	2,115,405	1,880,515
Administration and general governance	711,953	876,677	617,843
Fire services	339,079	515,043	533,385
Library services	18,000	1,656	4,509
	13,848,975	9,640,969	8,946,382

17. OTHER INCOME

	2021 Budget	2021 Actual	2020 Actual
Investment income	2,364,143	3,026,554	2,863,967
Donations, contributions and agreements	141,668	82,035	72,571
Recovery from other municipalities	1,920,391	1,804,114	2,513,997
Developer contributions	1,596,346	10,016,402	6,125,925
Other	564,838	313,454	1,822,223
	6,587,386	15,242,559	13,398,683

18. PENSION AGREEMENTS

The Ontario Municipal Employees Retirement System (OMERS) provides pension services to more than half a million 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, 2021. The results of the valuation disclosed total actuarial liabilities of \$120,796 million in respect of benefits accrued for service with actuarial assets at that date of \$117,665 million indicating an actuarial funding deficit of \$3,131 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. Matching contributions made by the Town to OMERS for 2021 were \$3,365,004 (2020 - \$3,407,321) on behalf of 496 contributing employees. The contribution rate for 2021 was 9% to 15.8% depending on normal retirement age and income level (2020 - 9% to 15.8%).

THE CORPORATION OF THE TOWN OF CALEDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

19. BUDGET AMOUNTS

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 2021 budget was approved by council on February 16, 2021 on the fund basis of accounting where revenues balance to expenses. Also on February 16, 2021, council received and approved a report on the full accrual accounting impact of the 2021 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.

20. TRUST FUNDS

The trust funds administered by the municipality amounting to \$11,121,649 (2020 - \$9,810,828) 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, 2021, the trust fund balances are as follows:

	2021	2020
Cemetery Perpetual Care	14,972	14,971
Developer Deposits	11,099,732	9,788,912
Heritage	6,945	6,945
	11,121,649	9,810,828

21. CONTRACTUAL COMMITMENTS

The Town of Caledon has entered into the following contracts:

- a) The lease of photocopiers at all Town locations at an approximate cost of \$44,979 per year. The lease will expire November 2022.
- b) The annual lease cost for the OPP portion of the Orangeville Courthouse is \$10,473 which expires May 2023.
- c) The Town agreed to execute a loan guarantee agreement on February 16, 2021 for the Town's portion of the Southwestern Ontario Integrated Fibre Technology project in the amount of \$955,000. The risk of having to fulfil this guarantee is considered very low since Southwestern Ontario Integrated Fibre Technology is being funded by the Province of Ontario.

The Town of Caledon has entered into contracts worth approximately \$29,436,371 as of December 31, 2021 for capital project spending in 2022 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, 2021

22. CONTINGENCIES

A number of claims relating to properties expropriated by the Town are pending. It is not possible, at this time, for the Town to predict with certainty the outcome of such litigation. Management is of the opinion, based upon information presently available, that it is unlikely that any asset or 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 or on behalf of 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 favourably or 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.

23. GOVERNMENT TRANSFERS

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:

	2021	2020
Grants with stipulation criteria	9,967,645	12,137,354
Other grants	695,000	710,200
	10,662,645	12,847,554

THE CORPORATION OF THE TOWN OF CALEDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

24. PROVINCIAL OFFENCES ADMINISTRATION

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

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

The revenues of the operations of the Caledon East POA administration facility and revenues collected on behalf of the Town at other POA court locations in the Province of Ontario consisting of fines and charges amount to \$2,421,330 for the year ended December 31, 2021 (2020 - \$1,997,695).

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, 2021, cost recovery fees of \$688,251 (2020 - \$454,446) were collected from serviced municipalities within the County of Dufferin.

25. COVID-19 PANDEMIC

During and subsequent to year end, the Town has been impacted by the effects of the world-wide coronavirus pandemic. The Town is closely monitoring its operations and is actively working to minimize the current and future impact of this unprecedented situation. Measures in place to combat the health threat of the virus have caused material disruption to Town services. The duration and impact of the outbreak is unknown at this time, as are the efficacy of the government and central bank interventions. Library, Recreation centres and other Town facilities have been closed to the public on and off throughout the pandemic. Council has approved COVID-19 Tax Relief application programs for 2021 and 2022 tax instalments to provide relief to taxpayers. At the time of financial statement preparation, it is not possible to reliably estimate the length and severity of the measures nor their impact on the future financial results of the Municipality.

26. COMPARATIVE AMOUNTS

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

THE CORPORATION OF THE TOWN OF CALEDON
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

27. SEGMENTED INFORMATION

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

Engineering, facilities and Operation Services

Engineering, facilities and Operation Services is responsible for the design, construction and maintenance of Town roads, storm sewers, facilities, storm water management, sidewalks, streetscapes, streetlights and engineering design standards.

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 six branches and one self-serve electronic locker location available to the public 24 hours a day to meet the informational and educational needs of residents and to promote lifelong learning, literacy and the love of reading.

Corporate Services

As the liaison between Council and staff, the CAO and Clerk ensure Council directives are carried out. Corporate Services includes Customer Service, Information Technology, Energy & Environment, Legal Services including Planning Law, Legislative Services, the Provincial Offences Court, enforcement of bylaws and the administration of animal services.

Planning and Building Services

Planning is responsible for long term policy planning through its Official Plan, the Town's zoning bylaw, development applications, and heritage resources as required under the *Planning Act*. Building Services is responsible for the process and review of permit applications and enforcement of the *Building Code Act* and the Ontario Building Code.

Other

Other includes:

- Finance 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.
- People Services provides human resource advice, counsel and solutions to meet the goals and challenges facing Town staff.
- Communications, Corporate initiatives and 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.

THE CORPORATION OF THE TOWN OF CALEDON
CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION
For the year ended December 31, 2021

	Engineering, Facilities and Operations Services	Fire and Emergency Services	Parks and Recreation	Library Services	Corporate Services	Planning and Building Services	Other	Total 2021
Revenue								
Taxation	33,044,830	10,514,031	11,699,268	3,136,630	12,777,998	4,778,044	3,977,226	79,928,027
Fees and user charges	2,115,405	515,043	1,270,678	1,656	464,420	5,273,767	-	9,640,969
Specific grants	9,374,097	-	286,118	79,356	124,242	80,993	717,839	10,662,645
Other revenue	11,725,031	112,522	(164,821)	2,025	4,088,583	4,216,611	5,410,322	25,390,273
Development charges and other fees	21,157,843	846,780	6,245,993	558,046	-	395,510	-	29,204,172
	77,417,206	11,988,376	19,337,236	3,777,713	17,455,243	14,744,925	10,105,387	154,826,086
Expenses								
Salaries and benefits	7,795,221	8,209,662	8,232,758	3,312,760	10,274,162	5,623,904	5,369,696	48,818,163
Interest on debt	555,643	22,438	-	-	-	-	-	578,081
Materials and supplies	9,114,924	1,668,194	2,820,878	317,833	3,069,527	829,354	398,875	18,219,585
Contracted services	1,897,298	807,913	771,171	214,488	4,054,104	877,626	317,588	8,940,188
Other transfers	27,475	-	-	-	236,039	239,794	43,774	547,082
Rents and financial expenses	354,975	-	209	49,801	197,992	-	-	602,977
Amortization on tangible capital assets	10,387,858	1,909,642	5,160,896	526,465	1,733,040	-	319	19,718,220
	30,133,394	12,617,849	16,985,912	4,421,347	19,564,864	7,570,678	6,130,252	97,424,296
Net Surplus (Deficit)	47,283,812	(629,473)	2,351,324	(643,634)	(2,109,621)	7,174,247	3,975,135	57,401,790

THE CORPORATION OF THE TOWN OF CALEDON
CONSOLIDATED SCHEDULE OF SEGMENTED INFORMATION
For the year ended December 31, 2020

	Engineering, Facilities and Operation Services	Fire and Emergency Services	Parks and Recreation	Library Services	Corporate Services	Planning and Building Services	Other	Total 2020
(Restated-Note 2)								
Revenue								
Taxation	31,461,664	8,936,355	11,420,012	2,968,330	11,858,820	4,796,264	3,117,017	74,558,462
Fees and user charges	1,880,514	533,385	1,319,350	4,509	263,249	4,945,375	-	8,946,382
Specific grants	11,879,956	-	3,658	69,611	119,630	-	774,700	12,847,555
Other revenue	8,257,699	113,958	1,936,217	8,190	2,789,803	3,027,826	3,888,342	20,022,035
Development charges and other fees	8,650,567	281,760	7,705,988	1,082,924	-	193,821	-	17,915,060
	62,130,400	9,865,458	22,385,225	4,133,564	15,031,502	12,963,286	7,780,059	134,289,494
Expenses								
Salaries and benefits	6,124,494	7,001,744	7,172,561	2,882,828	9,001,794	6,533,145	4,199,034	42,915,600
Interest on debt	567,167	22,438	-	-	-	-	-	589,605
Materials and supplies	9,560,887	1,889,624	2,652,388	349,567	2,804,134	836,169	381,304	18,474,073
Contracted services	2,627,964	657,649	535,659	97,135	3,471,867	266,923	473,420	8,130,617
Other transfers	30,035	-	-	-	92,109	4,106	50,445	176,695
Rents and financial expenses	343,858	-	-	49,342	342,849	-	-	736,049
Amortization on tangible capital assets	9,645,887	2,113,199	4,618,627	479,211	1,659,870	-	319	18,517,113
	28,900,292	11,684,654	14,979,235	3,858,083	17,372,623	7,640,343	5,104,522	89,539,752
Net Surplus (Deficit)	33,230,108	(1,819,196)	7,405,990	275,481	(2,341,121)	5,322,943	2,675,537	44,749,742



TOWN OF CALEDON

Statistics

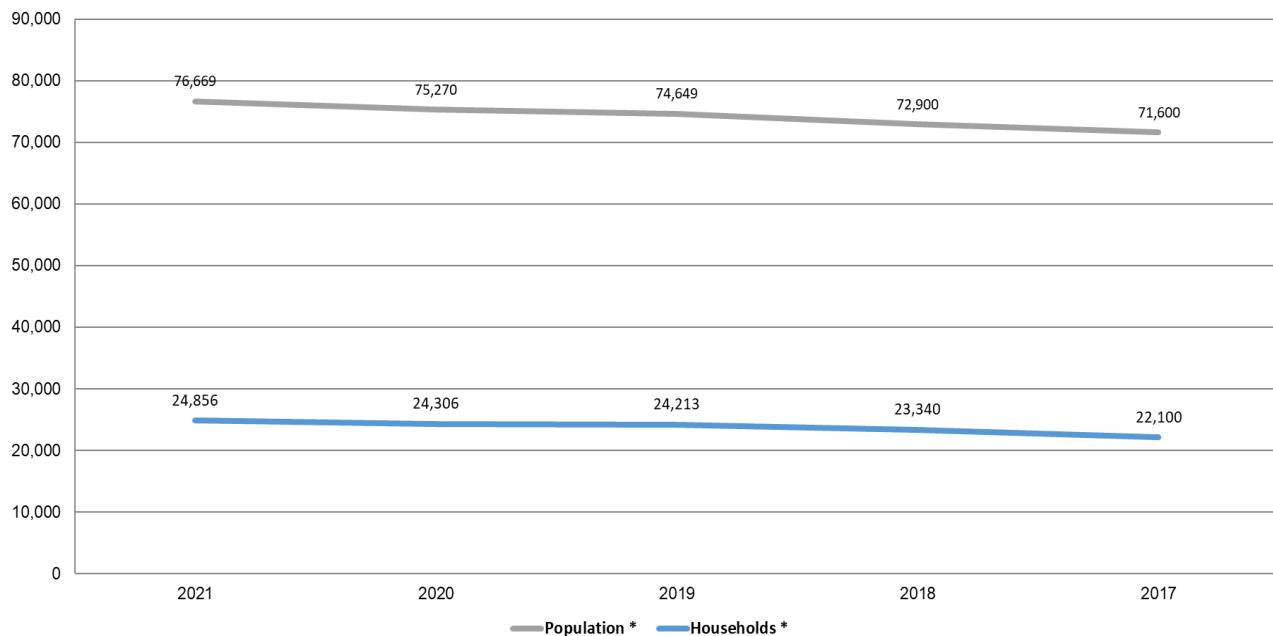
2021



FIVE YEAR REVIEW SUMMARY

Fiscal Year	2021	2020	2019	2018	2017
MUNICIPALITY STATISTICS					
Population *	76,669	75,270	74,649	72,900	71,600
Households *	24,856	24,306	24,213	23,340	22,100
Area in hectares *	68,717	68,717	68,717	68,717	68,717
Construction activity (value) awarded	\$ 29,436,371	\$ 21,180,085	\$ 16,297,799	\$ 11,470,448	\$ 37,983,996

* from Financial Information Report / Statistics Canada / MPAC/Peel Data Centre

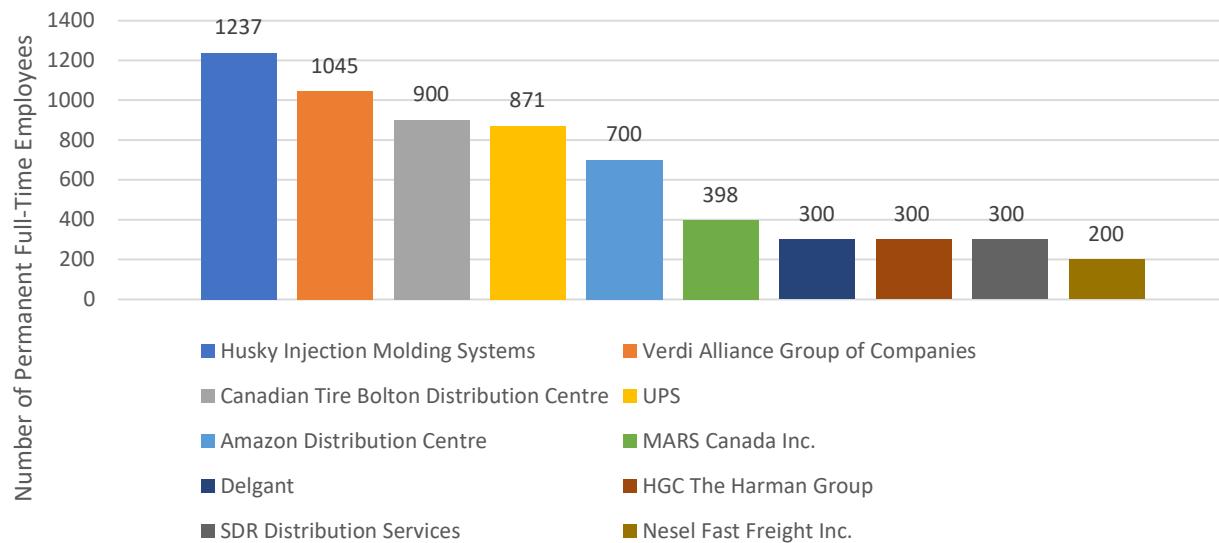


Staffing Statistics	2021	2020	2019	2018	2017
Approved Full Time Staff	455	415	398	386	366
per 1000 people	0.59%	0.55%	0.53%	0.53%	0.51%
Part Time/Casual Staff/Volunteer Firefighters	645	760	895	903	876

Taxable Assessment upon which the year's rates of taxation were set					
Residential, farm, multi-residential	17,109,035,753	16,873,095,683	15,728,674,650	14,656,785,251	13,623,164,008
Commercial, industrial and other	2,801,806,039	2,658,700,100	2,517,453,566	2,360,193,467	2,081,767,805
Total Taxable Assessment	19,910,841,792	19,531,795,783	18,246,128,216	17,016,978,718	15,704,931,813
<i>Total per capita</i>	259,699	259,490	244,426	233,429	219,343

TOP TEN CORPORATE TAXPAYERS
1. CANADIAN TIRE PROPERTIES INC
2. ONTARI HOLDINGS LTD
3. PROLOGIS CALEDON CANCO INC
4. AMB AIRPORT ROAD CANCO INC
5. GREYCAN 4 PROPERTIES GP INC; GREYPAN EQUITIES INC
6. BOLTCOL HOLDINGS NORTH INC; BOLTCOL HOLDINGS NORTH LP
7. 12333 AIRPORT RD HOLDINGS ULC
8. PIRET (86 PILLSWORTH) HOLDING INC
9. CALLOWAY REIT (BOLTON) INC
10. ACKLANDS-GRAINGER INC

Top 10 Employers



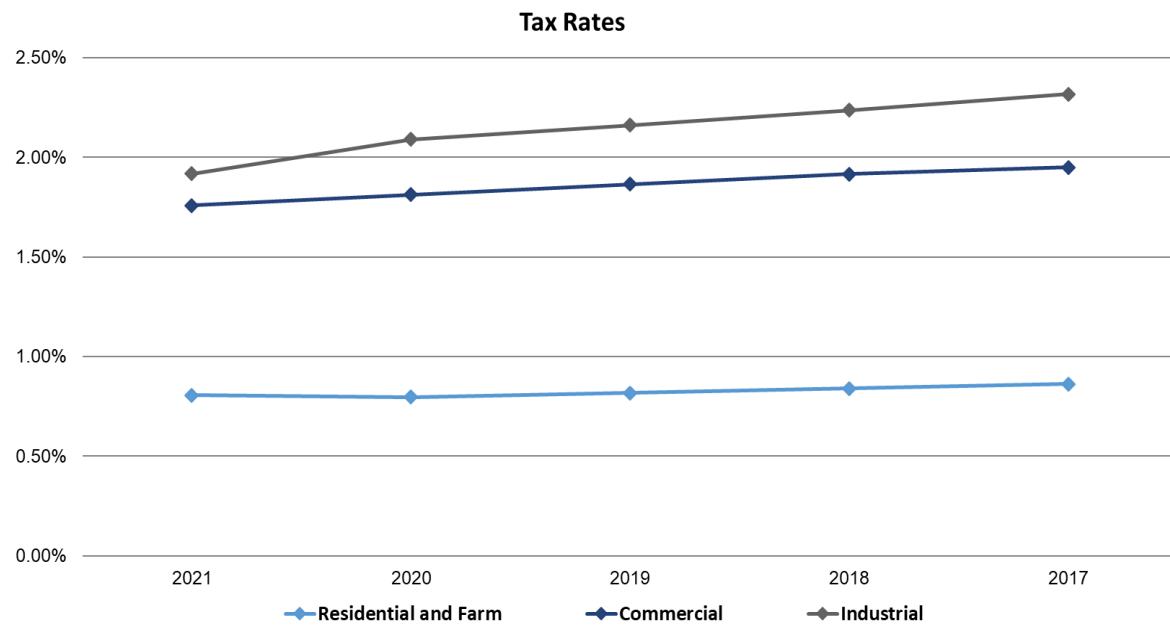
Fiscal Year	2021	2020	2019	2018	2017
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TAX RATE STATISTICS

Residential and Farm					
Town purposes (including Broadband Levy)	0.377034%	0.372394%	0.377318%	0.375524%	0.374269%
Region purposes	0.275190%	0.271283%	0.278689%	0.294530%	0.308613%
School purposes	0.153000%	0.153000%	0.161000%	0.170000%	0.179000%
Total - Residential and Farm	0.805224%	0.796677%	0.817007%	0.840054%	0.861882%

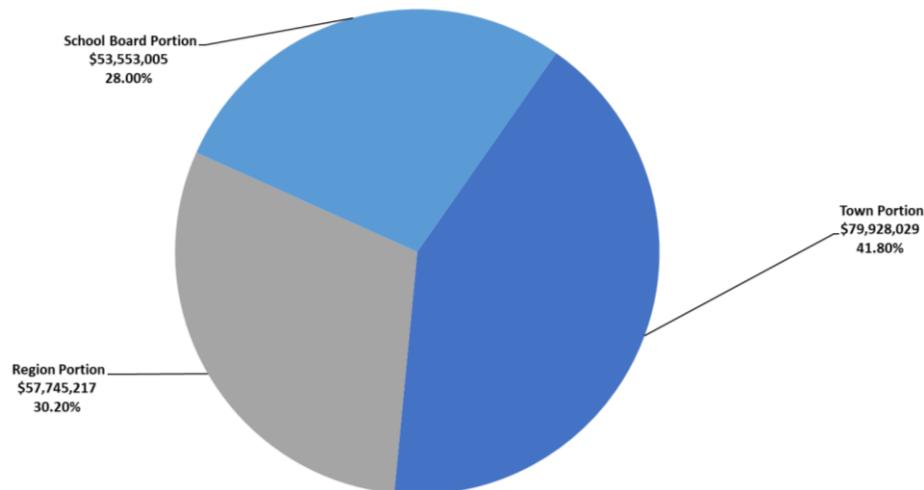
Commercial					
Town purposes (including Broadband Levy)	0.508066%	0.501814%	0.508449%	0.502635%	0.496761%
Region purposes	0.370828%	0.365563%	0.375543%	0.394225%	0.409617%
School purposes	0.880000%	0.944727%	0.981594%	1.018727%	1.042947%
Total - Commercial	1.758894%	1.812104%	1.865586%	1.915587%	1.949325%

Industrial					
Town purposes (including Broadband Levy)	0.599874%	0.592492%	0.600326%	0.597066%	0.594878%
Region purposes	0.437837%	0.431621%	0.443404%	0.468289%	0.490522%
School purposes	0.880000%	1.066032%	1.117296%	1.171562%	1.231495%
Total - Industrial	1.917711%	2.090145%	2.161026%	2.236917%	2.316895%



Fiscal Year	2021	2020	2019	2018	2017
TAX INFORMATION					
Taxes Levied					
Town portion	\$ 79,928,029	\$ 74,558,462	\$ 70,531,730	\$ 64,850,482	\$ 59,848,401
Region portion	57,745,217	53,919,259	51,890,018	50,503,343	49,124,685
School Board portion	53,553,005	50,896,544	49,741,810	48,220,550	45,768,040
Total	\$ 191,226,251	\$ 179,374,265	\$ 172,163,558	\$ 163,574,375	\$ 154,741,126

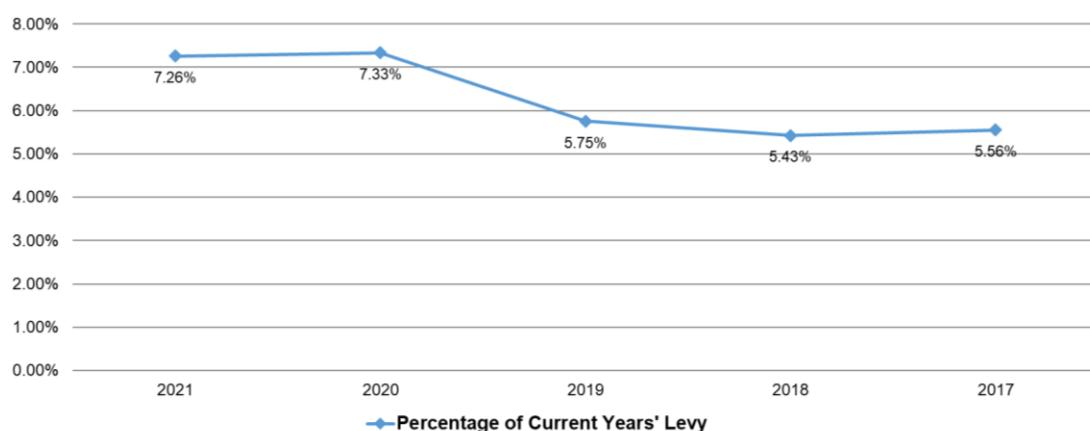
2021 Taxes Levied



Taxes Collected						
Town collection	\$ 75,673,079	\$ 72,992,963	\$ 68,790,136	\$ 63,749,639	\$ 58,261,510	
Taxes transferred to the Region	55,232,397	53,174,425	50,808,834	49,999,938	48,041,013	
Taxes transferred to the School Boards	49,431,393	50,253,239	49,014,162	47,650,733	44,914,534	
Total	\$ 180,336,869	\$ 176,420,627	\$ 168,613,132	\$ 161,400,310	\$ 151,217,057	

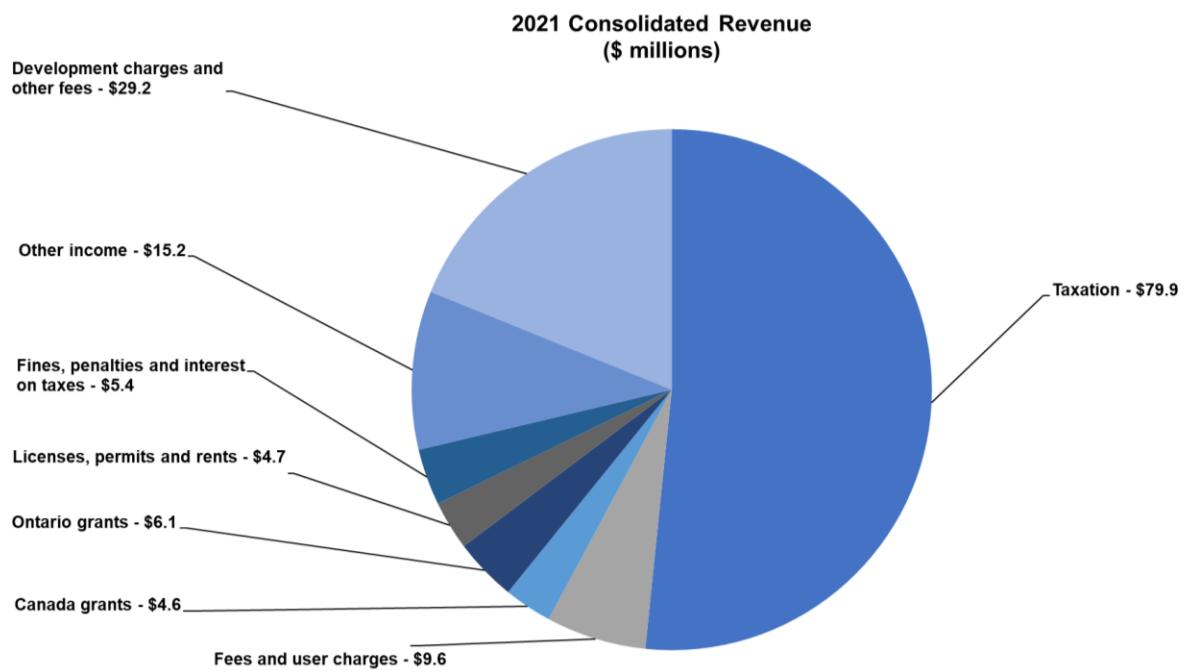
Taxes Receivable, End of Year						
Taxes Receivable	\$ 13,888,258	\$ 13,156,160	\$ 9,906,864	\$ 8,875,112	\$ 8,596,989	
Taxes Receivable per capita	181.15	174.79	132.71	121.74	120.07	
Percentage of Current Years' Levy	7.26%	7.33%	5.75%	5.43%	5.56%	

% of Taxes Levied to Taxes Receivable



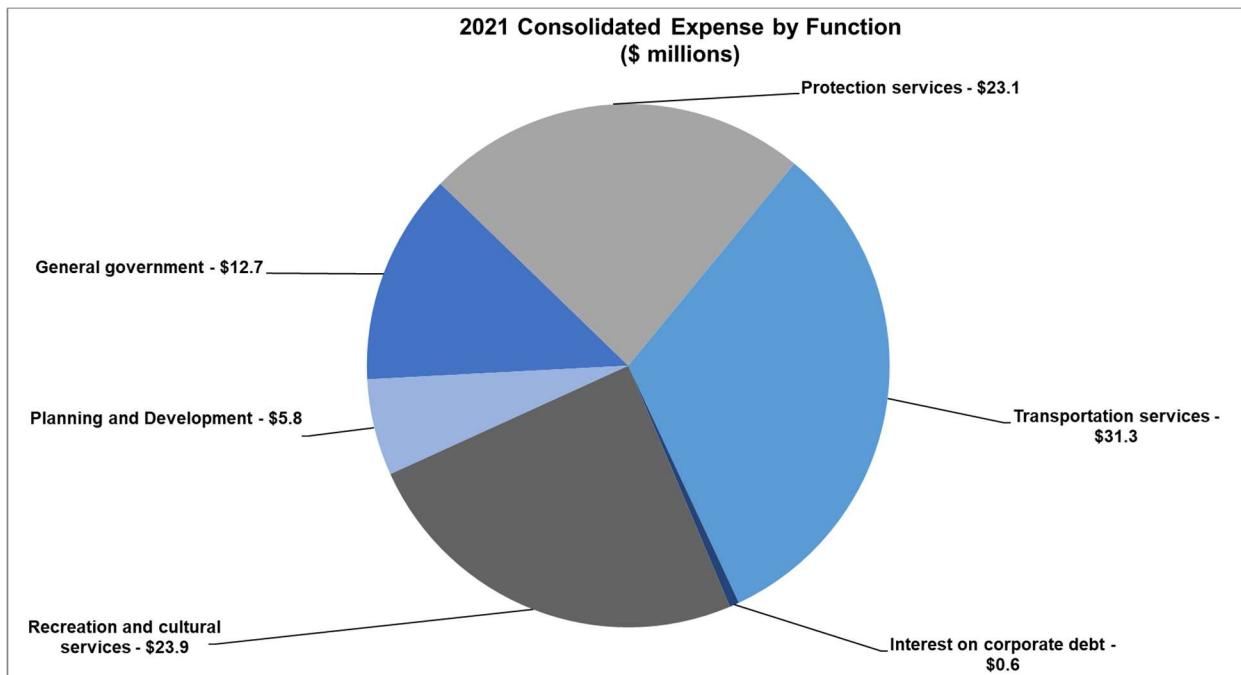
Fiscal Year	2021	2020	2019	2018	2017
FINANCIAL INFORMATION					
Consolidated Revenues					
Taxation	\$ 79,928,027	\$ 74,558,462	\$ 70,531,730	\$ 64,850,482	\$ 59,848,401
Fees and user charges	9,640,969	8,946,382	9,524,846	10,997,349	11,090,465
Canada grants	4,615,619	9,046,484	2,632,436	3,347,378	1,542,955
Ontario grants	6,047,026	3,801,071	1,706,072	2,132,827	2,372,298
Licenses, permits and rents	4,735,299	3,736,453	3,747,099	3,815,509	3,828,279
Fines, penalties and interest on taxes	5,412,415	2,886,899	5,560,258	5,415,054	4,998,817
Other income	15,242,559	13,398,683	31,217,666	23,769,517	7,721,240
Development charges and other fees	29,204,172	17,915,060	17,824,857	15,896,634	6,180,536
Total	\$ 154,826,086	\$ 134,289,494	\$ 142,744,964	\$ 130,224,750	\$ 97,582,991

*Fluctuations in revenue occur throughout the 5-year period mainly due to the revenue (see other income line above) associated with the Town assumptions of public infrastructure (subdivisions, roads, parks, storm sewers, streetlights, sidewalks etc.) built by developers. This type of revenue fluctuates based on the timing of assumptions. In 2019, 2018 and 2016 a large amount of infrastructure was assumed by the Town. Fluctuations in Development Charges occur over the 5-year period due to the timing of growth related infrastructure spending associated with roads, bridges, recreation facilities, fire stations etc.



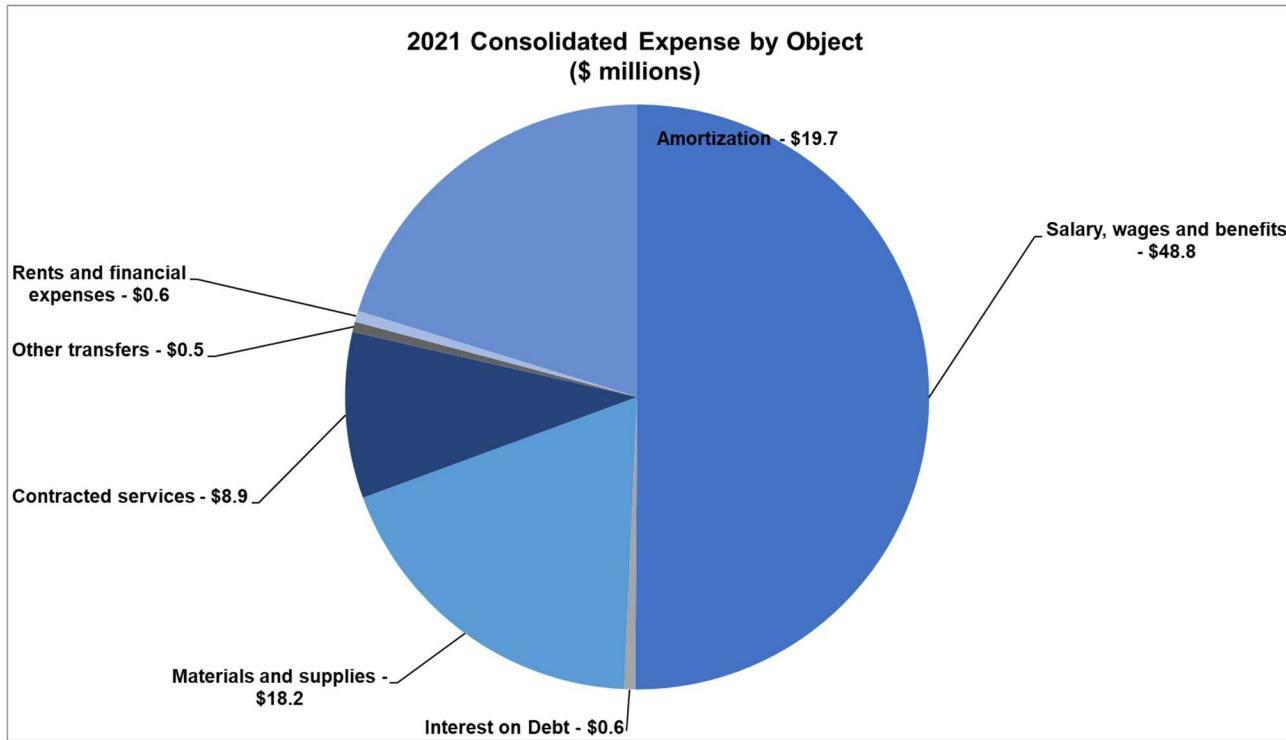
Fiscal Year	2021	2020	2019	2018	2017
Consolidated Expense by Function					
General government	\$ 12,736,895	\$ 11,637,392	\$ 10,678,884	\$ 11,203,643	\$ 9,662,109
Protection services	23,112,376	20,967,371	21,867,791	20,841,803	18,208,692
Transportation services	30,102,464	28,625,760	25,798,786	24,688,354	22,648,978
Interest on corporate debt	578,081	589,605	695,733	765,787	818,724
Environmental services	1,155,480	1,109,636	918,057	880,165	793,374
Social and family services	48,840	55,970	52,628	46,324	49,111
Recreation and cultural services	23,881,000	20,899,348	23,823,349	23,518,696	21,891,266
Planning and Development	5,809,160	5,654,670	7,137,683	5,606,929	5,558,822
Total	\$ 97,424,296	\$ 89,539,752	\$ 90,972,911	\$ 87,551,701	\$ 79,631,076

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



Fiscal Year	2021	2020	2019	2018	2017
FINANCIAL INFORMATION					
Consolidated Expenses by Object					
Salary, wages and benefits	\$ 48,818,163	\$ 42,915,600	\$ 46,938,967	\$ 45,337,192	\$ 41,988,649
Interest on Debt	578,081	589,605	695,733	765,787	818,724
Materials and supplies	18,219,585	18,474,073	17,905,089	17,346,434	14,692,749
Contracted services	8,940,188	8,130,617	6,778,646	6,096,783	5,247,274
Other transfers	547,082	176,695	375,499	392,166	295,609
Rents and financial expenses	602,977	736,049	1,400,259	1,586,159	1,601,296
Amortization	19,718,220	18,517,113	16,878,718	16,027,180	14,986,775
Total	\$ 97,424,296	\$ 89,539,752	\$ 90,972,911	\$ 87,551,701	\$ 79,631,076

*Expenses maintained steady growth mainly due to the increasing population with the exception of 2020 due to the impact of the pandemic on operations. The 5 year Caledon population growth rate of 8.3% (Ontario average 6.2%) has a positive correlation to the expense growth rate due to a higher demand for Town managed services and maintenance required for Town infrastructure.



Fiscal Year	2021	2020	2019	2018	2017
Long-Term Liabilities	2021	2020	2019	2018	2017
Gross long term debt	\$ 23,000,277	\$ 16,866,365	\$ 18,178,365	\$ 17,975,365	\$ 13,605,365
Per capita	299.99	224.08	243.52	246.58	190.02
Interest on Long-term debt	\$ 578,081	\$ 589,605	\$ 695,733	\$ 765,787	\$ 818,724
Per capita	7.54	7.83	9.32	10.50	11.43
Sources of Debt Repayment					
Debt Retirement Fund *	\$ -	\$ -	\$ -	\$ -	\$ 413,743
Reserves	440,158	308,904	2,637,455	2,638,735	2,221,705
Development Charges	403,940	47,535	47,535	47,535	47,535
Tax Supported	1,601,978	1,592,701	1,417,744	709,517	559,180
Total - Funding	\$ 2,446,076	\$ 1,949,140	\$ 4,102,733	\$ 3,395,787	\$ 3,242,163

*Debt Retirement Fund held by the Region of Peel

FIR schedule 81					
Provincial ARL	\$ 19,078,028	\$ 18,544,213	\$ 17,423,507	\$ 17,013,968	\$ 15,222,622
ARL as a % of Net Revenues	4.42%	3.99%	4.05%	3.80%	4.11%

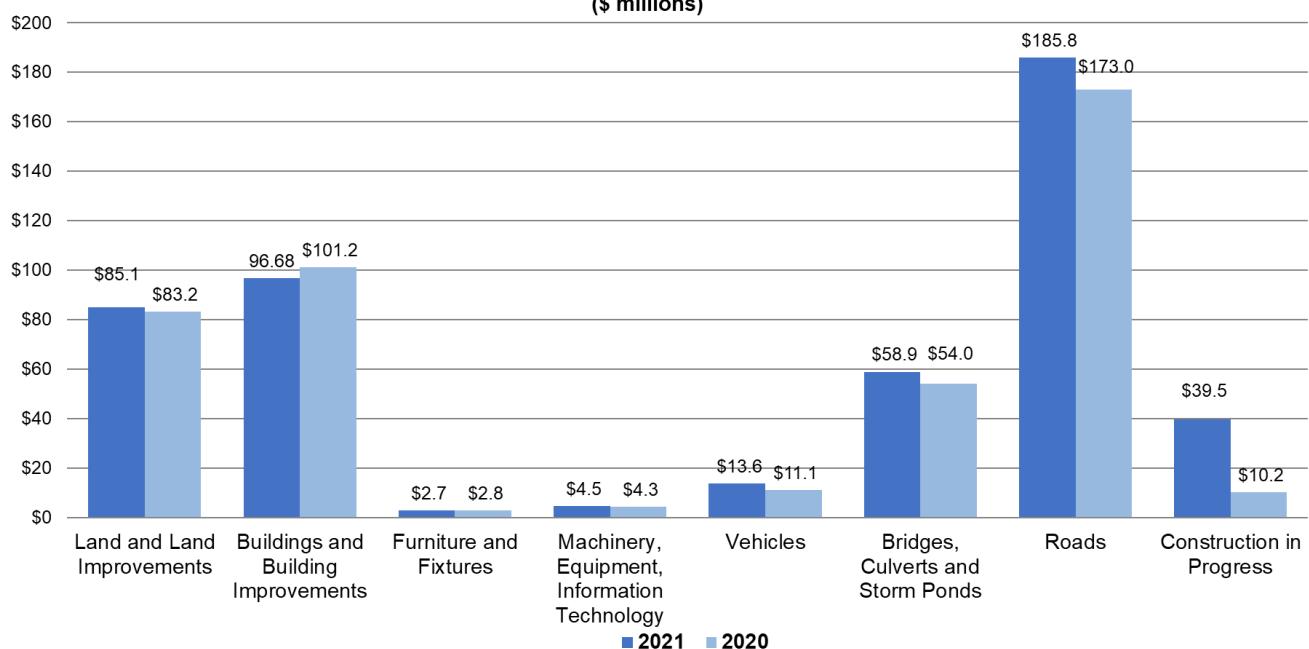
Tangible Capital Asset Net Book Value					
Land and Land Improvements	\$ 85,068,550	\$ 83,227,688	\$ 79,840,049	\$ 76,982,717	\$ 73,953,298
Buildings and Building Improvements	96,681,109	101,158,895	72,835,096	63,923,787	65,872,603
Furniture and Fixtures	2,662,953	2,798,017	1,972,959	1,911,179	1,892,629
Machinery, Equipment, Information Technology	4,497,879	4,294,812	4,472,489	4,721,746	5,273,210
Vehicles	13,570,551	11,057,259	10,953,700	11,186,636	10,584,855
Bridges, Culverts and Storm Ponds	58,860,166	54,028,071	47,853,226	26,182,192	21,595,161
Roads	185,801,970	173,025,895	159,363,127	148,834,181	129,143,730
Construction in Progress	39,549,007	10,165,231	28,866,462	23,793,161	14,836,117
Total	\$ 486,692,185	\$ 439,755,868	\$ 406,157,108	\$ 357,535,599	\$ 323,151,603

* A correction was made to assets related to a development that was assumed in 2014 by the Town, along with additional culverts that have been identified as part of a review of Town structures that had not been capitalized previously. These capital assets have been recognized at their cost at their in-service dates requiring a restatement of the 2020 year-end financial information. The net book value of these adjustments is \$1,667,864.

2021 TCA Net Book Value \$438.1

(2020 - \$438.1)

(\$ millions)



Fiscal Year	2021	2020	2019	2018	2017
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Tangible Capital Asset Cost					
Assets - Beginning of Year	\$ 793,703,663	\$ 746,837,625	\$ 689,753,779	\$ 644,202,960	\$ 621,493,052
Additions	77,321,920	75,803,824	66,422,679	51,583,471	38,667,096
Disposals and Transfers	(15,305,787)	(28,937,786)	(9,338,833)	(6,032,652)	(15,957,188)
Assets - End of Year	\$ 855,719,796	\$ 793,703,663	\$ 746,837,625	\$ 689,753,779	\$ 644,202,960

Tangible Capital Asset Amortization					
Accumulated Amortization - Beginning of Year	\$ 353,947,795	\$ 340,680,517	\$ 332,218,180	\$ 321,051,357	\$ 313,373,925
Amortization during the year	19,718,219	18,517,114	16,922,503	16,070,965	15,030,560
Accumulated Amortization on disposal	(4,638,403)	(5,249,836)	(8,460,166)	(4,904,142)	(7,353,128)
Accumulated Amortization - End of Year	\$ 369,027,611	\$ 353,947,795	\$ 340,680,517	\$ 332,218,180	\$ 321,051,357

Net Book Value of Tangible Capital Assets	\$ 486,692,185	\$ 439,755,868	\$ 406,157,108	\$ 357,535,599	\$ 323,151,603
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Net Financial Assets					
Net Financial Assets - Beginning of Year	\$ 55,691,407	\$ 44,716,528	\$ 36,629,077	\$ 33,796,552	\$ 25,595,082
Net Financial Assets	10,494,602	10,974,879	8,087,451	2,832,525	8,201,470
Net Financial Assets - End of Year	\$ 66,186,009	\$ 55,691,407	\$ 44,716,528	\$ 36,629,077	\$ 33,796,552

ACCUMULATED SURPLUS & TANGIBLE CAPITAL ASSETS					
Accumulated Surplus - Beginning of Year	\$ 496,925,513	\$ 452,175,771	\$ 400,403,718	\$ 357,730,669	\$ 339,778,754
Annual Surplus	57,401,790	44,749,742	51,772,053	42,673,049	17,951,915
Accumulated Surplus - End of Year	\$ 554,327,303	\$ 496,925,513	\$ 452,175,771	\$ 400,403,718	\$ 357,730,669

Trust Funds	\$ 11,121,649	\$ 9,810,828	\$ 9,523,695	\$ 6,474,571	\$ 5,283,709
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Glossary

Accumulated surplus – the sum of the profits retained by a corporation.

Amortization - the process of allocating the cost of a tangible asset over its useful life.

Annual surplus – the amount by which the revenue of an organization exceeds its expenditures in a given year.

Annual deficit – the amount by which the expenditures of an organization exceed its revenues in a given year.

ARL – Annual Repayment Limit set by the Province that represents the maximum amount which the municipality had available as of a specific year to commit to payments relating to debt and financial obligation.

Fiscal year – a 2-month period (January 1 through December 31) in which the annual operating budget applies and at the end of which an assessment is made of the Town's financial condition and performance of operations.

Net financial assets - the non-physical assets of a business less its liabilities.

Tangible capital assets – assets that have physical substance and are expected to be in use or possession of a business beyond the current accounting period.



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