

**CORPORATION OF THE  
TOWN OF COLLINGWOOD**

**COUNTY OF SIMCOE**

**CONSOLIDATED FINANCIAL REPORT**

**DECEMBER 31, 2010**

# CORPORATION OF THE TOWN OF COLLINGWOOD

DECEMBER 31, 2010

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**GAVILLER & COMPANY LLP**  
**CHARTERED ACCOUNTANTS**

**INDEPENDENT AUDITORS' REPORT**

To the Members of Council, Inhabitants and Ratepayers of the **Town of Collingwood**:

**Report on the Consolidated Financial Statements**

We have audited the accompanying financial statements of the **Town of Collingwood**, which comprise the consolidated statement of financial position as at December 31, 2010, and the consolidated statements of operations, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the municipality's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

**Opinion**

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the **Town of Collingwood** as at December 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Gaviller & Company LLP*

Licensed Public Accountants  
Collingwood, Ontario  
October 3, 2011

# CORPORATION OF THE TOWN OF COLLINGWOOD

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31

|  | 2010                | 2009         |
|--|---------------------|--------------|
|  | \$                  | \$           |
| <b>Financial assets</b>  |                     |              |
| Cash and temporary investments (Note 3)                                      | 27,443,213          | 21,621,727   |
| Taxes receivable   | 5,780,276           | 4,608,832    |
| Accounts receivable (Note 19)  | 9,272,128           | 9,220,926    |
| Long-term receivable (Note 4)  | 6,698,701           | 7,070,852    |
| Note receivable - Hydro companies (Note 19)                                  | 1,710,169           | 1,710,169    |
| Investment in government business enterprises -<br>Hydro companies (Note 19) | 10,983,952          | 10,596,320   |
|  | <b>61,888,439</b>   | 54,828,826   |
| <b>Liabilities</b>   |                     |              |
| Accounts payable and accruals  | 8,460,313           | 10,662,502   |
| Demand loan (Note 5)   | 664,013             | 974,076      |
| Accrued interest payable   | 211,936             | 170,547      |
| Employee future benefits (Note 12)   | 1,140,737           | 1,086,735    |
| Developer deposits   | 4,577,261           | 9,534,112    |
| Deferred revenue (Note 7)  | 18,170,107          | 22,770,437   |
| Deferred revenue - obligatory reserve funds (Note 9)                         | 6,717,404           | 7,865,698    |
| Long-term (Note 6)   | 45,507,356          | 28,010,232   |
|  | <b>85,449,127</b>   | 81,074,339   |
| Net debt   | <b>(23,560,688)</b> | (26,245,513) |
| <b>Non-financial assets</b>  |                     |              |
| Tangible capital assets - net (Schedule 1 and Note 15)                       | 177,341,517         | 161,526,123  |
| Prepaid expenses   | 630,296             | 1,062,610    |
|  | <b>177,971,813</b>  | 162,588,733  |
| <b>Accumulated surplus (Note 10)</b>   | <b>154,411,125</b>  | 136,343,220  |

Approved \_\_\_\_\_ Mayor

\_\_\_\_\_ Date

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE TOWN OF COLLINGWOOD

## CONSOLIDATED STATEMENT OF OPERATIONS AS AT DECEMBER 31

|   | Budget<br>2010     | Actual<br>2010     | Actual<br>2009 |
|---|--------------------|--------------------|----------------|
|   | \$                 | \$                 | \$             |
|   | (Note 14)          |                    |                |
| <b>Revenues</b>   |                    |                    |                |
| Net municipal taxation (Note 13)  | 23,249,222         | <b>24,501,199</b>  | 21,719,798     |
| Payments in lieu of taxation  | 106,363            | <b>157,459</b>     | 132,039        |
| User charges  | 14,053,038         | <b>14,568,420</b>  | 13,841,363     |
| Government transfers  | 368,384            | <b>426,270</b>     | 358,612        |
| Other municipalities  | 944,894            | <b>787,543</b>     | 1,153,037      |
| Contributions from obligatory reserve funds                               | 295,389            | <b>398,321</b>     | 275,469        |
| Investment income   | 387,500            | <b>468,189</b>     | 495,543        |
| Penalties and interest on taxes   | 400,000            | <b>644,791</b>     | 568,591        |
| Gain (loss) on disposal of tangible capital assets                        | 645,261            | <b>(6,059)</b>     | (583,136)      |
| Other (Note 11)   | 3,051,078          | <b>3,107,682</b>   | 3,355,459      |
|   | <b>43,501,129</b>  | <b>45,053,815</b>  | 41,316,775     |
| <b>Expenses</b>   |                    |                    |                |
| General government  | 6,357,350          | <b>4,002,734</b>   | 3,720,790      |
| Protection to persons and property  | 10,090,367         | <b>9,464,784</b>   | 9,524,108      |
| Transportation services   | 7,892,533          | <b>7,712,904</b>   | 6,932,304      |
| Environmental services  | 11,557,324         | <b>12,281,637</b>  | 11,501,914     |
| Housing services  | 187,668            | <b>152,597</b>     | 205,172        |
| Recreational and cultural services  | 7,225,839          | <b>7,869,587</b>   | 6,536,215      |
| Planning and development  | 2,210,742          | <b>2,055,531</b>   | 1,920,636      |
|   | <b>45,521,823</b>  | <b>43,539,774</b>  | 40,341,139     |
| <b>Net revenues (expenses)</b>  | <b>(2,020,694)</b> | <b>1,514,041</b>   | 975,636        |
| <b>Other</b>  |                    |                    |                |
| Grants and transfers related to capital                                   |                    |                    |                |
| Government transfers  | 12,363,305         | <b>10,057,578</b>  | 5,133,909      |
| Contributions from obligatory reserve funds                               | 1,936,978          | <b>3,393,274</b>   | 1,664,548      |
| Contributions from developers   | 733,344            | <b>1,534,835</b>   | 820,850        |
| Contributed tangible capital assets (Note 15)                             | -                  | <b>797,443</b>     | 1,481,361      |
| Other   | 3,202,586          | <b>383,102</b>     | 456,700        |
| Income from government business enterprise -<br>Hydro companies (Note 19) | 672,384            | <b>387,632</b>     | 470,736        |
|   | <b>18,908,597</b>  | <b>16,553,864</b>  | 10,028,104     |
| <b>Annual surplus</b>   | <b>16,887,903</b>  | <b>18,067,905</b>  | 11,003,740     |
| <b>Accumulated surplus, beginning of year</b>                             |                    | <b>136,343,220</b> | 125,339,480    |
| <b>Accumulated surplus, end of year (Note 10)</b>                         |                    | <b>154,411,125</b> | 136,343,220    |

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE TOWN OF COLLINGWOOD

## CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT FOR THE YEAR ENDED DECEMBER 31

|  | Budget<br>2010 | Actual<br>2010      | Actual<br>2009 |
|--|----------------|---------------------|----------------|
|  | \$             | \$                  | \$             |
|  | (Note 14)      |                     |                |
| Annual surplus                                     | 16,887,903     | <b>18,067,905</b>   | 11,003,740     |
| Acquisition of tangible capital assets             | (34,688,747)   | <b>(22,731,521)</b> | (25,150,622)   |
| Amortization of tangible capital assets            | 7,456,170      | <b>7,573,912</b>    | 6,836,739      |
| Loss (gain) on disposal of tangible capital assets | (645,261)      | <b>6,059</b>        | 583,136        |
| Proceeds on disposal of tangible capital assets    | 1,018,500      | <b>133,600</b>      | 109,440        |
| Contributed tangible capital assets                | -              | <b>(797,443)</b>    | (1,481,361)    |
| Change in prepaid expenses                         | -              | <b>432,313</b>      | (605,759)      |
| Change in net debt                                 | (9,971,435)    | <b>2,684,825</b>    | (8,704,687)    |
| Net debt, beginning of year                        |                | <b>(26,245,513)</b> | (17,540,826)   |
| Net debt, end of year                              |                | <b>(23,560,688)</b> | (26,245,513)   |

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE TOWN OF COLLINGWOOD

## CONSOLIDATED STATEMENT OF CASH FLOW AS AT DECEMBER 31

|  | 2010                | 2009                |
|--|---------------------|---------------------|
|  | \$                  | \$                  |
| <b>Cash flows from (for):</b>                                  |                     |                     |
| <b>Operating activities</b>                                    |                     |                     |
| Annual surplus   | 18,067,905          | 11,003,740          |
| Non-cash items:  |                     |                     |
| Amortization   | 7,573,912           | 6,836,739           |
| Amortization on debenture debt discount                        | 5,665               | 5,665               |
| Loss (gain) on disposal of tangible capital assets             | 6,059               | 583,136             |
| Contributed tangible capital assets                            | (797,443)           | (1,481,361)         |
| Investment in government business enterprise - Hydro companies | (387,632)           | (470,736)           |
| Employee future benefits                                       | 54,002              | 69,752              |
|  | <b>24,522,468</b>   | <b>16,546,935</b>   |
| Changes in:  |                     |                     |
| Taxes receivable   | (1,171,444)         | (1,313,803)         |
| Accounts receivable  | (996,438)           | 2,114,272           |
| Accounts payable and accruals                                  | (87,075)            | 291,468             |
| Accrued interest payable                                       | 41,389              | (54,035)            |
| Developer deposits   | (4,956,851)         | (882,019)           |
| Prepaid expenses   | 432,313             | (605,758)           |
| <b>Net change in cash from operations</b>                      | <b>17,784,362</b>   | <b>16,097,060</b>   |
| <b>Capital activities</b>                                      |                     |                     |
| Proceeds on disposal of tangible capital assets                | 133,600             | 109,440             |
| Acquisition of tangible capital assets                         | (22,731,521)        | (25,150,622)        |
| Deferred revenue - obligatory reserve funds                    | (1,148,294)         | 1,321,637           |
| Accounts receivable - tangible capital assets                  | 945,236             | (2,788,105)         |
| Accounts payable - tangible capital assets                     | (2,115,114)         | 1,900,664           |
| <b>Net change in cash from capital</b>                         | <b>(24,916,093)</b> | <b>(24,606,986)</b> |
| <b>Investing activities</b>                                    |                     |                     |
| Long-term receivable   | 372,151             | 372,150             |
| <b>Financing activities</b>                                    |                     |                     |
| Long-term liabilities issued                                   | 19,669,658          | -                   |
| Long-term liabilities repaid                                   | (2,178,199)         | (6,141,274)         |
| Demand loan repaid   | (310,063)           | (296,297)           |
| Deferred revenue   | (4,600,330)         | (2,082,640)         |
| <b>Net change in cash from financing</b>                       | <b>12,581,066</b>   | <b>(8,520,211)</b>  |
| <b>Net change in cash position</b>                             | <b>5,821,486</b>    | <b>(16,657,987)</b> |
| Cash and cash equivalents, beginning of year                   | 21,621,727          | 38,279,714          |
| <b>Cash and cash equivalents, end of year</b>                  | <b>27,443,213</b>   | <b>21,621,727</b>   |

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 1. Nature of operations

The Town of Collingwood ("the Municipality") is a lower-tier municipality located in the County of Simcoe, Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes, such as the Municipal Act, Municipal Affairs Act and related legislation.

### 2. Summary of significant accounting policies

The consolidated financial statements of the municipality are the representation of management prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants.

The focus of PSAB financial statements is on the financial position of the municipality and the changes thereto. The consolidated statement of financial position includes all the assets and liabilities of the municipality. Financial assets are those assets which could provide resources to discharge existing liabilities or finance future operations. Accumulated surplus represents the financial position and is the difference between assets and liabilities. This provides information about the municipality's overall future revenue requirements and its ability to finance activities and meet its obligations.

#### (a) Basis of consolidation

These consolidated financial statements reflect assets, liabilities, revenues and expenses of the municipality. They include the activities of all committees of Council and the following organizations which are accountable to, and owned or controlled by the municipality:

Corporation of the Town of Collingwood Museum Board  
Corporation of the Town of Collingwood Public Library Board  
Corporation of the Town of Collingwood Business Improvement Area  
Collingwood Elvis Festival Board  
Collingwood Airport Services Board  
Collingwood Economic Development and Stability Board  
Collingwood Public Utilities Service Board

In addition, the consolidated financial statements include the operations of COLLUS Energy Corp., COLLUS Solutions Corp., COLLUS Power Corp. and Collingwood Utility Services Corp. as disclosed in Note 19. These business enterprises are accounted for using the modified equity method. Under this method, the business enterprises' accounting principles are not adjusted to conform with those of the municipality, and inter-organizational transactions are not eliminated.

Excluded are Funds Held in Trust which are administered by the municipality and reported on separately. All interfund assets and liabilities and sources of financing and expenses have been eliminated.

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 2. Summary of significant accounting policies (continued)

#### (b) Basis of accounting

Sources of financing and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

#### (c) Non-financial 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 annual surplus, provides the consolidated change in net debt for the year.

##### (i) 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 improvements       | - 10 to 20 years |
| Buildings               | - 15 to 40 years |
| Machinery and equipment | - 3 to 20 years  |
| Vehicles                | - 5 to 15 years  |
| Linear assets           | - 10 to 75 years |

Work in progress is not amortized until the asset is available for productive use.

One half of the annual amortization is charged in the year of acquisition and in the year of disposal.

##### (ii) Contributed tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

#### (d) Deferred revenue

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

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 2. Summary of significant accounting policies (continued)

#### (e) County and school boards

The municipality collects taxation revenue on behalf of the school boards and the County of Simcoe. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the County of Simcoe are not reflected in these consolidated financial statements.

#### (f) Government transfers

Government transfers are recognized in the consolidated financial statements as revenues in the period in which the events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

#### (g) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Significant estimates exist in tangible capital assets with regard to historical costs and useful lives. Other significant estimates include amortization and employee future benefits. Actual results could differ from those estimates.

#### (h) Segment disclosures

The municipality adopted the Public Sector Accounting Board standard requiring financial information to be provided on a segmented basis (PSAB 2700). Municipal services have been segmented by grouping activities that have similar service objectives (by function). Revenues that are directly related to the costs of the function have been attributed to each segment. Municipal taxation revenue is allocated based on the percentage of total budgeted expenditures.

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 3. Cash and temporary investments

Cash and temporary investments consist of the following:

|                                | 2010              | 2009        |
|--------------------------------|-------------------|-------------|
|                                | \$                | \$          |
| Unrestricted (cash deficiency) | <b>9,704,859</b>  | (1,455,062) |
| Restricted                     | <b>17,738,354</b> | 23,076,789  |
|                                | <b>27,443,213</b> | 21,621,727  |

Guaranteed investment certificates included in cash are as follows:

|               | Interest<br>(per annum) | Due                | 2010              | 2009       |
|---------------|-------------------------|--------------------|-------------------|------------|
|               |                         |                    | \$                | \$         |
| Nesbitt Burns | 1.78%                   | October 25, 2011   | <b>61,500</b>     | -          |
| Nesbitt Burns | 2.12%                   | October 25, 2011   | <b>61,500</b>     | -          |
| Nesbitt Burns | 2.05%                   | March 26, 2010     | -                 | 55,000     |
| Nesbitt Burns | 0.50%                   | August 13, 2010    | -                 | 66,000     |
| CIBC          | 4.40%                   | December 29, 2011  | <b>2,275,000</b>  | 2,275,000  |
| CIBC          | 3.75%                   | January 16, 2012   | <b>2,000,000</b>  | 2,000,000  |
| CIBC          | 3.39%                   | February 28, 2011  | <b>2,000,000</b>  | 2,000,000  |
| CIBC          | 3.34%                   | May 28, 2013       | <b>2,000,000</b>  | 2,000,000  |
| CIBC          | 3.67%                   | May 28, 2014       | <b>2,000,000</b>  | 2,000,000  |
| CIBC          | 4.64%                   | December 6, 2010   | -                 | 3,000,000  |
| CIBC          | 0.35%                   | September 17, 2010 | -                 | 5,000,000  |
|               |                         |                    | <b>10,398,000</b> | 18,396,000 |

Temporary investments are recorded at cost which approximates fair market value. Guaranteed investment certificates in the amounts of \$61,500 and \$61,500 (2009 - \$55,000 and \$66,000) belong to the Library Board.

### 4. Long-term receivable

Benefiting land owners of water and sewer servicing completed in south Collingwood had the option to pay for their share of the cost in full in 2008 or finance over 20 years at 5.25% per annum with annual repayments commencing in 2009. Annual payments totaling \$372,150 will be included on their property tax bills until 2028.

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 5. Demand loan

The Collingwood public utilities service board's demand loan payable to CIBC bears 4.55% interest, is due December 2012 and is payable in monthly blended principal and interest payments of \$28,998.

Principal payments due within each of the next two years based on negotiated repayment terms is as follows:  
\$

|      |         |
|------|---------|
| 2011 | 324,469 |
| 2012 | 339,544 |

### 6. Long-term liabilities

(a) Long-term liabilities consist of the following:

|   | 2010              | 2009       |
|---|-------------------|------------|
|   | \$                | \$         |
| Total long-term liabilities incurred by the municipality and outstanding at the end of the year | <b>45,507,356</b> | 28,010,232 |

(b) Principal payments for the next 5 years and thereafter are as follows:

|               | \$<br>Tax Supported | \$<br>User Fee | \$<br>Other |
|---------------|---------------------|----------------|-------------|
| 2011          | 1,549,967           | 1,889,786      | 391,337     |
| 2012          | 1,576,344           | 1,756,310      | 391,337     |
| 2013          | 1,604,233           | 1,817,011      | 391,337     |
| 2014          | 1,440,429           | 1,030,190      | 391,337     |
| 2015          | 1,452,679           | 1,046,162      | 391,337     |
| Thereafter    | 14,293,582          | 8,931,601      | 5,162,377   |
| Total         | 21,917,234          | 16,471,060     | 7,119,062   |
| Overall total |                     |                | 45,507,356  |

The above long-term liabilities issued in the name of the municipality have been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

(c) Interest is payable at rates ranging from 3.07% to 6.65% per annum.

(d) The Town also has an operating line of credit available for use in the amount of \$6,000,000, with an interest rate of prime less 0.75%. At December 31, 2010, the balance for the line of credit was \$NIL (2009 - \$NIL)

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 7. Deferred revenue

Deferred revenue includes unspent provincial funding of \$5,396,589 (2009 - \$11,128,381) for capital improvements. Also included in deferred revenue is \$11,923,606 (2009 - \$10,817,483) of special charges to benefiting land owners for water and sewer servicing completed in south Collingwood. This revenue will be recognized over 20 years until 2028 which is the same period over which the construction costs of the project have been financed.

### 8. Trust funds

Trust funds administered by the municipality amounting to \$600 (2009 - \$600) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations. In the current year there were no transactions in the trust accounts. The trust funds are not audited. The trust funds are comprised of the following:

|                 | 2010 | 2009 |
|-----------------|------|------|
|                 | \$   | \$   |
| Cultural Trusts | 600  | 600  |

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 9. Deferred revenue - obligatory reserve funds

A requirement of the public sector accounting principles of the Canadian Institute of Chartered Accountants is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as provincial legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The net change during the year in the restricted deferred revenue balances is comprised of the following:

|  | 2010        | 2009        |
|--|-------------|-------------|
|  | \$          | \$          |
| Deferred revenue, beginning of year            | 7,865,698   | 6,560,528   |
| Prior period adjustment- new deposits adjusted | -           | (26,800)    |
| Prior period adjustment- investment income     | -           | 10,333      |
| Deferred revenue, beginning of year            | 7,865,698   | 6,544,061   |
| New deposits:                                  |             |             |
| Federal government                             | 538,576     | 521,156     |
| Provincial government                          | 184,173     | 162,974     |
| Private sources                                | 2,094,307   | 2,635,618   |
| Investment income                              | 47,032      | 35,367      |
| Capital and other transfers                    | (3,791,595) | (1,940,017) |
| Development charge credits utilized            | (220,787)   | (93,461)    |
| Deferred revenue, end of year                  | 6,717,404   | 7,865,698   |
| Obligatory Reserve Funds:                      |             |             |
| Recreational Land                              | 69,168      | 69,168      |
| Development Charges Act                        | 5,928,101   | 7,537,059   |
| Building Code Act                              | 161,432     | 239,472     |
| Other Provincial Funding                       | 18,242      | 19,999      |
| Federal Gas Tax                                | 540,461     | -           |
|  | 6,717,404   | 7,865,698   |

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 10. Accumulated surplus

The accumulated surplus consists of individual fund surplus, reserves and reserve funds as follows:

|   | 2010               | 2009               |
|---|--------------------|--------------------|
|   | \$                 | \$                 |
| Current fund deficit:                                     |                    |                    |
| General area taxation                                     | 112,964            | 13,226             |
| Collingwood public utilities service board                | (1,829,482)        | (1,728,942)        |
| Business Improvement Area                                 | (329)              | (329)              |
| <b>Total current fund deficit</b>                         | <b>(1,716,847)</b> | <b>(1,716,045)</b> |
| Investment in tangible capital assets:                    |                    |                    |
| Net book value of tangible capital assets                 | 177,341,517        | 161,526,123        |
| Tangible capital assets financed by long-term liabilities | (45,507,356)       | (28,010,232)       |
| Unfinanced capital expenditures                           | (5,817,743)        | (21,637,030)       |
| <b>Total investment in tangible capital assets</b>        | <b>126,016,418</b> | <b>111,878,861</b> |
| Unfunded liabilities:                                     |                    |                    |
| Employee future benefits                                  | (170,884)          | (166,315)          |
| Reserves set aside for specific purposes by Council:      |                    |                    |
| Working capital   | -                  | 908,672            |
| Contingencies   | 301,850            | 151,850            |
| Post employment benefits                                  | 969,853            | 920,420            |
| Current purposes  | 2,511,635          | 3,166,090          |
| Acquisition of capital assets                             | 13,345,694         | 10,502,395         |
| <b>Total reserves</b>                                     | <b>17,129,032</b>  | <b>15,649,427</b>  |
| Reserve funds set aside for specific purposes by Council: |                    |                    |
| Current purposes  | 1,397,162          | -                  |
| Acquisition of capital assets                             | 772,292            | 100,972            |
| <b>Total reserve funds</b>                                | <b>2,169,454</b>   | <b>100,972</b>     |
| Investment in government business enterprises:            |                    |                    |
| Hydro companies   | 10,983,952         | 10,596,320         |
| <b>Total accumulated surplus</b>                          | <b>154,411,125</b> | <b>136,343,220</b> |

Subsequent to year end, the municipality issued \$NIL (2009 - \$19,669,658) in new long-term liabilities to fund the unfinanced capital expenditures.

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 10. Accumulated surplus (continued)

The accumulated surplus of the Collingwood public utilities service board consists of the following:

|   | 2010               | 2009        |
|---|--------------------|-------------|
|   | \$                 | \$          |
| Net book value of tangible capital assets                 | <b>31,867,907</b>  | 32,898,365  |
| Tangible capital assets financed by long-term liabilities | <b>(3,541,977)</b> | (4,362,927) |
| Current deficit   | <b>(1,829,482)</b> | (1,728,942) |
| Unfunded employee future benefits                         | <b>(170,884)</b>   | (166,315)   |
| <b>Total accumulated surplus</b>                          | <b>26,325,564</b>  | 26,640,181  |

### 11. Other revenues

Other revenues consist of the following:

|  | 2010             | 2009      |
|--|------------------|-----------|
|  | \$               | \$        |
| Licences and permits   | <b>406,427</b>   | 587,683   |
| Facility rentals   | <b>827,709</b>   | 744,027   |
| Fines  | <b>70,657</b>    | 130,726   |
| Donations  | <b>46,190</b>    | 13,220    |
| Revenue and expense recoveries from Government<br>Business Enterprises (Note 19) | <b>642,000</b>   | 641,987   |
| Miscellaneous  | <b>336,219</b>   | 323,191   |
| Miscellaneous - Collingwood public utilities service board                       | <b>778,480</b>   | 914,625   |
|  | <b>3,107,682</b> | 3,355,459 |

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 12. Employee future benefits

#### (a) Retirement benefits

The employees of the Corporation of the Town of Collingwood participate in the Ontario Municipal Employees Retirement Savings Plan ("OMERS"). Although the plan has a defined retirement benefit for employees, the related obligation of the Corporation cannot be identified. The municipality has applied defined contribution plan accounting as it has insufficient information to apply defined benefit plan accounting. The OMERS plan has several unrelated participating municipalities and costs are not specifically attributed to each participant. Amounts paid to OMERS during the year totaled \$722,598 (2009 -\$721,930).

The Town of Collingwood pays certain post retirement benefits on behalf of its retired employees for extended health and dental benefits. The municipality recognizes these post retirement costs in the period in which the employees rendered the services. The accrued benefit obligation at December 31, 2010 of \$1,140,737 and the net periodic benefit cost for 2010 were determined by an actuarial valuation using a discount rate of 5.0% to 6.0%. The accrued benefit obligation for the Town's employees at December 31, 2010 is based on an actuarial report dated March 18, 2010. The accrued benefit obligation for the Collingwood public utilities service board employees at December 31, 2010 is based on an actuarial report dated August 24, 2009. Actuarial valuations will be prepared every third year (every other year for Collingwood public utilities service board) or when there are significant changes to the workforce. The current year expense is included in departmental expenses on a basis proportionate to the wages of the department.

Information about the Town of Collingwood's defined benefit plan is as follows:

|   | 2010      | 2009      |
|---|-----------|-----------|
|   | \$        | \$        |
| Accrued benefit obligation, beginning of year     | 1,086,735 | 1,016,983 |
| Current service cost                              | 55,201    | 52,514    |
| Interest cost                                     | 57,544    | 54,467    |
| Past service cost                                 | 4,378     | 4,378     |
| Actuarial gain                                    | (3,588)   | (3,589)   |
| Benefits paid for the period                      | (59,533)  | (38,018)  |
| Projected accrued benefit obligation, end of year | 1,140,737 | 1,086,735 |

The projected accrued benefit obligation consists of:

|  | 2010      | 2009      |
|--|-----------|-----------|
|  | \$        | \$        |
| Town                                       | 969,853   | 920,420   |
| Collingwood public utilities service board | 170,884   | 166,315   |
| Total employee future benefits             | 1,140,737 | 1,086,735 |

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 12. Employee future benefits (continued)

The main actuarial assumptions employed for the valuations were as follows:

(i) General inflation

Future general inflation levels, as measured by changes in the Consumer Price Index (CPI), were assumed at 2.0% in 2010. The Collingwood public utilities service board study assumes 2.1%.

(ii) Interest (discount) rate

The obligation as at December 31, 2010, of the present value of future liabilities and the expense was determined using an annual discount rate of 5.0% for the Town employees' valuation. This corresponds to the assumed CPI rate plus an assumed real rate of return of 3.0%. The Collingwood public utilities service board obligation as at December 31, 2010 of the present value of future liabilities and the expense was determined using an annual discount rate of 6.0%. This corresponds to the assumed CPI rate plus an assumed real rate of return of 3.9%.

(iii) Medical costs

Medical costs for the Town employees' valuation were assumed to increase at the CPI rate plus a further increase of 8.33% in 2010 downgraded to 5.0% in 2015 and thereafter. The Collingwood public utilities service board study assumes a further increase of 7.0% in 2010 that is downgraded 1% a year until 2011 after which the rate is assumed to increase 5.0% annually.

(iv) Dental costs

Dental costs were assumed to increase at the CPI rate plus a further increase of 5.0% in 2010 to 2012 and thereafter.

(b) Workplace safety and insurance

In common with other Schedule 2 employers, the municipality funds its obligations to the Workplace Safety and Insurance Board ("WSIB") on a "pay-as-you-go" basis. December 31, 2004 was the first period for which a WSIB accrued benefit was required to be reported. At December 31, 2010, the municipality's accrued benefit liability related to future payments on WSIB is based on the 2004 WSIB calculation. The amount of the accrual is \$NIL for both 2010 and 2009. No independent actuarial valuation is considered necessary.

### 13. Net municipal taxation

Net municipal taxation consists of:

|  | 2010         | 2009         |
|--|--------------|--------------|
|  | \$           | \$           |
| Taxation revenue                                   | 45,442,261   | 41,782,985   |
| Amount levied and remitted to School Boards        | (11,532,963) | (11,068,376) |
| Amount levied and remitted to the County of Simcoe | (9,408,099)  | (8,994,811)  |
| Net municipal taxation                             | 24,501,199   | 21,719,798   |

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 14. Budget amounts

The operating budget approved by Council for 2010 is reflected on the consolidated statement of operations. The budgets established for capital investment in tangible capital assets are on a project oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with the current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements. The budget figures have not been audited.

The following is a reconciliation of the budget approved by Council:

|   | Budget<br>2010 | Actual<br>2010      | Actual<br>2009 |
|---|----------------|---------------------|----------------|
|   |                | \$                  | \$             |
| Annual surplus  | 16,887,903     | <b>18,067,905</b>   | 11,003,740     |
| Net transfers from (to) reserves  | 619,247        | <b>(1,479,605)</b>  | 1,102,506      |
| Net transfers to discretionary reserve funds                            | -              | <b>(2,068,482)</b>  | -              |
| Capital acquisitions and disposals                                      | (34,328,508)   | <b>(23,389,306)</b> | (25,939,407)   |
| Amortization  | 7,456,170      | <b>7,573,912</b>    | 6,836,739      |
| Proceeds from long-term liabilities issue                               | 12,166,953     | <b>19,669,658</b>   | -              |
| Long-term liabilities principal repayments                              | (2,507,742)    | <b>(2,172,534)</b>  | (6,135,608)    |
| Change in unfunded liabilities  | 4,569          | <b>4,569</b>        | (1,075,250)    |
| Change in investment in hydro companies                                 | (672,384)      | <b>(387,632)</b>    | (470,736)      |
| Collingwood public utilities service board closing operating deficit    | 2,089,734      | <b>1,829,482</b>    | 1,728,942      |
| Subtotal  | 1,715,942      | <b>17,647,967</b>   | (12,949,074)   |
| Capital projects not funded   | -              | -                   | 13,708,862     |
| Capital projects from prior years funded                                | -              | <b>(15,819,287)</b> | -              |
| Prior year Collingwood public utilities service board operating deficit | (1,728,942)    | <b>(1,728,942)</b>  | (1,177,735)    |
| Prior year current fund surplus   | 13,226         | <b>13,226</b>       | 431,173        |
| <b>General area taxation surplus</b>                                    | 226            | <b>112,964</b>      | 13,226         |

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 15. Tangible capital assets

Schedules 1, 2 and 3 provide information on the tangible capital assets of the municipality by major asset class and business segment, as well as for accumulated amortization of the assets controlled. The reader should be aware of the following information relating to tangible capital assets.

- (a) Work in progress  
Work in progress with a value of \$8,242,160 (2009 - \$25,531,138) has not been amortized. Amortization of these assets will commence when the asset is put into service.
- (b) Contributed tangible capital assets  
Contributed tangible capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$797,443 (2009 - \$1,481,361).
- (c) 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 is the only category where nominal values were assigned.
- (d) Works of art and historical treasures  
The Library Board owns two special book collections. Due to their historical or valuable nature, they are not included in the Library's regular collection for circulation to the public. As such, these collections are also not included in tangible capital assets.

### 16. Letters of credit

As part of various developments, the Town has received letters of credit to cover the costs of completing these projects. Letters of credit held by the Town at December 31, 2010 were \$7,764,470 (2009 - \$17,724,079).

### 17. Commitments

In the ordinary course of business the Town is committed to construction contracts totaling \$6,197,933, and the work will be completed after December 31, 2010.

### 18. Contingencies

- (a) In the ordinary course of business, various claims and lawsuits are brought against the municipality. No provision has been made for pending expropriations of land beyond the payments already made to affected property owners. Any payment made by the municipality pursuant to claims, lawsuits or expropriations will be charged to the year of settlement.
- (b) The Town's landfill site was taken over by the County of Simcoe and, as compensation, the County will accept Town waste at a below market rate value of \$79 per tonne. Based on maximum tonnes to be accepted by the County this reduced rate is estimated to last until 2029.

# CORPORATION OF THE TOWN OF COLLINGWOOD

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT DECEMBER 31, 2010

### 19. Government business enterprises - Hydro companies

The operations of various hydro companies operating as the Collingwood Utility Services Corp. are included in the Consolidated Statement of Operations, accounted for on a modified equity basis.

|  | 2010       | 2009       |
|--|------------|------------|
|  | \$         | \$         |
| Total assets   | 25,509,482 | 21,604,430 |
| Total liabilities                                    | 14,525,530 | 11,008,110 |
| Net assets   | 10,983,952 | 10,596,320 |
| Common shares  | 5,101,640  | 5,101,640  |
| Contributed capital                                  | 2,966,014  | 2,966,014  |
| Accumulated income                                   | 2,916,298  | 2,528,666  |
| Investment in government business enterprise         | 10,983,952 | 10,596,320 |
| Total revenues                                       | 32,920,826 | 30,560,927 |
| Total expenditures                                   | 32,533,194 | 30,090,191 |
| Net revenues for the year and change in fund balance | 387,632    | 470,736    |

The note receivable from the Collingwood Utility Services Corp. bears interest at 7.25% and is due on demand. Also at December 31, 2010, the amount due from the Collingwood Utility Services Corp. is \$2,821,234 (2009 - \$1,944,754) which is included in accounts receivable.

### 20. Future accounting pronouncements

In February 2010, the CICA issued Section PS 3510, "Tax Revenue", which establishes recognition, measurement, presentation and disclosure standards relating to tax revenue reported in financial statements. The section is effective for fiscal years beginning on or after January 1, 2013, earlier adoption is encouraged. The new standard is not expected to have a material effect on the consolidated financial statements.

# CORPORATION OF THE TOWN OF COLLINGWOOD

## SCHEDULE 1 CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31

|                                   | Land       | Land<br>Improvements | Buildings  | Machinery and<br>Equipment | Vehicles  | Linear Assets | 2010<br>Total      | 2009<br>Total |
|-----------------------------------|------------|----------------------|------------|----------------------------|-----------|---------------|--------------------|---------------|
|                                   | \$         | \$                   | \$         | \$                         | \$        | \$            | \$                 | \$            |
| <b>Cost</b>                       |            |                      |            |                            |           |               |                    |               |
| Balance, beginning of year        | 23,042,886 | 12,727,665           | 39,273,134 | 35,552,215                 | 7,598,141 | 126,438,015   | <b>244,632,056</b> | 220,684,260   |
| Additions                         | 775,000    | 2,219,641            | 1,581,587  | 2,200,672                  | 1,808,795 | 14,943,273    | <b>23,528,968</b>  | 26,631,983    |
| Disposals                         | -          | -                    | -          | (403,943)                  | (952,008) | (1,437,915)   | <b>(2,793,866)</b> | (2,684,187)   |
| Balance, end of year              | 23,817,886 | 14,947,306           | 40,854,721 | 37,348,944                 | 8,454,928 | 139,943,373   | <b>265,367,158</b> | 244,632,056   |
| <b>Accumulated amortization</b>   |            |                      |            |                            |           |               |                    |               |
| Balance, beginning of year        | -          | 5,476,292            | 10,919,970 | 18,183,843                 | 4,131,665 | 44,394,163    | <b>83,105,933</b>  | 78,260,805    |
| Amortization                      | -          | 597,319              | 873,867    | 2,278,246                  | 693,127   | 3,131,356     | <b>7,573,915</b>   | 6,836,738     |
| Disposals                         | -          | -                    | -          | (403,943)                  | (812,349) | (1,437,915)   | <b>(2,654,207)</b> | (1,991,610)   |
| Balance, end of year              | -          | 6,073,611            | 11,793,837 | 20,058,146                 | 4,012,443 | 46,087,604    | <b>88,025,641</b>  | 83,105,933    |
| Net book value, end of year       | 23,817,886 | 8,873,695            | 29,060,884 | 17,290,798                 | 4,442,485 | 93,855,769    | <b>177,341,517</b> | 161,526,123   |
| Work in progress included in cost | -          | 79,906               | 1,362,239  | 57,362                     | -         | 6,742,653     | <b>8,242,160</b>   | 25,531,138    |

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE TOWN OF COLLINGWOOD

## SCHEDULE 2 CONSOLIDATED SCHEDULE OF SEGMENTED TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2010

|                                   | General<br>Government | Fire      | Other<br>Protective | Transportation | Environmental | Recreation and<br>Cultural | Planning and<br>Development | Total       |
|-----------------------------------|-----------------------|-----------|---------------------|----------------|---------------|----------------------------|-----------------------------|-------------|
|                                   | \$                    | \$        | \$                  | \$             | \$            | \$                         | \$                          | \$          |
| <b>Cost</b>                       |                       |           |                     |                |               |                            |                             |             |
| Balance, beginning of year        | 16,306,861            | 3,401,303 | 4,563,577           | 69,236,870     | 120,852,527   | 29,996,419                 | 274,499                     | 244,632,056 |
| Additions                         | 1,183,067             | 1,457,604 | 101,458             | 13,168,356     | 3,910,990     | 3,610,561                  | 96,932                      | 23,528,968  |
| Disposals                         | (119,030)             | (823,627) | -                   | (1,395,164)    | (197,079)     | (258,966)                  | -                           | (2,793,866) |
| Balance, end of year              | 17,370,898            | 4,035,280 | 4,665,035           | 81,010,062     | 124,566,438   | 33,348,014                 | 371,431                     | 265,367,158 |
| <b>Accumulated amortization</b>   |                       |           |                     |                |               |                            |                             |             |
| Balance, beginning of year        | 1,286,907             | 1,761,958 | 51,223              | 27,523,856     | 43,929,685    | 8,497,077                  | 55,227                      | 83,105,933  |
| Amortization                      | 257,270               | 211,917   | 27,088              | 2,219,517      | 3,822,074     | 1,013,486                  | 22,563                      | 7,573,915   |
| Disposals                         | (119,030)             | (743,699) | -                   | (1,335,433)    | (197,079)     | (258,966)                  | -                           | (2,654,207) |
| Balance, end of year              | 1,425,147             | 1,230,176 | 78,311              | 28,407,940     | 47,554,680    | 9,251,597                  | 77,790                      | 88,025,641  |
| Net book value, end of year       | 15,945,751            | 2,805,104 | 4,586,724           | 52,602,122     | 77,011,758    | 24,096,417                 | 293,641                     | 177,341,517 |
| Work in progress included in cost | 57,362                | -         | -                   | 4,130,777      | 3,901,219     | 152,802                    | -                           | 8,242,160   |

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE TOWN OF COLLINGWOOD

## SCHEDULE 3 CONSOLIDATED SCHEDULE OF SEGMENTED TANGIBLE CAPITAL ASSETS FOR THE YEAR ENDED DECEMBER 31, 2009

|                                   | General<br>Government | Fire      | Other<br>Protective | Transportation | Environmental | Recreation and<br>Cultural | Planning and<br>Development | Total       |
|-----------------------------------|-----------------------|-----------|---------------------|----------------|---------------|----------------------------|-----------------------------|-------------|
|                                   | \$                    | \$        | \$                  | \$             | \$            | \$                         | \$                          | \$          |
| <b>Cost</b>                       |                       |           |                     |                |               |                            |                             |             |
| Balance, beginning of year        | 15,277,789            | 3,425,802 | 4,563,577           | 57,249,600     | 116,601,457   | 23,291,536                 | 274,499                     | 220,684,260 |
| Additions                         | 1,823,321             | 128,069   | -                   | 13,494,074     | 4,251,070     | 6,935,449                  | -                           | 26,631,983  |
| Disposals                         | (794,249)             | (152,568) | -                   | (1,506,804)    | -             | (230,566)                  | -                           | (2,684,187) |
| Balance, end of year              | 16,306,861            | 3,401,303 | 4,563,577           | 69,236,870     | 120,852,527   | 29,996,419                 | 274,499                     | 244,632,056 |
| <b>Accumulated amortization</b>   |                       |           |                     |                |               |                            |                             |             |
| Balance, beginning of year        | 1,159,426             | 1,758,877 | 30,636              | 27,129,753     | 40,158,433    | 7,986,979                  | 36,701                      | 78,260,805  |
| Amortization                      | 230,484               | 167,075   | 20,587              | 1,899,576      | 3,771,252     | 729,238                    | 18,526                      | 6,836,738   |
| Disposals                         | (103,003)             | (163,994) | -                   | (1,505,473)    | -             | (219,140)                  | -                           | (1,991,610) |
| Balance, end of year              | 1,286,907             | 1,761,958 | 51,223              | 27,523,856     | 43,929,685    | 8,497,077                  | 55,227                      | 83,105,933  |
| Net book value, end of year       | 15,019,954            | 1,639,345 | 4,512,354           | 41,713,014     | 76,922,842    | 21,499,342                 | 219,272                     | 161,526,123 |
| Work in progress included in cost | 173,111               | -         | -                   | 10,281,379     | 5,046,833     | 10,029,815                 | -                           | 25,531,138  |

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE TOWN OF COLLINGWOOD

## SCHEDULE 4 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2010

|  | General<br>Government | Police           | Fire             | Other<br>Protective | Transportation     | Environmental     | Recreation and<br>Cultural | Planning and<br>Development | Other and<br>Unallocated | Total             |
|--|-----------------------|------------------|------------------|---------------------|--------------------|-------------------|----------------------------|-----------------------------|--------------------------|-------------------|
|  | \$                    | \$               | \$               | \$                  | \$                 | \$                | \$                         | \$                          | \$                       | \$                |
| <b>Revenues</b>                                    |                       |                  |                  |                     |                    |                   |                            |                             |                          |                   |
| Net municipal taxation                             | 4,331,130             | 4,712,630        | 3,318,237        | 1,178,626           | 3,924,219          | -                 | 5,115,392                  | 1,873,275                   | 47,690                   | 24,501,199        |
| Payments in lieu of taxation                       | 27,835                | 30,286           | 21,325           | 7,575               | 25,219             | -                 | 32,874                     | 12,039                      | 306                      | 157,459           |
| User charges                                       | 323,655               | 2,063            | 13,932           | 4,863               | 775,729            | 12,426,554        | 833,321                    | 188,303                     | -                        | 14,568,420        |
| Government transfers                               | 1,079                 | 30,518           | 1,120            | -                   | -                  | -                 | 181,656                    | 211,897                     | -                        | 426,270           |
| Other municipalities                               | -                     | 172,066          | -                | -                   | 174,062            | 398,875           | 30,000                     | -                           | 12,540                   | 787,543           |
| Contributions from obligatory reserve funds        | -                     | -                | 14,588           | 110,332             | 189,037            | -                 | 79,500                     | 4,864                       | -                        | 398,321           |
| Investment income                                  | 445,952               | -                | -                | -                   | -                  | 22,237            | -                          | -                           | -                        | 468,189           |
| Penalties and interest on taxes                    | 644,791               | -                | -                | -                   | -                  | -                 | -                          | -                           | -                        | 644,791           |
| Gain (loss) on disposal of tangible capital assets | -                     | -                | 40,422           | -                   | (46,481)           | -                 | -                          | -                           | -                        | (6,059)           |
| Other  | 675,151               | 18,080           | 39,269           | 332,681             | 342,104            | 919,312           | 737,085                    | -                           | 44,000                   | 3,107,682         |
|  | <b>6,449,593</b>      | <b>4,965,643</b> | <b>3,448,893</b> | <b>1,634,077</b>    | <b>5,383,889</b>   | <b>13,766,978</b> | <b>7,009,828</b>           | <b>2,290,378</b>            | <b>104,536</b>           | <b>45,053,815</b> |
| <b>Expenses</b>                                    |                       |                  |                  |                     |                    |                   |                            |                             |                          |                   |
| Salaries, wages and employee benefits              | 2,008,183             | 44,175           | 2,667,933        | 683,383             | 2,362,922          | 2,522,335         | 3,520,392                  | 1,116,235                   | -                        | 14,925,558        |
| Interest on long-term liabilities                  | 353,049               | -                | -                | 305,516             | 129,088            | 801,947           | 21,441                     | 1,502                       | -                        | 1,612,543         |
| Materials and supplies                             | 1,215,293             | 82,505           | 243,579          | 183,391             | 1,234,803          | 4,926,506         | 3,135,232                  | 854,987                     | 38,970                   | 11,915,266        |
| Contracted services                                | 73,621                | 4,611,615        | 48,000           | 1,926               | 1,211,441          | 55,000            | -                          | -                           | -                        | 6,001,603         |
| Rents, financial expenses and external transfers   | 95,318                | 17,497           | 141,320          | 194,939             | 555,133            | 153,775           | 179,036                    | 60,244                      | 113,627                  | 1,510,889         |
| Amortization                                       | 257,270               | -                | 211,917          | 27,088              | 2,219,517          | 3,822,074         | 1,013,486                  | 22,563                      | -                        | 7,573,915         |
|  | <b>4,002,734</b>      | <b>4,755,792</b> | <b>3,312,749</b> | <b>1,396,243</b>    | <b>7,712,904</b>   | <b>12,281,637</b> | <b>7,869,587</b>           | <b>2,055,531</b>            | <b>152,597</b>           | <b>43,539,774</b> |
| <b>Net revenues (expenses)</b>                     | <b>2,446,859</b>      | <b>209,851</b>   | <b>136,144</b>   | <b>237,834</b>      | <b>(2,329,015)</b> | <b>1,485,341</b>  | <b>(859,759)</b>           | <b>234,847</b>              | <b>(48,061)</b>          | <b>1,514,041</b>  |
| <b>Other</b>                                       |                       |                  |                  |                     |                    |                   |                            |                             |                          |                   |
| Grants and transfers related to capital            |                       |                  |                  |                     |                    |                   |                            |                             |                          |                   |
| Government transfers                               | -                     | -                | 759,672          | -                   | 9,021,823          | 241,108           | 34,975                     | -                           | -                        | 10,057,578        |
| Contributions from obligatory reserve funds        | -                     | -                | 162,012          | -                   | 873,872            | 1,959,790         | 397,600                    | -                           | -                        | 3,393,274         |
| Contributed tangible capital assets                | 775,000               | -                | -                | -                   | -                  | 22,443            | -                          | -                           | -                        | 797,443           |
| Contributions from developers                      | -                     | -                | -                | -                   | -                  | 1,511,785         | 23,050                     | -                           | -                        | 1,534,835         |
| Other  | -                     | -                | -                | -                   | 128,837            | 120,295           | 133,970                    | -                           | -                        | 383,102           |
| Income from hydro companies                        | -                     | -                | -                | -                   | -                  | -                 | -                          | -                           | 387,632                  | 387,632           |
|  | <b>775,000</b>        | <b>-</b>         | <b>921,684</b>   | <b>-</b>            | <b>10,024,532</b>  | <b>3,855,421</b>  | <b>589,595</b>             | <b>-</b>                    | <b>387,632</b>           | <b>16,553,864</b> |
| <b>Annual surplus (deficit)</b>                    | <b>3,221,859</b>      | <b>209,851</b>   | <b>1,057,828</b> | <b>237,834</b>      | <b>7,695,517</b>   | <b>5,340,762</b>  | <b>(270,164)</b>           | <b>234,847</b>              | <b>339,571</b>           | <b>18,067,905</b> |

The accompanying notes are an integral part of these financial statements

# CORPORATION OF THE TOWN OF COLLINGWOOD

## SCHEDULE 5 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2009

|   | General<br>Government | Police    | Fire      | Other<br>Protective | Transportation | Environmental | Recreation and<br>Cultural | Planning and<br>Development | Other and<br>Unallocated | Total      |
|---|-----------------------|-----------|-----------|---------------------|----------------|---------------|----------------------------|-----------------------------|--------------------------|------------|
|   | \$                    | \$        | \$        | \$                  | \$             | \$            | \$                         | \$                          | \$                       | \$         |
| <b>Revenues</b>                                       |                       |           |           |                     |                |               |                            |                             |                          |            |
| Net municipal taxation                                | 3,441,908             | 4,527,699 | 2,941,217 | 1,227,229           | 3,263,799      | -             | 4,613,581                  | 1,650,042                   | 54,323                   | 21,719,798 |
| Payments in lieu of taxation                          | 20,924                | 27,525    | 17,880    | 7,461               | 19,841         | -             | 28,047                     | 10,031                      | 330                      | 132,039    |
| User charges  | 118,532               | 1,030     | 17,245    | 4,828               | 734,195        | 12,022,660    | 805,425                    | 137,448                     | -                        | 13,841,363 |
| Government transfers                                  | 2,530                 | 50,735    | 1,829     | -                   | 11,499         | -             | 165,199                    | 126,820                     | -                        | 358,612    |
| Other municipalities                                  | 16,351                | 460,551   | 15,384    | 218                 | 208,818        | 405,581       | -                          | -                           | 46,134                   | 1,153,037  |
| Contributions from obligatory<br>reserve funds        | -                     | -         | -         | 27,495              | 162,974        | -             | 85,000                     | -                           | -                        | 275,469    |
| Investment income                                     | 479,785               | -         | -         | -                   | -              | 15,758        | -                          | -                           | -                        | 495,543    |
| Penalties and interest on taxes                       | 568,591               | -         | -         | -                   | -              | -             | -                          | -                           | -                        | 568,591    |
| Gain (loss) on disposal of tangible<br>capital assets | (594,058)             | -         | 6,675     | -                   | 3,692          | -             | 555                        | -                           | -                        | (583,136)  |
| Other   | 642,419               | 22,337    | 11,850    | 523,378             | 389,461        | 1,039,477     | 693,537                    | -                           | 33,000                   | 3,355,459  |
|   | 4,696,982             | 5,089,877 | 3,012,080 | 1,790,609           | 4,794,279      | 13,483,476    | 6,391,344                  | 1,924,341                   | 133,787                  | 41,316,775 |
| <b>Expenses</b>                                       |                       |           |           |                     |                |               |                            |                             |                          |            |
| Salaries, wages and employee<br>benefits              | 1,754,838             | 34,194    | 3,119,610 | 594,997             | 2,148,439      | 2,451,689     | 3,230,530                  | 1,113,389                   | -                        | 14,447,686 |
| Interest on long-term liabilities                     | 351,568               | -         | -         | 321,547             | 123,280        | 1,070,354     | 26,266                     | 1,630                       | -                        | 1,894,645  |
| Materials and supplies                                | 1,248,495             | 89,946    | 257,601   | 131,883             | 1,168,532      | 4,025,964     | 2,519,908                  | 773,766                     | 144,315                  | 10,360,410 |
| Contracted services                                   | 66,752                | 4,392,445 | 48,000    | 7,577               | 1,058,615      | 55,000        | -                          | -                           | -                        | 5,628,389  |
| Rents, financial expenses and<br>external transfers   | 68,653                | 20,628    | 106,090   | 211,928             | 533,862        | 127,655       | 30,273                     | 13,325                      | 60,857                   | 1,173,271  |
| Amortization  | 230,484               | -         | 167,075   | 20,587              | 1,899,576      | 3,771,252     | 729,238                    | 18,526                      | -                        | 6,836,738  |
|   | 3,720,790             | 4,537,213 | 3,698,376 | 1,288,519           | 6,932,304      | 11,501,914    | 6,536,215                  | 1,920,636                   | 205,172                  | 40,341,139 |
| <b>Net revenues (expenses)</b>                        | 976,192               | 552,664   | (686,296) | 502,090             | (2,138,025)    | 1,981,562     | (144,871)                  | 3,705                       | (71,385)                 | 975,636    |
| <b>Other</b>  |                       |           |           |                     |                |               |                            |                             |                          |            |
| Grants and transfers related to capital               |                       |           |           |                     |                |               |                            |                             |                          |            |
| Government transfers                                  | -                     | -         | -         | -                   | 3,674,360      | 1,329,372     | 130,177                    | -                           | -                        | 5,133,909  |
| Contributions from obligatory<br>reserve funds        | -                     | -         | -         | -                   | 828,656        | 137,418       | 698,474                    | -                           | -                        | 1,664,548  |
| Contributed tangible capital<br>assets                | 1,481,361             | -         | -         | -                   | -              | -             | -                          | -                           | -                        | 1,481,361  |
| Other   | -                     | -         | -         | -                   | -              | 588,446       | 232,404                    | -                           | -                        | 820,850    |
| Donations and cost recoveries                         | -                     | -         | 10,200    | -                   | 251,738        | 1,000         | 193,762                    | -                           | -                        | 456,700    |
| Income from hydro companies                           | -                     | -         | -         | -                   | -              | -             | -                          | -                           | 470,736                  | 470,736    |
|   | 1,481,361             | -         | 10,200    | -                   | 4,754,754      | 2,056,236     | 1,254,817                  | -                           | 470,736                  | 10,028,104 |
| <b>Annual surplus (deficit)</b>                       | 2,457,553             | 552,664   | (676,096) | 502,090             | 2,616,729      | 4,037,798     | 1,109,946                  | 3,705                       | 399,351                  | 11,003,740 |

The accompanying notes are an integral part of  
these financial statements

# CORPORATION OF THE TOWN OF COLLINGWOOD

## SCHEDULE 6 CONSOLIDATED SCHEDULE OF SEGMENTED REVENUES AND EXPENSES BUDGET FOR THE YEAR ENDED DECEMBER 31, 2010

|   | General<br>Government | Police           | Fire             | Other<br>Protective | Transportation     | Environmental     | Recreation and<br>Cultural | Planning and<br>Development | Other and<br>Unallocated | Total              |
|---|-----------------------|------------------|------------------|---------------------|--------------------|-------------------|----------------------------|-----------------------------|--------------------------|--------------------|
|   | \$                    | \$               | \$               | \$                  | \$                 | \$                | \$                         | \$                          | \$                       | \$                 |
| <b>Revenues</b>   |                       |                  |                  |                     |                    |                   |                            |                             |                          |                    |
| Net municipal taxation  | 4,109,815             | 4,471,822        | 3,148,680        | 1,118,399           | 3,723,697          | -                 | 4,854,002                  | 1,777,554                   | 45,253                   | 23,249,222         |
| Payments in lieu of taxation                                    | 18,802                | 20,458           | 14,405           | 5,117               | 17,036             | -                 | 22,207                     | 8,131                       | 207                      | 106,363            |
| User charges  | 53,500                | 2,500            | 21,000           | 127,030             | 935,800            | 11,983,678        | 798,585                    | 130,945                     | -                        | 14,053,038         |
| Government transfers  | -                     | 30,000           | -                | -                   | -                  | -                 | 113,884                    | 224,500                     | -                        | 368,384            |
| Other municipalities  | -                     | 248,000          | -                | -                   | 220,000            | 476,894           | -                          | -                           | -                        | 944,894            |
| Contributions from obligatory<br>reserve funds                  | -                     | -                | -                | 30,889              | 185,000            | -                 | 79,500                     | -                           | -                        | 295,389            |
| Investment income   | 350,000               | -                | -                | -                   | -                  | 37,500            | -                          | -                           | -                        | 387,500            |
| Penalties and interest on taxes                                 | 400,000               | -                | -                | -                   | -                  | -                 | -                          | -                           | -                        | 400,000            |
| Gain (loss) on disposal of tangible<br>capital assets           | 183,000               | -                | (31,698)         | -                   | -                  | -                 | 493,959                    | -                           | -                        | 645,261            |
| Other   | 300,500               | 17,000           | 18,500           | 519,385             | 532,700            | 713,000           | 820,825                    | -                           | 129,168                  | 3,051,078          |
|   | <b>5,415,617</b>      | <b>4,789,780</b> | <b>3,170,887</b> | <b>1,800,820</b>    | <b>5,614,233</b>   | <b>13,211,072</b> | <b>7,182,962</b>           | <b>2,141,130</b>            | <b>174,628</b>           | <b>43,501,129</b>  |
| <b>Expenses</b>   |                       |                  |                  |                     |                    |                   |                            |                             |                          |                    |
| Salaries, wages and employee<br>benefits                        | 2,273,140             | 52,700           | 2,715,411        | 807,872             | 1,861,760          | 2,573,030         | 3,511,333                  | 1,059,046                   | -                        | 14,854,292         |
| Interest on long-term liabilities                               | 490,026               | -                | 21,460           | 307,677             | 119,493            | 846,945           | 23,314                     | -                           | -                        | 1,808,915          |
| Materials and supplies  | 3,137,735             | 94,185           | 249,505          | 224,355             | 2,234,559          | 4,242,230         | 2,666,602                  | 1,106,980                   | 172,668                  | 14,128,819         |
| Contracted services   | 81,000                | 4,920,159        | 48,000           | 30,000              | 1,158,000          | 55,000            | -                          | -                           | -                        | 6,292,159          |
| Rents, financial expenses and<br>external transfers             | 84,800                | 23,100           | 139,500          | 208,666             | 342,395            | 105,689           | 42,818                     | 19,500                      | 15,000                   | 981,468            |
| Amortization  | 290,649               | -                | 218,835          | 28,942              | 2,176,326          | 3,734,430         | 981,772                    | 25,216                      | -                        | 7,456,170          |
|   | <b>6,357,350</b>      | <b>5,090,144</b> | <b>3,392,711</b> | <b>1,607,512</b>    | <b>7,892,533</b>   | <b>11,557,324</b> | <b>7,225,839</b>           | <b>2,210,742</b>            | <b>187,668</b>           | <b>45,521,823</b>  |
| <b>Net revenues (expenses)</b>                                  | <b>(941,733)</b>      | <b>(300,364)</b> | <b>(221,824)</b> | <b>193,308</b>      | <b>(2,278,300)</b> | <b>1,653,748</b>  | <b>(42,877)</b>            | <b>(69,612)</b>             | <b>(13,040)</b>          | <b>(2,020,694)</b> |
| <b>Other</b>  |                       |                  |                  |                     |                    |                   |                            |                             |                          |                    |
| Grants and transfers related to capital<br>Government transfers | -                     | -                | -                | -                   | 11,963,305         | 400,000           | -                          | -                           | -                        | 12,363,305         |
| Contributions from obligatory<br>reserve funds                  | -                     | -                | 71,000           | -                   | 785,200            | 887,278           | 193,500                    | -                           | -                        | 1,936,978          |
| Contributions from developers                                   | -                     | -                | -                | -                   | -                  | 733,344           | -                          | -                           | -                        | 733,344            |
| Other   | -                     | -                | -                | -                   | 2,800,586          | 81,000            | 321,000                    | -                           | -                        | 3,202,586          |
| Income from hydro companies                                     | -                     | -                | -                | -                   | -                  | -                 | -                          | -                           | 672,384                  | 672,384            |
|   | <b>-</b>              | <b>-</b>         | <b>71,000</b>    | <b>-</b>            | <b>15,549,091</b>  | <b>2,101,622</b>  | <b>514,500</b>             | <b>-</b>                    | <b>672,384</b>           | <b>18,908,597</b>  |
| <b>Annual surplus (deficit)</b>                                 | <b>(941,733)</b>      | <b>(300,364)</b> | <b>(150,824)</b> | <b>193,308</b>      | <b>13,270,791</b>  | <b>3,755,370</b>  | <b>471,623</b>             | <b>(69,612)</b>             | <b>659,344</b>           | <b>16,887,903</b>  |

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these financial statements