

## **Staff Report 2021-0153**

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Meeting Date: May 11, 2021

Subject: 2020 Audited Financial Statements

Submitted By: Heather Haire, Acting Director, Finance / Treasurer

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### **RECOMMENDATION**

That the Corporation of the Town of Caledon's Audited Consolidated Financial Statements for the year ended December 31, 2020, be approved.

### **REPORT HIGHLIGHTS**

- The 2020 Financial Report and Consolidated Financial Statements have been prepared by Management of the Corporation of the Town of Caledon.
- The financial statements have been examined by the external auditors for the Corporation and a clean opinion has been provided on whether the financial statements are fairly presented, in all material respects, in accordance with public sector accounting standards.
- The report from the Town's external auditor and the Town's 2020 consolidated financial statements are attached to this report.
- Staff prepared a Management Discussion and Analysis (MD&A) report which contains a high-level summary of the 2020 year-end to assist various stakeholders in understanding the Town's financial picture presented in the 2020 audited and consolidated financial statements.
- In addition, Staff have prepared high level tables and charts in the Financial Implications section of this report to assist in the understanding of the Town's financials.
- Staff recommend the Town of Caledon's 2020 consolidated annual financial statements in Schedule B be approved.

### **DISCUSSION**

Annually, the Town of Caledon is required to prepare and publish audited consolidated financial statements.

Attached to this report are:

- Schedule A: Management Discussion and Analysis for the year ended December 31, 2020
- Schedule B: Consolidated Draft Financial Statements for the year ended December 31, 2020
- Schedule C: Report to the Members of Council from the Town's external auditor.
- Schedule D: Statistical Information over a 5-year period on the Town of Caledon such as taxes, financial information, tangible capital assets and accumulated surplus

Staff prepared a Management Discussion and Analysis (MD&A) report which contains a high-level summary of the 2020 year-end to assist various stakeholders in understanding the Town's financial picture presented in the 2020 audited and consolidated financial statements.

Staff will also be submitting the Town's Financial Report for consideration of the GFOA Canadian Award for Financial Reporting program (CAnFR). In addition to the audited financial statements, the Town's Financial Report includes enhanced financial information such as MD&A and other important financial/statistical and non-financial information about the Town.

## **FINANCIAL IMPLICATIONS**

The financial statements have 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.

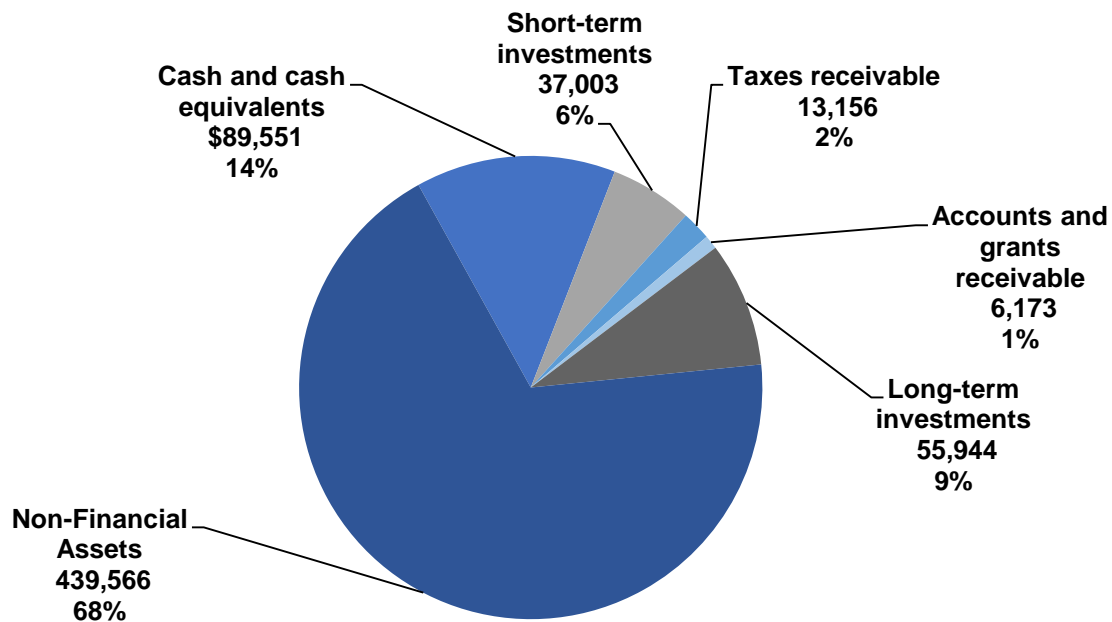
The 2020 Financial Report and Consolidated Financial Statements are the responsibility of Management of the Corporation of the Town of Caledon. The financial statements have been examined by Millard LLP Chartered Professional Accountants, the external auditors for the Corporation. The responsibility 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 (found in the next section of this Report) have been extracted from the Town's Audited Consolidated Financial Statements found in Schedule B of this report.

## Statement of Financial Position

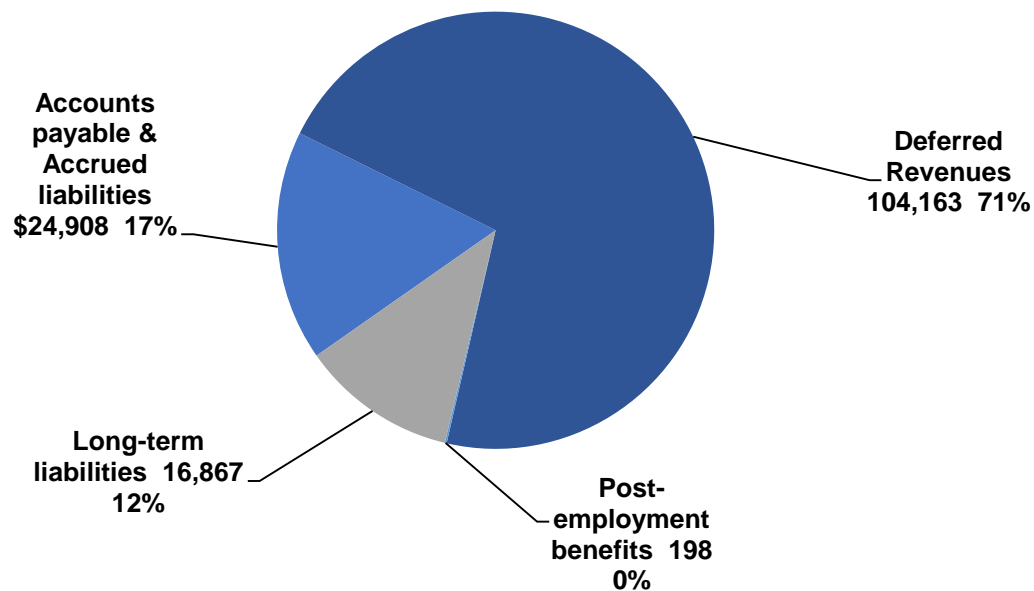
The following highlights outline the Financial Position as at December 31, 2020  
(in thousands of dollars)

What we own (Assets)	\$ 000's	%
Cash and cash equivalents	\$ 89,551	14%
Short-term investments	37,003	6%
Taxes receivable	13,156	2%
Accounts and grants receivable	6,173	1%
Long-term investments	55,944	9%
Non-Financial Assets	439,566	68%
<b>Total</b>	<b>\$ 641,393</b>	<b>100%</b>



<b>What we owe (Liabilities)</b>		
	<b>\$ 000's</b>	<b>%</b>
Accounts payable & Accrued liabilities	\$ 24,908	17%
Deferred Revenues	104,163	71%
Post-employment benefits	198	0%
Long-term liabilities	16,867	12%
<b>Total</b>	<b>\$ 146,136</b>	<b>100%</b>

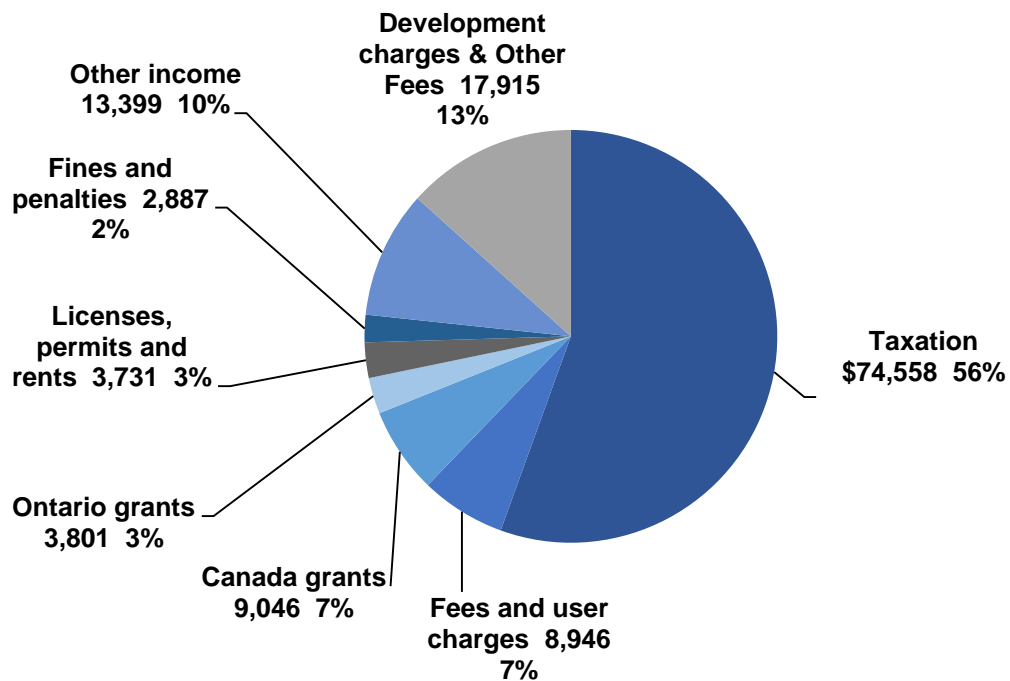
<b>Net worth</b>		
	<b>\$ 000's</b>	<b>%</b>
Accumulated operating surplus	\$ 9,866	2%
Investment in Tangible Capital Assets	438,088	88%
Reserves and Reserve Funds	47,303	11%
<b>Total</b>	<b>\$ 495,257</b>	<b>101%</b>
<b>Total Liabilities and Net Worth</b>	<b>\$ 641,393</b>	



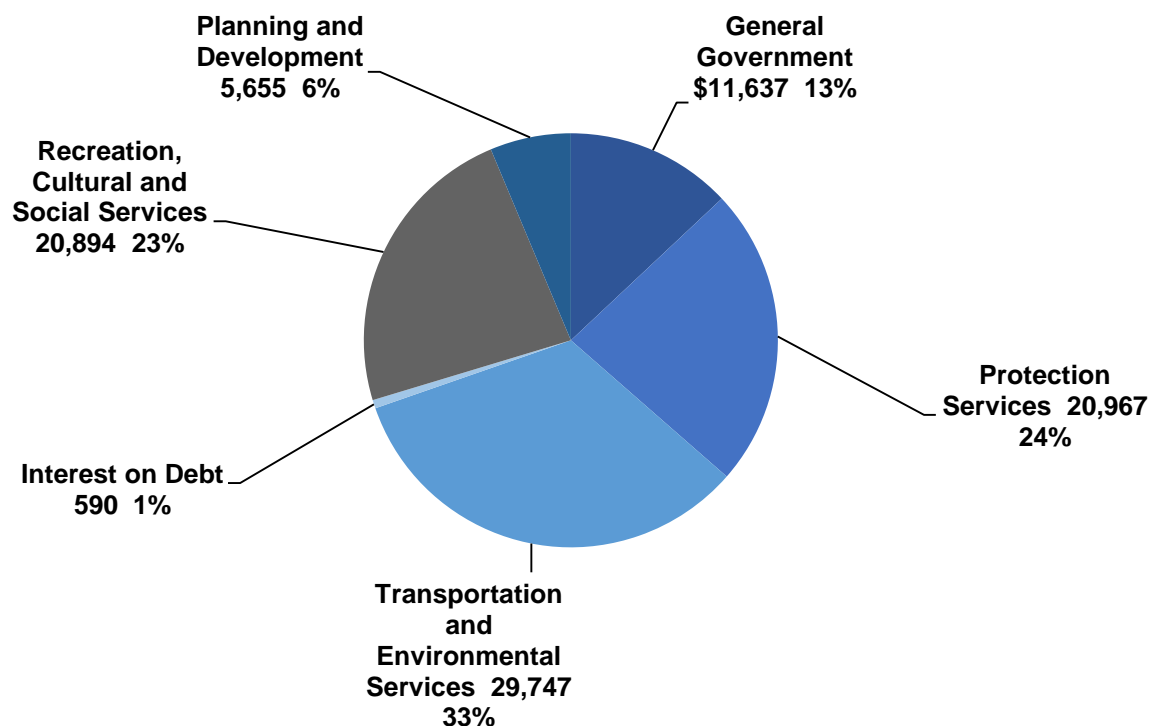
## Revenues and Expenses

The following highlights outline the Statement of Operations as at December 31, 2020  
(in thousands of dollars)

<b>Where the money came from (Revenues)</b>	<b>\$ 000's</b>	<b>%</b>
Taxation	\$ 74,558	56%
Fees and user charges	8,946	7%
Canada grants	9,046	7%
Ontario grants	3,801	3%
Licenses, permits and rents	3,731	3%
Fines and penalties	2,887	2%
Other income	13,399	10%
Development charges & Other Fees	17,915	12%
<b>Total</b>	<b>\$ 134,283</b>	<b>100%</b>



What the money was used for (Expenses)	\$ 000's	%
General Government	\$ 11,637	13%
Protection Services	20,967	24%
Transportation and Environmental Services	29,747	33%
Interest on Debt	590	1%
Recreation, Cultural and Social Services	20,894	23%
Planning and Development	5,655	6%
<b>Total</b>	<b>\$ 89,490</b>	<b>100%</b>



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

## **Applicable Legislation and Requirements**

The audited financial statements are provided pursuant to section 294.1 of the *Municipal Act* which states that a municipality shall, for each fiscal year, prepare annual financial statements in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board of the CPA Canada. Section 295 contains requirements for municipalities to publish a full set of financial statements in a newspaper in the municipality or to advertise the availability of the financial statements within 60 days of receiving the audited financial statements of the previous fiscal year.

## **NEXT STEPS**

- A copy of the 2020 Audited Financial Statements will be forwarded to the Ministry of Municipal Affairs.
- The annual financial report will be submitted to the GFOA for an independent review and consideration for the Canadian Award for Financial Reporting program (CAnFR).
- Post the annual financial report on the Town's website
- Newspaper Ad for 2020 Financial Statement Results to include highlights noted in the Financial Implications section of this report with a link to the complete financial statements on the Town's website.

## **COUNCIL WORK PLAN**

Subject matter is not relevant to the Council Workplan.

## **ATTACHMENTS**

Schedule A: Management Discussion and Analysis for the year ended December 31, 2020

Schedule B: The Corporation of the Town of Caledon Consolidated Financial Statements  
For the year ended December 31, 2020

Schedule C: Report to the Members of Council from the Town's external auditor

Schedule D: 5-year Statistical Information