

The Corporation of the Town of Milton

# Financial Report 2022

Town of Milton, Ontario, Canada  
For the Fiscal Year Ended December 31, 2022



## Land Acknowledgement

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.



**The Corporation of the Town of Milton, Ontario, Canada**

This report was prepared by:  
The Finance Division of the Corporation of the Town of Milton

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# About Milton

The Town of Milton has a **vision** for a future that strives for abundant economic opportunity for residents, educational opportunities for youth, and a community that leads in sustainability, diversity and inclusion.

The Town is a municipal organization that is adaptive and flexible, with an understanding of the importance of listening and collaborating with our local residents, businesses and partners in order to ensure that Milton remains a great place to work and raise a family.

## Council-Staff Work Plan for 2020 - 2023

The **Council-Staff Work Plan** sets a road map for how the Town of Milton may continue to accommodate growth while ensuring the financial sustainability of the organization and the community. Together with staff, Members of Council have set **four goals**:



**We will plan and build our community to accommodate growth while managing new service and infrastructure demands and balancing taxpayer affordability.**



**We will achieve sustainable new revenue streams.**



**We will improve Milton's attractiveness for prospective talent and investment.**



**We will deliver services that address increased expectations and service requests and manage the need for new investment.**

Under each of these goals, Council has established both general strategies and specific priorities for the current term. These priorities emphasize sound community and financial planning, increased employment, accelerated automation, strong community connections and recognition of employees as the foundation for exceptional service.

This plan holds Council and staff accountable for guiding Milton toward a prosperous future with residents, businesses and the environment front of mind.



# About Milton

## A Place of Possibility

The town of Milton is a vibrant community.

We are planning a community with exceptional quality of life.

Milton is a town with a thriving business network that is on the cusp of being a leading economic engine within Ontario. We are working towards a future where there are abundant economic opportunities for our residents and educational opportunities for our youth.

We will be known as a community that is a leader when it comes to welcoming diversity, celebrating inclusion, and practicing financial and environmental sustainability. As we welcome more and more residents to Milton, The Town of Milton is committed to environmental stewardship for the generations to come through sustainability initiatives and mitigation of climate change impacts. We plan to minimize Milton's environmental footprint and work to ensure new and existing neighbourhoods are supported with infrastructure and community amenities.

We are a town that continues to focus on innovation and investing in customer service to support our current and future residents. Through our strategic partnerships, we will always work with other levels of government to advocate for Milton's fair share of investment to ensure we can always deliver the services that matter to our residents.

Above all, we are an organization that will always listen to our residents and businesses to ensure Milton is a vibrant, complete community that is a great place to live, to raise a family, to run a business, and to work.

**Milton is A Place of Possibility.**



# Quick Facts



**365 sq. km**  
Land Area



**137,870**  
Population  
(2022 estimate)



**377**  
Population density  
per sq. km



**338%**  
Population growth (2001-2022)  
From **31,471** to **137,870**

**238k**

**Milton continues to be one of Canada's fastest growing mid-size municipalities.**  
The Town has had record breaking growth from 2001-2022 of 338% and a total population forecast for 2031 of 238,000 - a further increase of 100,130 or 73%



**42,693**  
Households in 2022



**\$137,141**  
\*average household  
income



**\$559,356**  
\*2022 average value  
of dwelling



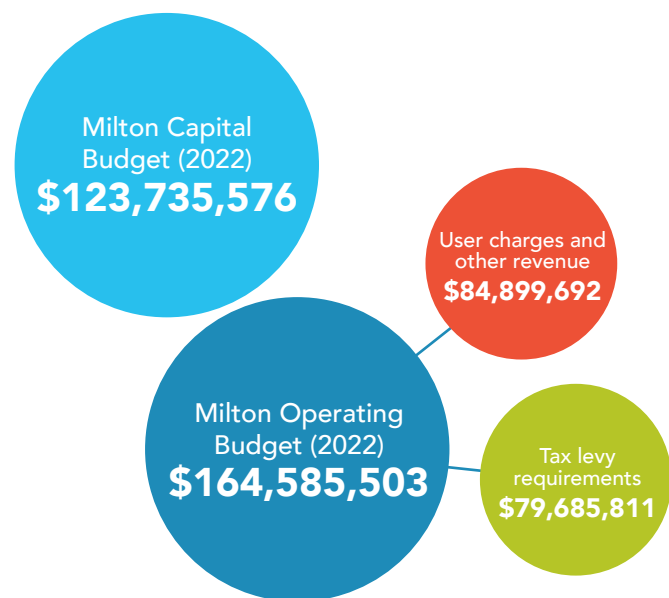
**2.90%**  
Property taxes as a % of  
household income  
Lowest in GTA (average of 3.90%)



## \*Age of population (by age groups)



## Capital and operating budgets by the numbers

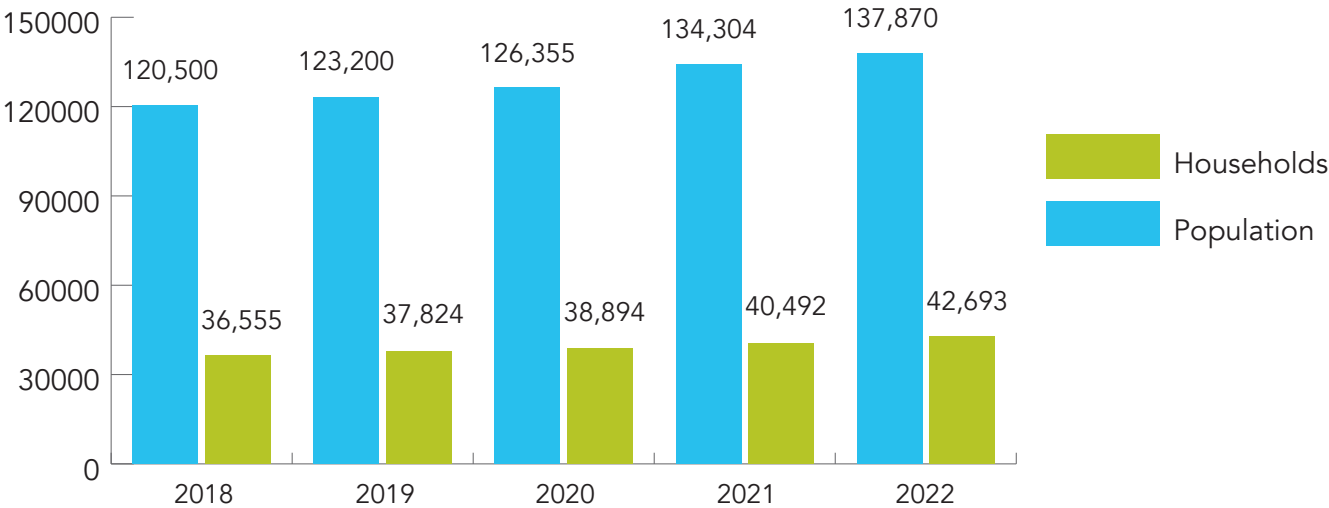


\*Source: BMA Management Consulting Inc.  
Municipal Study 2022

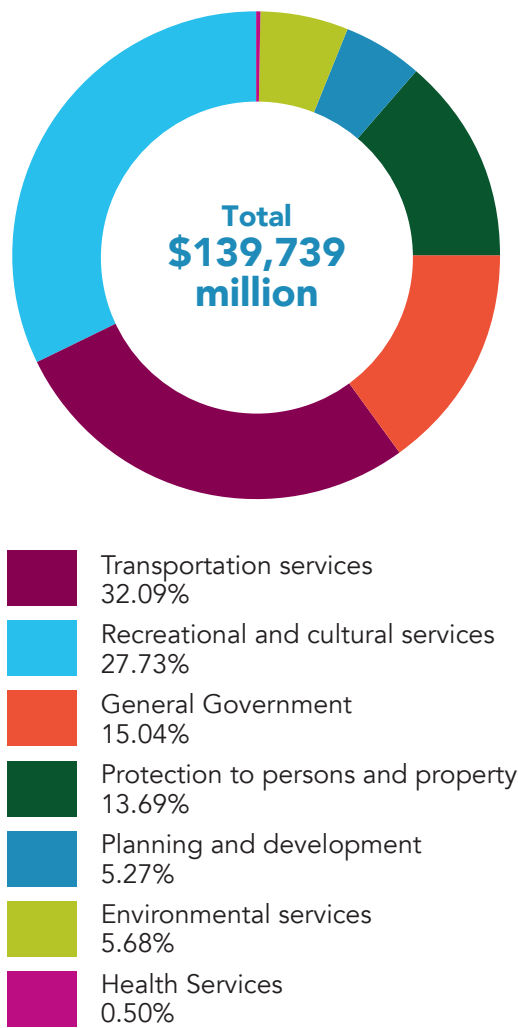
Note: Tax Levy requirements excludes budgeted supplementary taxes  
and payments in lieu.

# Highlights

Population Growth and Household Increase (over the last 5 years)



2022 Expenses (actuals) (in million dollars)



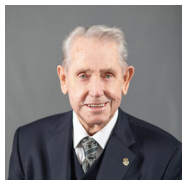
2022 Residential Tax Breakdown



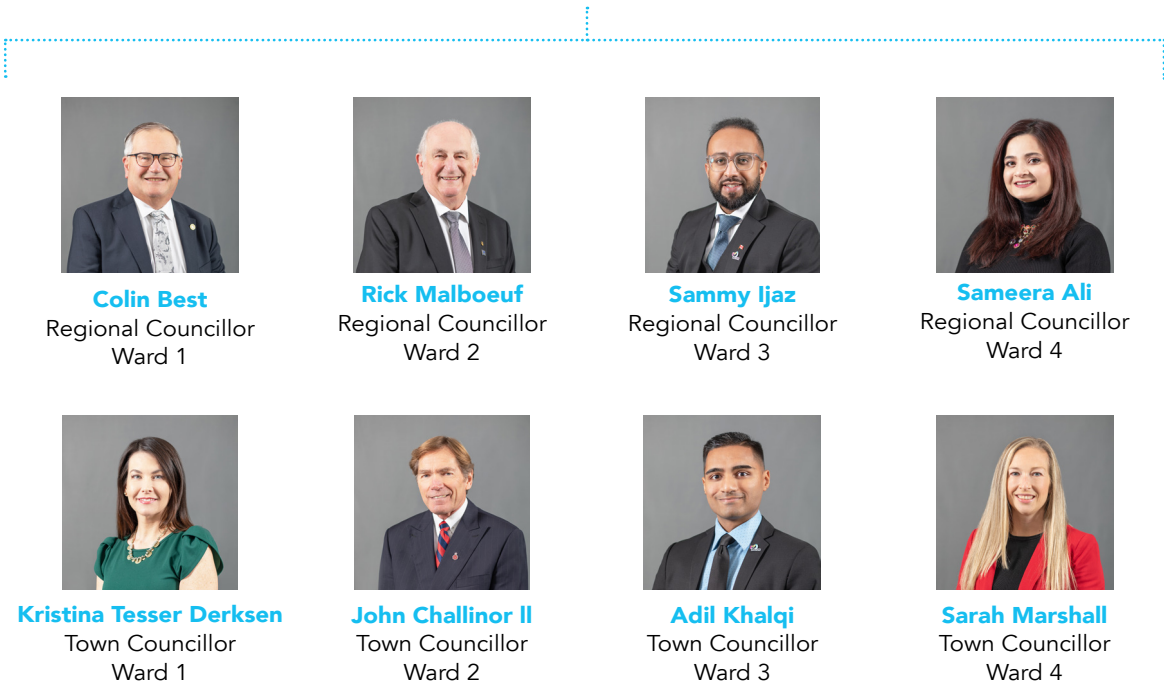
## Mayor and Council

The Town's Council is comprised of the Mayor, four Regional Councillors and four Town Councillors, elected for four-year terms of office. Through the representation of wards, these members of Council are the governing body of the Town and have the following responsibilities:

- Represent the public and consider the well-being and interests of the municipality.
- Evaluate and approve policies and programs of the municipality.
- Determine which services the municipality provides.
- Ensure that administrative and controllership policies, practices and procedures are in place to implement the decisions of Council.
- Maintain the financial integrity of the municipality.



**Gordon Krantz**  
Mayor



Council is the governing body responsible for representing public interest. Staff are responsible for administering Town programs and services. The Milton Public Library and Downtown Business Improvement Area are each managed by individual Boards.

# Organizational Structure

Through service aligned departments, staff are responsible for administering the Town’s programs and services.



The Chief Administrative Officer (CAO) has overall responsibility for the Town’s operating departments led by the Strategic Management Team (SMT). As leaders, the CAO and SMT are responsible for ensuring quality services are provided to the community and that the services provided are aligned with Council approved priorities. The CAO and SMT members also advise the Mayor and Town Council on matters of policy related to the civic administration of the Town of Milton. Divisional directors are responsible for the day-to-day operations of the departments.



## Message from the Treasurer

The Town of Milton is proud to present its annual Financial Report, which details the Town's financial performance and highlights key accomplishments through 2022. The financial statements have been prepared in accordance with the Municipal Act, 2001, and are based on the reporting standards set by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Inflationary pressures were prevalent in the economy in 2022. However, the degree of impact to the Town's operating budget was lessened as existing unit rates were reflected in the cost of many contracts and agreements that were in effect for most of the year. Impacts will be experienced more broadly in 2023 as existing contracts are renewed and new procurement processes are undertaken.

The rate of inflation also led the Bank of Canada to increase the overnight borrowing rate from 0.25% to 4.25% in 2022, bringing it to the highest level since 2007. The overnight rate directly impacts the return received by the Town on funds in the bank and some short term investments. As such, additional revenues were realized in these areas during the year.

Overall the Town realized increasing revenues in 2022 which were, in part, attributable to the gradual lifting of restrictions that were associated with the pandemic. These revenues helped contribute to increases in both the Town's accumulated surplus (4.76% increase) as well as the Town's net financial assets (24.7% increase).

Growth within the community remains a key focus for Milton. Residential growth in 2022 realized an 11.6% increase in the number of units constructed relative to 2021, with a shift towards medium and high density units driving that increase. Progress also continued in the development of the secondary and tertiary plans that will lead to growth within the Trafalgar, Britannia, Agerton and Milton Education Village planning areas.

The accomplishments of 2022 are reflective of the collaborative and forward thinking approach that continues to shape Milton as a vibrant and connected community. The Town looks forward to further building on this foundation

Glen Cowan  
Chief Financial Officer & Treasurer

May 29, 2023

# Financial Statements Discussion and Analysis

The accompanying financial statements are prepared in accordance with the Canadian public sector accounting standards published by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada. The Financial Report is published to provide the Town's Council, staff, citizens and other readers with detailed information concerning the financial position and activities of the Corporation of the Town of Milton (the "Town") for the fiscal year ended December 31, 2022. There are four required financial statements:

1. Statement of Financial Position
2. Statement of Operations
3. Statement of Change in Net Financial Assets
4. Statement of Cash Flows.

These financial statements must provide information on the cost of all Town activities, how they were financed, investing activities, as well as the assets and liabilities of the Town.

## Town of Milton Mandate

The Town of Milton is a municipality within the Province of Ontario, Canada. As described in the notes to the consolidated financial statements, the Town conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and related legislation.

The consolidated financial statements include the Town as well as local boards that are accountable for the administration of their own financial affairs and resources but are owned or controlled by the Town with the exception of Milton Hydro Holdings Inc., which is accounted for on the modified equity basis of accounting. These entities and organizations include:

1. The Milton Public Library Board
2. The Board of Management of the Milton Downtown Business Improvement Area

The Town of Milton is a lower tier municipality within the Regional Municipality of Halton. The Town collects taxes and other revenues on behalf of the Region of Halton (an upper tier municipal government) and the school boards. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the Region of Halton and the school boards are not reflected in these consolidated financial statements.

As a lower tier municipality, the citizens and businesses of Milton rely on the Region of Halton to provide a number of services which include, but are not limited to, policing, waste and recycling collection, water and sewage treatment and social housing.

The Town of Milton provides the following municipal services under the mandate of The Municipal Act:

- General Government – Mayor and Council, clerks, communications, financial planning and policy, accounting, information technology, property taxation, human resources, purchasing and risk management
- Protection to Persons and Property – fire services, by-law enforcement, parking enforcement, licensing, animal and weed control and building services.
- Transportation Services – roads construction and maintenance, transit and street lighting.
- Environmental Services – storm water management and emergency spills.
- Recreation and Cultural Services – community development, recreational programs, parks, recreational facilities, libraries and arts and cultural programs.
- Planning and Development – planning policy, zoning, development review, building inspections and economic development.

# Financial Statements Discussion and Analysis

## Management Responsibility

The Town's management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

The Town's management monitors and maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements.

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

The consolidated financial statements have been audited by Deloitte LLP, an independent external auditor appointed by the Town. The Independent Auditor's Report, which is included in the statements, provides an unqualified "clean" opinion on the Town's consolidated financial statements for the year ended December 31, 2022. The report also outlines the auditor's responsibilities and the scope of their examination.

An audit is conducted in accordance with Canadian generally accepted auditing standards. These standards require that the auditors comply with ethical requirements necessary to plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves performing specific procedures chosen by the auditors to obtain audit evidence in order to verify the amounts and disclosures in the consolidated financial statements as well as to assess the risk of material misstatements. 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.

The budget is an important strategic planning and resource allocation process that is required by legislation and serves as the foundation for the Town's financial planning and control. Section 290 of the *Municipal Act, 2001* requires a municipality to adopt a budget including estimates of all sums required during the year for the purpose of the municipality. The process of budget compilation commences early in the year in an effort to ensure that the Town has an approved budget in place for the start of the new fiscal year. The Town's management prepares a proposed budget which is submitted to Town Council for review and approval, generally in December of each year. Citizens are involved in the budget process through surveys and public meetings.



# Financial Statements Discussion and Analysis

## Risk Management and Significant Financial Management Policies

The financial management and control of the Town is largely governed through by-laws and Council resolutions that prescribe purchasing, accounting, investment, budgeting, risk management, debt and reserve policies. Town Council has sole authority to allocate funds through the annual approval of the operating and capital budgets.

The annual operating budget is balanced with revenues equaling expenditures for the calendar year. The operating budget must include estimates of all sums required by the municipality including any debt payments and all forms and sources of revenue.

The Town strives to leverage non-tax sources of revenue to sustain its level of services to its citizens. The Town charges user fees to recover costs of services where it is appropriate to do so. A comprehensive review of the user fees is conducted every three to five years. There is also an annual update to ensure that the user fees are increasing at the appropriate yearly rate of inflation. The annual fee schedule is reviewed and approved by Town Council.

The Town's financial management policies regarding tangible capital assets ("TCAs") stipulate that said assets are recorded at cost and include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less residual value, of the TCAs are amortized on a straight-line basis over their estimated useful lives. Works in progress are not amortized until the asset is available for productive use, at which time they are capitalized. The Town has a capitalization threshold for each individual asset class, such that individual TCAs of lesser value are expensed unless they are pooled, because collectively they have significant value or could not be operated separately.

The Town's key financial policies establish guidelines for debt, revenue sources and utilization of reserves and reserve funds, budget variance reporting and include the procurement by-law that establishes authorization limits. Each of these policies is intended to mitigate risk, safeguard the Town's assets and ensure that proper internal controls are in place.

# Financial Statements Discussion and Analysis

## 2022 Economic Update

### Employment Growth

The 2022 unemployment rate for Canada was 5.3% (7.5% in 2021) and 5.6% (8.1% in 2021) for Ontario<sup>1</sup>. The unemployment rate in Halton Region was 5.5% (6.5% in 2021)<sup>2</sup>. As the economy recovered from the pandemic in 2022 growth was stronger than expected, the economy was in excess demand and the unemployment rate was near historic lows<sup>3</sup>. For reference, the historical national unemployment average before the pandemic was 6.4% between 2016-2020<sup>1</sup>.



### Inflation

The Town uses a customized Municipal Price Index (MPI) to accurately reflect the inflationary pressures impacting the municipality, in accordance with the Government Finance Officers Association best practices.

Using the MPI increases accuracy when budgeting for the services and goods the Town needs to acquire, and takes into account the Town's significant level of investment in capital infrastructure spending.

For the 2022 budget, the MPI for the Town of Milton includes a 2.30% change in expenditures and a total pressure of 2.73% when revenues are considered.

### Interest Rates/Borrowing

Throughout 2022 the Bank of Canada (BOC), along with other central banks pursued one of the most aggressive rate-hiking cycles in history in attempts to manage elevated inflation and future inflation expectations. Starting in March, 2022 the BOC increased the overnight rate from 0.25% to 4.25% as of December 31, 2022, bringing it to the highest level since 2007. The overnight rate directly impacts the return received by the Town on funds in the bank and some short term investments. Yields on longer dated bonds increased rapidly throughout 2022 before starting to decline, resulting in an inverted yield curve at the end of the year. For reference, the return on a 5 year Government of Canada bond averaged 2.78% in 2022 (2021 average: 0.95%) and 10 year Government of Canada yields averaged 2.77% in 2022 (2021 average: 1.36%)<sup>3</sup>.

This affects the Town in two key ways:

1. Higher rates increase borrowing costs for debt financed projects, impacting available funding to allocate towards capital projects.
2. Higher rates increase the amount of investment income, since the rate of return on surplus cash and investments is directly linked to interest rates.

<sup>1</sup> Statistics Canada

<sup>2</sup> Halton Region

<sup>3</sup> Bank of Canada

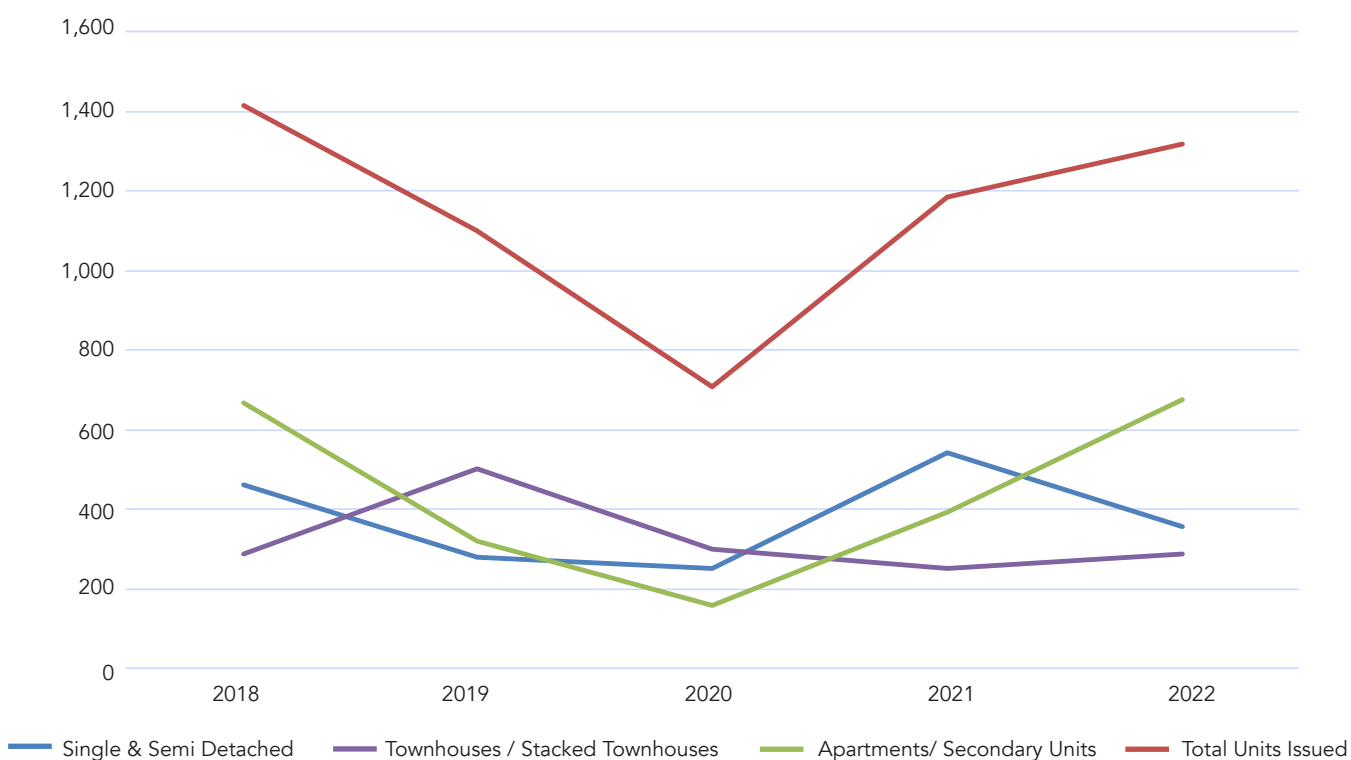
# Financial Statements Discussion and Analysis

## 2022 Significant Events Affecting Financial Statements

### Growth and Building Activity

Residential growth increased to 1,320 units in 2022 relative to 1,183 units in 2021, noting that different trends were experienced in the residential sector depending on the housing type and density. The decrease of the low rise residential can be attributed to the shifting of developer's priorities due to market unpredictability, as well as a few significant developments not being registered in the calendar year as forecasted. As a result, the number of new single & semi-detached residential units created through building permits issued in 2022 was significantly lower than 2021; however, the townhome product increased slightly. The issuance of Apartment units and Secondary Units substantially increased in 2022 when compared to 2021. It is anticipated that we will see an increase in building permits for residential low rise and a continued upward trend for apartment units in 2023, as developments which were anticipated in 2022 will be coming online in 2023.

Residential Development (in units)



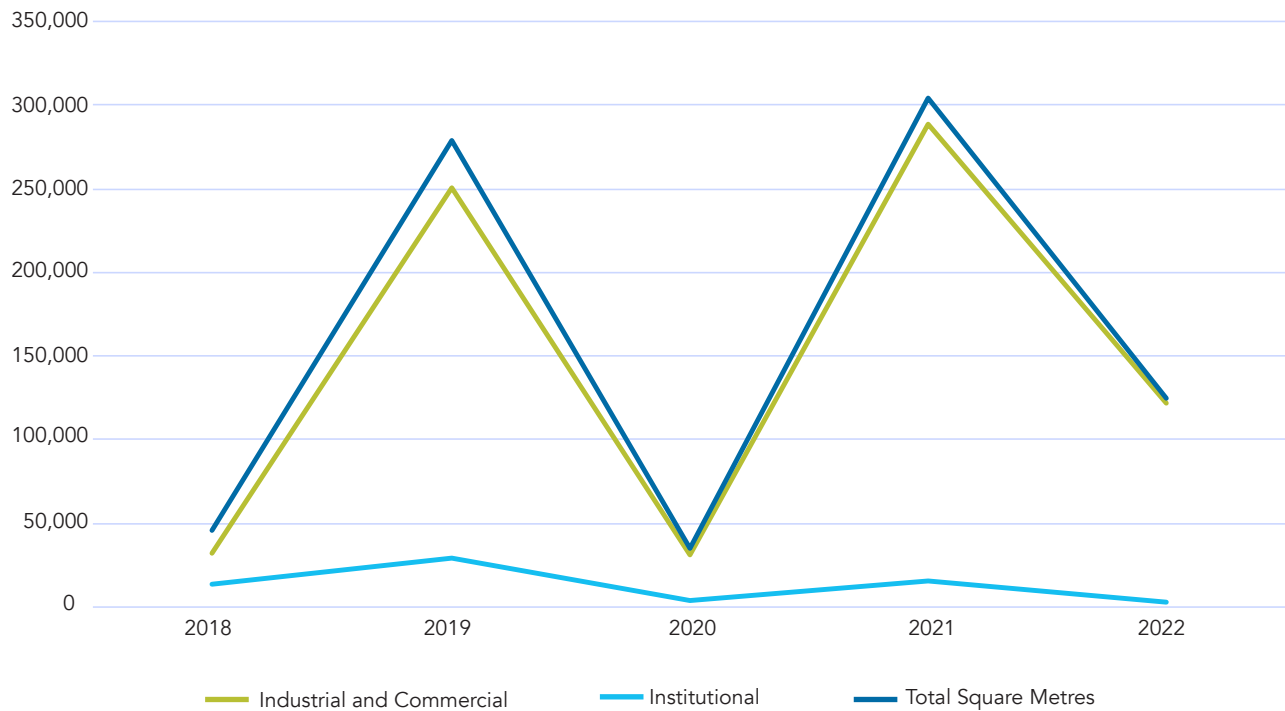
	2018	2019	2020	2021	2022
Single and Semi Detached	460	280	250	540	356
Townhouses / Stacked Townhouses	289	503	300	250	288
Apartments / Secondary Units	666	318	156	*393	676
<b>Total Units Issued</b>	<b>1,415</b>	<b>1,101</b>	<b>706</b>	<b>1,183</b>	<b>1,320</b>

\* 2021 units have been restated

## Financial Statements Discussion and Analysis

Non-residential construction also experienced a decrease of permit issuance across the industrial and commercial types. A record number of conditional permits were issued in 2022 to aid in the progress of these projects while the details of the site plan applications were being addressed. It is expected that in 2023 the industrial, commercial, and Institutional construction types will see an increase as a result of site plan approval of various developments.

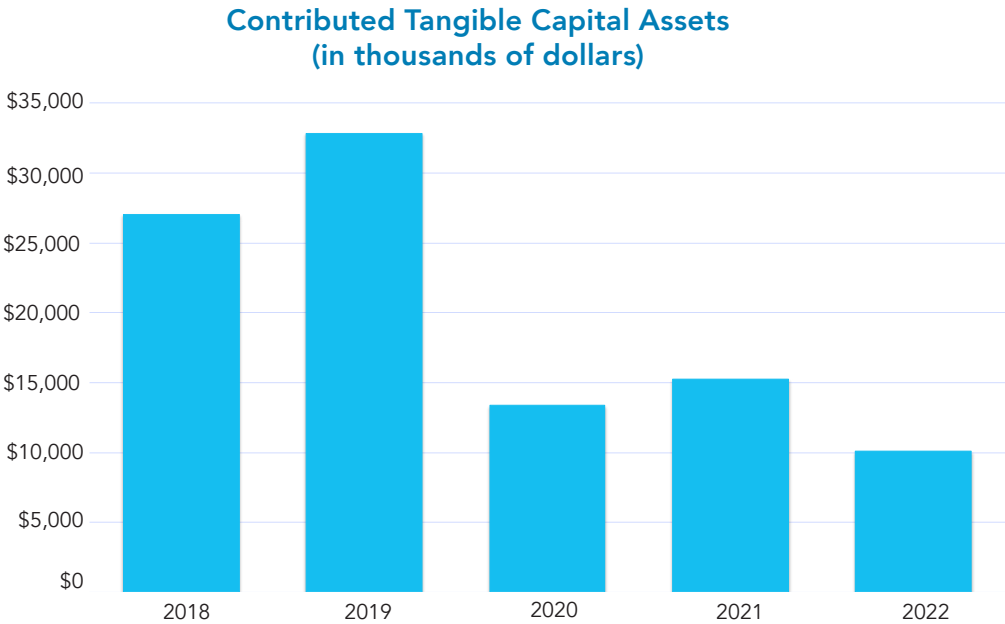
**Non-Residential Development  
(in square metres)**



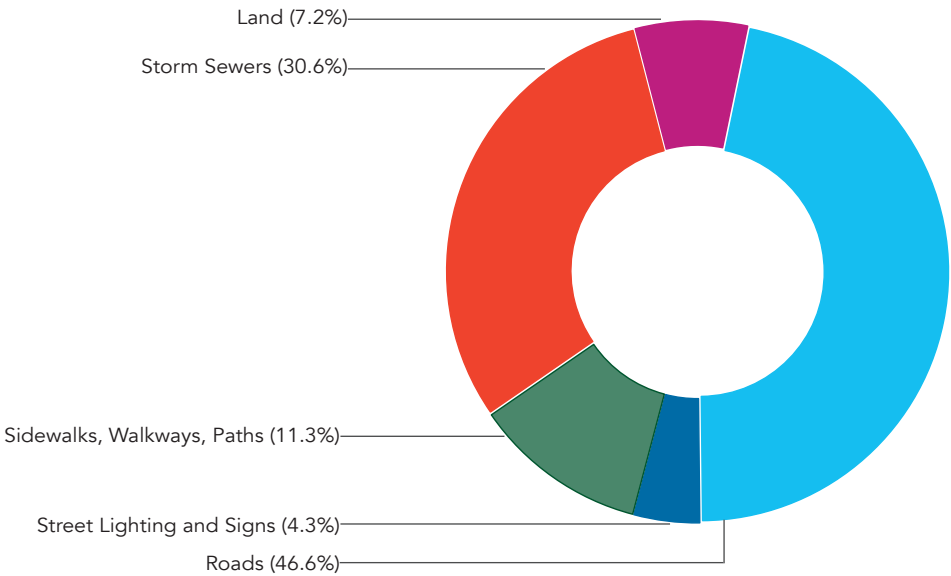
	2018	2019	2020	2021	2022
Industrial and Commercial	32,093	250,239	31,237	288,935	122,132
Institutional	13,982	29,054	3,455	15,612	2,726
<b>Total Square Metres</b>	<b>46,075</b>	<b>279,293</b>	<b>34,692</b>	<b>304,547</b>	<b>124,858</b>

## Contributed Tangible Capital Assets

Donated assets, excluding land, are recorded at the time the Town assumes responsibility for the maintenance of the municipal services such as roads, sidewalks and storm sewers. Land is recorded earlier in the process at the time of plan registration. Fluctuations in value of donated assets differ from year to year based on the number of plans registered, timing of subdivision assumptions and the infrastructure constructed in each subdivision in any given year. The following graph reflects the five year trend of developer contributed assets.



### Breakdown of Contributed Tangible Capital Assets - 2022



# Financial Statements Discussion and Analysis

## Major Construction Projects in 2022

### Bronte Street (Main to Steeles)

This project is for the reconstruction and widening of Bronte Street, between Main Street and Steeles Avenue. The widening has been phased over multiple years. Phase 1 was completed in 2019 and consisted of widening from Main Street to Victoria Street, and intersection improvements at Main Street and Bronte Street. Advance works to prepare for Phase 2 (Victoria to Steeles) were completed in 2020. Phase 2 works, for the section from Victoria Street to Steeles Avenue, includes the replacement of the 16 Mile Creek structure, the replacement of the at-grade crossing of the Canadian Pacific Railway tracks, burying of the Hydro lines for a portion of the west side of Bronte Street, and the removal of a 'jog' in the roadway. Construction of Phase 2 started in 2021 and is anticipated to be complete in late 2023. The total cost of this project is estimated at \$35.8 million.

### Main St (JSP to 5th Line)/5th Line (Hwy 401 to Main St)

This project includes the widening of Main Street to four lanes from James Snow Parkway to Fifth Line, urbanization of Fifth Line, and intersection modifications at Fifth Line and Main Street. Construction is underway with anticipated completion in June 2023. Total project costs are estimated at \$26.9 million.

### Asphalt Overlay Program

This is an annual program to rehabilitate the asphalt surface on roads before they deteriorate to the point where major reconstruction is required, and is an important component in maintaining the Town's road network. Included in the program is the replacement of portions of curb, sidewalk, and rebuilding catch basins and manholes. The total amount spent in 2022 was \$9.4 million.

### Louis St Laurent (James Snow Parkway to Fifth Line)

Through staff report DS-025-21, Council approval was received to enter into an agreement with OPG Derry Green Lands to accelerate the construction of Louis St. Laurent Avenue from James Snow Parkway to Fifth Line, whereby construction would initially be undertaken and funded by OPG Derry Green Lands with future re-imbursement by the Town. Construction commenced in early 2022 and is completed to base asphalt. Project completion is anticipated by end of 2023/early 2024. The total estimated cost of this project is \$9.2 million.

## COVID-19 Financial Implications

The pandemic continued to impact the Town during 2022. Provincially mandated facility closures early in the year, combined with a longer than anticipated recovery in service demand, resulted in revenue losses of \$4.3 million in the area of recreation. The revenue losses were fully mitigated with savings from adjustments made to both staffing levels and purchased goods and services, as well as the recognition of provincial funding from the COVID-19 Recovery Fund. Transit service also remained an area of ongoing financial pressure as ridership continues to recover. The Town budgeted for and experienced lost transit fare revenue of \$0.7 million in 2022, relative to pre-pandemic levels. The Town recognized \$0.5 million in provincial support from the Safe Restart Agreement – Transit stream which assisted in mitigating the pressure.

# Financial Statements Discussion and Analysis

## 2022 Financial Highlights

The pandemic and its resulting implications have had a significant impact globally, nationally and within the community. During 2022, Provincial limitations placed on how services could be delivered were gradually removed, however supply chain challenges resulted in increased prices on fuel and majority of goods and services. The Town's net revenue improved from \$40.5 million last year to \$61.6 million in 2022.

Total revenue for 2022 is \$201.4 million compared to 2021 total revenue of \$173.8 million, an increase of \$27.6 million. This differential can be largely attributed to the lifting of Provincial restrictions, resulting in better revenue stream for Town facilities user fees as well as proceeds from Ontario Gaming and Lottery Corporation. Equity in Milton Hydro increased by \$10.9 million compared to 2021 due to gains on the sale of some of Milton Hydro Inc. assets.

In 2022, total expense increased by \$3.5 million from \$136.2 million last year to \$139.7 million.

\$11.2 million more expenses than last year were incurred due to reopening of facilities for rentals and programs offered in 2022. Offsetting this increase is a \$7.7 million transfer of land to Laurier University and Conestoga College for development of the Milton Education Village recorded in 2021.

The audited consolidated financial statements indicate that the Town's net financial position at December 31, 2022, as represented by the accumulated surplus, equals \$1,357.2 million. This amount has grown by 4.76% relative to 2021 year end. The large majority of the accumulated surplus, as well as the growth in it, is related to non-financial assets such as the Town's infrastructure, which is used to support service delivery. Growth in this asset base, much of which is initially constructed and/or funded by developers, will require sufficient annual funding in order to provide for the eventual rehabilitation and replacement of many of these assets if existing service levels are to be sustained.

The Town finished 2022 with debt principal outstanding of \$47.0 million, a large portion of which relates to the Town's local contribution towards the hospital expansion. The Town's debt capacity ratio of 5.05% is well within the guidelines set by both the Province and Town Council. Reserve balances increased to \$134.3 million from \$101.4 million.



# Financial Statements Discussion and Analysis

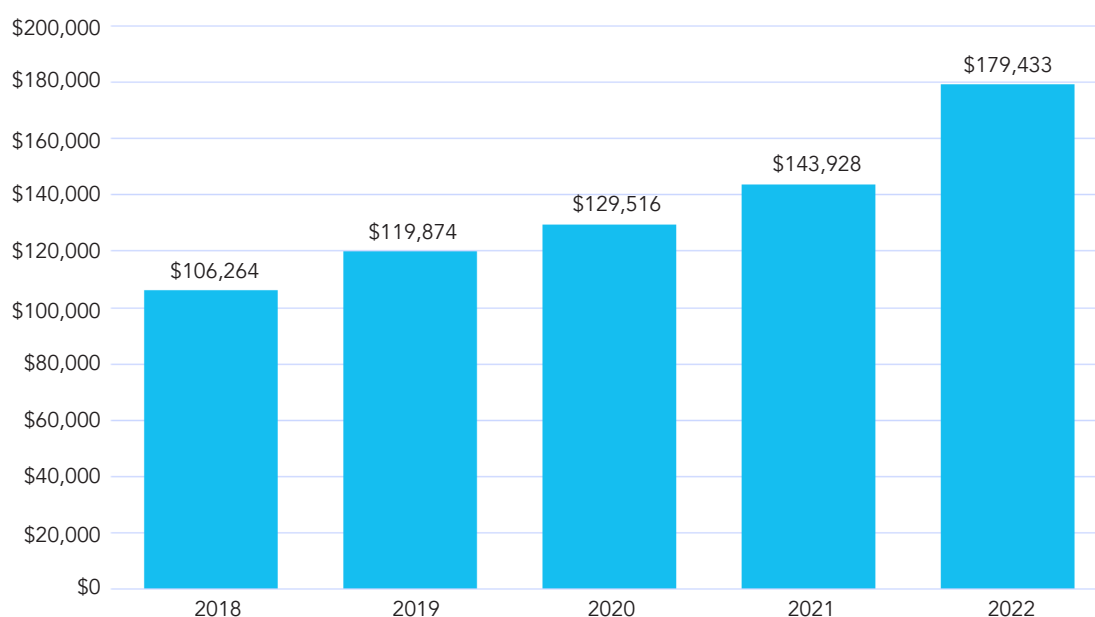
## Consolidated Statement of Financial Position

### Net Financial Assets (in thousands of dollars)

	2022	2021	Variance	% Change
Financial assets	\$ 352,053	\$ 286,683	\$ 65,370	22.8%
Financial liabilities	\$ 172,620	\$ 142,755	\$ 29,865	20.9%
<b>Net financial assets</b>	<b>\$ 179,433</b>	<b>\$ 143,928</b>	<b>\$ 35,505</b>	<b>24.7%</b>

The Town ended the year with a net financial asset position (financial assets less financial liabilities) of \$179.4 million, a 24.7% increase of \$35.5 million from the prior year. The increase in financial assets of \$65.4 million was dampened by an increase in financial liabilities of \$29.9 million. The largest contributors to the change in Financial Assets was an increase in investments of \$65.6 million. The increase in Financial Liability is mostly attributable to an increase in deferred revenue balances of \$23.0 million and developer obligations of \$6.5 million.

The following chart illustrates the five year trend in net financial assets.



### Financial Assets

2022 increase in the Town's financial assets of \$65.4 million is mostly due to a \$65.6 million increase in investments held by the Town at the end of the fiscal year, as described in the following sections. Other changes in Financial Assets offsetting each other, are as follows: Other trade Accounts Receivable decreased by \$5.8 million; equity in Milton Hydro Holdings Inc. decreased by \$1.8 million; Cash and Cash equivalents increased by \$3.7 million; Taxes Receivable and Grants Receivable increased by \$1.8 million each.

# Financial Statements Discussion and Analysis

## Cash and Short-Term Investments

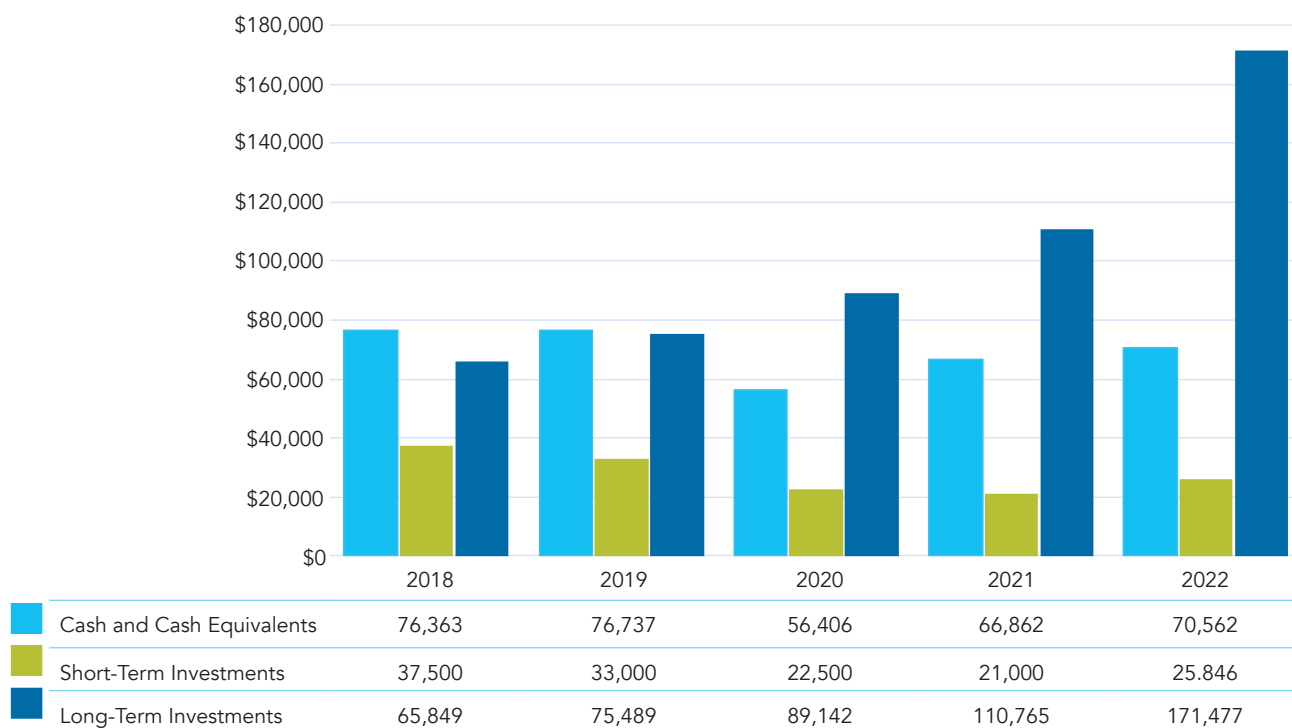
At the end of 2022, the year end cash equivalents balance was \$70.6 million. The \$3.7 million increase over the 2021 year end balance of \$66.9 million was due to timing of maturities and market conditions. The average yield on cash balances for 2022 was 2.53%, generating \$2.4 million in interest income.

During 2022 short term investments, securities with a holding period of one year or less, were purchased as the yields were favourable to savings and five and ten year provincial bonds while still providing liquidity options if the funds were required. The average yield on short term investments for 2022 was 2.50%, generating \$0.6 million in investment earnings. The lower overall short term return compared to the return on cash is related to short term GIC's that were purchased through 2021 at lower rates of return which have now matured in 2022. At the end of 2022 the Town held \$25.8 million in short term securities. From the end of 2021 short-term investments increased by \$4.8 million due to market conditions.

## Long-Term Investments

Long-term investments, securities with a term greater than one year, held by the Town at year end totaled \$171.5 million, an increase of \$60.7 million from the previous year. The increase was related to timing of payments related to the capital program and market opportunities where it was advantageous to lock in long term investments and provide further diversification into Provincial, Municipal bonds and other major Canadian Banks. In 2022 the long term investment average rate of return was 2.65%, generating \$3.9 million in investment earnings.

**Cash and Investments**  
(in thousands of dollars)



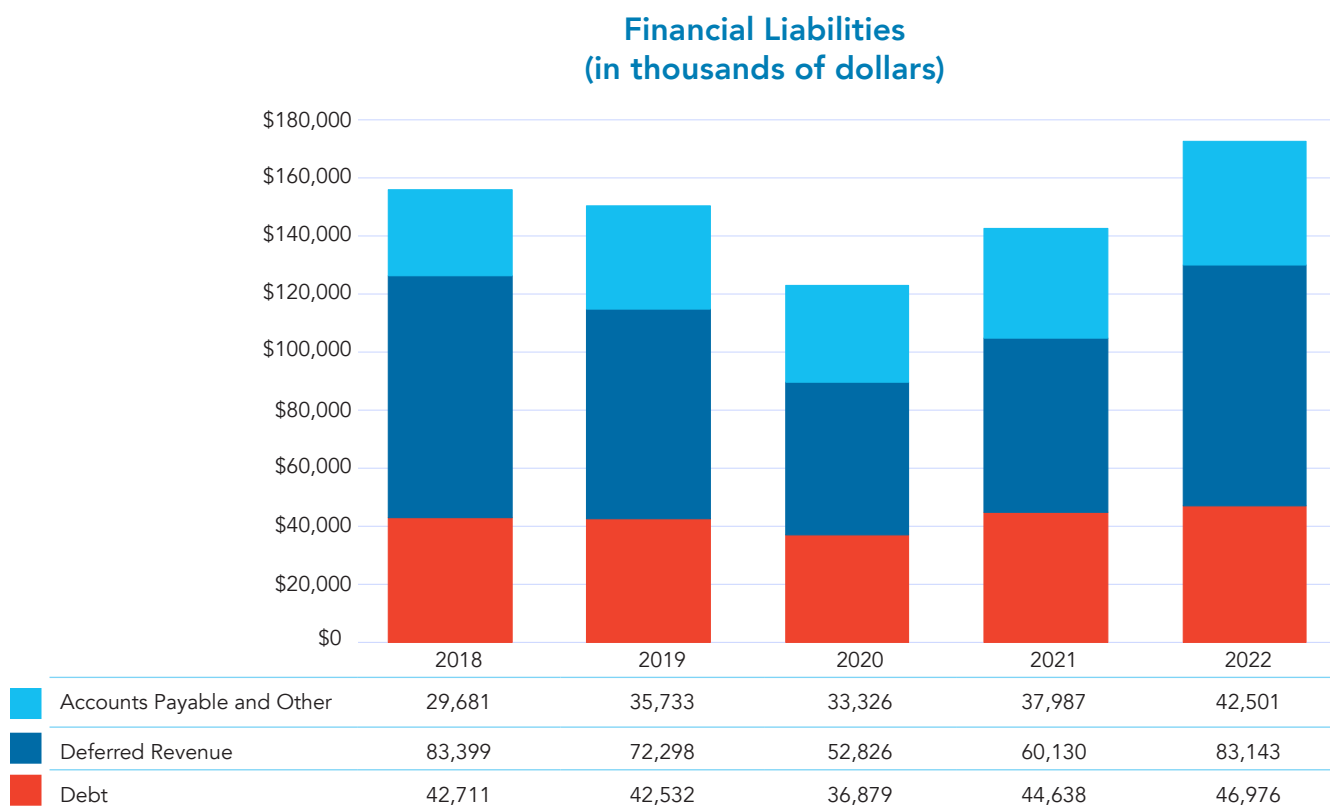
# Financial Statements Discussion and Analysis

## Financial Liabilities

The major contributors to the increase of \$29.9 million in 2022 financial liabilities was an increase in Deferred Revenue of \$ 23.0 million, primarily attributable to the Development Charges that were collected in advance of their utilization for the construction of capital infrastructure.

Other items that increased financial liabilities included: Developer Obligations increased by \$6.6 million due to a new agreements with developers for construction of Road infrastructure; an increase in Long-term Debt balances of \$2.3 million, slightly mitigated by a decrease of \$2.9 million in Accounts Payable and accrued liabilities, due to the timing of the progress payments to subcontractors on the capital construction projects in 2021.

The chart below outlines the trend in financial liabilities over the previous five years:



## Debt

During 2022 the debenture obligations increased from \$44.6 million to \$47.0 million reflecting a new issuance of \$7.5 million and \$5.2 million in debenture repayments that occurred during the year.

Guidelines established through Ontario Regulation 403/02 allow for a maximum debt payment ratio of 25% of own source revenues, which in 2022 equaled \$25.1 million. Through Council direction, Milton has further restrictive guidelines of 15% and up to 20% with the inclusion of non-tax supported debt. The Town's current debt capacity ratio of 5.05% is well within the guidelines set by both the Province and Town Council.

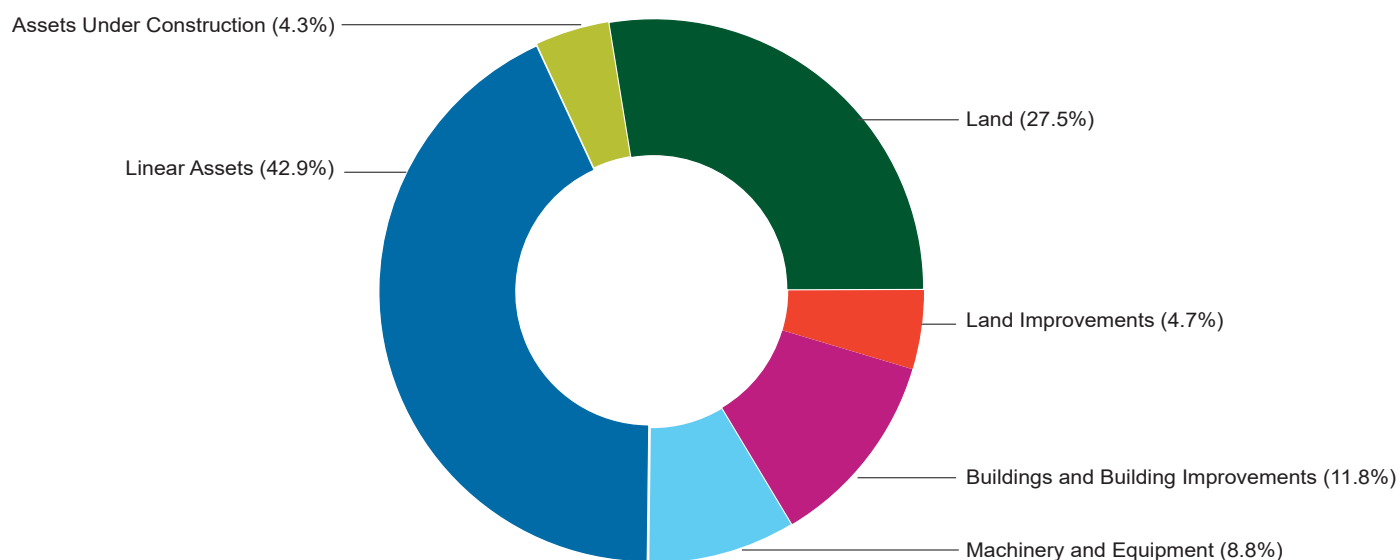
# Financial Statements Discussion and Analysis

## Non-Financial Assets

Non-financial assets, primarily consisting of tangible capital assets have continued to increase this year. The increase of \$25.5 million reflects the Town's investment in new capital infrastructure and the value of new assets that were built by developers and assumed by the Town. This growth in the Town's asset inventory is outpacing the annual amortization costs.

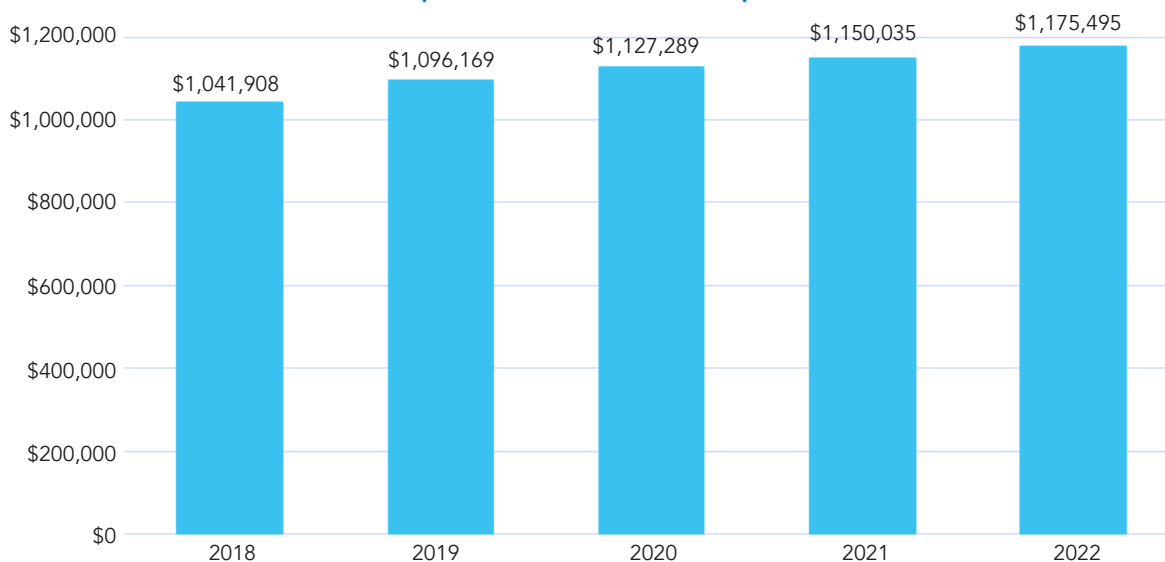
The pie chart below provides the breakdown of tangible capital assets by their type:

**2022 Tangible Capital Assets Breakdown At Net Book Value**



The chart below shows the tangible capital asset growth trend over the previous five years:

**Tangible Capital Assets At Net Book Value  
(in thousands of dollars)**



# Financial Statements Discussion and Analysis

## Tangible Capital Assets Comparative Summary (in thousands of dollars)

Asset Type	2022	%	2021	%	Change	% Change
Land	\$ 323,552	27.5%	\$ 314,338	27.3%	\$ 9,214	0.80%
Land improvements	54,806	4.7%	54,575	4.7%	231	0.02%
Buildings and building improvements	138,371	11.8%	142,346	12.4%	(3,975)	(0.35%)
Machinery and equipment	103,392	8.8%	107,644	9.4%	(4,252)	(0.37%)
Linear assets	504,414	42.9%	500,415	43.5%	3,999	0.35%
Assets under construction	50,960	4.3%	30,717	2.7%	20,243	1.76%
<b>Total</b>	<b>\$ 1,175,495</b>	<b>100.0%</b>	<b>\$ 1,150,035</b>	<b>100.0%</b>	<b>\$ 25,460</b>	<b>2.21%</b>

## Accumulated Surplus

Overall, the Town ended the year with an accumulated surplus of \$1,357.2 million, an increase of 4.76% from the prior year balance of \$1,295.6 million. This change represents the annual excess of revenues over expenses for the year of \$61.6 million, and is largely related to the infrastructure assumed from or funded by development.

It is critical for readers of the financial statements to understand that the term “accumulated surplus” cannot be construed as “cash or funds” available for spending, as the bulk of the value represents non-financial assets and reflects the Town’s investment in infrastructure which is used to deliver programs and services. They are not assets which are surplus to operations and available to be liquidated.

A detailed breakdown of accumulated surplus (in thousands) is presented in Note 11 “accumulated surplus” of the Consolidated Financial Statements. Summary information is included in the table below:

## Accumulated Surplus Comparative Summary (in thousands of dollars)

	2022	2021	Change
Reserves	\$ 106,915	\$ 88,565	\$ 18,350
Reserve funds	27,402	12,863	14,539
Investment in tangible capital assets	1,175,495	1,150,035	25,460
Unexpended capital	47,976	33,983	13,994
Investment in Milton Hydro	60,477	62,253	(1,776)
Endowment fund	-	-	-
Unfunded liabilities	(61,068)	(52,145)	(8,924)
<b>Total accumulated surplus</b>	<b>\$ 1,357,197</b>	<b>\$ 1,295,554</b>	<b>\$ 61,643</b>

# Financial Statements Discussion and Analysis

The reserve balances increased by \$18.4 million as contributions for future needs exceeded the current year's withdrawals. Included in the increase is the 2022 year end surplus of the \$0.45 million and was transferred to the WSIB reserve to bring the balance in that reserve closer to the target balance.

Reserve Funds increased by \$14.5 million in 2022 mostly due to a \$8.0 increase in Property Transaction Reserve Fund as a result of transferring proceeds from sale of land and consolidation of Parking obligatory reserve, as well as an increase of \$6.9 million in the Ontario Lottery and Gaming Corporation (OLG) reserve fund as transfers to fund capital projects were reduced due to uncertainty during the pandemic.

The unfunded liabilities balance is comprised of the principal outstanding on long-term debt that have been issued by the Town, estimates of future employee benefit costs and amounts owing to developers for infrastructure constructed on behalf of the Town. The \$8.9 million increase in unfunded liabilities is mostly related to the increase of the Developer Obligations as the Town has entered into additional agreements with Developers.

## Consolidated Statement of Operations

The Consolidated Statement of Operations provides a summary of revenues and expenses for the fiscal year. The annual surplus reported on this statement represents the difference between the cost of providing the Town's services and the revenues recognized for the year on an accrual basis. Budget figures represent capital and operating budgets combined as outlined in Note 15 of the consolidated financial statements.

# Financial Statements Discussion and Analysis

## Revenues

### 2022 Budget to Actual Comparative Analysis (in thousands of dollars)

Revenues	Budget	Actual	Variance	% Variance
Taxation	\$ 83,293	\$ 83,283	\$ (10)	(0.0%)
User charges	23,614	16,929	(6,685)	(28.3%)
Government transfers:				
Federal	10,763	7,888	(2,875)	(26.7%)
Provincial	4,663	2,424	(2,239)	(48.0%)
Other municipalities	4,770	7,213	2,443	51.2%
Investment income	3,771	5,666	1,895	50.3%
Penalties and interest	3,020	2,952	(68)	(2.3%)
Developer contributions	86,596	31,808	(54,788)	(63.3%)
Developer contributed tangible capital assets	-	10,074	10,074	100.0%
Proceeds from Ontario Lottery Corporation	4,700	7,007	2,307	49.9%
Licences, permits, rents etc.	9,552	7,142	(2,410)	(25.2%)
Equity in income of Milton Hydro	1,500	14,727	13,227	881.8%
Donations	75	1,065	990	1320.0%
Other recoveries	27	866	839	100.0%
Miscellaneous	151	2,338	2,187	1448.3%
<b>Total revenues</b>	<b>\$ 236,495</b>	<b>\$ 201,382</b>	<b>\$ (35,113)</b>	<b>(14.8%)</b>

The variations in the budget and actual columns are primarily related to differences in assumptions used. Council-approved budgets are prepared in a manner that determines the annual cash levy requirements. The actuals reported on the audited consolidated financial statements are following PSAB requirements, and are predominantly fully accrued transactions. These differences in reporting methodologies will always generate significant variances when compared to each other. One example of a significant difference is the unbudgeted tangible capital asset activity such as developer contributed assets, which gave a positive variance of \$10.1 million.

Another contributing factor is the timing of capital expenses and revenues being incurred in a different year from the budget year. Developer contributions include development charges earned for the capital expenses incurred within the calendar year and does not include approved funding from the obligatory reserve funds for outstanding work. This timing difference caused an unfavourable fluctuation in developer contributions revenue of \$54.8 million.

# Financial Statements Discussion and Analysis

As a result of the pandemic the Town of Milton continued experiencing revenue losses in 2022, as can be seen in less than anticipated user charges of \$6.7 million.

Equity in Milton Hydro Holdings Inc. have increased by \$13.2 million due to land sale that resulted in a gain on disposal and increased retained earnings in 2022.

Note 15, "Budget Data" provides a reconciliation between the statements and the operating and capital budgets previously approved by Town Council.

## Year Over Year Comparative Analysis (in thousands of dollars)

Revenues	2022	2021	Change	% Change
Taxation	\$ 83,283	\$ 76,995	\$ 6,288	8.2%
User charges	16,929	11,829	5,100	43.1%
Government transfers:				
Federal	7,888	6,096	1,792	29.4%
Provincial	2,424	4,501	(2,077)	(46.1%)
Other municipalities	7,213	4,761	2,452	51.5%
Investment income	5,666	3,788	1,878	49.6%
Penalties and interest	2,952	2,710	242	8.9%
Developer contributions	31,808	31,125	683	2.2%
Developer contributed assets	10,074	15,216	(5,142)	(33.8%)
Proceeds from Ontario Lottery Corporation	7,007	3,900	3,107	79.7%
Licences, permits, rents etc.	7,142	6,488	654	10.1%
Equity in income of Milton Hydro	14,727	3,791	10,936	288.5%
Donations	1,065	1,963	(898)	(45.7%)
Other recoveries	866	181	685	378.5%
Miscellaneous	2,338	420	1,918	456.7%
<b>Total revenues</b>	<b>\$ 201,382</b>	<b>\$ 173,764</b>	<b>\$ 27,618</b>	<b>15.9%</b>



# Financial Statements Discussion and Analysis

Total revenue reported for the year 2022 was \$201.4 million, an increase of \$27.6 million from last year's amount of \$173.8 million.

The increase in taxation revenue of \$6.3 million is consistent with the increased 2022 levy requirement approved by Council. The increase of \$5.1 million in User Charges revenue that the Town was able to collect relates to further lifting of Provincial Covid-19 restrictions during 2022. Additionally, the Town received \$3.1 million more revenue than last year from the Ontario Lottery and Gaming Corporation proceeds due to re-opening of Woodbine Mohawk Park and Racetrack.

The decrease in developer contributed assets of \$ 5.1 million is related to smaller number and value of assets received through subdivision assumptions in 2022. The Town receives assets from developers as part of their obligation under subdivision agreements, which are deemed to be donated assets because no cash changes hands. These assets are transferred into the ownership of the Town and must be recorded on the Town's Consolidated Statement of Financial Position as part of the tangible capital asset pool. At the same time, the value of the assets contributed must be recognized as revenue received by the Town on the Statement of Operations.

Equity in Milton Hydro Holdings Inc. have increased by \$10.9 million due to the land sale that was previously noted.

Further increasing total revenue are favorable variances in: Transfers from the Regional Municipality of Halton by \$2.5 million due to recovery of costs in joint capital projects; Investment income of \$1.9 million due to higher yields from Towns investments in 2022; and \$1.9 million increase in miscellaneous revenue due to gain on sale of parcels of Town lands.

## Expenses

### 2022 Budget to Actual Comparative Analysis (in thousands of dollars)

Expenses	Budget	Actual	Variance	Less Capital Expenses	Amortization Variance	Operating Expenses Variance
General government	\$ 21,707	\$ 21,012	\$ 695	\$ (308)	\$ (206)	\$ 181
Protection services	21,415	19,137	2,278	18	(156)	2,140
Transportation services	43,958	44,846	(888)	3,230	(1,284)	1,058
Environmental services	3,417	7,942	(4,525)	4,537	(198)	(185)
Health Services	696	687	9	3	-	12
Recreational and cultural services	45,142	38,747	6,395	(66)	(888)	5,442
Planning and development	7,312	7,368	(56)	400	(7)	337
<b>Total expenses</b>	<b>\$ 143,647</b>	<b>\$ 139,739</b>	<b>\$ 3,908</b>	<b>\$ 7,815</b>	<b>\$ (2,738)</b>	<b>\$ 8,985</b>

# Financial Statements Discussion and Analysis

The 2022 financial position of the Town results in actual expenditures of \$139.7 million. The variance between the budget and actual columns is in part related to tangible capital asset activity of \$7.8 million, which is comprised of losses on disposal \$2.6 million that were not included in the budget column and \$5.2 million of expenses that are included in capital budgets and cannot be capitalized, and therefore need to be expensed on the Statement of Operations. These expenses would include, for example, studies or work undertaken on behalf of others which may lend themselves better to the capital budget for transparency, funding or project administration purposes. Budgeted amortization estimate exceeded the actual amortization expense by \$2.7 million. Once the methodology differences related to tangible capital amounts are accounted for, the remaining variance equals to \$9.0 million in favourable variance.

Staff gapping during 2022 was the reason of costs savings in several areas, such as Protection to persons and property services, savings of \$2.1 million and transportation services savings of \$1.1 million.

Recreation and cultural services realized cost savings in the amount of \$5.4 million. Of this amount, \$4.4 million related to savings in staffing and service contracts resulting from Provincially mandated facility closures early in the year as well as a longer than anticipated recovery in service demand following the pandemic. A further \$1.0 savings in utilities is due to reductions in hydro consumption as a result of the installation of LED lighting and solar panels at various facilities.

## Year Over Year Comparative Analysis (in thousands of dollars)

Expenses	2022	2021	Change	% Change
General government	\$ 21,012	\$ 19,584	\$ 1,428	7.3%
Protection services	19,137	18,167	970	5.3%
Transportation services	44,846	40,848	3,998	9.8%
Environmental services	7,942	6,057	1,885	31.1%
Health Services	687	774	(87)	(11.2%)
Recreational and cultural services	38,747	43,630	(4,883)	(11.2%)
Planning and development	7,368	7,160	208	2.9%
<b>Total expenses</b>	<b>\$ 139,739</b>	<b>\$ 136,220</b>	<b>\$ 3,519</b>	<b>2.6%</b>

## Financial Statements Discussion and Analysis

The 2022 financial position of the Town results in a \$3.5 million or 2.6% increase in expenses over 2021.

Recreation and Cultural services has incurred \$4.9 million less in expenses compared to 2021. This favourable variance is attributable to higher than usual non-operating expenses in 2021, of which \$7.7 million is related to transfer of parcel of land to Laurier University and Conestoga College. Additionally, a change in accounting methodology for Endowment fund held with Community Foundation of Halton North had resulted in removal of \$2.4 million Endowment Fund asset from the Town's balance sheet and was recorded as donation expense in 2021. Operating expenses for Recreation and cultural service increased by \$5.2 million compared to 2021 due to gradual restoration of recreational services as Provincial Covid-19 restrictions were lifting.

Transportation services experienced an increase of \$4.0 million in expenses compared to last year. Increased costs of \$ 2.1 million for Roadways of which \$1.4 million is related to winter maintenance contracts and materials combined with the balance primarily relating to increased labour costs. Also contributing to this is additional staff position approved by Council in traffic operations, as well crossing guards staff returning to work with reopening of schools in 2022. Transit operating costs have increased by \$1.2 million compared to 2021 mostly due to the increased price of fuel and staffing costs. Amortization expense for assets supporting Transportation services increased by \$0.3 million due to amortization of new assets added in 2022. Increase in Parking enforcement costs in 2022 is accounting for \$0.3 million due to full restoration of parking enforcement services following Covid-19 parking relief.

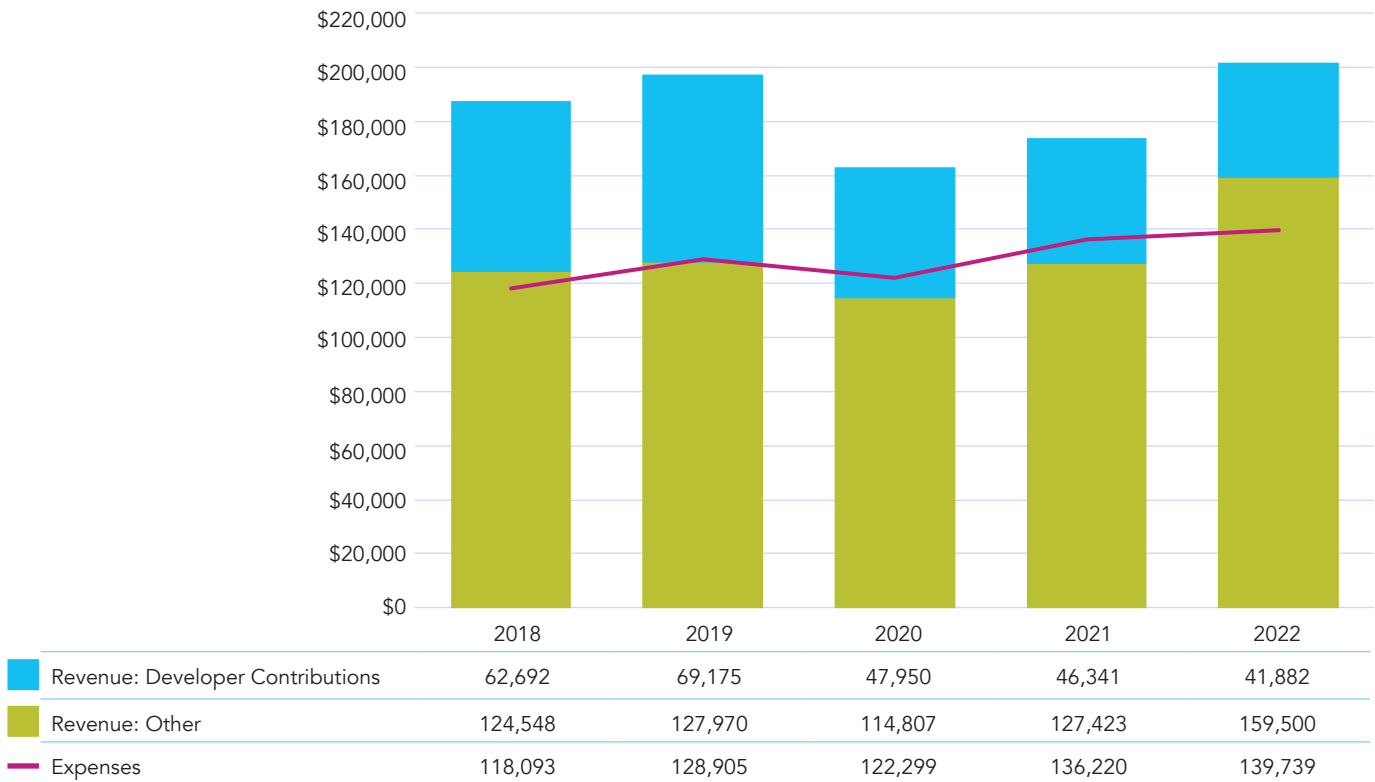
Cost increases in General Government amounted to \$1.4 million compared to prior year, of which a \$0.7 million increase in IT services due to backfilling of vacant positions and an increase in service contracts; \$0.5 million is related to rise of fuel costs for Town fleet; \$0.3 million of labour and service contract costs for Municipal Elections held in 2022, offset by labour savings in various other departments due to staff vacancies.

An increase in cost for Environmental services of \$1.9 million is primarily attributable to transactions in capital projects that do not meet capital requirement and have to be expensed.

Protective Services experienced a cost increase of \$1.0 million compared to the last year, of which an increase in labour of \$0.9 million is attributable to new staff positions approved by Council for 2022 and \$0.1 in materials due to rise of the cost of fuel in 2022.

# Financial Statements Discussion and Analysis

**Five-Year Revenue to Expense Comparative Analysis**  
(in thousands of dollars)



## Consolidated Statement of Change in Net Financial Assets

The purpose of the Statement of Change in Net Financial Assets is to assist financial statement users in fully understanding the nature of the Town's financial activities in the period. The statement backs out all the non-financial activity from the statement of operations (e.g. amortization, gains/losses, purchases and sale of assets). Thus, the financial impact on the surplus attributable to change in financial assets is an increase of \$35.5 million, compared to last year's increase of \$14.4 million. This is primarily attributable to increase in Town's Investments of \$65.6 million as described in earlier sections. The increase in financial liabilities such as deferred revenue of \$ 23.0 Million and Developer Obligations of \$ 6.6 million had lessened the increase in financial assets.

## Consolidated Statement of Cash Flows

The Consolidated Statement of Cash Flows explains how the Town financed its activities and met its cash requirements. It also details items not involving cash such as annual amortization and developer contributed assets. This schedule reconciles the change in cash and cash equivalents from one year to another.

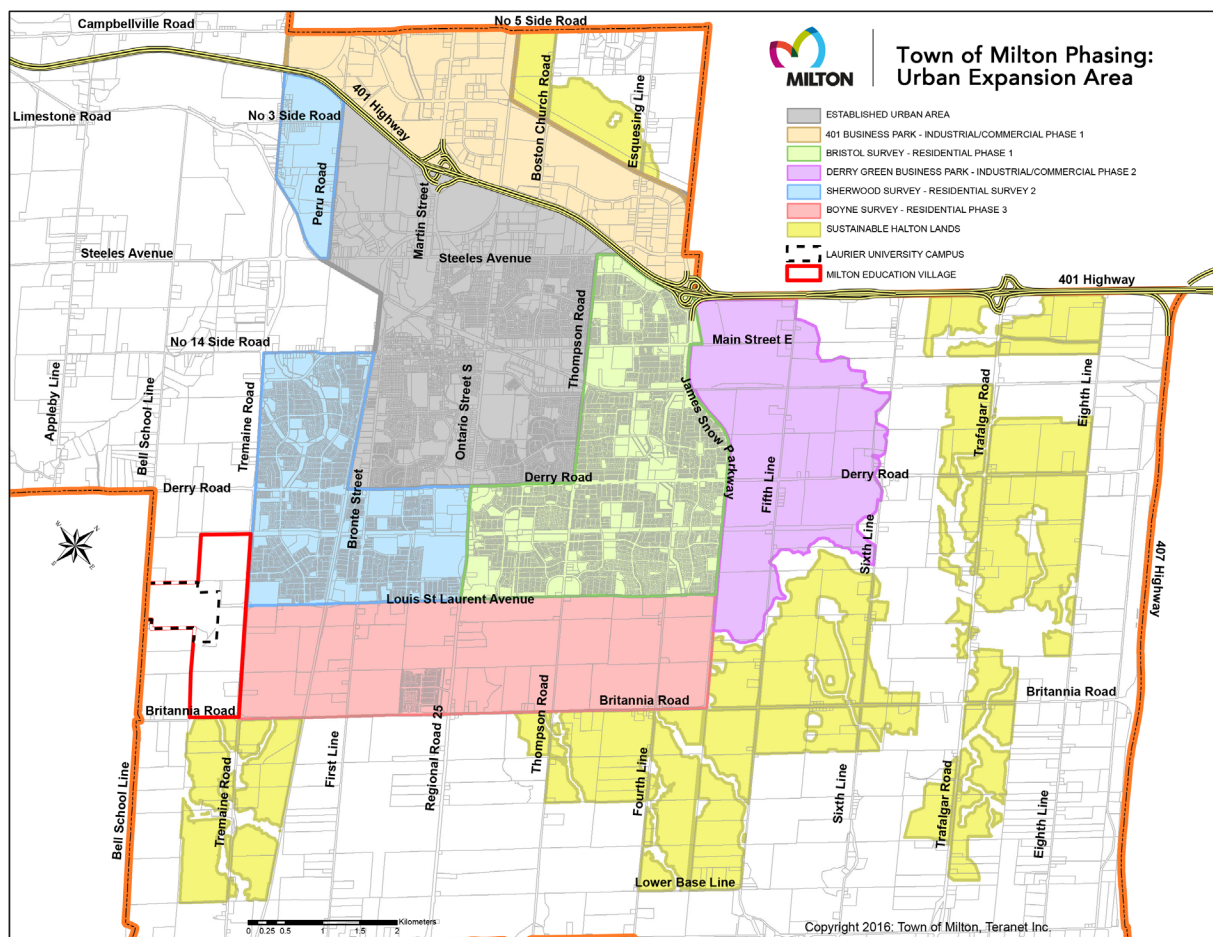
The consolidated cash position of the municipality increased by \$3.7 million from \$66.9 million in 2021 to \$70.6 million in 2022. Various operating activities increased the Town's cash position by \$116.9 million, which was offset by outflow of cash from capital activities \$51.6 million due to the acquisition of tangible capital assets. Investing activities, such as purchase of investments of \$65.6 million offset by Milton Hydro dividend of \$1.6 million further reduced cash position by \$64.0 million in 2022. \$2.3 million net cash brought in from financing activities in 2022 resulted from assuming new long-term debt of \$7.5 million, reduced by \$5.2 million in debt principle repayment.

*All financial information contained within the 2022 Financial Report has been reviewed and approved by the Treasurer, with final approval of Council.*

May 29, 2023

# Looking Forward

With a projected population of 316,900 by 2041, the Town of Milton has to strategically manage its growth in a fiscally responsible manner. The Town is currently moving towards completion of the Halton Urban Structure Plan (HUSP) lands as well as the initial development within the Sustainable Halton Lands, and the provincial decision through ROPA 49 has set growth targets and identified additional urban development lands that will accommodate growth to 2051. Intensification within the established urban area continues to progress as well. As such, preparation for growth through official plans, strategic plans, secondary plans and fiscal impact assessments remains of paramount importance to the Town.



## Planning for Growth

### Halton Urban Structure Plan

The Halton Urban Structure Plan ("HUSP") adopted by Regional Council in June of 1994, outlined and planned for development activities to accommodate growth of the Town of Milton in the following phases:

- Phase 1 (Bristol Survey)
- Phase 2 (Sherwood Survey)
- Phase 3 (Boyne Survey)
- Derry Green Corporate Business Park

# Looking Forward

As the Bristol and Sherwood Survey areas are approaching build-out, the Boyne Survey area will represent the Town's largest residential growth area in the next few years. Similarly, development in the Derry Green Corporate Business Park has begun and will bring on-stream approximately 800 hectares (2,000 acres) of developable non-residential lands, which will account for the majority of the Town's employment growth during that period.

## Sustainable Halton

In December 2009, Regional Council approved Regional Official Plan Amendment 38 ("ROPA 38") which outlines where Halton Region will grow from 2021 – 2031. Otherwise known as Sustainable Halton, the planning for this next phase of growth has been prepared in response to provincial requirements including the Places to Grow Plan, the Greenbelt Plan and the Provincial Policy Statement.

Sustainable Halton lands in Milton generally extend the urban boundary to the south and east of the existing urban boundary and includes lands to the west for the proposed Milton Education Village. Through Sustainable Halton, it is expected that Milton's population will grow to an estimated total of 238,000 people and a total of 114,000 jobs

## Trafalgar Corridor Secondary Plan Area, Agerton Employment Secondary Plan Area, and Britannia East/West Secondary Plan Area

Milton Town Council approved the Trafalgar Corridor Secondary Plan in March 2019 and the plan is currently being reviewed by the Town in response to developer-led appeals. Following the resolution of the appeals and as required through the Secondary Plan policy, the Town will seek Council endorsement of a detailed Tertiary Plan before development of the lands can commence. The Agerton Secondary Plan Concept Plan was also endorsed by Town Council in March 2019 and forwarded to Halton Region for background input into the Municipal Comprehensive Review (MCR) process. These Secondary Plans establish a planning framework and related policies that will result in complete, healthy and sustainable communities. In 2020, the Town initiated the secondary planning process for the Britannia Secondary Plan area that encompasses approximately 1,040 hectares immediately south of the Boyne Survey Secondary Plan area.

## Milton Education Village

Milton's vision for the Milton Education Village (MEV), is a comprehensively-planned neighbourhood that integrates post-secondary education, residential, commercial and recreational uses in a 400 acre area alongside the Niagara Escarpment. In 2020, Council approved a secondary plan for the area and forwarded the plan and associated studies to Halton Region in support of the related Official Plan Amendment. In June 2021, with the Ontario government's support, the Town announced that a Wilfrid Laurier University and Conestoga College post-secondary education campus along with a Schlegel Villages long-term care facility would be developed within the MEV. Planning for the area continues and development of these specialized facilities is anticipated to commence in the coming years.

## Established Urban Area

Milton's GO Station is identified as a Mobility Hub within the Halton Region Official Plan with guidance from Metrolinx's The Big Move Regional Transportation Plan. A Mobility Hub is a Major Transit Station Area designated by Metrolinx as regionally significant given the level of transit services planned for the area and the development potential around the station. It is identified as a strategic location for urban intensification and growth to promote a complete transit-supportive community that encourages active transportation. In 2020, the Town completed the Milton Mobility



# Looking Forward

Hub Study that presented a planning framework providing flexibility for alternative approaches as development of the area is likely to continue beyond a 30 year period. Medium and long term policy comprehensive processes and implementation measures for the Mobility Hub include a secondary plan and further policy provisions as part of the Town's new Official Plan.

## Planning to 2051 and Beyond

Halton Region completed its Regional Official Plan Review (ROPR) process that examined and established a preferred urban expansion scenario among the four local municipalities to the year 2051 and beyond. In accordance with provincial policy, the ROPR process and resulting Official Plan update was considered to be a Municipal Comprehensive Review (MCR) process. In November 2022, the Minister of Municipal Affairs and Housing approved Regional Office Plan Amendment No. 49 (ROPA 49) with 45 modifications that result in the expansion of Milton's urban boundary to accommodate both population and employment growth through 2051. The decision supports the phasing of a concurrent and steady stream of development land in Milton, to ensure shovel-ready employment land and an appropriate balance of residential intensification and new greenfield development to 2051.

## Providing for Growth

### Fiscal Impact Study

During 2021, an updated fiscal impact study was prepared that considered growth to 2041. The analysis suggested that financial pressure on the Town and its taxpayers will continue as existing shortfalls continue to be addressed and expansion of services continues to new urban areas. Management of growth and the Town's finances will need to remain a focus in order to progress towards financial sustainability.

The study projected an annual average tax rate pressure of 4.3% between 2021 and 2041. This includes an initial pressure averaging 5.5% for the first 10 years of the forecast due largely to additional investments towards the infrastructure deficit as well as the fire and transit service master plans. The fiscal impact study also assessed the Town's potential debt and reserve balances during the planning horizon. Based on the analysis undertaken it is expected that debt can be managed within the Town and Provincial limits, and reserves may strengthen to better position the Town for future rehabilitation and replacement needs as the growing asset base ages. These projections are contingent on the continuation of the Town's existing financial policies and strategies with respect to capital financing.

### Asset Management Planning

An update to the Town's Corporate Asset Management (AMP) was prepared in 2021 which included the core assets of the Town, defined to be roads, bridges and other transportation assets as well as stormwater infrastructure.

The AMP leveraged and consolidated detailed condition assessment and lifecycle analysis identified through recent Town studies that were undertaken for each category of asset. As many of the over \$2 billion in transportation and stormwater assets are newer in Milton due to recent growth, the study indicated that many of the assets are in good or very good condition.

A lifecycle funding analysis projected an annual infrastructure funding deficit throughout the planning horizon. Current financial strategies of the Town are expected to ensure that the deficit will not increase as the Town grows, and continuation of a \$1.0 million incremental annual contribution to



# Looking Forward

infrastructure funding will remain critical to gradually reducing the funding gap. The funding gap may be further mitigated through a variety of financial and non-financial strategies including service level changes, increasing funding from other potential sources, and exploring methods to extend the useful life or reduce the cost of assets.

The next milestone identified in Ontario Regulation 588/17 is July 1, 2024 by which time municipalities must have in place an AMP that includes all municipal assets. Compliance with the legislation is especially important as it ensures that the Town continues to be eligible for grant funding programs such as the Canada Community-Building Fund or future provincial funding programs.

## Annual Budget Process

The Town's 2023 budget and forecast is reflective of strategies that have been adopted as part of the Town's master and strategic planning exercise, and is consistent with the findings identified through the Town's long-term fiscal impact studies.

In 2023 specifically, the capital budget includes 132 projects worth \$63.4 million with a significant focus on roads including the maintenance of various roads throughout the Town, using asphalt overlay, expanded asphalt and surface treatment methods as well as stormwater rehabilitation. It also includes the planned construction of neighborhood park in the Boyne secondary area. Of the total program, 27.3% is required for projects related to growth in the community, 63.7% is required for the investment in the state of good repair to ensure the ongoing serviceability of existing assets and the balance of the capital program is associated with other non-growth, non-renewal projects.

The 2023 Operating budget involves a gross expenditure of \$184.3 million for the programs and services provided to the community. Of the total, 49.5% is funded through property taxation with the remainder from other sources such as user fees, service charges and other transfers.

Looking beyond 2023, the 9-year forecast projects a capital investment of \$1,205.4 million with 62.4% of expenditures relating to growth. The largest areas of investment will be the transportation and public facilities programs, accounting for 42.2% and 24.3% of the anticipated spend, respectively.

## Service Delivery Review

The Town has been reviewing services and their delivery to identify potential changes to service delivery methods and/or service levels and recommend changes that will improve efficiency or effectiveness. Some of these include a Service Delivery Review Phase 1 – Community Services (2019), Transit Master Plan (2019 with an update scheduled for 2023), Service Delivery Review Phase 2 – Corporate Services (2020), Fire Master plan (2021) Customer Service Strategy (2021) and Digital Strategy (2022). Opportunities identified through these reviews will continue to be analyzed with implementation subject to Council approval prior to further proceeding.

Glen Cowan  
Chief Financial Officer & Treasurer

May 29, 2023





2022 Town of Milton Financial Report  
**Consolidated Financial Statements**

For the year ended December 31, 2022





## Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Town of Milton (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

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

The consolidated financial statements have been audited by Deloitte LLP, independent external auditors appointed by the Town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

*All financial information contained within the 2022 Financial Report has been reviewed and approved by the Treasurer, with final approval of Council.*

May 29, 2023



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To the Members of Council of the Corporation of the Town of Milton

## Opinion

We have audited the consolidated financial statements of the Corporation of the Town of Milton (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2022, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2022, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

## Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in The Corporation of the Town of Milton - Financial Report 2022 (the "Financial Report").

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Independent Auditors' Report

## **Responsibilities of Management and those charged with governance for the Financial Statements**

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

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

# Independent Auditors' Report

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

[Original signed Deloitte LLP]

Chartered Professional Accountants  
Licensed Public Accountants  
May 29, 2023

# The Corporation of the Town of Milton

## Consolidated Statement of Financial Position

As at December 31, 2022 with comparative information for 2021  
(in thousands of dollars)

	2022	2021
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 70,562	\$ 66,862
Accounts receivable (note 2)		
Taxes receivable	7,846	6,027
Grants receivable	1,885	104
Other	13,537	19,295
Investments (note 3)	197,319	131,765
Investment in Milton Hydro Holdings Inc. (note 4)	60,477	62,253
Other assets	427	377
<b>Total financial assets</b>	<b>352,053</b>	<b>286,683</b>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	18,932	21,793
Other liabilities	9,124	8,354
Deferred revenue (note 5)	83,143	60,130
Long-term debt (note 6)	46,976	44,638
Developer obligations (note 7)	10,912	4,314
WSIB, employee benefits and other liabilities (note 8)	3,533	3,526
<b>Total liabilities</b>	<b>172,620</b>	<b>142,755</b>
<b>Net financial assets</b>	<b>179,433</b>	<b>143,928</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 10)	1,175,495	1,150,035
Inventories of supplies	864	350
Prepaid expenses	1,405	1,241
<b>Total non-financial assets</b>	<b>1,177,764</b>	<b>1,151,626</b>
Commitments (note 17)		
Contingent liabilities and guarantees (note 18)		
<b>Accumulated surplus (note 11)</b>	<b>\$ 1,357,197</b>	<b>\$ 1,295,554</b>

The accompanying notes are an integral part of these consolidated financial statements.

# The Corporation of the Town of Milton

## Consolidated Statement of Operations

Year ended December 31, 2022 with comparative information for 2021  
(in thousands of dollars)

	Budget (Note 15)	2022	2021
<b>Revenues:</b>			
Taxation (note 12)	\$ 83,293	\$ 83,283	\$ 76,995
User charges	23,614	16,929	11,829
Government transfers:			
Federal (note 13)	10,763	7,888	6,096
Provincial (note 13)	4,663	2,424	4,501
Other municipalities	4,770	7,213	4,761
Investment income	3,771	5,666	3,788
Penalties and interest	3,020	2,952	2,710
Developer contributions	86,596	31,808	31,125
Contributed tangible capital assets	-	10,074	15,216
Proceeds from Ontario Lottery Corporation	4,700	7,007	3,900
Licenses, permits and rents	9,552	7,142	6,488
Equity in income of Milton Hydro Holding Inc. (note 4)	1,500	14,727	3,791
Donations	75	1,065	1,963
Other recoveries	27	866	181
Miscellaneous	151	2,338	420
<b>Total revenues</b>	<b>236,495</b>	<b>201,382</b>	<b>173,764</b>
<b>Expenses:</b>			
General government	21,707	21,012	19,584
Protection services	21,415	19,137	18,167
Transportation services	43,958	44,846	40,848
Environmental services	3,417	7,942	6,057
Health services	696	687	774
Recreation and cultural services	45,142	38,747	43,630
Planning and development	7,312	7,368	7,160
<b>Total expenses</b>	<b>143,647</b>	<b>139,739</b>	<b>136,220</b>
Annual surplus	92,848	61,643	37,544
Accumulated surplus, beginning of year	1,295,554	1,295,554	1,258,010
<b>Accumulated surplus, end of year (note 11)</b>	<b>\$ 1,388,402</b>	<b>\$ 1,357,197</b>	<b>\$ 1,295,554</b>

The accompanying notes are an integral part of these consolidated financial statements.



# The Corporation of the Town of Milton

## Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2022 with comparative information for 2021  
(in thousands of dollars)

	Budget (Note 15)	2022	2021
Annual surplus	\$ 92,848	\$ 61,643	\$ 37,544
Acquisition of tangible capital assets	(123,735)	(63,999)	(68,795)
Amortization	38,608	35,869	34,370
Loss on disposal of tangible capital assets	-	392	10,903
Proceeds on sale of tangible capital assets	-	2,278	776
	<b>7,721</b>	<b>36,183</b>	<b>14,798</b>
Change in inventories of supplies	-	(514)	193
Change in prepaid expenses	-	(164)	(579)
<b>Change in net financial assets</b>	<b>7,721</b>	<b>35,505</b>	<b>14,412</b>
Net financial assets, beginning of year	143,928	143,928	129,516
<b>Net financial assets, end of year</b>	<b>\$ 151,649</b>	<b>\$ 179,433</b>	<b>\$ 143,928</b>

The accompanying notes are an integral part of these consolidated financial statements.

# The Corporation of the Town of Milton

## Consolidated Statement of Cash Flows

Year ended December 31, 2022 with comparative information for 2021  
(in thousands of dollars)

	2022	2021
<b>Operating Activities:</b>		
Annual surplus	\$ 61,643	\$ 37,544
<b>Items not involving cash:</b>		
Amortization	35,869	34,370
Loss on disposal of tangible capital assets	392	10,903
Developer contributions of tangible capital assets	(10,074)	(15,216)
Change in WSIB, employee benefits and other liabilities	7	236
Equity in income of Milton Hydro Holdings Inc.	207	(3,791)
<b>Change in non-cash assets and liabilities:</b>		
Accounts receivable	2,158	(4,077)
Other assets	(50)	2,811
Accounts payable and accrued liabilities	(2,861)	2,139
Other liabilities	770	1,370
Deferred revenue	23,013	7,304
Developer obligations	6,598	916
Inventories of supplies	(514)	193
Prepaid expenses	(164)	(579)
<b>Net change in cash from operating activities</b>	<b>116,994</b>	<b>74,123</b>
<b>Capital Activities:</b>		
Proceeds on sale of tangible capital assets	2,278	776
Cash used to acquire tangible capital assets	(53,925)	(53,579)
<b>Net change in cash from capital activities</b>	<b>(51,647)</b>	<b>(52,803)</b>
<b>Investing Activities:</b>		
Investments	(65,554)	(20,123)
Dividends from Milton Hydro Holdings Inc.	1,569	1,500
<b>Net change in cash from investing activities</b>	<b>(63,985)</b>	<b>(18,623)</b>
<b>Financing Activities</b>		
Debt issued and assumed	7,500	12,335
Debt principal repayment	(5,162)	(4,576)
<b>Net change in cash from financing activities</b>	<b>2,338</b>	<b>7,759</b>
<b>Net change in cash</b>	<b>3,700</b>	<b>10,456</b>
Cash and cash equivalents, beginning of year	66,862	56,406
<b>Cash and cash equivalents, end of year</b>	<b>\$ 70,562</b>	<b>\$ 66,862</b>
Cash and cash equivalents consist of:		
Cash	70,451	66,571
Cash equivalents	111	291
	<b>\$ 70,562</b>	<b>\$ 66,862</b>

The accompanying notes are an integral part of these consolidated financial statements.

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# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

The Corporation of the Town of Milton is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act and related legislation. The Town provides municipal services such as fire, roads maintenance and construction, transit, planning, parks and recreation, library and other general government operations.

### **1. Significant accounting policies:**

The consolidated financial statements of The Corporation of the Town of Milton (the "Town") are prepared by management in accordance with Canadian public sector accounting standards.

Significant accounting policies adopted by the Town are as follows:

#### **(a) Basis of consolidation:**

##### **(i) Consolidated entities:**

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of the reporting entity. The reporting entity is comprised of all committees and local boards accountable for the administration of their financial affairs and resources to the Town and which are owned or controlled by the Town except for Milton Hydro Holdings Inc., which is accounted for on the modified equity basis of accounting.

These reporting entities include:

- The Milton Public Library Board
- The Board of Management of the Milton Downtown Business Improvement Area

Interdepartmental and inter-organizational transactions and balances between these entities and organizations have been eliminated.

##### **(ii) Investment in Milton Hydro Holdings Inc.:**

The Town's investment in Milton Hydro Holdings Inc. ("Milton Hydro"), a government business enterprise, is accounted for on a modified equity basis, consistent with Canadian public sector accounting standards. Under the modified equity basis, Milton Hydro's accounting policies are not adjusted to conform to those of the Town and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of Milton Hydro in its Consolidated Statement of Operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Town may receive from Milton Hydro are reflected as reductions in the investment asset account.

##### **(iii) Accounting for Region and School Board transactions:**

The taxation revenue and development charges collected by the Town on behalf of the Region of Halton and the School Boards are not reflected in the Consolidated Statement of Operations.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 1. Significant accounting policies: (continued)

#### (b) Basis of accounting:

The Town follows the accrual method of accounting for revenues and expenses. Revenues are normally recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

#### (c) Other income:

Other income is reported as revenue in the period earned.

#### (d) Government transfers:

Government transfers are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except when, and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished. Government transfers paid are recognized as a liability and an expense when the transfer is authorized and all eligibility criteria have been met by the recipient.

#### (e) Deferred revenue:

Deferred revenue represents development charges, provincial and federal grants and other fees which have been collected, but for which the related services or inspections have yet to be performed. These amounts will be recognized as revenues in the fiscal year the related services are performed.

##### (i) Obligatory reserve funds:

Funds received for specific purposes which are externally restricted by legislation, regulation, or agreement and are not available for general municipal purposes are accounted for as deferred revenue on the consolidated statement of financial position. The revenue is recognized in the consolidated statement of operations in the year in which it is used for the specified purposes.

#### (f) Investments:

Investments consist of bonds and debentures and are recorded at amortized cost. When there has been a loss in value that is other than a temporary decline in value, the respective investment is written down to recognize the loss. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments.

#### (g) Investment income:

Investment income is reported as revenue in the period earned. When required by the funding government or related act, investment income earned is added to the deferred revenue balance.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 1. Significant accounting policies: (continued)

#### (h) Taxation revenue:

Property tax billings are prepared by the Town based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC). Tax rates are established by Town Council, incorporating amounts to be raised for local municipal services and service partners. The Town is also required to bill and collect education taxes on behalf of the Province of Ontario at rates determined by the Province as well as regional taxes at rates determined by the Region of Halton. The local municipal portion of property tax revenue is recognized subsequent to the passing of a property tax bylaw in the period in which the tax is levied.

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

Assessments and related property taxes are subject to appeal. The Town evaluates the likelihood of having to repay taxes as a result of tax appeals or other changes and recognizes a liability if the amount can be reasonably estimated.

#### (i) Cash and cash equivalents:

Cash and cash equivalents include short-term investments with a term to maturity of 90 days or less at acquisition.

#### (j) Employee future benefits:

##### (i) Future period funding:

The Town provides certain employee benefits which will require funding in future periods. These benefits include benefits under the Workplace Safety and Insurance Board ("WSIB") Act, and extended health and dental benefits for a closed group of early retirees. An expense is recognized when a WSIB insurable event occurs.

An independent actuarial study to determine the costs of benefits under the Workplace Safety and Insurance Board Act and liabilities for future payments of extended health and dental benefits has been undertaken using management's best estimate of insurance and health care cost trends, long term inflation rates and discount rates.

##### (ii) Compensated vacation:

Compensated vacation expense is accrued for employees as entitlement to these payments is earned in accordance with the Town's benefit plans for vacation time. Under the same plan, unused banked overtime can accumulate and employees may become entitled to a cash payment upon termination of services. The cost of this banked overtime is accrued as the employee works the overtime.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 1. Significant accounting policies: (continued)

#### (k) Pension agreements:

The costs of multi-employer defined benefit pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period. OMERS has been accounted for as a defined contribution plan since it is a multi-employer plan.

#### (l) Contaminated sites:

Contamination is a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is estimated based upon information that is available when the financial statements are prepared. It is based upon the costs directly attributable to the remediation activities required using a present value measurement technique. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- (i) an environmental standard exists
- (ii) contamination exceeds the environmental standard
- (iii) the Town is directly responsible or accepts responsibility
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 1. Significant accounting policies: (continued)

#### (m) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. Tangible capital assets have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

##### (i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Assets	Useful Life - Years
Land improvements	10 - 50
Buildings and building improvements	15 - 50
Machinery and equipment	3 - 50
Linear assets	20 - 75

Amortization is charged in the year of acquisition and in the year of disposal. Amortization of the asset begins in the month of acquisition. Assets under construction are not amortized until the asset is available for productive use. The Town does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

##### (ii) Contributions of tangible capital assets:

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

##### (iii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are recorded at cost and are amortized on a straight line basis over their estimated useful lives.

##### (iv) Inventories of supplies:

Inventories of supplies held for consumption are recorded at the lower of cost and replacement cost.

#### (n) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards 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,



# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 1. Significant accounting policies: (continued)

#### (n) Use of estimates (continued):

and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, allowance for doubtful accounts, and in performing actuarial valuations of employee future benefits, useful lives of tangible capital assets and the valuation of assets contributed by developers.

Actual results could differ from these estimates.

### 2. Accounts receivable:

Taxes receivable of \$7,846 (2021 - \$6,027) reported on the Consolidated Statement of Financial Position include supplementary taxes of \$1,659 (2021 - \$1,646) recorded in 2022 as earned, but not due until 2023. Other accounts receivable are reported net of a valuation allowance of \$1,355 (2021 - \$1,325).

### 3. Investments:

Investments reported on the Consolidated Statement of Financial Position have cost and market values as follows:

	2022	
	Cost	Market Value
Short-term notes and deposits	\$ 25,842	\$ 25,743
Government and government guaranteed bonds	40,806	37,886
Municipal bonds	37,613	35,167
Financial institutions	93,058	92,249
<b>Total investments, year end</b>	<b>\$ 197,319</b>	<b>\$ 191,045</b>

	2021	
	Cost	Market Value
Short-term notes and deposits	\$ 21,000	\$ 21,000
Government and government guaranteed bonds	31,316	31,138
Municipal bonds	21,391	21,708
Financial institutions	58,059	58,174
<b>Total investments, year end</b>	<b>\$ 131,766</b>	<b>\$ 132,020</b>

### 4. Investment in Milton Hydro Holdings Inc.:

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 4. Investment in Milton Hydro Holdings Inc. (continued):

Milton Hydro Holdings Inc. ("Milton Hydro") and its wholly owned subsidiaries (collectively, the "Corporation") is owned and controlled by the Town and is accounted for on the modified equity basis in these consolidated financial statements. The Corporation serves as the electrical distribution utility for Milton's residents and businesses.

The following table provides condensed supplementary consolidated financial information for the Corporation and its subsidiaries as at and for the year ended December 31:

	2022	2021
<b>Financial Position:</b>		
<b>Assets:</b>		
Current	\$ 43,308	\$ 30,828
Capital	131,869	129,072
Other non-current assets	6,694	6,596
Regulatory balances	15,269	13,075
<b>Total assets</b>	<b>197,140</b>	<b>179,571</b>
<b>Liabilities:</b>		
Current	28,473	42,633
Long term debt	58,758	32,114
Long term note payable to Town of Milton	-	14,934
Other non-current liabilities	44,189	35,689
Regulatory balances	5,243	6,882
<b>Total liabilities</b>	<b>136,663</b>	<b>132,252</b>
<b>Equity:</b>		
Share capital	17,549	17,549
Retained earnings	42,928	29,770
<b>Total equity</b>	<b>60,477</b>	<b>47,319</b>
<b>Total liabilities and equity</b>	<b>197,140</b>	<b>179,571</b>
<b>Operations:</b>		
Revenue (including other comprehensive income)	137,690	134,664
Expenses (including income tax provision)	126,797	134,734
Income net of taxes	10,893	(70)
Net movement in regulatory balances, net of tax	3,834	3,861
Total comprehensive income	14,727	3,791
Dividend paid to Town of Milton	(1,569)	(1,500)
<b>Change in equity</b>	<b>13,158</b>	<b>2,291</b>
<b>Town of Milton investment represented by:</b>		

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 4. Investment in Milton Hydro Holdings Inc. (continued):

	2022	2021
Promissory note receivable from Milton Hydro	-	14,934
2,000 Common shares	17,549	17,549
Retained earnings, end of year	42,928	29,770
<b>Total investment in Milton Hydro</b>	<b>\$ 60,477</b>	<b>\$ 62,253</b>

The following summarizes the Town's related party transactions with Milton Hydro for the year. All transactions are in the normal course of operations and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

Gross revenue earned by Milton Hydro from the Town was \$2,377 (2021 - \$4,384). Property taxes paid to the Town by Milton Hydro was \$112 (2021 - \$256).

In January 2022 the principal balance of a promissory note from Milton Hydro to the Town of Milton was fully paid off as the Town received a payment of \$14.9 million. The promissory note had previously involved interest payments at 7.25% payable in quarterly installments of \$271. Interest expense on the note payable recorded by Milton Hydro for the year was \$nil (2021 - \$1,083). The refinancing was made based on Milton Hydro's 2022 Budget and Business Plan and is part of a broader re-financing strategy that is expected to lead to growth in the total return to the shareholder in the long term.

### 5. Deferred revenue:

#### (a) Deferred revenue continuity:

The deferred revenue reported on the Consolidated Statement of Financial Position is comprised of the following:

	2022	2021
Obligatory reserve funds (note 5.b)	\$ 64,473	\$ 42,781
Subdivision agreement fees	3,276	3,214
Property taxes prepaid	7,078	6,693
Development fees	2,702	1,555
Investment in the Arts Campaign naming rights	470	607
Naming Opportunities Deferred	3,381	4,187
Prepaid facility rentals and program registrations	974	367
Other	789	726
<b>Total deferred revenue</b>	<b>\$ 83,143</b>	<b>\$ 60,130</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

### The Corporation of the Town of Milton

### Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

#### 5. Deferred revenue (continued):

##### (a) Deferred revenue continuity (continued):

	2022	2021
<b>Balance, beginning of year:</b>		
Obligatory reserve funds (note 5.b)	\$ 42,781	\$ 34,476
Subdivision agreement fees	3,214	3,497
Property taxes prepaid	6,693	6,424
Development fees	1,555	1,488
Investment in the Arts Campaign naming rights	607	744
Naming opportunities	4,187	5,754
Prepaid facility rentals and program registrations	367	39
Other	726	404
<b>Total beginning balance</b>	<b>60,130</b>	<b>52,826</b>
<b>Receipts:</b>		
Obligatory reserve funds	54,918	36,700
Interest earned on obligatory reserve funds	1,174	392
Subdivision agreement fees	2,689	1,745
Property taxes prepaid	7,078	6,693
Development fees	1,198	534
Naming opportunities	-	300
Prepaid facility rentals and program registrations	607	328
Other	1,272	536
<b>Total receipts</b>	<b>68,936</b>	<b>47,228</b>
<b>Transfers to revenue:</b>		
Obligatory reserve funds	(34,400)	(28,787)
Subdivision agreement fees	(2,627)	(2,028)
Property taxes prepaid	(6,693)	(6,424)
Development fees	(51)	(467)
Investment in the Arts Campaign naming rights	(137)	(137)
Naming opportunities	(806)	(1,867)
Other	(1,209)	(214)
<b>Total transfers to revenue</b>	<b>(45,923)</b>	<b>(39,924)</b>
<b>Balance, end of year</b>	<b>\$ 83,143</b>	<b>\$ 60,130</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 5. Deferred revenue (continued):

#### (b) Deferred revenue - obligatory reserve funds:

The balances in the obligatory reserve funds of the Town are summarized below:

	2022	2021	Net Change
Building stabilization	\$ 13,829	\$ 5,184	\$ 8,645
Cash in lieu of parking	343	334	9
Cash in lieu of parkland	20,792	13,138	7,654
Federal gas tax	5,406	7,267	(1,861)
Provincial gas tax	1,095	772	323
Provincial government transfers	432	85	347
Arts programming	11	6	5
Development charges	22,565	15,995	6,570
	<b>\$ 64,473</b>	<b>\$ 42,781</b>	<b>\$ 21,692</b>

### 6. Long-term debt:

#### (a) Long-term debt continuity:

The balance of long-term debt reported on the Consolidated Statement of Financial Position is comprised of the following:

	2022	2021
Serial debt issued by Region of Halton, beginning of year	\$ 31,454	\$ 23,393
Less: Principal repayment	(4,859)	(4,274)
Add: New debt issued	7,500	12,335
<b>Total serial debt</b>	<b>34,095</b>	<b>31,454</b>
Sinking fund debt, beginning of year	15,000	15,000
Less: Sinking fund assets	(2,119)	(1,816)
<b>Total sinking fund debt</b>	<b>12,881</b>	<b>13,184</b>
<b>Net long-term debt, end of year</b>	<b>\$ 46,976</b>	<b>\$ 44,638</b>

The long-term liabilities issued in the name of the Town are within the annual limits set by the Ontario Regulation 403/02.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 6. Long-term debt (continued):

#### (b) Future principal payments:

The total principal payments to be made on the outstanding net long-term debt, classified by the recovery source are as follows:

	Operating	Development Charges	Obligatory Reserve Funds	Discretionary Reserve Funds	Total
2023	\$ 3,816	\$ -	\$ -	\$ 1,836	\$ 5,652
2024	3,149	-	-	1,871	5,020
2025	3,093	-	-	1,909	5,002
2026	2,773	-	-	1,951	4,724
2027	2,832	-	-	1,996	4,828
2028 - 2032	10,384	-	-	1,513	11,897
2033 - onward	-	-	-	9,853	9,853
	<b>\$ 26,047</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,929</b>	<b>\$ 46,976</b>

Of the future principal repayment amounts presented from Discretionary Reserve Funds, approximately \$5,671 is expected to be funded from investment earnings that are generated on the sinking fund contributions that are made in advance of the maturity date. The investment earnings are managed by the Region of Halton and the actual return will be subject to market conditions. The Town will remain responsible for the entire sinking fund debt net of the final cumulative investment earnings amount.

#### (c) Total interest on long-term liabilities:

The total interest on long-term liabilities which are reported on the Consolidated Statement of Operations amounted to \$1,324 in 2022 (2021 - \$1,074). The long-term liabilities bear interest at rates ranging from 1.83% to 3.82%.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 7. Developer obligations:

In addition to long-term debt, the Town recognizes obligations for future payments to developers as per legal agreements. The balance of developer obligation liabilities reported on the Consolidated Statement of Financial Position are comprised of the following:

	2022	2021
Subdivision agreements - parks	\$ 837	\$ 261
Subdivision agreements - roads	5,882	256
Sustainable Halton Studies	4,193	3,797
<b>Developer obligations, end of year</b>	<b>\$ 10,912</b>	<b>\$ 4,314</b>

Through subdivision agreements, developers have constructed parks infrastructure on behalf of the Town that is directly attributable to their particular developments. The infrastructure was constructed sooner than planned in the Town's capital forecast in order to facilitate the development of the subdivision.

Reimbursements to the developers are in accordance with the Town's capital budget approvals for the various projects.

Benefiting developers have entered into an agreement with the Town to finance various studies related to the Sustainable Halton urban expansion. Reimbursement to the developers will occur once the lands begin to develop and the costs are included in a Town-approved budget and business plan.

### 8. WSIB, employee benefits and other liabilities:

The employee benefit and other liabilities, reported on the Consolidated Statement of Financial Position, are comprised of the following:

	2022	2021
Future payments to WSIB	\$ 1,911	\$ 1,767
Retiree benefits	800	818
Vacation pay and banked overtime	822	941
<b>Total</b>	<b>\$ 3,533</b>	<b>\$ 3,526</b>

#### (a) Workplace safety and insurance obligations:

In common with other Schedule 2 employers, the Town funds its obligations to the Workplace Safety and Insurance Board ("WSIB") on a "pay-as-you-go" basis for employees under Schedule 2. An independent actuarial study of the workplace safety and insurance liabilities for future payments on WSIB claims has been undertaken. The most recent valuation of the workplace safety and insurance liabilities was completed as of December 31, 2020. The actuarial update was prepared for three consecutive years. The Estimated Average Remaining Service Life (EARSL) is 12.34 years, which is calculated using the Mean Term of the unescalated future payments for existing WSIB claims.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 8. WSIB, employee benefits and other liabilities (continued):

#### (a) Workplace safety and insurance obligations (continued):

The significant actuarial assumptions adopted in estimating the Town's accrued benefits obligation are as follows:

Interest (gross discounted rate)	2.75% per annum
Administration costs	27.00% of compensation
Compensation costs (including loss of earnings, health care benefits, survivor benefits and non-economic loss awards)	Before allowance for mortality improvements 1.75% - 3.75% per annum After allowance for mortality improvements 3.50% - 5.50% per annum

Information with respect to the Town's Workplace Safety and Insurance Board plan is as follows:

	2022	2021
Accrued WSIB obligation, beginning of year	\$ 1,968	\$ 1,756
Benefit costs	264	257
Actuarial loss	-	78
Interest	55	52
Benefit payments	(198)	(175)
	<b>2,089</b>	<b>1,968</b>
Net unamortized actuarial loss	(178)	(201)
<b>Accrued WSIB obligation, end of year</b>	<b>\$ 1,911</b>	<b>\$ 1,767</b>

The Town has established a WSIB reserve to mitigate the future impact of the WSIB obligations in the amount of \$4,789 (2021 - \$4,034).

In the current year, amortization of net actuarial loss of \$23 (2021 - \$9) has been included in the benefit expense on the Consolidated Statement of Operations.



# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 8. WSIB, employee benefits and other liabilities (continued):

#### (b) Retiree benefits:

The Town provides dental and health care benefits between the time an employee retires under OMERS and the normal retirement age of 65 for employees hired prior to July 1, 1996. An independent actuarial study of the post-employment benefits has been undertaken. The most recent valuation of the employee future benefits was completed as of December 31, 2021 and first used for 2022 Financial Statements. Estimation of 2022 retiree benefits is based on extrapolation of data collected in 2021. The Estimated Average Remaining Service Life (EARS�) is 14 years.

The significant actuarial assumptions adopted in estimating the Town's accrued benefits obligations are following:

Interest (discount rate)	3.75% per annum
Dental benefits escalation	same as health benefits
Health benefits escalation	5.75% per annum in 2022 decreasing by 0.33% per year to 3.75% in 2028 and 3.75% per annum thereafter

	2022	2021
Accrued benefits obligation, beginning of year	\$ 826	\$ 809
Current benefit cost	26	36
Actuarial loss	(54)	-
Interest	28	29
Benefits paid	(69)	(48)
	<b>757</b>	<b>826</b>
Unamortized actuarial gain	43	(8)
<b>Accrued benefits obligation, end of year</b>	<b>\$ 800</b>	<b>\$ 818</b>

In the current year amortization of the actuarial gains of \$3 (2021 - \$19) has been included in benefit expense on the Consolidated Statement of Operations.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 9. Pension agreements:

The Town makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of 459 (2021- 500) members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions of employees with a normal retirement age of 65 were being made at a rate of 9.0% for earnings up to the yearly maximum pensionable earnings of \$64.9 and at a rate of 14.6% for earnings greater than the yearly maximum pensionable earnings.

The Town's contribution to OMERS for 2022 was \$4,337 (2021 - \$4,156) for current service and is included as an expense on the Consolidated Statement of Operations. Employees' contribution to OMERS in 2022 was \$4,337 (2021 - \$4,156).

As OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees. The OMERS primary pension plan has a deficit of \$6.6 billion as of December 31, 2022 (2021 - \$3.1 billion).

There was no change in contribution rates in 2022. OMERS expects these contribution and policy changes to return the plan to a fully funded position by 2025, if not sooner.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 10. Tangible Capital Assets:

Cost	Balance at, December 31, 2021	Additions (Transfers)	Disposals	Balance at, December 31, 2022
Land	\$ 314,338	\$ 10,119	\$ (905)	\$ 323,552
Land improvements	83,877	3,896	(915)	86,858
Buildings and building improvements	186,068	351	(53)	186,366
Machinery and equipment	197,620	8,071	(4,137)	201,554
Linear assets	818,061	21,319	(5,590)	833,790
Assets under construction	30,717	20,243	-	50,960
<b>Total</b>	<b>\$ 1,630,681</b>	<b>\$ 63,999</b>	<b>\$ (11,600)</b>	<b>\$ 1,683,080</b>

Accumulated amortization	Balance at, December 31, 2021	Amortization	Disposals	Balance at, December 31, 2022
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	29,302	3,665	(915)	32,052
Building and building improvements	43,722	4,303	(30)	47,995
Machinery and equipment	89,976	12,245	(4,059)	98,162
Linear assets	317,646	15,656	(3,926)	329,376
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 480,646</b>	<b>\$ 35,869</b>	<b>\$ (8,930)</b>	<b>\$ 507,585</b>

Net book value	December 31, 2021	December 31, 2022
Land	\$ 314,338	\$ 323,552
Land improvements	54,575	54,806
Buildings and building improvements	142,346	138,371
Machinery and equipment	107,644	103,392
Linear assets	500,415	504,414
Assets under construction	30,717	50,960
<b>Total</b>	<b>\$ 1,150,035</b>	<b>\$ 1,175,495</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 10. Tangible Capital Assets (continued):

Cost	Balance at, December 31, 2020	Additions	Disposals	Balance at, December 31, 2021
Land	\$ 313,955	\$ 8,058	\$ (7,675)	\$ 314,338
Land Improvements	78,797	5,105	(25)	83,877
Building and building improvements	185,535	709	(176)	186,068
Machinery and equipment	192,484	10,258	(5,122)	197,620
Linear assets	771,938	55,471	(9,348)	818,061
Assets under construction	41,523	(10,806)	-	30,717
<b>Total</b>	<b>\$ 1,584,232</b>	<b>\$ 68,795</b>	<b>\$ (22,346)</b>	<b>\$ 1,630,681</b>

Accumulated amortization	Balance at, December 31, 2020	Amortization	Disposals	Balance at, December 31, 2021
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	25,858	3,468	(24)	29,302
Buildings and building improvements	39,486	4,359	(123)	43,722
Machinery and equipment	82,348	12,081	(4,453)	89,976
Linear assets	309,251	14,462	(6,067)	317,646
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 456,943</b>	<b>\$ 34,370</b>	<b>\$ (10,667)</b>	<b>\$ 480,646</b>

Net book value	Balance at, December 31, 2020	Balance at, December 31, 2021
Land	\$ 313,955	\$ 314,338
Land improvements	52,939	54,575
Buildings and building improvements	146,049	142,346
Machinery and equipment	110,136	107,644
Linear assets	462,687	500,415
Assets under construction	41,523	30,717
<b>Total</b>	<b>\$ 1,127,289</b>	<b>\$ 1,150,035</b>

#### (a) Assets under construction:

Assets under construction, having a value of \$50,960 (2021 - \$30,717), have not been amortized. Amortization of these assets will commence when the asset is put into service.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### **10. Tangible Capital Assets (continued):**

#### **(a) Assets under construction (continued):**

Additions to assets under construction are reported net of assets whose construction is complete and have been put into service.

#### **(b) Contributed tangible capital assets:**

Contributed tangible capital assets have been recognized at fair value at the date of contribution. The value of contributed assets received during the year is \$10,074 (2021 - \$15,216) and is comprised of land and land improvements in the amount of \$732 (2021 - \$25,610) and linear assets in the amount of \$9,342 (2021 - \$5,424), as well as machinery and equipment \$Nil (2021 - \$23).

#### **(c) Tangible capital assets recognized at nominal value:**

In 2015 fiscal year, the Town has recorded the acquisition of one heritage house at a nominal value of one dollar.

#### **(d) Works of art and historical assets:**

The Town manages and controls various works of art and non-operational historical cultural assets located at Town sites and public display areas. The assets consist of cenotaphs and unique historical artifacts requiring preservation. These tangible capital assets are recorded at cost and are amortized on a straight line basis over their estimated useful lives.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 11. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2022	2021
<b>Reserves set aside by Council:</b>		
Aggregate permit fees	\$ 194	\$ 125
Capital provision / growth	7,331	12,609
Computer replacement	3,684	3,220
Downtown Business Improvement Area	248	198
Election	28	627
Equipment replacement	7,102	9,085
Growth - Capital	10,207	9,828
Infrastructure renewal - Roads and Structures	35,719	13,694
Infrastructure Renewal - Stormwater	4,615	4,062
Infrastructure Renewal - Recreation, Facilities, Other	11,379	7,896
Insurance and Legal Matters	7,427	6,923
Library services	546	807
Library capital	1,431	1,107
Per unit development processing fee	1,197	1,340
Seniors fundraising	76	76
Studies and Other Non-Growth	451	2,992
Tax rate stabilization	8,428	8,019
Severe weather	2,063	1,923
WSIB	4,789	4,034
<b>Total reserves</b>	<b>106,915</b>	<b>88,565</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 11. Accumulated surplus (continued):

	2022	2021
<b>Reserve funds set aside for specific purpose by Council:</b>		
Mayors legacy	96	94
Ontario Lottery Corporation proceeds	11,606	4,702
Post Period Capacity	(383)	-
Property transactions	16,083	8,067
<b>Total reserve funds</b>	<b>27,402</b>	<b>12,863</b>
<b>Surplus:</b>		
Invested in tangible capital assets	1,175,495	1,150,035
Unexpended Capital	47,976	33,983
Investment in Milton Hydro Holdings Inc.	60,477	62,253
Unfunded:		
Long-term debt	(46,976)	(44,638)
Employee future benefits	(2,711)	(2,586)
Developer obligations	(10,912)	(4,314)
Investment In the Arts Deferred Naming Donations	(469)	(607)
<b>Total surplus</b>	<b>1,222,880</b>	<b>1,194,126</b>
<b>Total accumulated surplus</b>	<b>\$ 1,357,197</b>	<b>\$ 1,295,554</b>

### 12. Taxation:

Taxation revenue reported on the Consolidated Statements of Operations is made up of the following:

	2022	2021
Municipal and school property taxes	\$ 230,824	\$ 218,284
Payments-in-lieu of property and business taxes	1,992	1,944
Balance, end of year	232,816	220,228
Payments to Region and school boards	(149,533)	(143,233)
<b>Net property taxes and payments in-lieu available for municipal purposes</b>	<b>\$ 83,283</b>	<b>\$ 76,995</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 13. Government transfers:

The Government transfers reported on the Consolidated Statement of Operations are:

	2022	2021
<b>Ontario grants:</b>		
Audit and Accountability Fund	\$ 98	\$ -
COVID-19 Recovery Funding for Municipalities	86	1,502
Elderly Persons Centres Program	54	40
Gas Tax Funds for Public Transportation Program	1,018	999
Infectious Disease Emergency Leave	10	6
Investing in Canada Infrastructure - COVID-19 Resilience	266	20
Ministry of Transportation - fire calls on King's highways	99	110
Ontario Arts Council Programs	5	8
Ontario Seniors Community Grant Program	20	-
Ontario's After School Program	48	48
Public Library Operating Grant	52	52
Public Library Pay Equity Grant	3	3
Reconnect Festivals and Events	23	20
Safe Restart Program	501	1,585
Streamline Development Approval Fund	77	-
Summer Experience program	4	-
The Municipal Fire Protection Grant	-	32
TO2015 Sport Legacy Fund	60	76
<b>Subtotal Provincial grants</b>	<b>2,424</b>	<b>4,501</b>
<b>Federal grants:</b>		
Canada Arts Presentation Fund	126	-
Canada Community-Building Fund	5,536	4,811
Canada Community Revitalization Fund	32	-
Canada Healthy Communities Initiative	30	-
Canada Summer Jobs	52	34
CanExport Community Investments	40	-
Digital Service Squad Program	48	16
Investing in Canada Infrastructure - COVID-19 Resilience	980	80
Municipal Asset Management Program	-	50
Municipalities for Climate Innovation Program	58	43
Commemorating the National Day for Truth and Reconciliation	10	-
New Horizons for Seniors Program	24	47
TO2015 Sport Legacy Fund	797	1,015
Tourism Relief Fund	149	-
Young Canada Works	6	-
<b>Subtotal Federal grants</b>	<b>7,888</b>	<b>6,096</b>
<b>Total transfers</b>	<b>\$ 10,312</b>	<b>\$ 10,597</b>



# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 14. Segmented information:

Segmented information has been identified based on functional classification as categorized by the Financial Information Return. The classifications are as follows:

#### (a) General Government - Mayor and Council, Executive Services, Corporate Services:

The departments within General Government are responsible for the general management and control of the Corporation, including adopting by-laws, adopting administrative policy, levying taxes, and providing administrative, communication, technical, and financial services. They also ensure quality services are provided to the community and that the services provided are aligned with Council approved actions.

#### (b) Protection to Persons and Property - Fire Department, By-law Enforcement, Licensing, Animal and Weed Control, Building Services:

Protection is comprised of the Fire department, By-Law Enforcement, Licensing, Animal and Weed control, and Building Services. The Fire department is responsible to provide fire suppression services; fire prevention programs; training and education related to prevention; detection or extinguishment of fires and emergency rescue services. By-law enforcement, marriage and business licensing and animal and weed control are provided by the Office of the Town Clerk. The Building Services Division is responsible for permit processing and building inspections.

#### (c) Transportation Services - Engineering Services, Milton Transit:

The Engineering Services Department is responsible for operations, infrastructure management (roads, bridges and sewers), traffic control, parking control, and development engineering. Milton Transit provides a fixed route conventional and on-demand transit service as well as accessible transit.

#### (d) Health Services - Transfer to Halton Healthcare Services:

Revenues and expenses associated with the Town's contribution for the local share of the Milton District Hospital Expansion.

#### (e) Environmental Services - Storm Water Management:

Storm Water Management services are provided by the Engineering Services Department.

#### (f) Recreation and Cultural Services - Community Services, Library:

The Community Services Department is responsible for the development, provision and maintenance of facilities, parks and recreation and cultural programs and services. The Milton Public Library provides the community with materials, programs and services to support and encourage informal life-long learning.

#### (g) Planning and Development - Planning and Development, Economic Development, Downtown Business Improvement Area ("DBIA"):

The Planning and Development Department provides direction to Council and the community through land use policy formulation and implementation. The Economic Development Division assists businesses

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 14. Segmented information (continued):

#### **(g) Planning and Development - Planning and Development, Economic Development, Downtown Business Improvement Area ("DBIA") (continued):**

through technical processes associated with the relocation or set up of business. With the support of the Town, the DBIA board of management provides business promotion and improvement functions in downtown Milton.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Certain allocation methodologies are employed in the preparation of segmented financial information. Taxation and payments-in-lieu of taxes are allocated to the segments based on the segment's budgeted net expenditure.

User charges and other revenue have been allocated to the segments based upon the segment that generated the revenue. Government transfers have been allocated to the segment based upon the purpose for which the transfer was made. Development charges earned and developer contributions received were allocated to the segment for which the charge was collected.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 14. Segmented information (continued):

	2022							
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Recreation and cultural services	Planning and development	Total
Revenues:								
Taxation	\$ 15,944	\$ 14,563	\$ 20,959	\$ 674	\$ 584	\$ 24,751	\$ 5,808	\$ 83,283
User charges	2,208	408	1,248	8	-	9,860	3,197	16,929
Government transfers								
Federal	17	-	5,451	109	-	2,125	186	7,888
Provincial	96	197	1,519	-	-	513	99	2,424
Other municipalities	-	358	5,584	1,195	-	76	-	7,213
Investment income	5,666	-	-	-	-	-	-	5,666
Penalties and interest	1,621	-	1,257	-	-	74	-	2,952
Developer contributions	4	246	20,084	4,792	-	3,104	3,578	31,808
Contributed tangible capital assets	-	-	6,972	3,088	-	14	-	10,074
Proceeds from Ontario Lottery Corporation	7,007	-	-	-	-	-	-	7,007
Licenses, permits and rents	594	6,034	112	-	-	379	23	7,142
Equity in income of Milton Hydro Holding Inc.	14,727	-	-	-	-	-	-	14,727
Donations	-	-	-	-	-	972	93	1,065
Other recoveries	-	-	596	257	-	13	-	866
Miscellaneous	8	26	2,274	-	-	30	-	2,338
Total revenues	47,892	21,832	66,056	10,123	584	41,911	12,984	201,382
Expenses:								
Salaries, wages and employee benefits	13,171	15,535	6,288	261	-	16,939	5,838	58,032
Purchased goods	2,566	652	3,672	58	-	5,439	163	12,550
Purchased services	2,398	803	14,952	5,004	3	3,885	1,339	28,384
Financial expenses / (recovery)	160	58	2,964	4	684	726	23	4,619
Transfers to others	-	25	-	-	-	260	-	285
Amortization expense	2,717	2,064	16,970	2,615	-	11,498	5	35,869
Total expenses	21,012	19,137	44,846	7,942	687	38,747	7,368	139,739
Annual surplus / (deficit)	\$ 26,880	\$ 2,695	\$ 21,210	\$ 2,181	\$ (103)	\$ 3,164	\$ 5,616	\$ 61,643

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 14. Segmented information (continued):

	2021							
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Recreation and cultural services	Planning and development	Total
Revenues:								
Taxation	\$ 17,181	\$ 14,270	\$ 18,076	\$ 559	\$ 629	\$ 20,745	\$ 5,535	\$ 76,995
User charges	1,459	75	791	5	-	4,993	4,506	11,829
Government transfers								
Federal	50	-	4,796	95	-	1,133	22	6,096
Provincial	2,516	127	1,610	-	-	228	20	4,501
Other municipalities	-	382	3,735	585	15	44	-	4,761
Investment income	3,788	-	-	-	-	-	-	3,788
Penalties and interest	1,634	-	1,035	-	-	41	-	2,710
Developer contributions	196	1,454	16,533	7,269	48	2,510	3,115	31,125
Contributed tangible capital assets	-	-	3,937	3,528	-	7,751	-	15,216
Proceeds from Ontario Lottery Corporation	3,900	-	-	-	-	-	-	3,900
Licenses, permits and rents	437	5,617	95	-	-	332	7	6,488
Equity in income of Milton Hydro Holding Inc.	3,791	-	-	-	-	-	-	3,791
Donations	-	-	-	-	-	1,911	52	1,963
Other recoveries	-	-	64	95	-	22	-	181
Miscellaneous	30	231	126	-	-	33	-	420
Total revenues	34,982	22,156	50,798	12,136	692	39,743	13,257	173,764
Expenses:								
Salaries, wages and employee benefits	12,902	14,651	5,337	263	-	13,719	5,411	52,283
Purchased goods	2,072	566	3,129	29	-	4,208	118	10,122
Purchased services	1,659	908	12,919	3,262	59	2,826	1,603	23,236
Financial expenses / (recovery)	333	62	3,547	5	715	8,544	15	13,221
Transfers to others	-	19	-	-	-	2,969	-	2,988
Amortization expense	2,618	1,961	15,916	2,498	-	11,364	13	34,370
Total expenses	19,584	18,167	40,848	6,057	774	43,630	7,160	136,220
Annual surplus / (deficit)	\$ 15,398	\$ 3,989	\$ 9,950	\$ 6,079	\$ (82)	\$ (3,887)	\$ 6,097	\$ 37,544

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### 15. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2022 budget approved by Council on December 6, 2021. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget Amount
<b>Revenue:</b>	
Operating budget	\$ 164,585
Capital budget	123,735
<b>Less:</b>	
Interfund transfers	(40,213)
New debt financing	(6,385)
Reallocated revenues	(5,227)
<b>Total revenue</b>	<b>236,495</b>
<b>Expenses:</b>	
Operating budget	164,585
Capital budget	123,735
Amortization	38,608
<b>Less:</b>	
Acquisition of tangible capital assets	(123,735)
Interfund transfers	(45,745)
Reallocated expenses	(8,835)
Debt principal payments	(4,966)
<b>Total expenses</b>	<b>143,647</b>
<b>Annual surplus</b>	<b>\$ 92,848</b>

### 16. Expenses by Object

The consolidated statement of operations represents the expenses by function, the following note classifies those same expenses by object:

	Budget 2022	Actual 2022	Actual 2021
Salaries, wages and employee benefits	\$ 66,126	\$ 58,032	\$ 52,283
Purchased goods	13,340	12,550	10,122
Purchased services	23,070	28,384	23,236
Financial expenses / (recovery)	2,196	4,619	13,221
Transfers to others	307	285	2,988
Amortization expense	38,608	35,869	34,370
<b>Total</b>	<b>\$ 143,647</b>	<b>\$ 139,739</b>	<b>\$ 136,220</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2022  
(in thousands of dollars)

### **17. Commitments:**

The Town has outstanding contractual obligations of approximately \$32,542 for capital works and operating activities, out of which \$30,259 relates to various capital projects. The Town Council has authorized financing of these obligations.

### **18. Contingent liabilities and guarantees:**

The Town has guaranteed debt of its wholly owned subsidiaries Milton Hydro Holdings Inc. and Milton Energy and Generation Solutions Inc. (MEGS) in the amount of \$5,100 (2021 - 15,600). No claim has been made under the guarantee.

The Town has been named as the defendant in certain legal actions, in which damages have been sought. Any losses arising from these actions are recorded in the year that the related litigation is settled or when likely amounts are measurable. Where the outcomes of actions are not determinable as at December 31, 2022, no provision is made in the consolidated financial statements.

### **19. Contractual rights:**

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future.

Town's contractual rights of \$74,479 arise because of the various types of contracts entered into, among which are agreements for assumption of assets under subdivision agreements of \$67,144, cost recovery of \$4,009, lease agreements of \$2,264, services agreements of \$116 and \$946 from agreements with developers.

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# Milton Public Library

Be Inspired



2022 Town of Milton Financial Report  
**Milton Public Library Board**  
For the year ended December 31, 2022







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To the Members of Council of The Corporation of the Town of Milton

## Opinion

We have audited the consolidated financial statements of The Corporation of the Town of Milton Public Library Board (the "Library Board"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library Board as at December 31, 2022, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

# Independent Auditors' Report

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

# Independent Auditors' Report

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

[Original signed Deloitte LLP]

Chartered Professional Accountants  
Licensed Public Accountants  
May 29, 2023

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# Milton Public Library Board

## Statement of Financial Position

As at December 31, 2022 with comparative information for 2021

	2022	2021
<b>Financial assets:</b>		
Due from the Town of Milton	\$ 3,442,546	\$ 3,162,149
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	304,528	116,105
Deferred revenue (note 2)	13,000	14,000
<b>Net financial assets</b>	<b>3,125,018</b>	<b>3,032,044</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 3)	3,010,743	3,105,696
Prepaid expenses	84,661	88,805
	<b>3,095,404</b>	<b>3,194,501</b>
Commitments (note 6)		
<b>Accumulated surplus (note 4)</b>	<b>\$ 6,220,422</b>	<b>\$ 6,226,545</b>

The accompanying notes are an integral part of these financial statements.

# Milton Public Library Board

## Statement of Operations

Year ended December 31, 2022 with comparative information for 2021

	Budget (Note 7)	2022	2021
<b>Revenues:</b>			
Transfer from the Town of Milton	\$ 5,308,486	\$ 5,308,486	\$ 5,039,861
Fines and penalties	145,501	81,574	45,400
User charges	53,307	22,258	8,359
Federal government transfers:			
Summer career placement grant	1,850	4,796	-
Canada Healthy Communities	-	30,000	-
Young Canada Works	-	5,614	-
National Day for Truth	-	9,995	-
New Horizons for Seniors	-	23,667	-
Provincial government transfers:			
Library pay equity program	3,275	3,275	3,275
Public library operating grant program	52,429	52,429	52,429
Municipal government transfers	18,919	18,919	17,096
Milton contributions - growth capital projects (note 5)	-	85,379	68,159
Miscellaneous	7,951	11,395	14,215
<b>Total revenues</b>	<b>5,591,718</b>	<b>5,657,787</b>	<b>5,248,794</b>
<b>Expenses:</b>			
Salaries, wages and employee benefits	3,887,403	3,680,162	3,411,386
Administrative	43,426	66,090	50,651
Financial	5,821	6,662	6,291
Purchased goods	322,984	348,423	316,674
Purchased services	847,397	821,090	762,111
Amortization	797,585	741,483	751,305
<b>Total expenses</b>	<b>5,904,616</b>	<b>5,663,910</b>	<b>5,298,418</b>
<b>Annual surplus/(deficit)</b>	<b>(312,898)</b>	<b>(6,123)</b>	<b>(49,624)</b>
<b>Accumulated surplus, beginning of year</b>	<b>6,226,545</b>	<b>6,226,545</b>	<b>6,276,169</b>
<b>Accumulated surplus, end of year (note 4)</b>	<b>\$ 5,913,647</b>	<b>\$ 6,220,422</b>	<b>\$ 6,226,545</b>

The accompanying notes are an integral part of these financial statements.

# Milton Public Library Board

## Statement of Change in Net Financial Assets

Year ended December 31, 2022 with comparative information for 2021

		<b>Budget (Note 7)</b>	<b>2022</b>	<b>2021</b>
Annual surplus / (deficit)	\$	(312,898) \$	(6,123) \$	(49,624)
Acquisition of tangible capital assets		(551,470)	(646,530)	(552,567)
Amortization of tangible capital assets		797,585	741,483	751,305
		<b>(66,783)</b>	<b>88,830</b>	<b>149,114</b>
Change in prepaid expenses		-	4,144	(8,755)
<b>Change in net financial assets</b>		<b>(66,783)</b>	<b>92,974</b>	<b>140,359</b>
<b>Net financial assets, beginning of year</b>		3,032,044	3,032,044	2,891,685
<b>Net financial assets, end of year</b>	\$	<b>2,965,261</b> \$	<b>3,125,018</b> \$	<b>3,032,044</b>

The accompanying notes are an integral part of these financial statements.

# Milton Public Library Board

## Statement of Change in Due from the Town of Milton

Year ended December 31, 2022 with comparative information for 2021

	2022	2021
<b>Cash provided by (used in):</b>		
<b>Operating Activities:</b>		
Annual surplus / (deficit)	\$ (6,123)	\$ (49,624)
Items not involving cash:		
Amortization	741,483	751,305
Change in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	188,423	(103,828)
Deferred revenue	(1,000)	14,000
Prepaid expenses	4,144	(8,755)
<b>Net change in due from the Town of Milton from operating activities</b>	<b>926,927</b>	<b>603,098</b>
<b>Capital Activities:</b>		
Cash used to acquire tangible capital assets	(646,530)	(552,567)
<b>Financing Activities:</b>		
Change in due from Town of Milton	(280,397)	(50,531)
<b>Net change in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.



# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2022

### **1. Significant accounting policies:**

The financial statements of the Milton Public Library Board (the "Library") are prepared in accordance with Canadian public sector accounting standards.

Significant accounting policies adopted by the Library are as follows:

#### **(a) Basis of accounting:**

The Library follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

#### **(b) Government transfers:**

Government transfers are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except, when and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

#### **(c) Other income:**

Other income is reported as revenue in the period earned.

#### **(d) Milton contributions - growth capital projects:**

Development charges are collected by The Corporation of the Town of Milton to be used to support future development. Development charges are transferred to the Library and recognized as revenue in the Library's statement of operations when eligible Library owned tangible capital assets are purchased.

#### **(e) Deferred revenue:**

Deferred revenue includes provincial and federal grants which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenues in the fiscal year the services are performed.

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2022

### 1. Significant accounting policies (continued):

#### (f) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. Tangible capital assets have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

##### (i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Assets	Useful Life - Years
IT equipment	3 - 10
Office equipment	10 - 50
Collections	3 - 10

Amortization is charged in the year of acquisition and in the year of disposal. Amortization of the asset begins in the month of acquisition. Assets under construction are not amortized until the asset is available for productive use. The Library does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

##### (ii) Contributions of 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. Where fair market value is not available the values are estimated.

#### (g) Use estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 include assumptions used in estimating provisions for accrued liabilities and useful lives of tangible capital assets.

Actual results could differ from these estimates.

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2022

### 2. Deferred revenue:

The deferred revenue reported on the Statement of Financial Position is made of the deferred naming rights revenue:

	2022	2021
Deferred revenue	\$ 13,000	\$ 14,000
<b>Balance, beginning of year:</b>		
Deferred revenue	\$ 14,000	-
<b>Receipts:</b>		
Naming Rights Agreement	-	14,000
<b>Transfers:</b>		
Grant revenue earned	(1,000)	-
<b>Balance, end of year</b>	<b>\$ 13,000</b>	<b>\$ 14,000</b>

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2022

### 3. Tangible capital assets:

<b>Cost</b>	<b>Balance at, December 31, 2021</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at, December 31, 2022</b>
IT equipment	\$ 881,583	\$ 246,568	\$ (336,117)	\$ 792,034
Office equipment	1,508,876	3,432	(5,225)	1,507,083
Collections	5,912,040	396,530	(346,203)	5,962,367
<b>Total</b>	<b>\$ 8,302,499</b>	<b>\$ 646,530</b>	<b>\$ (687,545)</b>	<b>\$ 8,261,484</b>

<b>Accumulated amortization</b>	<b>Balance at, December 31, 2021</b>	<b>Amortization</b>	<b>Disposals</b>	<b>Balance at, December 31, 2022</b>
IT equipment	\$ 589,560	\$ 208,698	\$ (336,117)	\$ 462,141
Office equipment	586,303	85,180	(5,225)	666,258
Collections	4,020,940	447,605	(346,203)	4,122,342
<b>Total</b>	<b>\$ 5,196,803</b>	<b>\$ 741,483</b>	<b>\$ (687,545)</b>	<b>\$ 5,250,741</b>

<b>Net book value</b>	<b>Balance at, December 31, 2021</b>	<b>Balance at, December 31, 2022</b>
IT equipment	\$ 292,023	\$ 329,893
Office equipment	922,573	840,825
Collections	1,891,100	1,840,025
<b>Total</b>	<b>\$ 3,105,696</b>	<b>\$ 3,010,743</b>

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2022

### 3. Tangible capital assets (continued):

Cost	Balance at, December 31, 2020	Additions	Disposals	Balance at, December 31, 2021
IT equipment	\$ 816,927	\$ 112,033	\$ (47,377)	\$ 881,583
Office equipment	1,481,063	45,141	(17,328)	1,508,876
Collections	5,612,331	395,393	(95,684)	5,912,040
<b>Total</b>	<b>\$ 7,910,321</b>	<b>\$ 552,567</b>	<b>\$ (160,389)</b>	<b>\$ 8,302,499</b>

Accumulated amortization	Balance at, December 31, 2020	Amortization	Disposals	Balance at, December 31, 2021
IT equipment	\$ 469,290	\$ 167,647	\$ (47,377)	\$ 589,560
Office equipment	513,535	90,096	(17,328)	586,303
Collections	3,623,062	493,562	(95,684)	4,020,940
<b>Total</b>	<b>\$ 4,605,887</b>	<b>\$ 751,305</b>	<b>\$ (160,389)</b>	<b>\$ 5,196,803</b>

Net book value	Balance at, December 31, 2020	Balance at, December 31, 2021
IT equipment	\$ 347,637	\$ 292,023
Office equipment	967,528	922,573
Collections	1,989,269	1,891,100
<b>Total</b>	<b>\$ 3,304,434</b>	<b>\$ 3,105,696</b>

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2022

### 3. Tangible capital assets (continued):

#### (a) Contributed capital assets:

The Library received no contributed tangible capital assets in 2022 or 2021.

#### (b) Tangible capital assets disclosed at nominal value:

There are no tangible capital assets recognized at a nominal value.

#### (c) Write-down of tangible capital assets:

The Library has not recorded write-downs of tangible capital assets during the year of 2022 or 2021 .

### 4. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2022	2021
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 3,010,743	\$ 3,105,696
<b>Reserves set aside by Library Board:</b>		
Library Capital	1,430,604	1,107,305
Library Services	545,980	804,684
Library Other	1,233,095	1,208,860
<b>Total reserves</b>	<b>3,209,679</b>	<b>3,120,849</b>
<b>Accumulated surplus</b>	<b>\$ 6,220,422</b>	<b>\$ 6,226,545</b>

The capital reserve is designated by the Board for the future purchase of Library owned tangible capital assets. The library capital reserve balance represents funds that have been allocated from the Town to the Library for the acquisition of Library assets. These funds do not include development charges that have been collected under the Town's by-law.

### 5. Milton contributions - growth capital projects:

The Town of Milton (the "Town") manages a development charge obligatory reserve fund for library services in the amount of \$7,537,958 (2021 - \$6,640,934 ) that is funded by contributions received from developers as stipulated by the Development Charges By-law and identified in the Development Charges Background Study.

The development charges will be spent on tangible capital assets to facilitate Library growth. Tangible capital asset purchases may be either Town or Library owned recognizing that the Town maintains title to Library facilities and furniture.

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2022

### 6. Commitments:

The Library entered into an agreement with the Town in 2016 and is committed to minimum annual payments for services as follows:

2023	\$ 373,699
2024	424,369
2025	454,541
2026	298,727
2027	118,457
2028 and thereafter	262,781
	<b>\$ 1,932,574</b>

### 7. Budget data:

The budget data presented in these financial statements is based upon the 2022 operating and capital budgets approved by Council on December 6, 2021. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	<b>Budget Amount</b>
<b>Revenue:</b>	
Operating budget	\$ 5,750,592
Capital budget	551,470
Municipal government transfers	18,919
<b>Less:</b>	
Interfund transfers	(720,389)
Other transfers	(8,874)
<b>Total revenue</b>	<b>5,591,718</b>
<b>Expenses:</b>	
Operating budget	5,750,592
Capital budget	551,470
Amortization	797,585
<b>Less:</b>	
Interfund transfers	(634,687)
Other transfers	(8,874)
Acquisition of tangible capital assets	(551,470)
<b>Total expenses</b>	<b>5,904,616</b>
<b>Annual surplus</b>	<b>\$ (312,898)</b>

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2022

### **8. Related party transactions:**

In 2016, the Town of Milton entered into a lease agreement with the Milton Public Library for use of the Milton Centre for the Arts space at nominal value of \$1 dollar. The lease agreement is due for renewal in 2026.

In addition to the transactions noted, the Town also periodically provides support services at no cost. Should the Library be required to source these services independently, additional costs that could be material may be incurred.



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2022 Town of Milton Financial Report  
**Board of Management of the Milton  
Downtown Business Improvement Area**  
For the year ended December 31, 2022







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To the Members of Council of The Corporation of the Town of Milton

## Opinion

We have audited the consolidated financial statements of the Downtown Business Improvement Area of the Corporation of the Town of Milton (the "BIA"), which comprise the statement of financial position as at December 31, 2022, and the statements of operations and change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2022, and the results of its operations and changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

## Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

# Independent Auditors' Report

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

# Independent Auditors' Report

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

[Original signed Deloitte LLP]

Chartered Professional Accountants  
Licensed Public Accountants  
May 29, 2023  
Vaughan, Ontario

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# Milton Downtown Business Improvement Area

## Statement of Financial Position

As at December 31, 2022 with comparative information for 2021

	2022	2021
<b>Financial assets:</b>		
Due from the Town of Milton	\$ 279,575	\$ 209,323
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	31,952	11,971
<b>Net financial assets</b>	<b>247,623</b>	<b>197,352</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 2)	95,813	43,601
Prepaid expenses	218	434
	<b>96,031</b>	<b>44,035</b>
Commitments (note 5)		
<b>Accumulated surplus (note 3)</b>	<b>\$ 343,654</b>	<b>\$ 241,387</b>

The accompanying notes are an integral part of these financial statements.

# Milton Downtown Business Improvement Area

## Statement of Operations

Year ended December 31, 2022 with comparative information for 2021

	Budget (Note 6)	2022	2021
<b>Revenues:</b>			
Taxation levied by Town	\$ 241,796	\$ 242,599	\$ 233,136
User charges	22,500	22,193	8,110
Federal government transfers (note 4)	4,000	112,776	6,088
Provincial transfers (note 4)	-	22,563	20,497
Municipal government transfers	17,250	33,150	14,425
Miscellaneous	15,500	67,642	26,676
<b>Total revenues</b>	<b>301,046</b>	<b>500,923</b>	<b>308,932</b>
<b>Expenses:</b>			
Beautification and planters	63,300	93,996	46,657
General administration	49,345	48,487	42,136
Salaries and benefits	153,555	158,596	138,901
Trade promotion and special events	71,450	86,646	41,203
Amortization	11,758	10,931	6,735
<b>Total expenses</b>	<b>349,408</b>	<b>398,656</b>	<b>275,632</b>
<b>Annual surplus/(deficit)</b>	<b>(48,362)</b>	<b>102,267</b>	<b>33,300</b>
<b>Accumulated surplus, beginning of year</b>	<b>241,387</b>	<b>241,387</b>	<b>208,087</b>
<b>Accumulated surplus, end of year (note 3)</b>	<b>\$ 193,025</b>	<b>\$ 343,654</b>	<b>\$ 241,387</b>

The accompanying notes are an integral part of these financial statements.



# Milton Downtown Business Improvement Area

## Statement of Change in Net Financial Assets

Year ended December 31, 2022 with comparative information for 2021

	Budget (Note 6)	2022	2021
Annual surplus	\$ (39,132)	\$ 102,267	\$ 33,300
Acquisition of tangible capital assets	-	(63,143)	(8,503)
Amortization of tangible capital assets	11,758	10,931	6,735
	<b>(27,374)</b>	<b>50,055</b>	<b>31,532</b>
Change in prepaid expenses	-	216	(434)
<b>Change in net financial assets</b>	<b>(27,374)</b>	<b>50,271</b>	<b>31,098</b>
Net financial assets, beginning of year	197,352	197,352	166,254
<b>Net financial assets, end of year</b>	<b>\$ 169,978</b>	<b>\$ 247,623</b>	<b>\$ 197,352</b>

The accompanying notes are an integral part of these financial statements.

# Milton Downtown Business Improvement Area

## Statement of Change in Due from the Town of Milton

Year ended December 31, 2022 with comparative information for 2021

	2022	2021
<b>Cash provided by (used in):</b>		
<b>Operating Activities:</b>		
Annual surplus	\$ 102,267	\$ 33,300
Items not involving cash:		
Amortization	10,931	6,735
Change in non-cash assets and other liabilities:		
Accounts payable and accrued liabilities	19,981	348
Prepaid expenses	216	(434)
<b>Net change in cash from operating activities</b>	<b>133,395</b>	<b>39,949</b>
<b>Capital Activities:</b>		
Cash used to acquire tangible capital assets	(63,143)	(8,503)
<b>Financing Activities:</b>		
Change in Due from Town of Milton	(70,252)	(31,446)
<b>Net change in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

The accompanying notes are an integral part of these financial statements.

# Milton Downtown Business Improvement Area

## Notes to Financial Statements

Year ended December 31, 2022

### 1. Significant accounting policies:

The financial statements of the Milton Downtown Business Improvement Area ("DBIA") are prepared by management in accordance with Canadian public sector accounting standards.

Significant accounting policies adopted by the DBIA are as follows:

#### (a) Basis of accounting:

The DBIA follows the accrual method of accounting for revenues and expenses. Revenues are recognized in the year in which they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of the receipt of goods or services and/or the creation of a legal obligation to pay.

#### (b) Government transfers:

Government transfers are recognized as revenue in the financial statements when the transfer is authorized, any eligibility criteria are met and a reasonable estimate of the amount can be made except, when and to the extent that, stipulations by the transferor give rise to an obligation that meet the definition of a liability. Government transfers that meet the definition of a liability are recognized as revenue as the liability is extinguished.

#### (c) Other income:

Other income is reported as revenue in the period earned.

#### (d) 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.

Tangible capital assets are recorded at cost, which includes 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:

Assets	Useful Life - Years
Office equipment	3 - 15
Other equipment	5 - 10

# Milton Downtown Business Improvement Area

## Notes to Financial Statements

Year ended December 31, 2022

### 1. Significant accounting policies (continued):

#### (d) Non-financial assets (continued):

Amortization is charged in the year of acquisition and in the year of disposal. Amortization of the asset begins in the month of acquisition.

The Town does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

#### (e) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards 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. Actual results could differ from these estimates.

### 2. Tangible capital assets:

	2022		
	Office Equipment	Other Equipment	Total
<b>Cost</b>			
Balance, beginning of year	\$ 7,060	\$ 67,686	\$ 74,746
Additions	-	63,143	63,143
<b>Balance, end of year</b>	<b>7,060</b>	<b>130,829</b>	<b>137,889</b>
<b>Accumulated amortization</b>			
Balance, beginning of year	4,563	26,582	31,145
Amortization	210	10,721	10,931
<b>Balance, end of year</b>	<b>4,773</b>	<b>37,303</b>	<b>42,076</b>
<b>Net book value, end of year</b>	<b>\$ 2,287</b>	<b>\$ 93,526</b>	<b>\$ 95,813</b>

# Milton Downtown Business Improvement Area

## Notes to Financial Statements

Year ended December 31, 2022

### 2. Tangible capital assets (continued):

	2021		
	Office Equipment	Other Equipment	Total
<b>Cost</b>			
Balance, beginning of year	\$ 9,924	\$ 56,319	\$ 66,243
Additions	-	8,503	8,503
<b>Balance, end of year</b>	<b>9,924</b>	<b>64,822</b>	<b>74,746</b>
<b>Accumulated amortization</b>			
Balance, beginning of year	5,610	18,800	24,410
Amortization	210	6,525	6,735
<b>Balance, end of year</b>	<b>5,820</b>	<b>25,325</b>	<b>31,145</b>
<b>Net book value, end of year</b>	<b>\$ 4,104</b>	<b>\$ 39,497</b>	<b>\$ 43,601</b>

#### (a) Contributed capital assets:

The DBIA received no contributed tangible capital assets in 2022 or 2021.

#### (b) Tangible capital assets disclosed at nominal value:

There are no tangible capital assets recognized at a nominal value.

#### (c) Write-down of tangible capital assets:

The DBIA has not recorded write-downs of tangible capital assets during the year of 2022 or 2021 .

### 3. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2022	2021
<b>Surplus</b>		
Invested in tangible capital assets	\$ 95,813	\$ 43,601
<b>Reserves</b>		
Downtown Business Improvement Area	247,841	197,786
<b>Accumulated surplus</b>	<b>\$ 343,654</b>	<b>\$ 241,387</b>

The reserve fund is designated by the Board to finance improvements in the Downtown Business Improvement Area.

# Milton Downtown Business Improvement Area

## Notes to Financial Statements

Year ended December 31, 2022

### 3. Accumulated surplus (continued):

The change in the reserve fund balance is as follows:

	2022	2021
Annual surplus	\$ 102,267	\$ 33,300
Less: Current year tangible capital assets additions	(63,143)	(8,503)
Add: Amortization expense	10,931	6,735
	<b>50,055</b>	<b>31,532</b>
Fund balance at beginning of year	197,786	166,254
<b>Fund balance, end of year</b>	<b>\$ 247,841</b>	<b>\$ 197,786</b>

### 4. Government transfers:

The Provincial Government transfer reported on the Statement of Operations is the Reconnect Festival and Event Program in the amount of \$22,563 (2021 - \$ 20,497). The Federal Government transfers reported on the Statement of Operations in the amount of \$112,776 (2021 - \$6,088) consist of Tourism Relief Fund \$73,000 (2021 - \$ nil), Community Revitalization Fund \$32,067 (2021 - \$nil) and the Summer Career Placement Grant \$7,709 (2021 - \$6,088).

### 5. Commitments:

The Board of Management of the Milton Downtown Business Improvement Area has entered into a five year lease agreement in 2018 which expires on September 30, 2023 and is committed to lease payments payable for 2023 of \$10,566.

### 6. Budget data:

The budget data presented in these financial statements is based upon the 2022 budget approved by Council on December 6, 2021.

### 7. Related party transactions:

During the year the Town has provided DBIA ground maintenance services for \$21,419 of which \$3,000 were recovered from Milton Downtown Business Area. In addition to the transactions noted, the Town also periodically provides support services at no cost. Should the DBIA be required to source these services independently, additional costs that could be material may be incurred.

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2022 Town of Milton Financial Report  
**Multi-Year Comparison of Financial  
Statements**

For the year ended December 31, 2022





# Consolidated Statement of Financial Position

(in thousands of dollars)

	2022	2021	2020	2019	2018
Cash and cash equivalents	\$ 70,562	\$ 66,862	\$ 56,406	\$ 76,737	\$ 76,363
Accounts receivable					
Taxes receivable	7,846	6,027	9,477	6,523	8,136
Grants receivable	1,885	104	352	292	983
Other	13,537	19,295	11,520	14,441	10,570
Investments	197,319	131,765	111,642	108,489	103,349
Investment in Milton Hydro Holdings Inc.	60,477	62,253	59,962	61,220	60,178
Other Assets	427	377	3,188	2,735	2,476
<b>Total financial assets</b>	<b>352,053</b>	<b>286,683</b>	<b>252,547</b>	<b>270,437</b>	<b>262,055</b>
Non-financial assets	1,177,764	1,151,626	1,128,494	1,097,678	1,043,048
<b>Total assets</b>	<b>1,529,816</b>	<b>1,438,309</b>	<b>1,381,041</b>	<b>1,368,115</b>	<b>1,305,103</b>
Accounts payable and accrued liabilities	18,932	21,793	19,654	23,533	17,452
Other liabilities	9,124	8,354	6,984	6,419	7,324
Deferred revenue	83,143	60,130	52,826	72,298	83,399
Long-term debentures	46,976	44,638	36,879	42,532	42,711
Developer obligations	10,912	4,314	3,398	2,613	2,046
Employee benefits and other liabilities	3,533	3,526	3,290	3,168	2,859
<b>Total liabilities</b>	<b>172,620</b>	<b>142,755</b>	<b>123,031</b>	<b>150,563</b>	<b>155,791</b>
<b>Accumulated surplus</b>	<b>\$ 1,357,197</b>	<b>\$ 1,295,554</b>	<b>\$ 1,258,010</b>	<b>\$ 1,217,552</b>	<b>\$ 1,149,312</b>

# Consolidated Statement of Operations

(in thousands of dollars)

	2022	2021	2020	2019	2018
<b>Sources of revenue:</b>					
Taxation	\$ 83,283	\$ 76,995	\$ 72,732	\$ 67,289	\$ 60,976
User charges	16,929	11,829	10,233	19,347	18,607
Government transfers:					
Federal	7,888	6,096	6,448	3,990	5,126
Provincial	2,424	4,501	4,985	4,412	2,899
Other municipalities	7,213	4,761	4,900	6,422	4,385
Investment income	5,666	3,788	4,202	4,854	3,959
Penalties and interest	2,952	2,710	2,225	3,105	2,434
Developer contributions	31,808	31,125	34,580	36,328	35,660
Contributed tangible capital assets	10,074	15,216	13,370	32,847	27,032
Proceeds from Ontario Lottery Corporation	7,007	3,900	1,551	7,984	6,484
License, permits, rents etc.	7,142	6,488	6,193	6,415	6,568
Equity in income of Milton Hydro	14,727	3,791	242	2,542	4,457
Donations	1,065	1,963	899	893	876
Other Recoveries	866	181	62	347	449
Miscellaneous	2,338	420	135	370	7,328
<b>Total revenue</b>	<b>201,382</b>	<b>173,764</b>	<b>162,757</b>	<b>197,145</b>	<b>187,240</b>
<b>Expenses by function:</b>					
General government	21,012	19,584	20,659	19,900	18,045
Protection to persons and property	19,137	18,167	17,447	16,230	15,672
Transportation services	44,846	40,848	37,116	42,043	36,252
Environmental services	7,942	6,057	6,480	3,418	3,232
Health Services	687	774	1,861	1,767	812
Recreational and cultural services	38,747	43,630	31,893	38,316	36,302
Planning and development	7,368	7,160	6,843	7,231	7,778
<b>Total expenses</b>	<b>139,739</b>	<b>136,220</b>	<b>122,299</b>	<b>128,905</b>	<b>118,093</b>
Annual surplus	61,643	37,544	40,458	68,240	69,147
Accumulated surplus, beginning of year	1,295,554	1,258,010	1,217,552	1,149,312	1,080,165
<b>Accumulated surplus, end of year</b>	<b>\$ 1,357,197</b>	<b>\$ 1,295,554</b>	<b>\$ 1,258,010</b>	<b>\$ 1,217,552</b>	<b>\$ 1,149,312</b>

# Consolidated Statement of Change in Net Financial Asset

(in thousands of dollars)

	2022	2021	2020	2019	2018
Annual surplus	\$ 61,643	\$ 37,544	\$ 40,458	\$ 68,240	\$ 69,147
Acquisition of tangible capital assets	(63,999)	(68,795)	(69,672)	(88,303)	(78,787)
Amortization of tangible capital assets	35,869	34,370	33,644	30,378	29,095
Loss on disposal of tangible capital assets	392	10,903	4,857	3,445	(5,020)
Proceeds on sale of tangible capital assets	2,278	776	51	219	6,344
	36,183	14,798	9,338	13,979	20,779
Change in supplies of inventory	(514)	193	262	(133)	(216)
Change in prepaid expenses	(164)	(579)	42	(236)	42
Change in net financial assets	35,505	14,412	9,642	13,610	20,605
Net financial assets, beginning of year	143,928	129,516	119,874	106,264	85,659
<b>Net financial assets, end of year</b>	<b>\$ 179,433</b>	<b>\$ 143,928</b>	<b>\$ 129,516</b>	<b>\$ 119,874</b>	<b>\$ 106,264</b>

## Analysis of Expenses by Object

(in thousands of dollars)

	2022	2021	2020	2019	2018
Salaries, wages and employee benefits	\$ 58,032	\$ 52,283	\$ 49,091	\$ 52,803	\$ 50,372
Purchased goods	12,550	10,122	9,544	12,082	11,103
Purchased services	28,384	23,236	22,301	27,134	23,836
Financial expenses	4,619	13,221	7,469	5,685	3,630
External transfers	285	2,988	250	823	57
Amortization expense	35,869	34,370	33,644	30,378	29,095
<b>Total expenses</b>	<b>\$ 139,739</b>	<b>\$ 136,220</b>	<b>\$ 122,299</b>	<b>\$ 128,905</b>	<b>\$ 118,093</b>

# Net Book Value of Tangible Capital Assets

(in thousands of dollars)

	2022	2021	2020	2019	2018
Land	\$ 323,552	\$ 314,338	\$ 313,955	\$ 313,457	\$ 288,834
Land improvements	54,806	54,575	52,939	53,336	48,398
Buildings and building improvements	138,371	142,346	146,049	148,611	123,423
Machinery and equipment	103,392	107,644	110,136	107,388	93,914
Linear assets	504,414	500,415	462,687	453,762	444,177
Assets under construction	50,960	30,717	41,523	19,615	43,162
<b>Total assets</b>	<b>\$ 1,175,495</b>	<b>\$ 1,150,035</b>	<b>\$ 1,127,289</b>	<b>\$ 1,096,169</b>	<b>\$ 1,041,908</b>

# Accumulated Surplus

(in thousands of dollars)

	2022	2021	2020	2019	2018
<b>Reserves set aside by Council:</b>					
Aggregate permit fees	\$ 194	\$ 125	\$ 367	\$ 483	\$ 452
Capital provision/growth	7,331	12,609	12,167	13,387	13,820
Capital works	-	-	-	7,703	5,492
Computer replacement	3,684	3,220	5,492	1,245	993
Downtown Business Improvement Area	248	198	166	107	87
Election	28	627	504	314	121
Equipment replacement	7,102	9,085	8,152	7,835	7,534
Growth related resources	-	-	-	2,068	2,130
Growth capital - other	10,207	9,828	7,588	-	-
Infrastructure renewal reserve - roads and structures	35,719	13,694	11,776	4,964	2,999
Infrastructure renewal - stormwater	4,615	4,062	2,748	-	-
Infrastructure renewal - recreation, facilities, other	11,379	7,896	7,037	-	-
Insurance	-	-	1,573	1,413	1,286
Insurance legal matters	7,427	6,923	1,439	1,341	1,048
Library services	546	807	859	2,204	2,187
Library capital	1,431	1,107	1,767	674	539
Municipal building component	-	-	-	7,973	6,986
Municipal building replacement	-	-	-	435	291
Per unit development processing fee	1,197	1,340	1,224	1,468	1,703
Seniors fundraising	76	76	76	76	76
Studies and other non-growth capital	451	2,992	2,082	-	-
Tax rate stabilization	8,428	8,019	8,160	4,190	2,285
Training	-	-	-	461	358
Transit and transportation	-	-	-	1,786	1,399
Severe weather	2,063	1,923	1,467	1,468	1,468
Working funds	-	-	-	1,064	1,064
WSIB	4,789	4,034	2,867	1,212	1,340
<b>Total reserves</b>	<b>\$ 106,915</b>	<b>\$ 88,565</b>	<b>\$ 77,511</b>	<b>\$ 63,871</b>	<b>\$ 55,658</b>

## Accumulated Surplus (Continued)

(in thousands of dollars)

	2022	2021	2020	2019	2018
<b>Reserve funds set aside for specific purpose by Council:</b>					
Cash in lieu of storm water management	\$ -	\$ -	\$ -	\$ 46	\$ 46
Investment in the Arts Campaign	-	-	-	609	(194)
Mayor's legacy	96	94	92	91	88
Milton District Hospital	-	-	310	371	431
Post Period Capacity	(383)	-	-	-	-
Ontario Lottery Corporation proceeds	11,606	4,702	7,496	9,045	7,108
Perpetual maintenance	-	-	-	605	591
Property transactions	16,083	8,067	7,260	11,496	11,583
Sports field development	-	-	-	44	34
<b>Total reserve funds</b>	<b>\$ 27,402</b>	<b>\$ 12,863</b>	<b>\$ 15,158</b>	<b>\$ 22,307</b>	<b>\$ 19,687</b>
	2022	2021	2020	2019	2018
<b>Surplus:</b>					
Invested in tangible capital assets	\$ 1,175,495	\$ 1,150,035	\$ 1,127,289	\$ 1,096,169	\$ 1,041,908
Unexpended capital	47,976	33,983	19,151	20,374	16,853
Investment in Milton Hydro	60,477	62,253	59,962	61,220	60,178
Endowment fund	-	-	2,406	2,043	2,035
<b>Unfunded:</b>					
Long term debentures	(46,976)	(44,638)	(36,879)	(42,532)	(42,711)
Employee future benefits	(2,711)	(2,586)	(2,446)	(2,406)	(2,250)
Developer obligations	(10,912)	(4,314)	(3,398)	(2,613)	(2,046)
Investment in the Arts deferred donations	(469)	(607)	(744)	(881)	-
<b>Total surplus</b>	<b>\$ 1,222,880</b>	<b>\$ 1,194,126</b>	<b>\$ 1,165,341</b>	<b>\$ 1,131,374</b>	<b>\$ 1,073,967</b>
<b>Total accumulated surplus</b>	<b>\$ 1,357,197</b>	<b>\$ 1,295,554</b>	<b>\$ 1,258,010</b>	<b>\$ 1,217,552</b>	<b>\$ 1,149,312</b>

# Five-Year Financial Statistics

## Property Taxation

(in thousands of dollars)

	2022	2021	2020	2019	2018
<b>Weighted assessment by property class</b>					
Residential	22,730,282	22,096,688	21,316,998	19,533,502	17,936,196
Multi-residential	305,380	302,876	316,308	303,639	291,591
Farmland	79,540	77,826	80,693	77,348	77,439
Managed forests	10,563	10,424	10,585	9,741	8,746
Commercial	4,738,171	4,644,238	4,334,385	4,083,573	3,618,015
Industrial	1,319,149	1,371,262	1,589,913	1,521,036	1,527,625
Pipelines	116,781	115,568	114,190	111,212	109,737
<b>Total weighted assessment</b>	<b>29,299,865</b>	<b>28,618,882</b>	<b>27,763,071</b>	<b>25,640,051</b>	<b>23,569,349</b>
Commercial and industrial as % of total weighted assessment	21%	21%	21%	22%	22%
<b>Total tax levied and collected</b>					
Property tax levied	83,406	77,234	73,233	67,028	60,509
Taxes billed on behalf of Region of Halton	83,670	80,088	77,314	73,105	70,056
Taxes billed on behalf of school boards	68,346	67,101	67,198	64,425	62,701
<b>Total tax levied</b>	<b>235,422</b>	<b>224,423</b>	<b>217,745</b>	<b>204,558</b>	<b>193,266</b>
<b>Total tax collected</b>	<b>233,603</b>	<b>227,872</b>	<b>214,791</b>	<b>206,171</b>	<b>191,543</b>
<b>Taxes Receivable as % of tax levied</b>	<b>3.33%</b>	<b>2.69%</b>	<b>4.35%</b>	<b>3.19%</b>	<b>4.21%</b>

# Five-Year Financial Statistics

## Property Taxation

	2022	2021	2020	2019	2018
<b>Taxation rates by property class – General and Urban Surcharge</b>					
<b>Residential</b>					
Town of Milton	0.271966%	0.257867%	0.248124%	0.248082%	0.242228%
Region of Halton	0.278490%	0.272466%	0.267578%	0.276694%	0.287039%
School boards	0.153000%	0.153000%	0.153000%	0.161000%	0.170000%
	<b>0.703456%</b>	<b>0.683333%</b>	<b>0.668702%</b>	<b>0.685776%</b>	<b>0.699267%</b>
<b>Multi-residential</b>					
Town of Milton	0.543932%	0.515735%	0.496248%	0.496164%	0.484456%
Region of Halton	0.556980%	0.544930%	0.535156%	0.553388%	0.574078%
School boards	0.153000%	0.153000%	0.153000%	0.161000%	0.170000%
	<b>1.253912%</b>	<b>1.213665%</b>	<b>1.184404%</b>	<b>1.210552%</b>	<b>1.228534%</b>
<b>Farmlands</b>					
Town of Milton	0.054393%	0.051573%	0.049625%	0.049616%	0.048446%
Region of Halton	0.055698%	0.054493%	0.053516%	0.055338%	0.057408%
School boards	0.038250%	0.038250%	0.038250%	0.040250%	0.042500%
	<b>0.148341%</b>	<b>0.144316%</b>	<b>0.141391%</b>	<b>0.145204%</b>	<b>0.148354%</b>
<b>Managed forests</b>					
Town of Milton	0.067992%	0.064467%	0.062031%	0.062021%	0.060557%
Region of Halton	0.069622%	0.068116%	0.066895%	0.069174%	0.071762%
School boards	0.038250%	0.038250%	0.038250%	0.040250%	0.042500%
	<b>0.175864%</b>	<b>0.170833%</b>	<b>0.167176%</b>	<b>0.171445%</b>	<b>0.174819%</b>
<b>Commercial</b>					
Town of Milton	0.396118%	0.375584%	0.361393%	0.361331%	0.352805%
Region of Halton	0.405620%	0.396844%	0.389728%	0.403005%	0.418072%
School boards	0.770552%	0.770552%	0.770552%	0.804055%	0.838216%
	<b>1.572290%</b>	<b>1.542980%</b>	<b>1.521673%</b>	<b>1.568391%</b>	<b>1.609093%</b>
<b>Commercial - vacant units/excess land</b>					
Percentage of full rate	100%	100%	100%	78%	70%



# Five-Year Financial Statistics

## Property Taxation

	2022	2021	2020	2019	2018
<b>Industrial</b>					
Town of Milton	0.568599%	0.539124%	0.518753%	0.585449%	0.571634%
Region of Halton	0.582239%	0.569643%	0.559425%	0.652969%	0.677383%
School boards	0.880000%	0.880000%	1.098184%	1.167241%	1.244198%
	<b>2.030838%</b>	<b>1.988766%</b>	<b>2.176362%</b>	<b>2.405659%</b>	<b>2.493215%</b>
<b>Industrial - vacant land/excess land</b>					
Percentage of full rate	100%	100%	75%	73%	65%
<b>Pipeline</b>					
Town of Milton	0.288746%	0.273778%	0.263433%	0.263389%	0.257173%
Region of Halton	0.295673%	0.289276%	0.284088%	0.293767%	0.304749%
School boards	0.880000%	0.880000%	0.980000%	1.030000%	1.090000%
	<b>1.464419%</b>	<b>1.443055%</b>	<b>1.527521%</b>	<b>1.587156%</b>	<b>1.651922%</b>
<b>Taxation rates by property class - General</b>					
<b>Residential</b>					
Town of Milton	0.271966%	0.257867%	0.248124%	0.248082%	0.242228%
Region of Halton	0.278490%	0.272466%	0.267578%	0.276694%	0.287039%
School Boards	0.153000%	0.153000%	0.153000%	0.161000%	0.170000%
	<b>0.703456%</b>	<b>0.683333%</b>	<b>0.668702%</b>	<b>0.685776%</b>	<b>0.699267%</b>
<b>Multi-residential</b>					
Town of Milton	0.543932%	0.515735%	0.496248%	0.496164%	0.484456%
Region of Halton	0.556980%	0.544930%	0.535156%	0.553388%	0.574078%
School boards	0.153000%	0.153000%	0.153000%	0.161000%	0.170000%
	<b>1.253912%</b>	<b>1.213665%</b>	<b>1.184404%</b>	<b>1.210552%</b>	<b>1.228534%</b>
<b>Farmlands</b>					
Town of Milton	0.054393%	0.051573%	0.049625%	0.049616%	0.048446%
Region of Halton	0.055698%	0.054493%	0.053516%	0.055338%	0.057408%
School boards	0.038250%	0.038250%	0.038250%	0.040250%	0.042500%
	<b>0.148341%</b>	<b>0.144316%</b>	<b>0.141391%</b>	<b>0.145204%</b>	<b>0.148354%</b>

# Five-Year Financial Statistics

## Property Taxation

	2022	2021	2020	2019	2018
<b>Managed Forests</b>					
Town of Milton	0.067992%	0.064467%	0.062031%	0.062021%	0.060557%
Region of Halton	0.069622%	0.068116%	0.066895%	0.069174%	0.071762%
School boards	0.038250%	0.038250%	0.038250%	0.040250%	0.042500%
	<b>0.175864%</b>	<b>0.170833%</b>	<b>0.167176%</b>	<b>0.171445%</b>	<b>0.174819%</b>
<b>Commercial</b>					
Town of Milton	0.396118%	0.375584%	0.361393%	0.361331%	0.352805%
Region of Halton	0.405620%	0.396844%	0.389728%	0.403005%	0.418072%
School boards	0.770552%	0.770552%	0.770552%	0.804055%	0.838216%
	<b>1.572290%</b>	<b>1.542980%</b>	<b>1.521673%</b>	<b>1.568391%</b>	<b>1.609093%</b>
<b>Commercial - vacant units/excess land</b>					
Percentage of full rate	100%	100%	100%	78%	70%
<b>Industrial</b>					
Town of Milton	0.568599%	0.539124%	0.518753%	0.585449%	0.571634%
Region of Halton	0.582239%	0.569643%	0.559425%	0.652969%	0.677383%
School boards	0.880000%	0.880000%	1.098184%	1.167241%	1.244198%
	<b>2.030838%</b>	<b>1.988766%</b>	<b>2.176362%</b>	<b>2.405659%</b>	<b>2.493215%</b>
<b>Industrial - vacant land/excess land</b>					
Percentage of full rate	100%	100%	75%	73%	65%
<b>Pipeline</b>					
Town of Milton	0.288746%	0.273778%	0.263433%	0.263389%	0.257173%
Region of Halton	0.295673%	0.289276%	0.284088%	0.293767%	0.304749%
School boards	0.880000%	0.880000%	0.980000%	1.030000%	1.090000%
	<b>1.464419%</b>	<b>1.443055%</b>	<b>1.527521%</b>	<b>1.587156%</b>	<b>1.651922%</b>

# Five-Year Financial Statistics

## Long-Term Debt and Other Statistics

	2022	2021	2020	2019	2018
<b>Transfers from other levels of government</b>					
Federal	\$ 7,887,811	\$ 6,095,929	\$ 6,495,575	\$ 3,990,368	\$ 5,126,228
Provincial	2,424,070	4,501,084	4,985,317	4,412,448	2,899,019
<b>Total transfers</b>	<b>\$ 10,311,881</b>	<b>\$ 10,597,013</b>	<b>\$ 11,480,892</b>	<b>\$ 8,402,817</b>	<b>\$ 8,025,247</b>
<b>Long-term debt:</b>					
Debt supported by property taxes	\$ 26,046,969	\$ 21,684,476	\$ 11,328,317	\$ 13,664,487	\$ 10,437,376
Debt supported by development charges	0	195,967	993,126	2,378,415	3,713,650
Debt supported by reserves and reserve funds	20,928,713	22,757,235	24,558,025	26,489,369	28,619,337
Debt supported by user fees	-	-	-	-	-
<b>Total long-term debt</b>	<b>\$ 46,975,682</b>	<b>\$ 44,637,677</b>	<b>\$ 36,879,467</b>	<b>\$ 42,532,271</b>	<b>\$ 42,770,363</b>
<b>Long-term debt by function:</b>					
General government	\$ 269,088	\$ 554,954	\$ 834,473	\$ 1,364,736	\$ 2,085,811
Fire	1,081,926	1,419,869	1,890,629	2,422,612	1,305,367
Roadways	18,806,057	14,758,070	5,525,473	6,717,193	6,483,544
Parks	4,236,320	3,248,260	1,464,697	1,681,768	1,349,546
Storm water	178,553	236,098	292,689	348,359	403,109
Health services	20,928,713	22,734,517	24,513,164	26,165,924	28,004,433
Recreation facilities	1,334,375	1,526,802	2,181,130	3,356,468	2,561,878
Cultural services		-	-	280,210	548,885
Library	140,650	159,107	177,213	195,000	27,790
<b>Total long-term debt</b>	<b>\$ 46,975,682</b>	<b>\$ 44,637,677</b>	<b>\$ 36,879,467</b>	<b>\$ 42,532,271</b>	<b>\$ 42,770,363</b>
Total long-term debt per capita	340.72	332.36	291.87	345.23	354.94
Total long-term debt per household	1,100.31	1,102.38	948.20	1,124.48	1,170.03
Annual debt repayment limit*	25,061,991	21,372,010	17,742,653	20,681,378	26,359,885
Actual annual debt repayment	6,341,265	5,650,799	6,858,561	6,895,082	7,782,418
<b>Actual debt repayment as % of own source revenues</b>	<b>5.05%</b>	<b>5.23%</b>	<b>6.97%</b>	<b>6.25%</b>	<b>7.38%</b>

\* As determined by the Province of Ontario, calculated as 25% of current year actual net revenue.

# Five-Year Financial Statistics

## Municipal Statistics

	2022	2021	2020	2019	2018
Population	137,870	134,304	126,355	123,200	120,500
Area	36,538	36,538	36,538	36,538	36,538
Households	42,693	40,492	38,894	37,824	36,555
Average household income*	\$ 137,141	\$ 137,789	\$ 135,698	\$ 133,325	\$ 128,664
Halton Region unemployment rate**	5.50%	6.50%	9.20%	5.30%	4.0%
<b>Town of Milton budgeted labour force:</b>					
Full time funded positions	460	439	430	424	428
Part time funded positions	779	775	774	764	750
Seasonal funded positions	312	312	312	296	290
<b>Total funded positions</b>	<b>1,551</b>	<b>1,526</b>	<b>1,516</b>	<b>1,484</b>	<b>1,468</b>
<b>Infrastructure</b>					
Lane kilometres of paved roads***	1,257	1,242	1,226	1,201	1,175
Unpaved Roads	5	5	5	7	7
Total kilometres of stormwater (urban and rural)***	965	960	953	939	936
<b>Recreation</b>					
Total kilometres of trails	45	44	44	42	40
Total hours of recreations programs***	3,952,032	1,004,073	2,035,361	5,408,421	4,754,370

\* BMA Management Consulting Inc. Municipal Study

\*\* Halton Region Annual Economic Review. <http://www.halton.ca>.

\*\*\* 2018-2019 data has been revised.

# Five-Year Financial Statistics

## Municipal Statistics

	2022	2021	2020	2019	2018
<b>New construction procurement:</b>					
Number of new construction contracts awarded	23	18	18	19	19
<b>Total value of new construction contracts awarded</b>	<b>\$ 18,190,237</b>	<b>\$ 51,225,636</b>	<b>\$ 27,536,935</b>	<b>\$ 24,575,275</b>	<b>\$ 15,046,989</b>
<b>Square metres of new construction:</b>					
Residential properties	125,815	158,584	108,704	142,154	146,961
Multi-residential properties	38,640	18,477	-	18,534	54,714
All other property classes*	124,858	304,547	34,692	279,293	46,075
<b>Total square metres</b>	<b>289,313</b>	<b>481,609</b>	<b>143,396</b>	<b>439,981</b>	<b>247,750</b>
<b>Residential permits issued (excluding secondary units):</b>					
Single and Semi Detached	356	540	250	280	460
Townhouses/ Stacked Townhouses	288	250	300	503	289
Apartments**	4	1	-	4	3
<b>Total building permits issued</b>	<b>648</b>	<b>791</b>	<b>550</b>	<b>788</b>	<b>752</b>
<b>Value of building permits issued:</b>					
Residential properties	249,445,679	291,581,462	\$ 178,441,220	\$ 230,046,990	\$ 271,635,228
Multi-residential properties	148,050,000	28,700,000	-	48,860,400	129,200,000
All other property classes	89,601,737	289,135,300	27,599,872	234,384,094	76,107,851
<b>Total value of building permits issued</b>	<b>\$ 487,097,416</b>	<b>\$ 609,416,762</b>	<b>\$ 206,041,092</b>	<b>\$ 513,291,484</b>	<b>\$ 476,943,079</b>

\* 2018-2019 data has been revised.

\*\* 2018-2021 permits have been revised to exclude secondary units

# Five-Year Financial Statistics

## List of 2022 Principal Corporate Tax Accounts

Business Name
Lowe's Companies Canada ULC
The Canada Life Assurance Company
SunLife Assurance Company of Canada
Hoop Realty Incorporated
857529 Ontario Incorporated
690346 Ontario Incorporated
DC Equities Incorporated
Cox Automotive Canada
Milton Industrial Centre GP Incorporated
Milton Industrial Centre GP 2 Incorporated

## List of 2022 Principal Employers

Business Name	Industry Subsector
DSV Canada - Global Transport & Logistics	Transportation and logistics
Karmax Heavy Stamping	Motor vehicle metal stamping
Modatek Systems	Motor vehicle manufacturing
Gordon Food Service	General-line food merchant wholesalers, admin offices and distribution
Maplehurst Correctional Complex	Correctional facility
Milton District Hospital	Community hospital
Allendale Long-Term Care Home	Nursing home
Uline Canada Corporation	Warehouse facility
Community Living North Halton	Non-profit organization
Lowe's	Home improvement retail



Direct any inquiries regarding this document to:

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Finance Division

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Milton ON, L9T 6Z5  
905-878-7252

**[milton.ca](http://milton.ca)**