



2013

TOWN OF MILTON FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013
ONTARIO, CANADA





The Town of Milton’s strategic vision: Engaging, Balanced, Connected continues to guide decisions that Town Council makes and the actions the community takes to build a healthy and livable Milton today and for future generations to come. The strategic vision encompasses five main goals to direct decision making:

- 1 A responsible, cost effective, and accountable local government;
- 2 Well managed growth, well planned spaces;
- 3 A safe, livable, and healthy community;
- 4 A diverse and sustainable economy; and
- 5 A thriving natural environment that is a valued community asset to be protected, maintained, and enjoyed.

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About Milton



Engaging

- Attractive and pleasing to the mind and eye — a Town defined, in part, by both: Its natural and physical beauty; and our engaging residents — their caring, friendly, courteous, generous, respectful nature.
- A place with a desirable personality that can attract and hold one's attention — a Town that is charming, appealing and a model of civility.
- A place that seeks to fully involve people in Town life — an engaged population that contributes to matters of civic interest, enjoys our programs and amenities, participates in our celebrations and fully experiences all that Milton has to offer.
- Genuine, vibrant, safe and secure — a Town that values its roots, embraces diversity and provides for an exceptional quality of life.

Balanced

- In harmony — different aspects of the Town pleasingly combined to create an enriched whole that is greater than the sum of its parts.
- Well planned and provides for an appropriate mix of land uses that contribute to a clearly defined sense of place.
- Characterized by a willingness and ability to exhibit good judgement and prudence — with a decisions made in the collective interest of residents and that respect a bigger picture, Town-wide view.
- Meeting the needs of residents of all life-cycle stages and that offeres a range of activities to address diverse interests.
- Tradition-based, but not tradition-bound.

Connected

- Safely, effectively and efficiently moving people and goods — and enhancing travel to, from and within the community.
- Prepared for the 21st century — fully maximizing the use of information technology and electronic communications to serve resident, business and community-wide interests.
- Characterized by a shared sense of concern about and pride in our Town — where people choose to join together in common cause.
- Plugged-in to societal trends and issues of the day — an influential contributor to regional and provincial affairs.

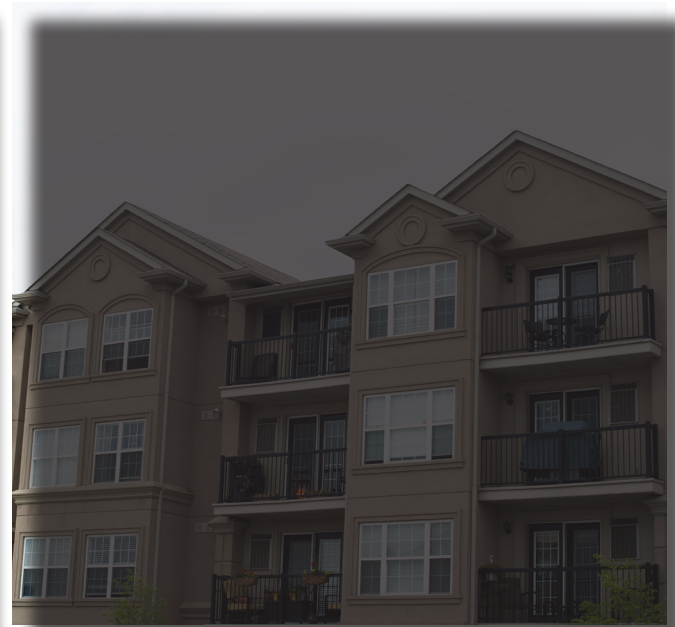


Our Place in Ontario





Milton Quick Facts



Milton has evolved into one of the most educated, diverse, and growing communities in Canada. Milton is the only community in Ontario with top 10 standings in five distinct categories: Growth, Median Age, Median Age of Labour Force, Education Attainment, and Income.

Land area: 378 square kilometers

Population (2013 estimate): 98,000

Population density per sq. km: 259.6

Population growth (2001-2013): from 31,471 to 98,000 or 211% increase

Forecasted growth for (2014-2021): 65,754 or 67% increase

Total population forecast for 2021: 163,754

Number of private dwellings: 32,183

***Age of population (by age groups):**

0-19: 30%

20-64: 62%

65+: 8%

***Average household income: \$122,375**

***Average value of dwelling: \$426,000**

Milton Capital Budget (2013): \$65,090,290

Milton Operating Budget (2013): \$94,677,508

Tax Levy requirements: \$39,270,157

User charges and other revenue: \$55,407,351

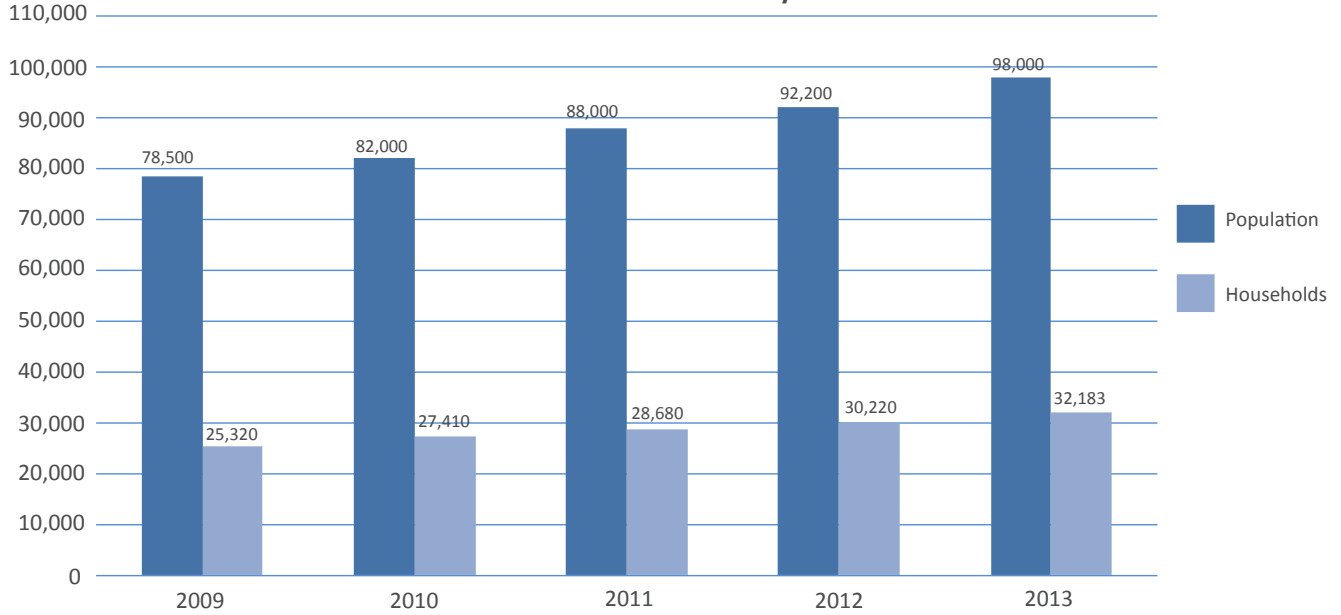
***Milton has the lowest percentage of property taxes with relation to household income in GTA: 2.8%**

***Milton is the fastest growing municipality in Canada: (56.5% growth from 2006-2013)**

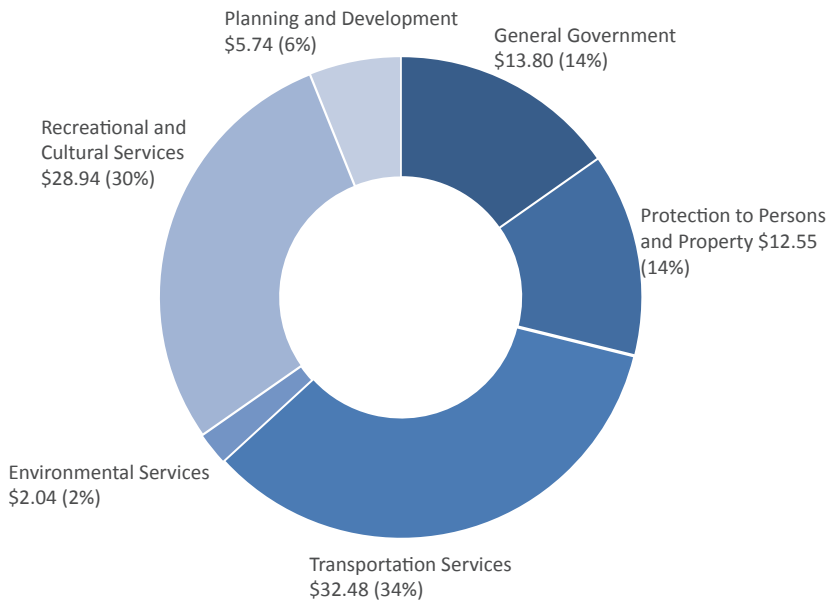
**Source: BMA Management Consulting Inc. Municipal Study 2013; 98 Ontario municipalities included in the study.*

2013 Highlights

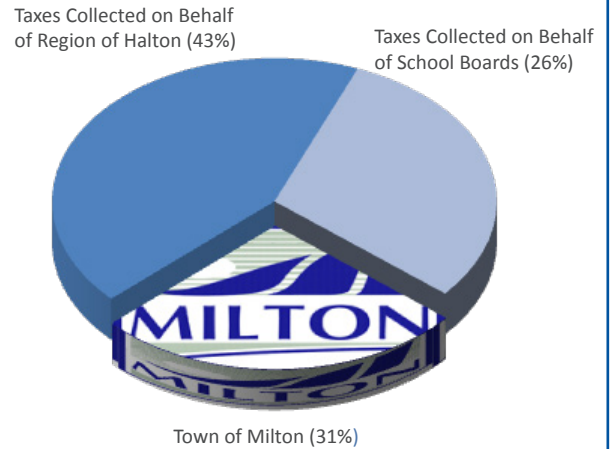
Population Growth and Household increase over the last 5 years



2013 Operating Expenditures (Total \$95.55 million)



2013 Residential Tax Breakdown



Governance and Organizational Structure

Mayor and Council

Town Council, consisting of the Mayor and ten Councillors representing eight wards, is the governing body of the Town of Milton. Milton residents elect members of Council for a four year term of office. The Council of the Town of Milton is responsible for:

- Matters requiring policy direction
- By-Laws or By-Law Amendments
- Responses or actions to pertinent issues
- Decisions on the recommendations of the Town of Milton's two Standing Committees

Council makes all decisions regarding policy, by-laws, and pertinent issues. Council also makes decisions on the recommendations of the Town of Milton's two Standing Committees of Council: Administration and Planning Committee and the Community Services Advisory Committee.

In October 2010, the first election was held with the ward boundaries approved by Council in March 2009. This new boundary structure addressed population changes in the community over the last decade and resulted in ten Councillors representing eight wards. The previous ward boundaries consisted of four wards represented by ten Councillors.

RESPONSIBLE

COST-EFFECTIVE

ACCOUNTABLE



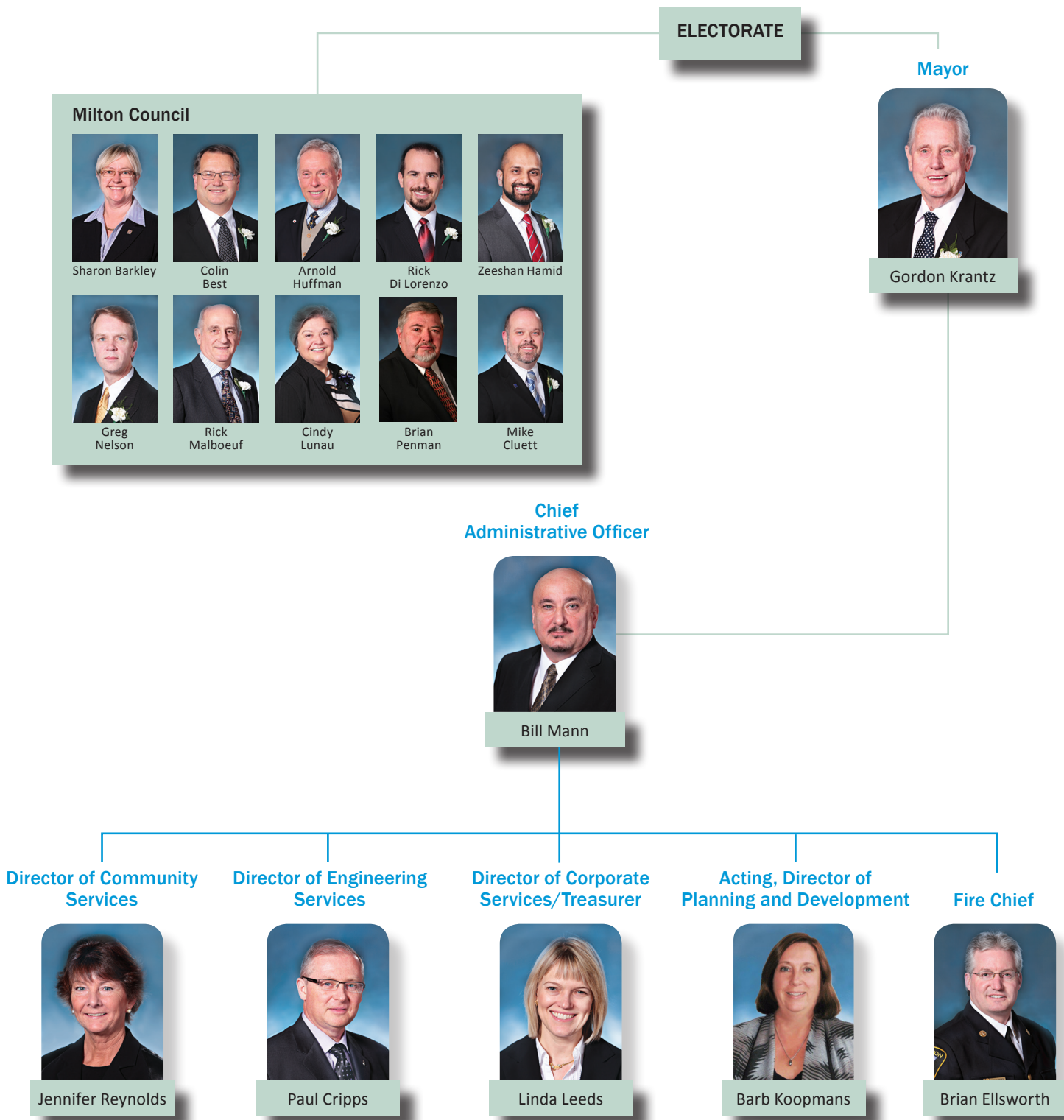
Town of Milton Council in session



Bill Mann, CAO

The Chief Administrative Officer (CAO) has overall responsibility for the Town's operating departments. As the leader of the Senior Management Team, the CAO is responsible for ensuring quality services are provided to the community and that the services provided are aligned with Council approved priorities. Department directors are responsible for the day-to-day operations of the departments and report directly to the CAO. The CAO also advises the Mayor and Town Council on matters of policy related to the civic administration of the Town of Milton.

Organization Structure





Government Finance Officers Association

Canadian Award for Financial Reporting

Presented to

**Town of Milton
Ontario**

For its Annual
Financial Report
for the Year Ended

December 31, 2012

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive style.

Executive Director/CEO

Canadian Award for Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the Town of Milton for the fiscal year ended December 31, 2012. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government's financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements.

The Town of Milton joined this program in 2010 receiving its first award in 2011 for the 2010 Financial Report. The Town of Milton is continuing this standard of high quality reporting for the submission and evaluation for the 2013 award program.





Linda Leeds, CGA

Director of Corporate Services
and Treasurer

The Town of Milton is pleased to present its Financial Statements for the year ended December 31, 2013. The financial report communicates to the stakeholders the Town's 2013 financial performance. The results continue to demonstrate the strong leadership of Council and excellence in financial planning and fiscal management.

During the past year there were many financial pressures affecting the Town. The slow global economic recovery created uncertainty and volatility in commodity prices, and lower interest rates reduced the returns on the Town's investments. Over the last year, the Town also had significantly fewer residential building permits issued than budgeted. Despite this, the Town experienced continued growth in its infrastructure assets as the value of constructed and donated assets under our stewardship continues to grow. High costs were also incurred as the Town responded to the ice storm that caused significant damage to much of the Town in December. Various strategies were deployed during 2013 to mitigate the negative financial impacts to the organization, including the utilization of reserves.

The Town continues to be an award winning organization, having been recognized for many years for its financial reporting. We look forward to another successful year in 2014.





WOMAN OF WISDOM

Financial Statements Discussion and Analysis

The accompanying financial statements are prepared in accordance with the Canadian public sector accounting standards published by the Canadian Institute of Chartered Accountants.

The Financial Discussion and Analysis and 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, 2013.

There are four required financial statements: statement of financial position, statement of operations, statement of change in net financial assets and 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 and committees and local boards accountable for the administration of their own financial affairs and resources but are owned or controlled by the Town with the exception of the Milton Hydro Holdings Inc. which is accounted for on the modified equity basis of accounting.

These entities and organizations include:

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

The Town of Milton is a part of the Regional Municipality of Halton (the “Region of Halton”) which is considered an upper tier municipal government. The Town collects taxes and other revenues on behalf of the Region of Halton 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, wastewater 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 administration, finance and accounting, information technology, property taxation, human resources, and purchasing
- Protection to Persons and Property – fire services, by-law enforcement, parking enforcement, licensing, animal and weed control, building services
- Transportation Services – roads construction and maintenance, transit, and street lighting
- Environmental Services – storm water management, 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





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 KPMG 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, 2013. 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 control tool that is required by legislation and serves as the foundation for the Town's financial planning and control. Sections 290 of the *Municipal Act, 2001* require 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 the Town Council in December for review and approval. Citizens are involved in the budget process through surveys, forums and public hearings.

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, risk management and debt policy. The 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 equalling 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.

Strong financial policies are key to ensuring that tax revenue does not become an increasing burden on the community. The Town strives to maximize 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. Although 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 and setting 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.





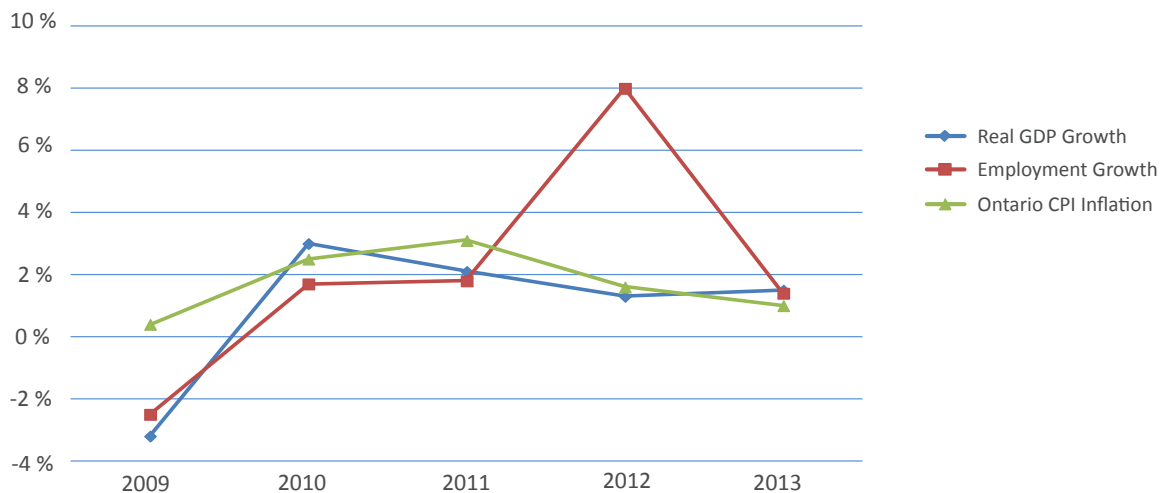
2013 Economic Update

Canadian economic recovery cooled down in 2013. According to economic review of the Bank of Canada, the economic recovery since the 2008 fiscal crisis is taking longer than expected. This has been driven by weak global demand and a slow recovery in the US. Interest rates remain at historically low levels, while inflation has declined to below target levels due to widespread excess capacity and strong competition in the retail sector. The Canadian dollar has depreciated significantly in late 2013 against the US dollar, and was registered at 90 cents US on the last trading day of the year.

It is hoped that the depreciating Canadian dollar will make Canadian exports more competitive, while the US recovery will increase demand for Canadian produced goods including Ontario manufactures. Thus, the revised projections expect gross domestic product (GDP) growth to rise from 1.80 per cent in 2013 to 2.50 per cent in 2014 and 2015.

Ontario economic growth projections have decreased from those previously forecasted. The May 2013 budget forecasted a revised lower 2013 growth of 1.60 per cent, with the actual growth rate recorded even lower at 1.10 per cent. It is expected that this rate will pick up in 2014 and 2015 to 2.40 per cent in 2014 as the depreciated currency impacts the trade sector along with the US recovery.

Ontario Economic Trends



	2009	2010	2011	2012	2013p
Real GDP Growth	-3.20%	3.00%	2.10%	2.00%	1.50%
Employment Growth	-2.50%	1.70%	1.80%	8.00%	1.40%
CPI Inflation	0.40%	2.50%	3.10%	1.40%	1.00%

2013 unemployment rate in Ontario declined to 7.50 per cent, compared to 7.80 per cent in 2012; however, the rate is expected to decline in 2014 and 2015. Youth unemployment remains a concern with the 15-24 year old unemployment rate double the provincial average at approximately 16.00 per cent.

Inflation

Inflation is measured by the Consumer Price Index (CPI) which measures the overall price increase in a basket of goods and services purchased by a typical household. The Bank of Canada has commented that Inflation is currently below target levels but expected to slowly return to its target levels by 2015. Inflation for Ontario is slightly higher than national rates, and is driven largely by energy costs; however, the overall rate is still slightly below the 2.00 per cent target.

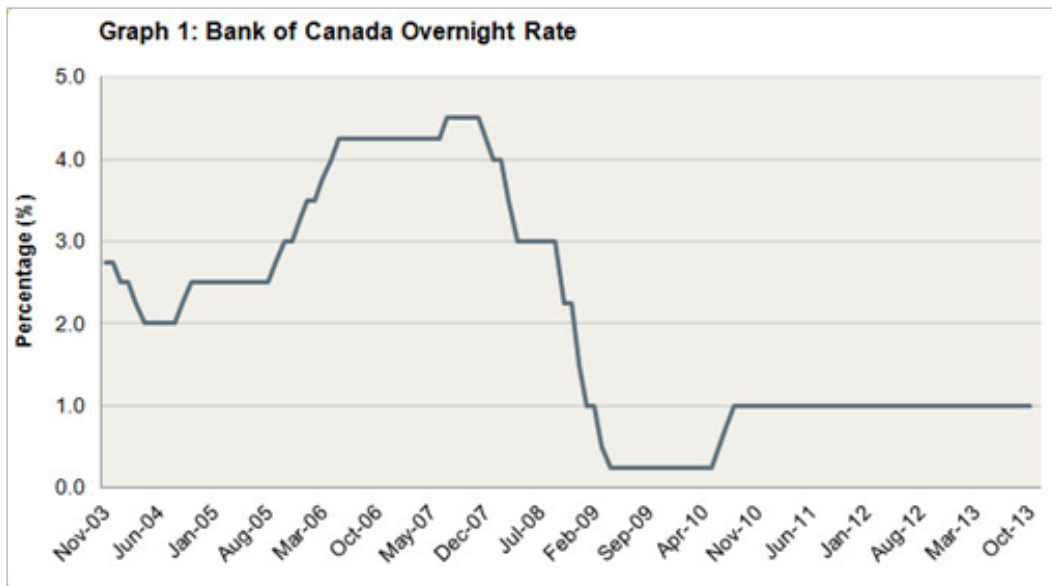
The expenditure profile of municipal governments is very different than that of consumers. The CPI does not accurately reflect the spending patterns of municipalities since costs such as food and clothing are not a significant expense for municipal government.

An alternative measure of inflation has been developed to account for these differences called the Municipal Price Index (MPI). The MPI measures the average increase in the price of goods and services that a municipality purchases within a year. Similar to the CPI which measures the inflation rate the average household faces, the MPI is a measure of inflation a municipality faces with annual increases to the costs of goods consumed by the Town such as asphalt, fuel, hydro and insurance. Although the index is unique to the Town of Milton due to the weightings used to construct the inflation rate, the rates used to calculate the MPI include widely published indices such as those of Statistics Canada and the Ministry of Transportation. For 2013 budget, staff calculated MPI for the Town of Milton to be 3.37%.

Interest Rates

The Bank of Canada has maintained its target for the overnight rate at 1.00 per cent since September 2010. This rate remains low by historical standards.

Historical Bank of Canada Overnight Rate



Source: Bank of Canada posted overnight rates

These historically low rates impact the Town in two key areas. First, low rates reduce borrowing costs for debt financed projects. In June 2013, the Town issued \$6.5 million in debentures. The 1-10 year serial debenture issue had an all in average borrowing cost of 2.53 per cent. Low borrowing costs minimize the impact to the Town's tax rate.

Conversely, the Town invests surplus funds in short and long term investments whose returns are dependent on interest rates. Lower rates mean that the Town receives less investment income. The overall return on investments in 2013 was 2.20 per cent compared to 2.30 per cent in 2012.

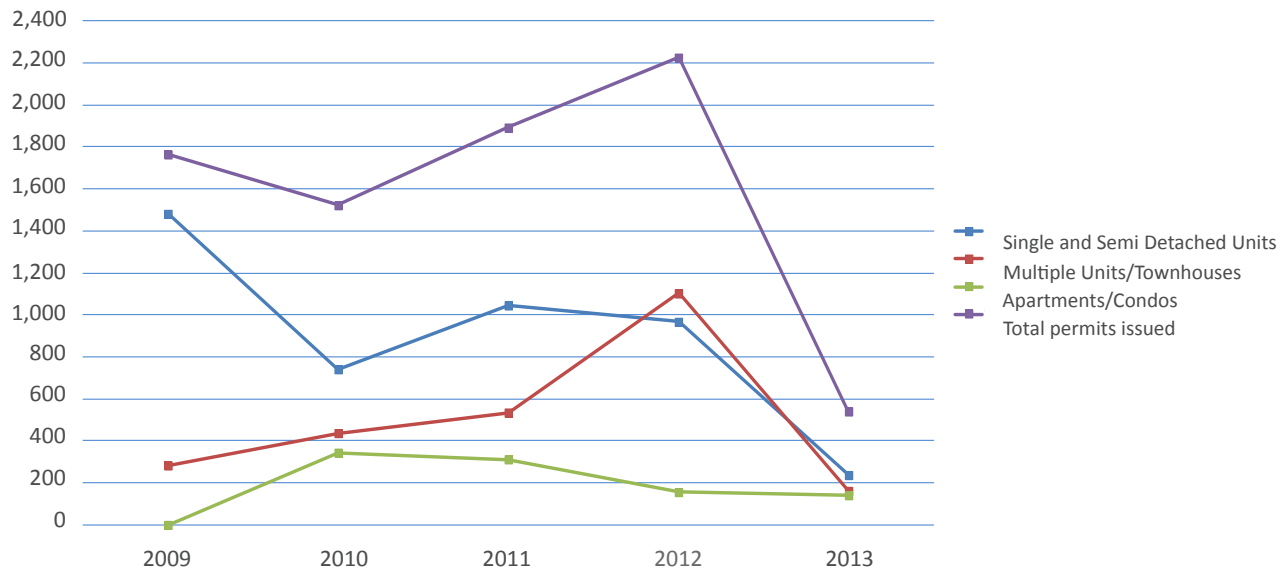


2013 Significant Events Affecting Financial Statements

Growth and Building Activity

In 2013, Milton’s residential construction activity has temporarily cooled down, as it was significantly impacted by the delay in implementation of Halton Regions’ allocation program for water and wastewater servicing. The infrastructure required in order to provide future servicing to new growth areas is significant and costly. Discussions between the Region of Halton and developers have resulted in an agreement of a financing plan for the construction of this infrastructure. It is estimated that construction activity will increase and occupancy will commence over the next 12 to 18 months.

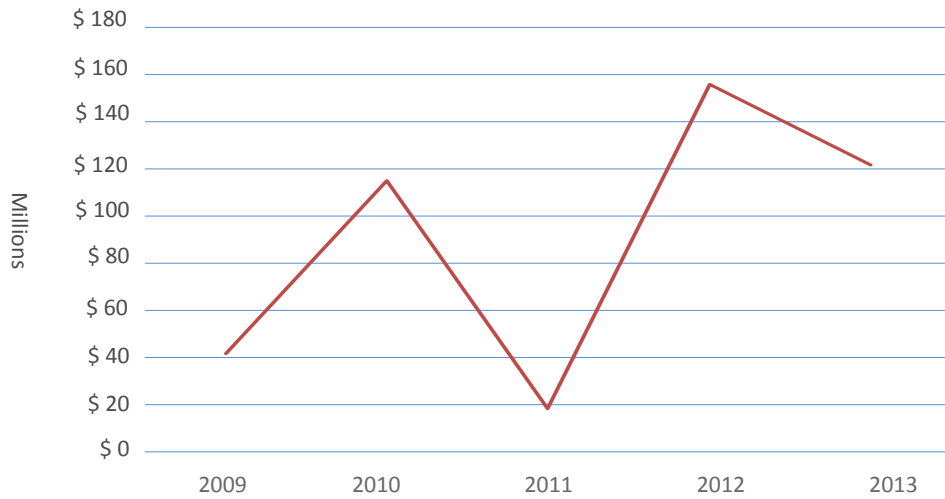
Numbers of Residential Permits



	2009	2010	2011	2012	2013
Single and semi detached units	1,481	741	1,045	967	237
Multiple units / Townhouses	283	437	535	1,102	162
Apartments / Condos	-	344	312	156	141
Total permits issued	1,764	1,522	1,892	2,225	540

Non-residential permit activity has also experienced a reduction in activity in 2013. Compared to the year before the number of permits decreased by 11 per cent. The permits represent smaller construction projects with lower value of construction than in 2012, resulting in decrease in overall construction value by 22 per cent.

Value of Industrial and Commercial Permits

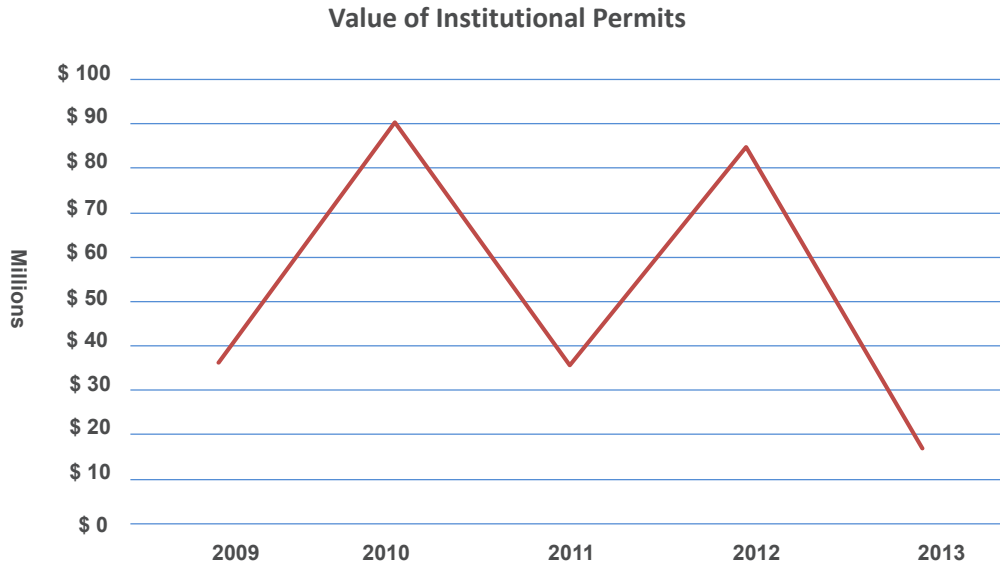


	2009	2010	2011	2012	2013
Construction Value	41,784,120	115,083,280	18,083,000	156,071,129	121,575,627
Permits	127	124	103	92	82
Square Meters	24,031	70,791	7,760	223,137	85,856





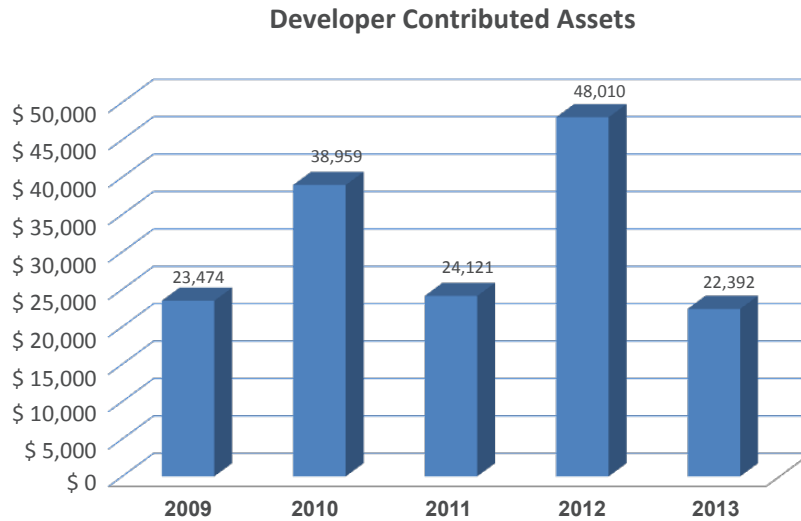
Institutional permits represent construction activity undertaken by government agencies, such as the Town, Region of Halton and Halton School boards. There has been a significant increase in construction activity, but mostly for projects with lower value. These permits typically do not result in adding taxable assessment to the Town's assessment rolls.



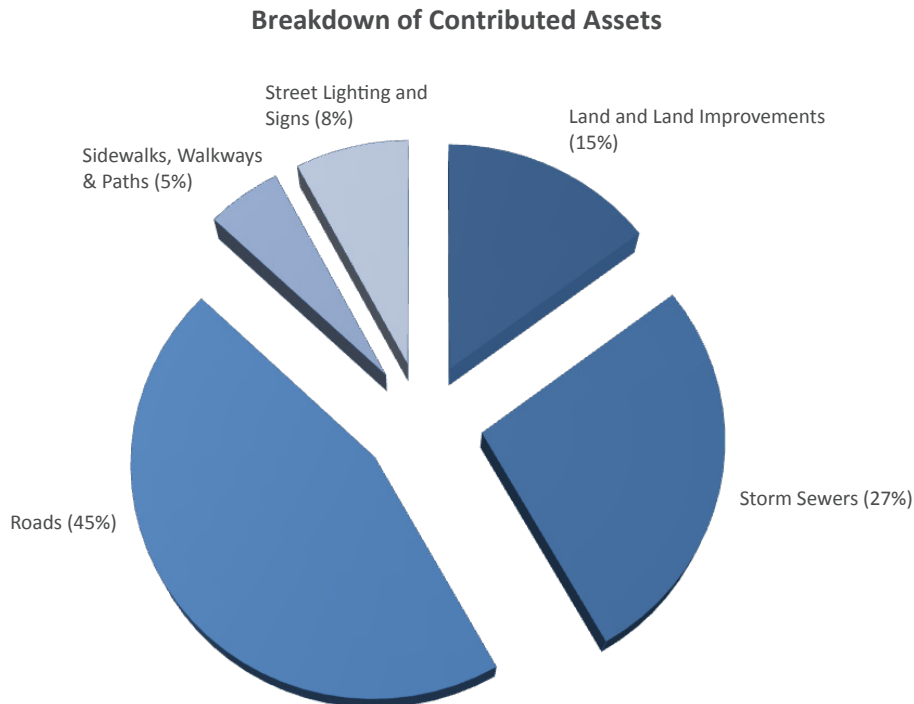
	2009	2010	2011	2012	2013
Construction Value	36,117,000	90,458,815	35,618,000	84,819,000	16,953,600
Permits	22	28	26	39	76
Square Meters	25,786	48,119	16,523	32,607	17,531

Developer Contributed 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. This usually occurs within a minimum of three to four years from registration of the subdivision, although it may be longer depending on the development. 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.



The pie chart below illustrates the breakdown of contributed assets for 2013.



Facilities Opened in 2013

Milton Indoor Turf Centre

The facility opened on December 5, 2013 giving Miltonians a unique opportunity to participate in soccer, football, ultimate Frisbee, baseball, and field lacrosse all year round.

In the fall and winter, the facility will be operated as an air-supported structure. During the spring and summer months, this structure is to be removed and the facility is to be operated as an outdoor artificial turf field.

Milton Indoor Turf Centre is equipped with the following amenities:

- Change rooms and washrooms
- Full-sized soccer field with an option for two half-fields or four quarter-fields
- Air-supported structure in fall and winter
- Outdoor turf field in spring and summer



Major Construction Projects in 2013

Main Street Grade Separation and CNR Overpass

Milton Council identified the need to eliminate the level crossing of the Canadian Pacific Railway (CPR) tracks at Main Street East, just east of Ontario Street. The construction stage has commenced in late 2011 and will continue through to the fall of 2015. The total project cost is estimated at \$49 million, and is partly funded by the Government of Canada through Canada's Gas Tax Fund.

The project involves the construction of an underpass to the south side of the existing Main Street railway level crossing. It is a structurally challenging project due to the sharp angle at which the CPR tracks cross Main Street. As a result, project features will include:

- A long bridge span over the underpass
- A new S-curve road alignment
- Sidewalks level with the underpass roadway (not elevated)
- The creation of a new service road for existing businesses to the north of the existing roadway
- Roadway lighting, traffic signals, storm sewers, retaining wall construction and landscaping





From an aesthetic standpoint, the bridge will be a landmark in the Town with the intention to create an urban focal point that echoes the natural landscape of the community.

From a practical standpoint, building an underpass will improve traffic flow on Main Street. It will also allow for better access to the downtown business area and central business district, as commercial development continues to increase on Main Street.

New Operations Centre

The decision to construct a new Civic Operations Centre was approved by Council in 2008 in response to the inability of the existing Operations Centre on Nipissing Road to sustain the current and ever-growing maintenance demands for the roadway and parks infrastructure.

Construction commenced in 2010 and extensive work has been done over consecutive years. In 2013 the project has advanced further with expected completion in late 2014. The new Civic Operations Centre will be located on Regional Road 25, south of Britannia Road. The facility will consist of the main Operations building with cutting edge geothermal heating technology, equipment repair facilities, an unheated sand/salt storage, transit bus storage, and state-of-the-art drive through wash bay.





Louis St. Laurent Avenue

In 2013, the construction of Louis St. Laurent Avenue has progressed further with the completion of the CN Rail overpass west of Bronte Street consisting of a 4-lane railway overpass including centre median, on-road bike lane, curbs, trail-way and sidewalks.

Louis St. Laurent Avenue is an important roadway that, once complete, will provide an essential corridor linking east and west Milton, from Tremaine Road through to James Snow Parkway. It will also provide residents in residential growth areas with more direct access to major highways such as the 401 and 407.

The project commenced in 2009 and is planned for completion in late 2014.

Milton Education Village

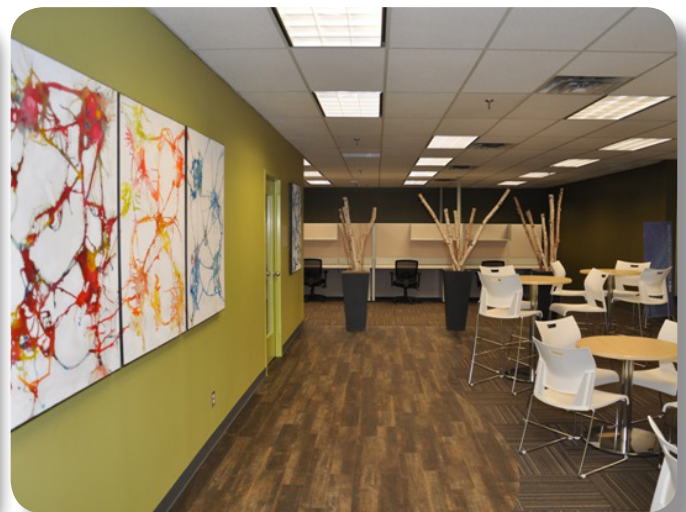
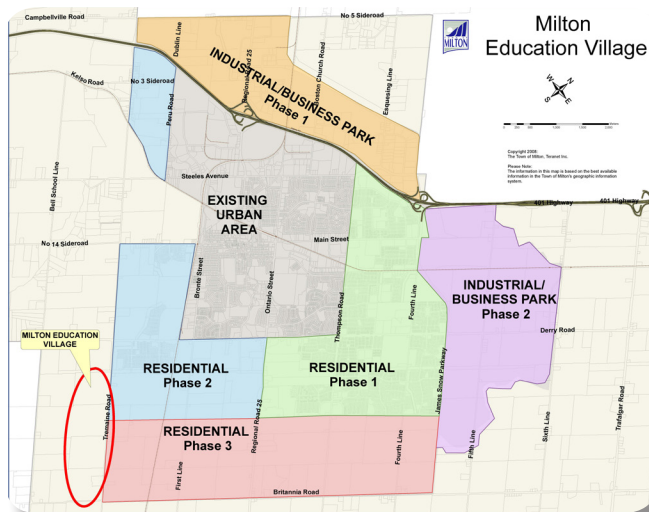
The Town of Milton is actively engaged in a activities to advance the Milton Education Village (MEV), and bring a university campus to Milton. The project is a partnership between the Town of Milton, Wilfrid Laurier University and Mattamy Homes.

The Milton Education Village (MEV) is Milton's vision for a comprehensive neighbourhood, integrating post-secondary education, residential, commercial and recreational uses, within the envelope of a 400 acre (160 hectare) area alongside the Niagara Escarpment.

Plans for the MEV also include an Innovation Centre, a local initiative dedicated to enabling an entrepreneurial culture for business start-up, incubation, creating an intersection for innovation, education and training.

In November 2013, MEV Innovation Centre celebrated a soft launch with the community partners, providing a sneak peek of the new facility that is opening in early 2014.

The Innovation Centre facility is temporarily located at 555 Industrial Drive and will relocate once its new home in Milton Education Village has been completed.



2013 Financial Highlights

2013 was a year of opportunities and challenges in regards to the financial affairs of the Town of Milton.

The continued residential and non-residential growth of the community provided for new infrastructure and expanded services. Throughout 2013, new infrastructure in the form of roadways, development of parks, and the construction of facilities were provided within the community. Also, through the support of government funding programs and donations from the community, Milton is building a world class Velodrome, the first of its kind in Canada, to host the track cycling events for the Toronto 2015 Pan Am and Para Pan Am Games.

Growth continued throughout 2013 at a slower pace than what has been experienced in recent years. This presented challenges as revenues were lower than expected, however,

this was proactively managed by reducing expenses to the greatest extent possible while continuing to provide excellent service. Further adding to the challenges, Southern Ontario experienced some of the worst winter conditions in recent history. Funding from reserves was utilized in order to mitigate the financial expenses of winter control activities.

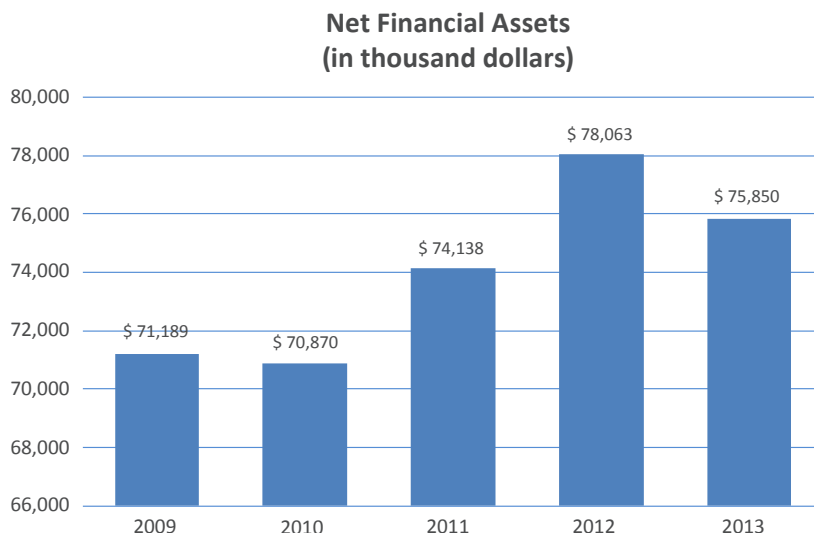
The Town of Milton continues to maintain a sound financial position as confirmed through its strong credit rating and a debt capacity ratio of 6.98 per cent, which is well below the guidelines of 25 per cent of own source revenues as established by the Ontario Municipal Board. Throughout 2013, Milton has maintained its strong financial position while balancing the demands for infrastructure and services in the community.

Consolidated Statement of Financial Position

Net Financial Assets

	2013	2012	Variance	% Change
Financial assets	222,597	231,520	(8,823)	-3.85%
Less financial liabilities	146,747	153,457	(6,710)	-4.37%
Net financial assets	75,850	78,063	(2,213)	-2.83%

The Town ended the year with a net financial asset position (financial assets less financial liabilities) of \$75.9 million, a 2.83 per cent decrease of \$2.2 million from the prior year. The decrease in financial assets of \$8.8 million was offset by a slightly lesser decrease in financial liabilities of \$ 6.7 million. The following chart illustrates the five year trend in net financial assets.





Financial Assets

In 2013 the Town's financial assets have decreased \$8.9 million mostly due to \$48.2 million decrease in cash and cash equivalents, which was partially offset by \$21.2 million increase in investment balances and \$16.2 million increase in accounts receivable.

On December 31, 2013 the Town's cash and investments totaled \$137.9 million, compared to \$164.9 million on December 31, 2012. The 2013 annual rate of return on cash and investments averaged at 2.20 per cent, compared to 2.30 per cent for 2012.

Taxes receivable have decreased by \$0.9 million bringing down the taxes receivable per household amount from \$227.66 in 2012 to \$186.92 in 2013.

The increase in grants receivable is primarily related to the approved grant funding for the Velodrome project. In 2013, \$13.8 million was outstanding for the construction work that was completed at year end. Since capital grants are recognized as revenues as they are earned, this resulted in setting up grants receivable for \$13.8 million.

Cash and Short-Term Investments

The 2013 year end cash balance was \$43.6 million compared to \$91.5 million in 2012. This balance includes short-term investments under 90 days, classified as cash equivalents on the Statement of Financial Position, which had declined significantly in 2013 to \$3.6 million from \$53.5 million in 2012. The sharp decline is due to maturities near year end that were not re-invested due to low short term rates and higher cash returns. Cash accounts had generated a higher return of 1.33 per cent compared to 1.27 per cent in 2012.

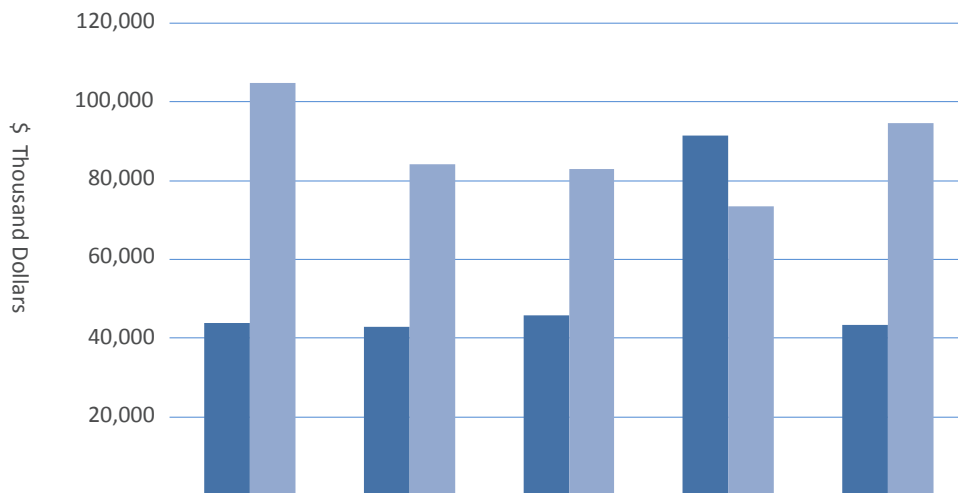
Short term investments have increased slightly to \$ 5.0 million from \$4.2 million with a return of 1.54 per cent similar to the 2012 yields.

Long-Term Investments

Long-term investments, securities with a term greater than one year, held by the Town at year end totaled \$89.6 million, an increase of \$20.4 million from last year. The average rate of return in 2013 was 2.99 per cent, contributing \$2.4 million of investment income, compared to a return of 3.2 per cent in 2012. This reduction in long term yield is due to higher yielding investments maturing that cannot be reinvested at a similar rate of return.

Cash and investment holdings at year end are compared over the past five years in the following graph:

Cash and Investment Positions at December 31, 2013

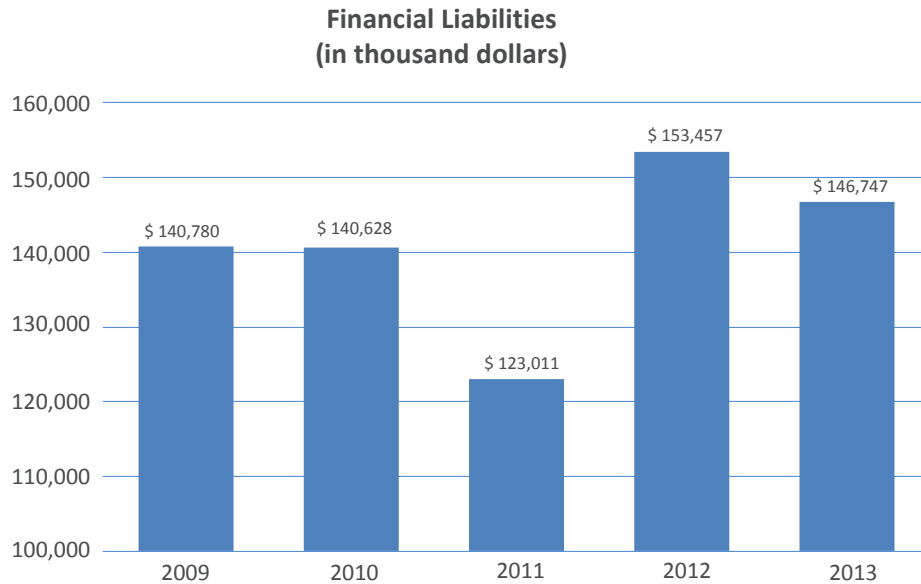


	2009	2010	2011	2012	2013
Cash and Cash Equivalents	43,834	42,766	45,666	91,514	43,265
Investments	104,950	84,183	83,023	73,428	94,606



Financial Liabilities

The major contributors to the decrease of financial liabilities of \$6.7 million dollars are accounts payable and deferred revenue. The increase in accounts payable of \$14.2 million is mainly attributable to the timing of billings for work completed on capital projects. The decrease in deferred revenue of \$24.3 million dollars is primarily related to the recognition of deferred development charges as earned by construction of tangible capital assets. Please see the chart below for the trend in financial liabilities over the previous five years:



Debt

In 2013 the Town issued \$6.5 million in new debentures and paid off \$4.4 million which increased the balance of net long-term debentures to \$33.4 million. The timing of the 2013 debt issue allowed the Town to take advantage of the favourable borrowing levels. The 1-10-year serial debenture issuance had an all-in average borrowing yield of 2.53 per cent. This compares to an average yield of 2.95 per cent when debt was issued in 2012 and 3.82 per cent for 2011. Guidelines established by the Ontario Municipal Board (OMB) allow for a maximum debt ratio of 25 per cent of total revenues exclusive of grant funding, which in 2013 equaled to \$20.7 million. The Town Council has set further restrictive guidelines of 15 per cent and up to 20 per cent with the inclusion of non-tax supported debt. The Town's current debt capacity ratio of 6.98 per cent is well within the guidelines set by both the OMB and Town Council.

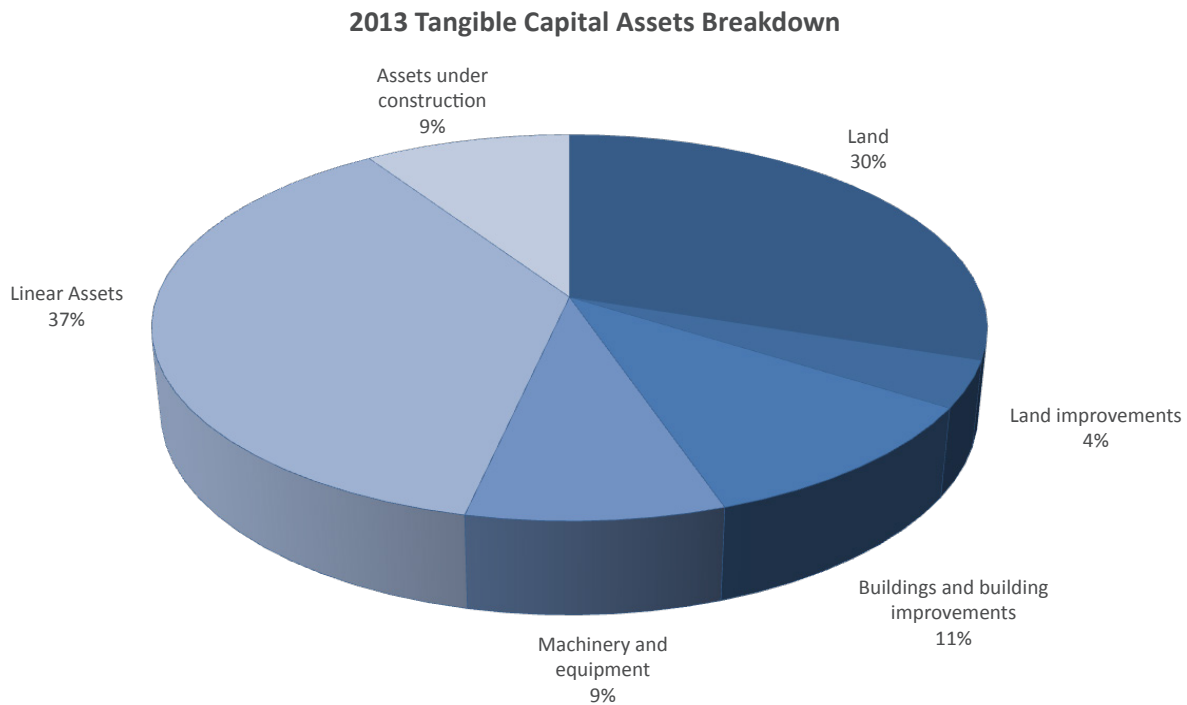




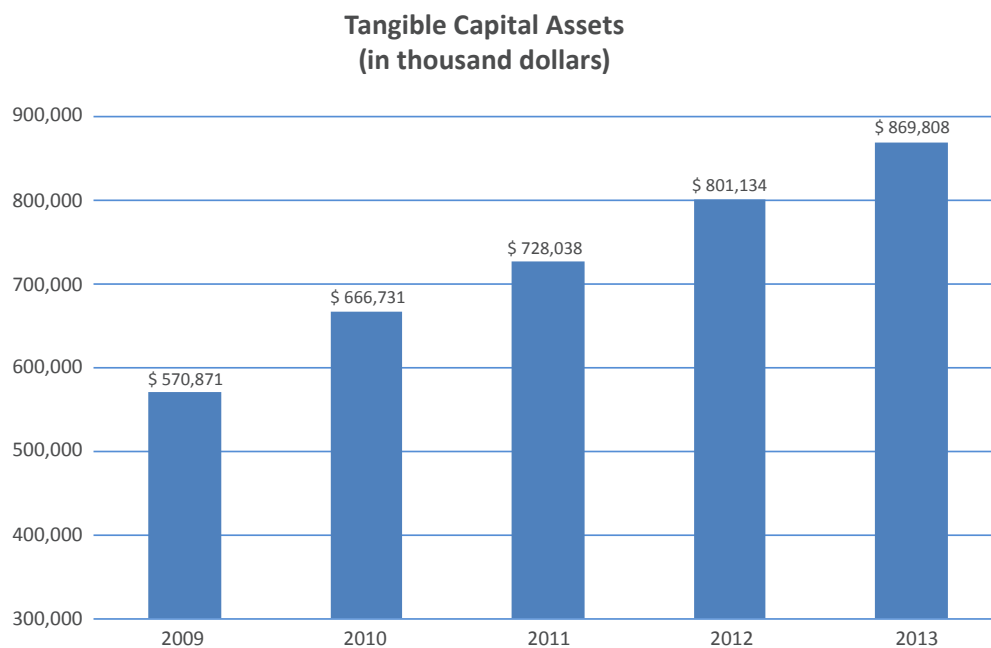
Non-Financial Assets

Non-financial assets, primarily consisting of tangible capital assets have continued to increase with a 8.57 per cent increase of \$ 68.7 million, which reflects the Town's investment into capital infrastructure and the value of new assets being added to the Town's inventory outpacing the annual amortization costs.

The pie chart below provides the breakdown of tangible capital assets by the function they support.



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



Asset Type	2013	%	2012	%	Change	% Change
Land	262,349	30%	257,793	32%	4,556	7%
Land improvements	33,907	4%	30,097	4%	3,810	0%
Buildings and building improvements	93,617	11%	92,294	12%	1,323	0%
Machinery and equipment	74,947	9%	69,788	9%	5,159	1%
Linear Assets	324,281	37%	307,834	38%	16,447	2%
Assets under construction	80,707	9%	43,328	5%	37,379	4%
Total	869,808	100%	801,134	100%	68,674	8%

Accumulated Surplus

Overall, the Town has maintained a strong accumulated surplus with a total of \$946.2 million, an increase of 7.56 per cent from the prior year balance of \$879.7 million. The change in the accumulated surplus arises from the annual excess of revenues over expenses for the year of \$66.5 million. This includes revenues used for the acquisition of assets.

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 is non-financial assets, and reflect the Town’s investment in infrastructure which is used to deliver programs and services. They are not assets which are surplus to the operations and available to be liquidated.

A detailed breakdown of accumulated surplus (in thousands) is presented in Note 12 “Accumulated Surplus” of the Consolidated Financial Statements. Summary information is included in the table below:

	2013	2012	Change
Reserves	33,953	35,563	(1,610)
Reserve funds	15,528	13,085	2,443
Investment in Tangible capital assets	869,808	801,134	68,674
Unexpended capital	10,757	13,837	(3,080)
Investment in Milton Hydro	51,505	49,760	1,745
Town surplus	-	150	(150)
Library surplus	41	38	3
Unfunded liabilities	(35,403)	(33,865)	(1,538)
Total accumulated surplus	946,189	879,702	66,487

The reserve balances have experienced a decrease of \$1.6 million primarily due to utilization of \$640 thousand dollars from the Winter Control Reserve and \$475 thousand dollars from the Tax Rate Stabilization Reserve to offset a shortfall in 2013 winter control activities. This was due to a severe ice storm that impacted Southern Ontario in December 2013. In addition, there was a budgeted decrease of \$1.4 million in the Capital Works Reserve to fund capital projects. This was partially offset by a \$1.0 million increase in the Equipment Replacement Reserve due to lower funding requirements for purchases of new equipment. The discretionary reserve funds have increased by \$2.4 million, mainly due to an increase in the Milton District Hospital Reserve Fund of \$527 thousand and the Ontario Lottery Corporation Proceeds Reserve Fund of \$1.9 million.

Unfunded liabilities balance is comprised of the principle outstanding on debentures issued by the Town, estimates of future employee benefit costs and amounts owing to developers for infrastructure constructed on behalf of the Town.



Consolidated Statement of Operations

The Consolidated Statement of Operations is the municipal equivalent of the private sector's income statement, providing a summary of revenues and expenses throughout the year. Annual surplus reported on this statement is 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 16 of the financial statements.

Revenues

2013 Budget to Actual Comparative Analysis

Revenues	Budget	Actual	Variance	% Variance
Taxation (note 13)	41,569	41,653	84	0.2%
User charges	14,351	13,487	(864)	-6.0%
Government transfers:				
Federal (note 14)	1,237	17,012	15,775	1275.3%
Provincial (note 14)	673	764	91	13.5%
Other municipalities	2,745	4,450	1,705	62.1%
Investment income	3,280	3,902	622	19.0%
Penalties and interest	1,733	1,953	220	12.7%
Developer contributions	49,741	36,442	(13,299)	-26.7%
Developer contributed assets	-	22,392	22,392	100.0%
Proceeds from Ontario Lottery Corporation	5,600	5,817	217	3.9%
Licences, permits, rents etc.	6,609	5,698	(911)	-13.8%
Equity in income of Milton Hydro	1,500	3,245	1,745	116.3%
Donations	283	2,418	2,135	754.4%
Other recoveries	-	1,847	1,847	100.0%
Miscellaneous	2,837	955	(1,882)	-66.3%
Total revenues	132,158	162,035	29,877	22.6%

The variations in budget and actual columns primarily relate to differences in assumptions used. Council-approved budgets are prepared to determine the levy requirements and are, therefore, primarily on a cash basis. The actuals reported on the audited 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 \$22.4 million dollars.

Another contributing factor is 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 caused an unfavourable fluctuation in developer contributions revenue of \$13.3 million. A favourable variance of \$1.8 million dollars of other recoveries relates to contractual obligations to third parties for which the Town receives full compensation. A significant favourable variance of \$15.8 million dollars in federal grant revenue is attributable to funding for construction of the Milton Velodrome facility from TO2015 Sports Canada, the organizing committee for 2015 Pan/ ParaPan American games. This amount was part of 2012 budget amounts as this was the year the project was initiated.

Note 16, "Budget Data" provides reconciliation between the statements and the operating and capital budgets previously approved by Town Council.

Year Over Year Comparative Analysis

Revenues	2013	2012	Change	% Change
Taxation (note 13)	\$ 41,653	\$ 38,589	\$ 3,064	7.4%
User charges	13,487	12,314	1,173	8.7%
Government transfers:				
Federal (note 14)	17,012	2,210	14,802	87.0%
Provincial (note 14)	764	687	77	10.1%
Other municipalities	4,450	6,583	(2,133)	-47.9%
Investment income	3,902	3,873	29	0.7%
Penalties and interest	1,953	2,380	(427)	-21.9%
Developer contributions	36,442	28,082	8,360	22.9%
Developer contributed assets	22,392	48,010	(25,618)	-114.4%
Proceeds from Ontario Lottery Corporation	5,817	5,505	312	5.4%
Licences, permits, rents etc.	5,698	5,717	(19)	-0.3%
Equity in income of Milton Hydro	3,245	2,333	912	28.1%
Donations	2,418	2,818	(400)	-16.5%
Other recoveries	1,847	2,677	(830)	-44.9%
Miscellaneous	955	1,415	(460)	-48.2%
Total revenues	162,035	163,193	(1,158)	-0.7%

Total revenue reported for the year 2013 was \$162.0 million, a decrease of \$1.2 million from last year's amount of \$163.2 million dollars. Various favourable and unfavourable variances offset each other in a year over year comparison. One of the main sources of unfavourable variance was the decrease in developer contributed assets of \$25.6 million compared to 2012 amount of \$48.0 million. This was driven by a decrease in the number of subdivision assumptions. The Town receives assets from developers as part of their obligation under subdivision agreements, which are deemed to be donated assets because no cash changed hands. These assets are transferred into the ownership of the Town and must be recorded on the Town's 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.

Offsetting this unfavourable revenue variance was developer contributions revenue, which experienced an increase of \$8.4 million dollars. Developer contributions include development charges earned for the capital expenses incurred within the calendar year and do not include the actual cash collected in that year. The increase in this revenue source was related to the value of the capital work activity completed and funded through development charges.

Federal and provincial grant revenue increased \$14.7 million from the 2012 amount of \$2.9 million, primarily related to federal funding for the Velodrome.



Expenses

2013 Budget to Actual Comparative Analysis

Expenses	Budget	Actual	Variance	Less Amortization and Loss on TCA	Subtotal	Less Capital Expenses	Operating Expenses
General government	10,767	13,799	(3,032)	2,102	(930)	1,487	557
Protection services	11,662	12,549	(887)	1,112	225	50	275
Transportation services	15,878	32,478	(16,600)	10,527	(6,073)	4,993	(1,080)
Environmental services	421	2,037	(1,616)	1,556	(60)	90	30
Recreational and cultural services	21,123	28,943	(7,820)	5,841	(1,979)	2,351	372
Planning and development	4,424	5,742	(1,318)	3	(1,315)	1,359	44
Total expenses	64,275	95,548	(31,273)	21,141	(10,132)	10,330	198

The 2013 financial position of the Town results in an increase of expenses of \$31.3 million over budgeted expenses of \$64.3 million. The variance between budget and actual columns primarily relates to tangible capital asset activity not included in the budget, such as amortization and gain or loss on disposal. Amortization and loss on disposal of tangible capital assets amount to \$ 21.1 million. In addition, contributing to an unfavourable variance was \$10.3 million of expenses included in capital budgets that cannot be capitalized and need to be expensed on Statement of Operations.

Year Over Year Comparative Analysis

Expenses	2013	2012	Change	% Change
General government	\$ 13,799	\$ 13,136	\$ (663)	-5%
Protection services	12,549	11,756	(793)	-7%
Transportation services	32,478	29,583	(2,895)	-10%
Environmental services	2,037	1,832	(205)	-11%
Recreational and cultural services	28,943	24,687	(4,256)	-17%
Planning and development	5,742	5,253	(489)	-9%
	95,548	86,247	(9,301)	-11%

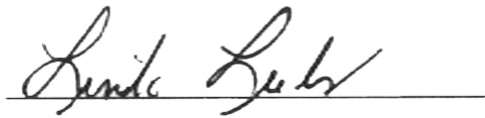
The 2013 financial position of the Town results in an increase of expenses of \$9.3 million dollars over 2012. This is mostly attributable to increased costs of operating newly added facilities for recreation and continued investment in new infrastructure and rehabilitation of existing infrastructure.

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 a decrease of \$2.2 million dollars, compared to last year's increase of \$3.9 million dollars.

Consolidated Statement of Cash Flows

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 decreased by \$48.2 million to \$43.3 million. The most significant cash outflow was the acquisition of tangible capital assets of \$67.4 million, which was \$21.3 million more than that last year. In addition, \$21.2 million of cash were invested into long term portfolios in order to manage cash flows and ensure funds are available for future requirements while maximizing Town's return on investment.



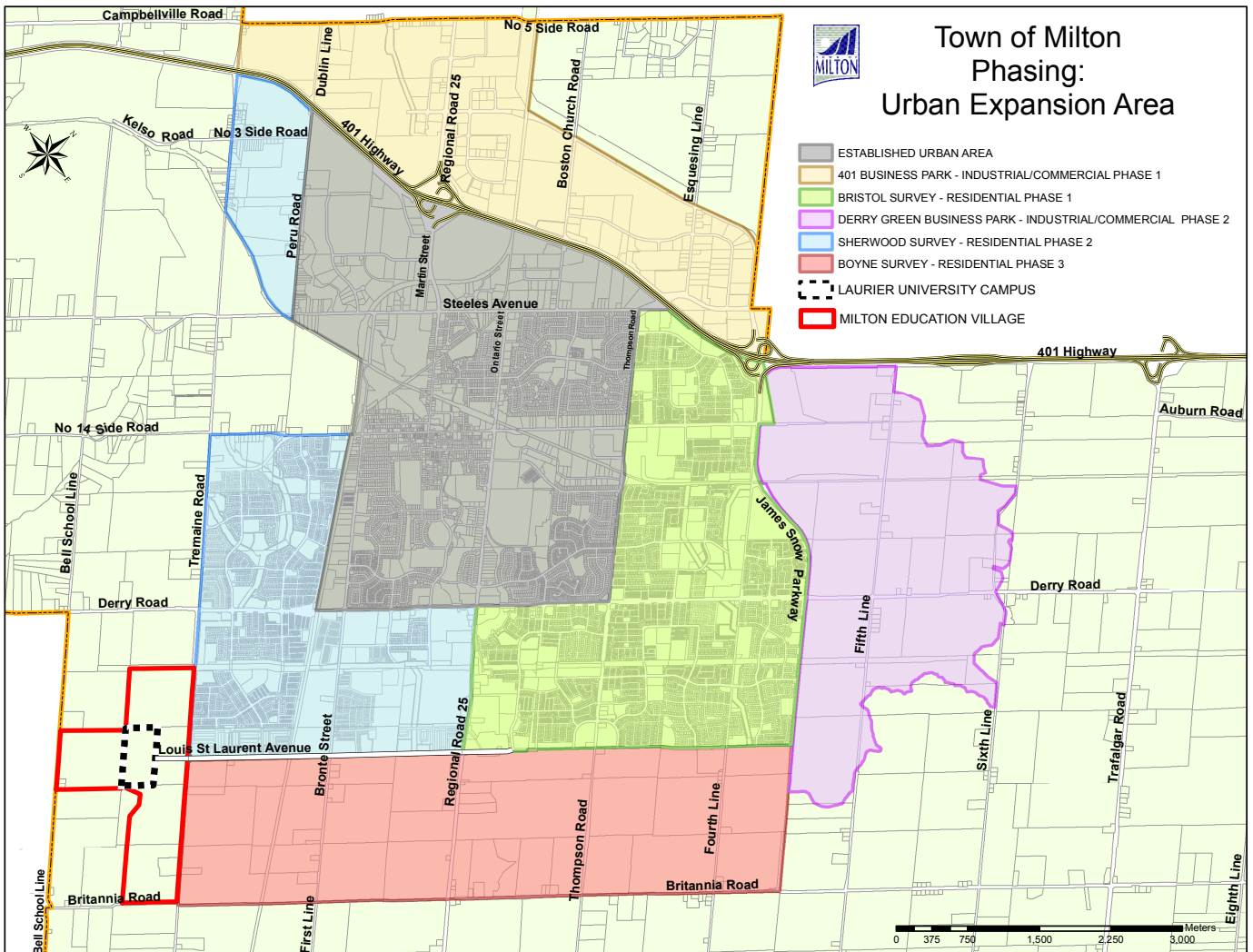
Linda Leeds, CGA
Treasurer

May 26, 2014



Looking Forward

For several years in a row, the Town of Milton has been recognized as the fastest growing municipality in Canada. With a projected population of 163,754, an increase of 65,754 over the next eight years, the Town of Milton has to carefully plan its growth strategies. The Town believes it is essential to have a guiding vision that is embraced by its residents and will set standards for Milton's lifestyle for the future years of growth and development. The Town's strategic plan, *Destiny Milton 2*, is the broad vision for Milton, setting priorities for Milton's quality of life and service delivery. It will guide and provide context for all short and long-term planning for the Town through the Service Area Master Plans to ensure that the right services are being delivered to Milton's growing population.



Planning for Growth

Halton Urban Structure Plan

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

Phase 1 (Bristol Survey) – area generally to the east and south of the pre-HUSP urban boundary, extending to James Snow Parkway at the east, and midway between Derry Road and Britannia to the south (now Louis St. Laurent Boulevard). Phase 1 development area is approaching build-out. As such, forecast housing growth for this area represents only 9 percent of total forecast housing growth for the Town over the next eight years.

Phase 2 (Sherwood Survey) – area generally to the west and south of the pre-HUSP urban boundary extending from Tremaine Rd. in the west and midway between Derry Rd. and Britannia to the south (now Louis St. Laurent Boulevard). Considerable housing growth potential still remains within the Phase 2 area, with approximately 28 percent of forecast total Town-wide housing growth between 2013 and 2021;

Phase 3 (Boyne Survey) – extends from the midpoint between Derry/Britannia (now Louis St. Laurent Boulevard) to Britannia in the south with the western and eastern boundaries being Tremaine Road and James Snow Parkway, respectively. Phase 3 (Boyne) will represent the Town’s largest residential growth area over the next nine years, with approximately 61 percent of total housing growth.

Derry Green Corporate Business Park – This secondary plan area is generally bounded by the 401 to the north, south of the extension of Louis St. Laurent Boulevard to the south, James Snow Parkway to the west and Sixth Line to the east. On June 14, 2010 Town Council passed By-law No. 067-2010, which adopted the proposed Derry Green Corporate Business Park Secondary Plan (Official Plan Amendment Number 29) under Section 17(23) of the Planning Act. This plan will bring on-stream approximately 800 hectares (2,000 acres) of developable non-residential lands. Derry Green will accommodate the majority of the Town’s employment growth to the year 2021.

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.

Providing for Growth

The annual capital budget provides for the infrastructure required to support the continued development of the Bristol and Sherwood Survey Secondary Plan Areas as well as the development of the Boyne Survey Secondary Plan Area and the Derry Green Corporate Business Park as approved by Council through the Town’s Development Charges Background Study. It also provides for renewal and replacement of aging infrastructure as assets reach the end of their useful life.

The approved 2014 capital budget represents a significant investment in new infrastructure as well as the rehabilitation of existing assets to support the provision of services to the current and future residents and business of the Town of Milton. The 2014 capital budget provides for such things as facilities, roads, bridges, parks, trails and equipment with a total investment of \$64.2 million. Of this amount, \$55.8 million is required for projects related to growth in the community while the remaining balance of \$8.4 million is required for the rehabilitation or replacement of existing assets.





Toronto 2015 Pan/Parapan American Games Velodrome

The Toronto 2015 Pan Am and Para-Pan Am Games are coming to Milton!

The Town is building a world class Velodrome, the first of its kind in Canada, to host the track cycling events for the Toronto 2015 Pan Am and Para Pan Am Games. The forthcoming Velodrome will be located within the Milton Education Village, adjacent to the proposed location for the Wilfrid Laurier University campus.

Construction began in February 2013 and continued throughout the year. Substantial completion is scheduled for the fall of 2014, followed by a test cycling event hosted in the Velodrome in advance of the Pan/ Para-Pan American Games to be held in 2015.

The Velodrome will provide stimulation to our economy both financially and visibly as competitors and fans attend the 2015 Games. In the long-term, the Velodrome provides new amenities to serve our growing population with a variety of track programming opportunities for cycling enthusiasts of all ages and skill levels. The multi-purpose infield to the 250-metre oval cycling track core will take the form of a sprung hardwood triple gymnasium suitable for the likes of 3 regulation size basketball courts, 4 volleyball courts, or 9 badminton courts. The facility will also include a 300 metre indoor walking/jogging track and an over 3,000 square foot fitness centre. Further, recreational trails will surround the facility and new transit routes will provide service to the facility.

Implementation of Asset Management Planning

Over the past several years, the Town, through the requirements of the Public Sector Accounting Board (PSAB), has inventoried and valued the assets owned by the Town. Understanding the inventory of assets, its state of repair and the amount of funding required for infrastructure renewal and replacement is a critical component of financial planning and preparing the capital budget and forecast. In addition, the Province of Ontario views improved asset management as a first step in resolving municipal infrastructure challenges and has indicated that future provincial grant funding will be dependent upon municipalities asset management plans including all elements described in the “Guide for Municipal Asset Management Plans” published by the Province.

Because the Town of Milton is in the early stages of growth, many of the Town’s assets are new and will not require replacement or significant renewal for many years. Work is currently underway to lay the foundation for the implementation of an asset management plan which will enable the Town to make more informed, educated decisions that will assist in determining appropriate timelines for asset repairs, rehabilitation and replacement. Once completed, this work will form the basis for developing policies and structuring future capital and operating budgets to inform what the level of funding is required to support the provision of services by the Town-owned assets.







MANAGEMENT REPORT

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 necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The 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.

The 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 KPMG 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.

William F. Mann
Chief Administrative Officer

May 26, 2014

Linda Leeds, CGA
Treasurer



The Corporation of the Town of Milton

Consolidated Statement of Financial Position

December 31, 2013 with comparative figures for 2012

(in thousands of dollars)

	2013	2012
Financial assets:		
Cash and cash equivalents	\$ 43,265	\$ 91,514
Accounts receivable (note 3)		
Taxes receivable	5,649	6,529
Grants receivable	13,810	196
Other	13,036	9,533
Investments (note 4)	94,606	73,428
Investment in Milton Hydro Holdings Inc. (note 5)	51,505	49,760
Other assets	726	560
Total financial assets	222,597	231,520
Liabilities:		
Accounts payable and accrued liabilities	50,095	35,877
Other liabilities	11,269	9,397
Deferred revenue (note 6)	49,529	73,892
Long-term debentures (note 7)	33,369	31,300
Developer obligations (note 8)	1,221	1,808
Employee benefits and other liabilities (note 9)	1,264	1,183
Total liabilities	146,747	153,457
Net financial assets	75,850	78,063
Non-financial assets:		
Tangible capital assets (note 11)	869,808	801,134
Inventories of supplies	257	293
Prepaid expenses	274	212
Total non-financial assets	870,339	801,639
Accumulated surplus (note 12)	\$ 946,189	\$ 879,702

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, 2013 with comparative figures for 2012
(in thousands of dollars)

	Budget	2013	2012
	(Note 16)		
Revenue:			
Taxation (note 13)	\$ 41,569	\$ 41,653	\$ 38,589
User charges	14,351	13,487	12,314
Government transfers:			
Federal (note 14)	1,237	17,012	2,210
Provincial (note 14)	673	764	687
Other municipalities	2,745	4,450	6,583
Investment income	3,280	3,902	3,873
Penalties and interest	1,733	1,953	2,380
Developer contributions	49,741	36,442	28,082
Developer contributed assets	-	22,392	48,010
Proceeds from Ontario Lottery Corporation	5,600	5,817	5,505
Licenses, permits, rents, etc	6,609	5,698	5,717
Equity in income of Milton Hydro Holding Inc.(note 5)	1,500	3,245	2,333
Donations	283	2,418	2,818
Other recoveries	-	1,847	2,677
Miscellaneous	2,837	955	1,415
Total Revenue	132,158	162,035	163,193
Expenses:			
General government	10,767	13,799	13,136
Protection to persons and property	11,662	12,549	11,756
Transportation services	15,878	32,478	29,583
Environmental services	421	2,037	1,832
Recreational and cultural services	21,123	28,943	24,687
Planning and development	4,424	5,742	5,253
Total expenses	64,275	95,548	86,247
Annual surplus	67,883	66,487	76,946
Accumulated surplus, beginning of year	879,702	879,702	802,756
Accumulated surplus (note 12), end of year	\$ 947,585	\$ 946,189	\$ 879,702

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, 2013 with comparative figures for 2012
(in thousands of dollars)

	Budget	2013	2012
	(Note 16)		
Annual surplus	\$ 67,883	\$ 66,487	76,946
Acquisition of tangible capital assets	(65,090)	(89,825)	(94,126)
Amortization of tangible capital assets	-	20,669	20,321
(Gain)/loss on disposal of tangible capital assets	-	137	(71)
Proceeds on sale of tangible capital assets	-	345	780
	2,793	(2,187)	3,850
Change in inventories of supplies	-	36	137
Change in prepaid expenses	-	(62)	(62)
Change in net financial assets	2,793	(2,213)	3,925
Net financial assets, beginning of year	78,063	78,063	74,138
Net financial assets, end of year	\$ 80,856	\$ 75,850	\$ 78,063

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, 2013 with comparative figures for 2012
(in thousands of dollars)

	2013	2012
Operating Activities:		
Annual surplus	\$ 66,487	\$ 76,946
Items not involving cash:		
Amortization	20,669	20,321
(Gain)/loss on disposal of tangible capital assets	137	(71)
Developer contributions of tangible capital assets	(22,392)	(48,010)
Change in employee benefits and other liabilities	81	65
Equity in income of Milton Hydro Holdings Inc.	(3,245)	(2,333)
Change in non-cash assets and liabilities:		
Accounts receivable	(16,237)	2,723
Other assets	(166)	(8)
Accounts payable and accrued liabilities	14,218	13,856
Other liabilities	1,872	2,417
Deferred revenue	(24,363)	16,270
Developer obligations	(587)	(180)
Inventories of supplies	36	137
Prepaid expenses	(62)	(62)
Net change in cash from operating activities	36,448	82,071
Capital Activities:		
Proceeds on sale of tangible capital assets	345	780
Cash used to acquire tangible capital assets	(67,433)	(46,116)
Net change in cash from capital activities	(67,088)	(45,336)
Investing Activities:		
Investments	(21,178)	9,595
Dividends from Milton Hydro Holdings Inc.	1,500	1,500
Net change in cash from investing activities	(19,678)	11,095
Financing Activities:		
Debt issued and assumed	6,497	2,108
Debt principal repayment	(4,428)	(4,090)
Net change in cash from financing activities	2,069	(1,982)
Net change in cash	\$ (48,249)	\$ 45,848





The Corporation of the Town of Milton

Consolidated Statement of Cash Flows (continued)

Year ended December 31, 2013 with comparative figures for 2012
(in thousands of dollars)

	2013	2012
Cash and cash equivalents, beginning of year	\$ 91,514	\$ 45,666
Cash and cash equivalents, end of year	\$ 43,265	\$ 91,514
Cash paid for interest on long-term debt	\$ 1,256	\$ 1,299
Cash received from interest on investments	4,098	3,876

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

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

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 entities and organizations 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") 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 will be reflected as reductions in the investment asset account.





The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(iii) Accounting for Region and School Board transactions

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.

(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) 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.

(d) 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 services are performed.

(e) 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.

(f) Investment income:

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

(g) Taxation revenue:

Taxes receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred.

(h) Cash and cash equivalents:

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

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

1. Significant accounting policies (continued):

(i) Employee future benefits:

(i) 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 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 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 certain employees may become entitled to a cash payment upon termination of services.

(j) 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.

(k) 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:

Asset	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.



The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

1. Significant accounting policies (continued):

(k) Non-financial assets (continued):

(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.

(iii) Works of art and cultural and historic assets

Works of art and cultural and historic assets are not recorded as assets in these financial statements.

(iv) Inventories of supplies

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

(l) 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. Significant estimates include assumptions used in estimating provisions for accrued liabilities and in performing actuarial valuations of employee future benefits.

In addition, the Town's implementation of the Public Sector Accounting Handbook PS3150 required management to make estimates of historical cost and useful lives of tangible capital assets. Actual results could differ from these estimates.

2. Change in accounting policies:

(a) Government transfers:

On January 1, 2013 the Town adopted Public Sector Accounting Standards PS 3410, Government Transfers. This standard was adopted on a prospective basis from the date of adoption. Under PS 3410, government transfers received or receivable are recognized in revenue once the eligibility criteria, if any, are met unless they meet the definition of a liability. 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. There were no adjustments as a result of the adoption of this standard.

(b) Taxation revenue:

On January 1, 2013 the Town adopted Public Sector Accounting Standard PS 3510, Tax revenue. This standard was adopted on a prospective basis from the date of adoption. Under PS 3510, taxes receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred.



The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

5. Investment in Milton Hydro Holdings Inc. (continued):

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

	2013	2012
Financial Position:		
Assets:		
Current	\$ 26,560	\$ 22,207
Capital	60,769	59,261
Other	796	1,236
Total assets	88,125	82,704
Liabilities:		
Current	15,047	13,150
Long term debt	16,855	14,460
Long term note payable to Town of Milton	14,934	14,934
Other	4,718	5,334
Total liabilities	51,554	47,878
Equity:		
Share capital	17,549	17,549
Retained earnings	19,022	17,277
Total equity	36,571	34,826
Total liabilities and equity	\$ 88,125	\$ 82,704
Operations:		
Revenue	\$ 99,327	\$ 89,617
Expenses (including income tax provision)	96,082	87,284
Income net of taxes	3,245	2,333
Dividend paid to Town of Milton	(1,500)	(1,500)
Change in equity	\$ 1,745	\$ 833
Town of Milton investment represented by:		
Promissory note receivable from Milton Hydro	\$ 14,934	\$ 14,934
2,000 Common shares	17,549	17,549
Retained earnings, end of year	19,022	17,277
Total investment in Milton Hydro	\$ 51,505	\$ 49,760



The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

5. Investment in Milton Hydro Holdings Inc. (continued):

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 of \$2,663 (2012 - \$2,039). Property taxes paid to the Town by Milton Hydro of \$42 (2012 - \$41).

Promissory note receivable from Milton Hydro to the Town has a 7.25% interest payable in quarterly installments of \$271, with no fixed principal repayment date. Interest expense on the note payable recorded by Milton Hydro for the year was \$1,083 (2012 - \$1,083).

6. Deferred revenue:

(a) The deferred revenue reported on the Consolidated Statement of Financial Position is made up of the following:

	2013	2012
Obligatory reserve funds (note 6 (b))	\$ 35,547	\$ 62,917
Subdivision agreement fees	3,144	3,723
Property taxes prepaid	3,755	3,520
Development fees	749	806
Investment in the Arts Campaign	1,385	1,214
Velodrome	3,733	667
Prepaid facility rentals and program registrations	677	625
Other	539	420
Total deferred revenue	\$ 49,529	\$ 73,892





The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

6. Deferred revenue (continued):

Continuity of deferred revenue is as follows:

	2013	2012
Balance, beginning of year:		
Obligatory reserve funds (note 6 (b))	\$ 62,917	\$ 46,346
Subdivision agreement fees	3,723	3,935
Property taxes prepaid	3,520	3,239
Development fees	806	1,748
Investment in the Arts Campaign	1,214	925
Velodrome	667	-
Prepaid facility rentals and program registrations	625	691
Government capital grants	-	15
Other	420	723
Total beginning balance:	73,892	57,622
Receipts:		
Obligatory reserve funds	10,504	39,157
Interest earned on obligatory reserve funds	763	830
Subdivision agreement fees	506	1,343
Property taxes prepaid	3,755	3,520
Development fees	148	806
Investment in the Arts Campaign	283	342
Velodrome	3,066	667
Prepaid facility rentals and program registrations	677	625
Other	512	396
Total receipts	\$ 20,214	\$ 47,686

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

6. Deferred revenue (continued):

	2013	2012
Transfers:		
Obligatory reserve funds	(38,637)	(23,416)
Subdivision agreement fees	(1,085)	(1,555)
Property taxes prepaid	(3,520)	(3,239)
Development fees	(205)	(1,748)
Investment in the Arts Campaign	(112)	(53)
Velodrome	-	-
Prepaid facility rentals and program registrations	(625)	(691)
Government capital grants	-	(15)
Other	(393)	(699)
Total transfers	(44,577)	(31,416)
Balance, end of year	\$ 49,529	\$ 73,892

(b) Deferred revenue – obligatory reserve funds:

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

	2013	2012	Net Change
Building stabilization	\$ 3,677	\$ 5,970	\$ (2,293)
Cash in lieu of parking	110	108	2
Cash in lieu of parkland	1,045	979	66
MetroLinx program	1	17	(16)
Federal gas tax	1,045	1,809	(764)
Gas tax for transit	465	398	67
Development charges	29,204	53,636	(24,432)
Total	\$ 35,547	\$ 62,917	\$ (24,370)





The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

7. Long-term debentures

(a) The balance of long-term debentures reported on the consolidated statement of financial position is made up of the following:

	2013	2012
Net long-term debentures, beginning of year	\$ 31,300	\$ 33,282
Less: Principal repayment	(4,428)	(4,090)
Add: New debt issued	6,497	2,108
Net long-term debentures at the end of year	\$ 33,369	\$ 31,300

The long-term liabilities issued in the name of the Town are within the annual limits set by the Ontario Municipal Board.

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

	Operating	Development Charges	Obligatory Reserve Fund	Reserves	Total
2014	\$ 3,278	\$ 1,456	\$ 202	\$ 246	\$ 5,182
2015	2,644	1,162	211	256	4,273
2016	2,498	1,201	220	267	4,186
2017	3,256	1,243	230	1,659	6,388
2018	2,241	1,289	240	288	4,058
2019 - 2025	4,953	3,714	-	615	9,282
	\$ 18,870	\$ 10,065	\$ 1,103	\$ 3,331	\$ 33,369

(c) Total interest on long-term liabilities which are reported on the consolidated statement of operations amounted to \$1,234 in 2013 (2012 - \$1,279). The long-term liabilities bear interest at rates ranging from 2.41% to 4.81%.

8. Developer obligations:

In addition to long-term debentures, the Town recognizes obligations for future payments to developers as per legal agreements.

The balance of developer liabilities reported on the consolidated statement of financial position is made up of the following:

	2013	2012
Accelerated roads program	\$ 1,066	\$ 1,066
Subdivision agreements - parks	155	742
Developer obligations, end of year	\$ 1,221	\$ 1,808



The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

8. Developer obligations (continued):

Obligations for the payment to developers, as per the accelerated roads program will be reimbursed in accordance with the Town's capital budget approvals for the various projects identified in the agreement. The accelerated roads program was prepared in conjunction with developers to accelerate the delivery of key transportation infrastructure links within the community.

Through subdivision agreements, developers have constructed roads and 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.

9. Employee benefits and other liabilities:

The employee benefit and other liabilities, reported on the consolidated statement of financial position, are made up of the following:

	2013	2012
Future payments to WSIB	\$ 480	\$ 456
Retiree benefits	333	301
Vacation pay and banked overtime	451	426
Total	\$ 1,264	\$ 1,183

(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 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, 2011. The actuarial update was prepared for consecutive years.

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

Interest (discount rate)	4.25% per annum
Administration costs	28.0% of compensation
Compensation costs (including loss of earning benefits, health care costs and non-economic loss awards)	0.0% - 6.0% per annum



The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

9. Employee benefits and other liabilities (continued):

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

	2013	2012
Accrued WSIB obligation, beginning of year	\$ 393	\$ 519
Current benefit cost	75	72
Actuarial gain	-	(155)
Interest	17	17
Benefits paid	(65)	(60)
	420	393
Unamortized actuarial gain	60	63
Accrued WSIB liability, end of year	\$ 480	\$ 456

The Town has established a WSIB reserve and reserve fund to mitigate the future impact of the WSIB obligations in the amount of \$487 (2012 - \$529).

In the current year benefit costs are \$3 (2012 - \$4) for the net amortization of the actuarial gain. The net unamortized actuarial gain on future payments required to WSIB is amortized over the expected period of the liability which is 10 years.

(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, 2012. The actuarial update was prepared for three consecutive years.

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

Interest (discount rate)	3.75% per annum
Dental benefits escalation	same as health benefits
Health benefits escalation	4.5% per annum decreasing by 0.25% per year to 4.0% in 2015 and 4% per annum thereafter

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

9. Employee benefits and other liabilities (continued):

(b) Retiree benefits (continued)

	2013	2012
Accrued benefits obligation, beginning of year	\$ 349	\$ 369
Current benefit cost	12	10
Actuarial gain	271	
Interest	22	17
Benefits paid	(54)	(47)
	600	349
Unamortized actuarial loss	(267)	(48)
Accrued benefits liability, end of year	\$ 333	\$ 301

In the current year amortization of the actuarial loss of \$13 (2012 - \$13) has been included in benefit expense on the statement of operations. The unamortized actuarial loss is amortized over the expected average remaining service life which is 7 years.

10. Pension agreements:

The Town makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of 397 (2012 – 382) 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 \$51.1 and at a rate of 14.6% for earnings greater than the yearly maximum pensionable earnings.

The Town's contribution to OMERS for 2013 was \$2,689 (2012 - \$2,247) for current service and is included as an expense on the consolidated statement of operations. Employees' contribution to OMERS in 2013 was \$2,689 (2012 - \$2,247).

As per PSAB 3250.111, the Corporation of the Town of Milton is current with all payments to OMERS, therefore, there is neither a surplus nor deficit with the Town's pension plan contributions.

However, the OMERS pension plan had a \$1.3 billion decline in the funding deficit from \$9.9 billion in 2012 to \$8.6 billion in 2013. OMERS increased contributions for both employees and employers by 1% for 2012 and an additional 0.9% for 2013, made benefit reductions to plan members who leave their employment prior to retirement, and implemented a revised investment strategy. OMERS expects these contribution and policy changes to return the plan to a fully funded position by 2025.





The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

11. Tangible Capital Assets:

Cost	Balance at December 31, 2012	Additions	Disposals	Balance at December 31, 2013
Land	\$ 257,793	\$ 4,556	\$ -	\$ 262,349
Land improvements	38,628	5,524	(20)	44,132
Buildings and building improvements	105,238	3,836	(5)	109,069
Machinery and equipment	105,178	11,928	(8,190)	108,916
Linear assets	560,329	26,602	(6,709)	580,222
Assets under construction	43,328	37,379	-	80,707
Total	\$ 1,110,494	\$ 89,825	\$ (14,924)	\$ 1,185,395

Accumulated amortization	Balance at December 31, 2012	Amortization expense	Disposals	Balance at December 31, 2013
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	8,531	1,713	(19)	10,225
Buildings and building improvements	12,944	2,511	(3)	15,452
Machinery and equipment	35,390	6,754	(8,175)	33,969
Linear assets	252,495	9,691	(6,245)	255,941
Assets under construction	-	-	-	-
Total	\$ 309,360	\$ 20,669	\$ (14,442)	\$ 315,587

	Net book value December 31, 2012	Net book value December 31, 2013
Land	\$ 257,793	\$ 262,349
Land improvements	30,097	33,907
Buildings and building improvements	92,294	93,617
Machinery and equipment	69,788	74,947
Linear assets	307,834	324,281
Assets under construction	43,328	80,707
Total	\$ 801,134	\$ 869,808



The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

11. Tangible Capital Assets (continued):

Cost	Balance at December 31, 2011	Additions	Disposals	Balance at December 31, 2012
Land	\$ 234,645	\$ 23,255	\$ (107)	\$ 257,793
Land improvements	32,863	5,765	-	38,628
Buildings and building improvements	101,453	4,000	(215)	105,238
Machinery and equipment	97,286	8,615	(723)	105,178
Linear assets	527,108	34,749	(1,528)	560,329
Assets under construction	25,586	17,742	-	43,328
Total	\$ 1,018,941	\$ 94,126	\$ (2,573)	\$ 1,110,494

Accumulated amortization	Balance at December 31, 2011	Amortization expense	Disposals	Balance at December 31, 2012
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	7,008	1,523	-	8,531
Buildings and building improvements	10,627	2,409	(92)	12,944
Machinery and equipment	29,179	6,721	(510)	35,390
Linear assets	244,089	9,668	(1,262)	252,495
Assets under construction	-	-	-	-
Total	\$ 290,903	\$ 20,321	\$ (1,864)	\$ 309,360





The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

11. Tangible Capital Assets (continued):

a) Assets under construction

Assets under construction, having a value of \$80,707 (2012 - \$43,328), have not been amortized. Amortization of these assets will commence when the asset is put into service.

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 capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$22,392 (2012 - \$48,010) comprised of land and land improvements in the amount of \$3,311 (2012 - \$24,246) and linear assets in the amount of \$19,081 (2012 - \$23,764).

c) Tangible Capital Assets recognized at nominal value

The Town has recorded the acquisition of three heritage houses at a nominal value of three dollars.

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. These assets are not recorded as tangible capital assets and are not amortized.

e) Contingent transaction

The Town is party to a Memorandum of Understanding that may require it to transfer a certain parcel of land to a post-secondary institution. This transfer is contingent upon the post-secondary institution meeting certain conditions. The net book value of the applicable parcel of land is approximately \$7,700 and is included in tangible capital assets at December 31, 2013.

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

12. Accumulated surplus:

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

	2013	2012
Reserves set aside by Council:		
Aggregate permit fees	\$ 388	\$ 244
Capital provision/growth	8,233	8,461
Capital works	8,611	9,996
Computer replacement	1,024	693
Downtown Business Improvement Area	19	24
Election	136	90
Equipment replacement	3,384	2,343
Growth related resources	1,302	1,901
Infrastructure renewal reserve	100	-
Insurance	649	703
Legal action	130	465
Library services	325	320
Library capital	359	301
Municipal building component	1,885	1,382
Municipal building replacement	532	361
Per unit development processing fee	1,319	1,574
Seniors fundraising	126	122
Tax rate stabilization	2,130	2,917
Training	216	201
Transit and transportation	1,169	741
Winter control	365	1,136
Working funds	1,064	1,064
WSIB	487	524
Total reserves	33,953	35,563





The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

12. Accumulated surplus (continued):

	2013	2012
Reserve funds set aside for specific purpose by Council:		
Cash in lieu of storm water management	\$ 135	\$ 132
Investment in the Arts Campaign	(596)	(330)
Mayor's legacy	80	78
Milton District Hospital	1,719	1,192
Ontario Lottery Corporation proceeds	10,687	8,762
Perpetual maintenance	426	417
Property transactions	2,997	2,759
Sports field development	80	70
WSIB settlement	-	5
Total reserve funds	15,528	13,085
Surplus:		
Invested in tangible capital assets	869,808	801,134
Unexpended capital	10,757	13,837
Operating surplus - Town	-	150
Operating surplus - Library	41	38
Investment in Milton Hydro Holdings Inc.	51,505	49,760
Unfunded:		
Long term debentures	(33,369)	(31,300)
Employee future benefits	(813)	(757)
Developer obligations	(1,221)	(1,808)
Total surplus	896,708	831,054
Total accumulated surplus	\$ 946,189	\$ 879,702



The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

13. Taxation:

The Town has collected \$107,299 (2012 - \$101,890) in levies on behalf of the Halton Region and school boards which is not included as taxation revenue on the Consolidated Statement of Operations.

14. Government transfers:

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

	2013	2012
Ontario grants:		
Ontario's After School Program	\$ 57	\$ -
Elderly Persons Centres Program	54	60
Gas Tax Fund	525	525
Library Pay Equity Program	3	3
Ministry of Transportation - fire calls on King's highways	56	44
MetroLinx - Transit Procurement Initiative	17	-
Public Library Operating Grant Program	52	52
Summer Experience Program	-	3
Subtotal Provincial grants	764	687
Federal grants:		
Gas Tax Fund	2,459	1,458
Joint Emergency Preparedness Program	-	10
Summer Career Placement Grant	4	4
TO2015 Sports Canada	14,549	738
Subtotal Federal grants	17,012	2,210
Total transfers	\$ 17,776	\$ 2,897





The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

15. Segmented Information:

Segmented information has been identified based upon various operating departments within the Town and their activities are reported by functional area in the body of the financial statements. Certain operating departments along with the services they provide have been separately disclosed in the segmented information as follows:

(i) 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 bylaws, adopting administrative policy, levying taxes, providing administrative, 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.

(ii) 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.

(iii) 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 transit service as well as accessible transit.

(iv) Environmental Services – Storm Water Management:

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

(v) 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.

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

15. Segmented Information (continued):

(vi) 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 Department assists businesses 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, 2013

(in thousands of dollars)

15. Segmented Information (continued):

	General Government	Protection to Persons and Property	20
Revenues:			
Taxation	\$ 9,766	\$ 7,986	
User charges	809	94	
Government transfers			
Federal	-	-	
Provincial	-	56	
Other municipalities	-	319	
Investment income	3,884	-	
Penalties and interest	1,230	-	
Developer contributions	435	873	
Developer contributed assets	-	-	
Proceeds from Ontario Lottery Corporation	5,817	-	
Licenses, permits, rents, etc.	23	4,944	
Equity in income of Milton Hydro Holding Inc.	3,245	-	
Donations	37	-	
Other recoveries	-	-	
Miscellaneous	325	49	
Total revenues	25,571	14,321	
Expenses:			
Salaries, wages and employee benefits	5,815	10,076	
Purchased goods	2,452	475	
Purchased services	3,542	722	
Financial expenses / (recovery)	(119)	99	
Transfers to others	7	65	
Amortization expense	2,102	1,112	
Total expenses	13,799	12,549	
Annual surplus	\$ 11,772	\$ 1,772	





Transportation Services	Environmental Services	Health Services	Recreational and Cultural Services	Planning and Development	Total
\$ 10,512	\$ 343	\$ 301	\$ 11,192	\$ 1,553	\$ 41,653
2,003	10	-	8,423	2,148	13,487
2,459	-	-	14,551	2	17,012
541	-	-	167	-	764
3,344	720	-	67	-	4,450
-	-	-	18	-	3,902
612	-	-	111	-	1,953
19,579	598	-	13,528	1,429	36,442
13,094	7,704	-	1,594	-	22,392
-	-	-	-	-	5,817
9	-	-	713	9	5,698
-	-	-	-	-	3,245
1,211	90	-	1,077	3	2,418
1,536	-	-	287	24	1,847
517	-	-	64	-	955
55,417	9,465	301	51,792	5,168	162,035
4,697	172	-	13,034	3,584	37,378
3,061	38	-	3,416	137	9,579
13,815	271	-	5,466	2,006	25,822
842	-	-	891	12	1,725
-	-	-	303	-	375
10,063	1,556	-	5,833	3	20,669
32,478	2,037	-	28,943	5,742	95,548
\$ 22,939	\$ 7,428	\$ 301	\$ 22,849	\$ (574)	\$ 66,487





The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

15. Segmented Information (continued):

	General Government	Protection to Persons and Property
Revenues:		
Taxation	\$ 8,147	\$ 7,328
User charges	830	105
Government transfers		
Federal	-	10
Provincial	-	44
Other municipalities	3	249
Investment income	3,849	-
Penalties and interest	1,879	-
Developer contributions	832	430
Developer contributed assets	-	-
Proceeds from Ontario Lottery Corporation	5,505	-
Licenses, permits, rents, etc.	15	4,946
Equity in income of Milton Hydro Holding inc.	2,333	-
Donations	2	-
Other recoveries	-	-
Miscellaneous	343	(10)
Total revenues	23,738	13,102
Expenses:		
Salaries, wages and employee benefits	5,421	9,341
Purchased goods	2,272	430
Purchased services	2,420	717
Financial expenses	917	85
Transfers to others	-	265
Amortization expense	2,106	918
Total expenses	13,136	11,756
Annual surplus	\$ 10,602	\$ 1,346





Transportation Services	Environmental Services	Health Services	Recreational and Cultural Services	Planning and Development	Total
\$ 9,966	\$ 343	\$ 286	\$ 10,792	\$ 1,727	\$ 38,589
1,418	-	-	8,019	1,942	12,314
2,196	-	-	2	2	2,210
525	-	-	118	-	687
6,301	-	-	30	-	6,583
-	-	-	24	-	3,873
389	-	-	112	-	2,380
14,671	49	-	5,798	6,302	28,082
16,408	10,461	-	21,141	-	48,010
-	-	-	-	-	5,505
7	-	-	746	3	5,717
-	-	-	-	-	2,333
2,636	-	-	177	3	2,818
2,677	-	-	-	-	2,677
367	-	-	715	-	1,415
57,561	10,853	286	47,674	9,979	163,193
3,857	198	-	12,156	3,476	34,449
1,969	34	-	2,925	100	7,730
13,077	196	-	2,523	1,660	20,593
656	-	-	904	12	2,574
-	-	-	315	-	580
10,024	1,404	-	5,864	5	20,321
29,583	1,832	-	24,687	5,253	86,247
\$ 27,978	\$ 9,021	\$ 286	\$ 22,987	\$ 4,726	\$ 76,946





The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

16. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2013 budget approved by Council on December 17, 2012. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget Amount
Revenue:	
Operating budget	\$ 92,081
Capital budget	65,090
Less:	
Interfund transfers	(16,854)
New debt financing	(2,849)
Debt principal payment	(3,020)
Reallocated revenues	(2,102)
Contribution from surplus	(188)
Total revenue	132,158
Expenses:	
Operating budget	92,081
Capital budget	65,090
Less:	
Acquisition of tangible capital assets	(65,090)
Interfund transfers	(22,684)
Reallocated expenses	(2,102)
Debt principal payments	(3,020)
Total expenses	64,275
Annual surplus	\$ 67,883



The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2013

(in thousands of dollars)

17. Comparative Figures:

Certain 2012 comparative figures have been reclassified to conform to the consolidated financial statement presentation adopted for the current year.

18. Commitments:

The Town has outstanding contractual obligations of approximately \$32,982 (2012 - \$49,947) for capital works and transit services. The Town council has authorized financing of these obligations.

The Town of Milton has committed, by council resolution, to Halton Healthcare Services ("HHS") up to \$35,000 towards the local share plan for the expansion of Milton Hospital. The current schedule anticipates that the payment to HHS will be made in 2017.



EXIT SORTIE



Milton
Public
Library
Main Library







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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Milton Public Library Board, which comprise the statement of financial position as at December 31, 2013, the statements of operations, change in net financial assets and change in due from the Town of Milton for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Milton Public Library Board as at December 31, 2013, and its results of operations, its change in net financial assets and its change in due from the Town of Milton for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants
 May 26, 2014
 Hamilton, Canada





Milton Public Library Board

Statement of Financial Position

December 31, 2013 with comparative figures for 2012

	2013	2012
Financial assets:		
Due from the Town of Milton	\$ 1,132,671	\$ 890,080
Liabilities:		
Accounts payable and accrued liabilities	149,596	135,885
Net financial assets	983,075	754,195
Non-financial assets:		
Tangible capital assets (note 3)	3,142,558	3,319,296
Prepaid expenses	35,029	39,414
	3,177,587	3,358,710
Accumulated surplus (note 4)	\$ 4,160,662	\$ 4,112,905

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, 2013 with comparative figures for 2012

	Budget	2013	2012
	(Note 5)		
Annual surplus / (deficit)	\$ 549,125	\$ 47,757	\$ (260,431)
Acquisition of tangible capital assets	(576,598)	(343,149)	(388,678)
Amortization of tangible capital assets	-	519,887	812,363
	(27,473)	224,495	163,254
Change in prepaid expenses	-	4,385	(11,135)
Change in net financial assets	(27,473)	228,880	152,119
Net financial assets, beginning of year	754,195	754,195	602,076
Net financial assets, end of year	\$ 726,722	\$ 983,075	\$ 754,195

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



Milton Public Library Board

Notes to Financial Statements

Year ended December 31, 2013

1. Significant accounting policies:

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

Significant accounting policies adopted by the Library are as follows:

(a) Basis of accounting:

The Milton Public Library Board 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.

(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) Development charges:

The Town of Milton (the "Town") manages a development charge obligatory reserve fund for library services in the amount of \$5,685,600 (2012 - \$5,330,856) 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 assets purchases may be either Town or Library owned recognizing the Town maintains title of Library facilities and furniture.

Development charges are funded and recognized as revenue in the Library's statement of operations when eligible Library owned tangible capital assets are purchased.

(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.



Milton Public Library Board

Notes to Financial Statements

Year ended December 31, 2013 with comparative figures for 2012

3. Tangible Capital Assets:

Cost	Balance at December 31, 2012	Additions	Disposals	Balance at December 31, 2013
IT equipment	\$ 364,947	\$ 74,427	\$ (116,124)	\$ 323,250
Office equipment	882,638	-	-	882,638
Collections	6,265,195	294,861	(3,186,418)	3,373,638
Assets under construction	26,139	(26,139)	-	-
Total	\$ 7,538,919	\$ 343,149	\$ (3,302,542)	\$ 4,579,526

Accumulated amortization	Balance at December 31, 2012	Disposals	Amortization Expense	Balance at December 31, 2013
IT equipment	\$ 197,901	\$ (116,124)	\$ 77,953	\$ 159,730
Office equipment	214,730	-	35,390	250,120
Collections	3,806,992	(3,186,418)	406,544	1,027,118
Assets under construction	-	-	-	-
Total	\$ 4,219,623	\$ (3,302,542)	\$ 519,887	\$ 1,436,968

	Net book value December 31, 2012	Net book value December 31, 2013
IT equipment	\$ 167,046	\$ 163,520
Office equipment	667,908	632,518
Collections	2,458,203	2,346,520
Assets under construction	26,139	-
Total	\$ 3,319,296	\$ 3,142,558



Milton Public Library Board

Notes to Financial Statements

Year ended December 31, 2013 with comparative figures for 2012

3. Tangible Capital Assets (continued):

Cost	Balance at December 31, 2011	Additions	Disposals	Balance at December 31, 2012
IT equipment	\$ 339,196	\$ 25,751	-	\$ 364,947
Office equipment	875,634	7,004	-	882,638
Collections	5,935,411	329,784	-	6,265,195
Assets under construction	-	26,139	-	26,139
Total	\$ 7,150,241	\$ 388,678	\$ -	\$ 7,538,919

Accumulated amortization	Balance at December 31, 2011	Disposals	Amortization Expense	Balance at December 31, 2012
IT equipment	\$ 102,053	\$ -	\$ 95,848	\$ 197,901
Office equipment	170,337	-	44,393	214,730
Collections	3,134,870	-	672,122	3,806,992
Assets under construction	-	-	-	-
Total	\$ 3,407,260	\$ -	\$ 812,363	\$ 4,219,623

Assets under construction for 2012 in the amount of \$26,139 relate to new automated notification system, which commenced operation in 2013.





Milton Public Library Board

Notes to Financial Statements

Year ended December 31, 2013 with comparative figures for 2012

4. Accumulated surplus:

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

	2013	2012
Surplus:		
Invested in tangible capital assets	\$ 3,142,558	\$ 3,319,296
General	40,688	38,456
Total surplus	3,183,246	3,357,752
Reserves set aside by Library Board:		
Library capital	652,331	435,275
Library services	325,085	319,878
Total reserves	977,416	755,153
Total accumulated surplus	\$ 4,160,662	\$ 4,112,905

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.



Hudson Bay Hotel
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2013

Town of Milton Financial Report

Board of Management of the Milton Downtown Business Improvement Area

For the year ended December 31, 2013







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 Hamilton ON L8N 3R1

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Board of Management of the Milton Downtown Business Improvement Area, which comprise the statement of financial position as at December 31, 2013, the statements of operations, change in net financial assets and change in due from the Town of Milton for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Board of Management of the Milton Downtown Business Improvement Area as at December 31, 2013, and its results of operations, its change in net financial assets and its change in due from the Town of Milton for the year then ended in accordance with Canadian public sector accounting standards.

Chartered Professional Accountants, Licensed Public Accountants
 May 26, 2014
 Hamilton, Canada





Board of Management of the Town of Milton Downtown Business Improvement Area Statement of Financial Position

December 31, 2013 with comparative figures for 2012

	2013	2012
Financial assets:		
Due from the Town of Milton	\$ 34,455	\$ 32,959
Liabilities:		
Accounts payable and accrued liabilities	15,978	9,747
Net financial assets	18,477	23,212
Non-financial assets:		
Tangible capital assets (note 3)	13,684	7,718
Prepaid expenses	890	865
	14,574	8,583
Accumulated surplus (note 4)	\$ 33,051	\$ 31,795

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

Board of Management of the Town of Milton Downtown Business Improvement Area Statement of Operations

Year ended December 31, 2013 with comparative figures for 2012

	Budget	2013	2012
	(Note 7)		
Revenue:			
Taxation levied by Town	\$ 181,790	\$ 183,377	\$ 170,757
User charges	14,780	7,822	10,208
Federal government transfers (note 5)	-	1,845	1,845
Miscellaneous	-	3,100	3,587
Total revenue	196,570	196,144	186,397
Expenses:			
Beautification and planters	38,000	35,384	35,007
General administration	20,700	20,623	24,048
Salaries and benefits	68,500	70,268	59,615
Trade promotion and special events	84,100	65,828	69,264
Amortization	-	2,785	5,110
Total expenses	211,300	194,888	193,044
Annual surplus/(deficit)	(14,730)	1,256	(6,647)
Accumulated surplus, beginning of year	31,795	31,795	38,442
Accumulated surplus (note 4), end of year	\$ 17,065	\$ 33,051	\$ 31,795

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



Board of Management of the Town of Milton Downtown Business Improvement Area Statement of Change in Net Financial Assets

Year ended December 31, 2013 with comparative figures for 2012

	Budget	2013	2012
	(Note 7)		
Annual surplus/(deficit)	\$ (14,730)	\$ 1,256	\$ (6,647)
Acquisition of tangible capital assets	-	(8,751)	-
Amortization of tangible capital assets	-	2,785	5,110
	(14,730)	(4,710)	(1,537)
Change in prepaid expenses	-	(25)	127
Change in net financial assets	(14,730)	(4,735)	(1,410)
Net financial assets, beginning of year	23,212	23,212	24,622
Net financial assets, end of year	\$ 8,482	\$ 18,477	\$ 23,212

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

Board of Management of the Town of Milton Downtown Business Improvement Area
Statement of Change in Due from the Town of Milton
 Year ended December 31, 2013 with comparative figures for 2012

	2013	2012
Cash provided by (used in):		
Operating Activities:		
Annual surplus/(deficit)	\$ 1,256	\$ (6,647)
Items not involving cash:		
Amortization	2,785	5,110
Change in non-cash assets and other liabilities:		
Accounts payable and accrued liabilities	6,231	3,951
Prepaid expenses	(25)	127
Net change in due from the Town of Milton from operating activities	10,247	2,541
Capital Activities:		
Cash used to acquire tangible capital assets	(8,751)	-
Net change in due from the Town of Milton	1,496	2,541
Due from the Town of Milton, beginning of year	32,959	30,418
Due from the Town of Milton, end of year	\$ 34,455	\$ 32,959

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





Board of Management of the Town of Milton Downtown Business Improvement Area

Notes to Financial Statements

Year ended December 31, 2013

1. Significant accounting policies:

The financial statements of the Board of Management 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 Town are as follows:

(a) Basis of accounting:

The DBIA 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 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) 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, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Asset	Useful Life – Years
Office Equipment	3–15
Other Equipment	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.

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

(d) 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.

Board of Management of the Town of Milton Downtown Business Improvement Area
Notes to Financial Statements
 Year ended December 31, 2013

2. Change in accounting policy:

(a) Government transfers:

On January 1, 2013 the Town adopted Public Sector Accounting Standards PS 3410, Government Transfers. This standard was adopted on a prospective basis from the date of adoption. Under PS 3410, government transfers received or receivable are recognized in revenue once the eligibility criteria, if any, are met unless they meet the definition of a liability. 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. There were no adjustments as a result of the adoption of this standard.

3. Tangible Capital Assets:

2013			
	Office Equipment	Other Equipment	Total
Cost			
Balance, beginning of year	\$ 6,230	\$ 42,387	\$ 48,617
Additions	-	8,751	8,751
Disposals	(1,165)	-	(1,165)
Balance, end of year	5,065	51,138	56,203
Accumulated amortization:			
Balance, beginning of year	4,076	36,823	40,899
Disposals	(1,165)	-	(1,165)
Amortization expense	688	2,097	2,785
Balance, end of year	3,599	38,920	42,519
Net book value, end of year	\$ 1,466	\$ 12,218	\$ 13,684





Board of Management of the Town of Milton Downtown Business Improvement Area
Notes to Financial Statements
Year ended December 31, 2013

3. Tangible Capital Assets (continued):

2012			
	Office Equipment	Other Equipment	Total
Cost			
Balance, beginning of year	\$ 6,230	\$ 42,387	\$ 48,617
Additions	-	-	-
Disposals	-	-	-
Balance, end of year	6,230	42,387	48,617
Accumulated amortization:			
Balance, beginning of year	3,205	32,584	35,789
Disposals	-	-	-
Amortization expense	871	4,239	5,110
Balance, end of year	4,076	36,823	40,899
Net book value, end of year	\$ 2,154	\$ 5,564	\$ 7,718

4. Accumulated surplus:

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

	2013	2012
Surplus:		
Invested in tangible capital assets	\$ 13,684	\$ 7,718
Reserves:		
Downtown Business Improvement Area	19,367	24,077
Accumulated surplus	\$ 33,051	\$ 31,795

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

The change in the reserve fund balance is as follows:





2013

Town of Milton Financial Report

Multi-Year Comparison of Financial Statements and Five-Year Financial Statistics





Multi-Year Comparison of Financial Statements

Consolidated Statement of Financial Position

(in thousands of dollars)

	2013	2012	2011	2010	2009
Cash and cash equivalents	\$ 43,265	\$ 91,514	\$ 45,666	\$ 42,766	\$ 43,834
Accounts receivable					
Taxes receivable	5,646	6,529	10,578	7,857	9,824
Grants receivable	13,810	196	229	17,684	-
Other	13,036	9,533	8,174	10,657	7,251
Investments	94,606	73,428	83,023	84,183	104,950
Investment in Milton Hydro Holdings Inc.	51,505	49,760	48,927	48,012	45,805
Other Assets	726	560	552	339	304
Total financial assets	\$ 222,597	\$ 231,520	\$ 197,149	\$ 211,498	\$ 211,968
Non-financial assets	870,339	801,639	728,618	667,167	571,259
Total assets	1,092,936	1,033,159	925,767	878,665	783,227
Accounts payable and accrued liabilities	50,095	35,877	22,021	24,707	14,279
Other liabilities	11,269	9,397	6,980	7,512	1,949
Deferred revenue	49,529	73,892	57,622	69,805	90,171
Long-term debentures	33,369	31,300	33,282	31,018	25,010
Developer obligations	1,221	1,808	1,988	6,625	8,454
Employee benefits and other liabilities	1,264	1,183	1,118	961	917
Total liabilities	146,747	153,457	123,011	140,628	140,780
Accumulated surplus	\$ 946,189	\$ 879,702	\$ 802,756	\$ 738,037	\$ 642,447



Multi-Year Comparison of Financial Statements

Consolidated Statement of Operations

(in thousands of dollars)

	2013	2012	2011	2010	2009
Sources of revenue:					
Taxation	\$ 41,653	\$ 38,589	\$ 35,229	\$ 33,434	\$ 29,140
User charges	13,487	12,314	10,355	9,380	8,088
Government transfers:					
Federal	17,012	2,210	7,192	13,328	428
Provincial	764	687	6,206	12,874	2,137
Other municipalities	4,450	6,583	5,052	2,559	1,939
Investment income	3,902	3,873	3,860	3,918	4,168
Penalties and interest	1,953	2,380	1,764	1,792	1,525
Developer contributions	36,442	28,082	38,089	39,483	13,539
Developer contributed assets	22,392	48,010	24,121	38,959	23,474
Proceeds from Ontario Lottery Corporation	5,817	5,505	5,450	5,521	5,526
License, permits, rents etc.	5,698	5,717	5,335	4,929	5,305
Equity in income of Milton Hydro	3,245	2,333	2,415	3,707	2,419
Boundary realignment	-	-	-	2,000	-
Donations	2,418	2,818	390	87	124
Other Recoveries	1,847	2,677	181	373	2,199
Miscellaneous	955	1,415	743	624	125
Total revenue	162,035	163,193	146,382	172,968	100,136
Expenses by function:					
General government	13,799	13,136	12,688	10,972	10,899
Protection to persons and property	12,549	11,756	10,755	9,880	9,205
Transportation services	32,478	29,583	31,390	33,268	30,001
Environmental services	2,037	1,832	1,638	1,928	1,303
Recreational and cultural services	28,943	24,687	20,578	16,611	14,613
Planning and development	5,742	5,253	4,614	4,719	4,080
Total expenses	95,548	86,247	81,663	77,378	70,101
Annual surplus	66,487	76,946	64,719	95,590	30,035
Accumulated surplus, beginning of year	879,702	802,756	738,037	642,447	612,412 *
Accumulated surplus, end of year	\$ 946,189	\$ 879,702	\$ 802,756	\$ 738,037	\$ 642,447

* Change in accounting policy recognizing regulatory liabilities on future income tax assets in investment in Milton Hydro Holdings Inc. resulted in a decrease of \$1,157 in the opening accumulated surplus amount in 2009.



Multi-Year Comparison of Financial Statements

Consolidated Statement of Change in Net Financial Asset

(in thousands of dollars)

	2013	2012	2011	2010	2009
Annual surplus	\$ 66,487	\$ 76,946	\$ 64,719	\$ 95,590	\$ 30,035
Acquisition of tangible capital assets	(89,825)	(94,126)	(86,335)	(122,543)	(52,549)
Amortization of tangible capital assets	20,669	20,321	24,605	24,982	24,215
Loss on disposal of tangible capital assets	137	(71)	353	1,667	315
Proceeds on sale of tangible capital assets	345	780	70	34	976
	(2,187)	3,850	3,412	(270)	2,992
Milton Hydro: change in accounting policy Future income taxes	-	-	-	-	(1,157)
Change in supplies of inventory	36	137	(71)	(18)	(95)
Change in prepaid expenses	(62)	(62)	(73)	(30)	75
Change in net financial assets	(2,213)	3,925	3,268	(318)	1,815
Net financial assets, beginning of year	78,063	74,138	70,870	71,188	69,373
Net financial assets, end of year	\$ 75,850	\$ 78,063	\$ 74,138	\$ 70,870	\$ 71,188

Analysis of Expenses by Object

(in thousands of dollars)

	2013	2012	2011	2010	2009
Salaries, wages and employee benefits	\$ 37,378	\$ 34,449	\$ 31,265	\$ 28,679	\$ 29,857
Purchased goods	9,579	7,730	7,675	7,514	3,280
Purchased services	25,822	20,593	15,579	13,504	10,225
Financial expenses	1,725	2,574	1,941	2,156	1,948
External transfers	375	580	597	543	575
Amortization expense	20,669	20,321	24,606	24,982	24,216
Total expenses	\$ 95,548	\$ 86,247	\$ 81,663	\$ 77,378	\$ 70,101



Multi-Year Comparison of Financial Statements

Net Book Value of Tangible Capital Assets

(in thousands of dollars)

	2013	2012	2011	2010	2009
Land	\$ 262,349	\$ 257,793	\$ 234,645	\$ 216,466	\$ 186,294
Land improvements	33,907	30,097	25,855	19,827	15,325
Buildings and building improvements	93,617	92,294	90,826	41,967	39,200
Machinery and equipment	74,947	69,788	68,107	46,666	42,454
Linear assets	324,281	307,834	283,019	263,308	271,429
Assets under construction	80,707	43,328	25,586	78,497	16,169
Total assets	\$ 869,808	\$ 801,134	\$ 728,038	\$ 666,731	\$ 570,871



Multi-Year Comparison of Financial Statements

Accumulated Surplus

(in thousands of dollars)

	2013	2012	2011	2010	2009
Reserves set aside by Council:					
Aggregate permit fees	\$ 388	\$ 244	\$ 154	\$ 711	\$ 504
Capital provision/growth	8,233	8,461	4,020	1,270	7,968
Capital works	8,611	9,996	10,619	9,449	8,237
Computer replacement	1,024	693	475	391	362
Downtown Business Improvement Area	19	24	26	9	15
Election	136	90	45	-	88
Equipment replacement	3,384	2,343	2,208	1,981	1,376
Growth related resources	1,302	1,901	2,089	2,174	1,794
Infrastructure renewal reserve	100	-	-	-	-
Insurance	649	703	694	623	512
Legal action	130	465	560	500	670
Library services	325	320	203	300	352
Library capital	359	301	272	-	-
Municipal building component	1,885	1,382	992	428	386
Municipal building replacement	532	361	46	1,282	417
Per unit development processing fee	1,319	1,574	1,224	1,126	867
Seniors fundraising	126	122	113	115	109
Tax rate stabilization	2,130	2,917	3,918	3,375	3,030
Training	216	201	185	174	133
Transit and transportation	1,169	741	195	1,020	1,556
Winter control	365	1,136	1,026	683	683
Working funds	1,064	1,064	1,064	1,000	1,000
WSIB	487	524	540	573	585
Total reserves	\$ 33,953	\$ 35,563	\$ 30,668	\$ 27,184	\$ 30,644





Five-Year Financial Statistics

Property Taxation

	2013	2012	2011	2010	2009
Weighted assessment by property class					
Residential	\$ 11,705,085,852	\$ 10,632,801,134	\$ 9,668,060,350	\$ 8,414,257,663	\$ 7,295,247,448
Multi-residential	291,661,069	254,482,343	247,708,604	229,181,618	218,613,189
Farmland	50,226,891	43,711,292	40,507,095	36,669,983	33,289,296
Managed forests	4,954,094	4,470,705	3,867,960	3,466,930	3,183,069
Commercial	2,594,974,184	2,359,985,122	2,130,798,316	1,897,315,080	1,693,367,879
Industrial	1,183,062,929	1,165,356,098	1,114,079,712	1,054,354,687	925,549,035
Pipelines	71,953,798	70,792,033	68,483,351	63,844,978	60,240,858
Total weighted assessment	\$15,901,918,817	\$14,531,598,727	\$13,273,505,388	\$11,699,090,939	\$10,229,490,774

Commercial and industrial as % of total weighted assessment	24%	24%	24%	25%	26%
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Total tax levied and collected

Property tax levied	\$ 42,261,125	\$ 38,461,854	\$ 34,683,837	\$ 33,433,914	\$ 29,139,953
Taxes billed on behalf of Region of Halton	56,835,985	53,485,673	50,966,607	49,493,631	45,077,578
Taxes billed on behalf of school boards	52,991,030	49,881,259	48,866,802	46,406,994	43,273,183
Total tax levied	\$ 152,088,140	\$ 141,828,786	\$ 134,517,246	\$ 129,334,539	\$ 117,490,714
Total tax collected	\$ 152,968,787	\$ 145,452,611	\$ 131,796,280	\$ 131,301,684	\$ 114,309,623



Five-Year Financial Statistics

Property Taxation

	2013	2012	2011	2010	2009
Taxation rates by property class – Urban					
Residential					
Town of Milton	0.251540%	0.252354%	0.253545%	0.253929%	0.256855%
Region of Halton	0.341064%	0.354086%	0.367099%	0.383494%	0.407832%
School boards	0.212000%	0.221000%	0.231000%	0.241000%	0.252000%
	0.804604%	0.827440%	0.851644%	0.878423%	0.916687%
Multi-residential					
Town of Milton	0.568958%	0.570800%	0.573494%	0.574363%	0.580979%
Region of Halton	0.771452%	0.800905%	0.830341%	0.867424%	0.922476%
School boards	0.212000%	0.221000%	0.231000%	0.241000%	0.252000%
	1.552410%	1.592705%	1.634835%	1.682787%	1.755455%
Farmlands					
Town of Milton	0.050308%	0.050470%	0.050710%	0.050786%	0.051371%
Region of Halton	0.068213%	0.070817%	0.073421%	0.076698%	0.081567%
School boards	0.053000%	0.055250%	0.057750%	0.060250%	0.063000%
	0.171521%	0.176537%	0.181881%	0.187734%	0.195938%
Managed forests					
Town of Milton	0.062884%	0.063089%	0.063386%	0.063482%	0.064214%
Region of Halton	0.085266%	0.088521%	0.091775%	0.095873%	0.101958%
School boards	0.053000%	0.055250%	0.269982%	0.060250%	0.063000%
	0.201150%	0.206860%	0.425143%	0.219605%	0.229172%
Commercial					
Town of Milton	0.366367%	0.367554%	0.369288%	0.369847%	0.374108%
Region of Halton	0.496758%	0.515725%	0.534680%	0.558558%	0.594007%
School boards	0.969644%	1.007461%	1.079929%	1.165006%	1.264346%
	1.832769%	1.890740%	1.983897%	2.093411%	2.232461%
Commercial - vacant units/excess land					
Percentage of full rate	70%	70%	70%	70%	70%





Five-Year Financial Statistics

Property Taxation

	2013	2012	2011	2010	2009
Industrial					
Town of Milton	0.593609%	0.595532%	0.598341%	0.599247%	0.606151%
Region of Halton	0.804877%	0.835607%	0.866317%	0.905006%	0.962443%
School boards	1.571345%	1.576954%	1.660413%	1.754070%	1.859195%
	2.969831%	3.008093%	3.125071%	3.258323%	3.427789%
Industrial - Vacant land/excess land					
Percentage of full rate	65%	65%	65%	65%	65%

Pipeline					
Town of Milton	0.267060%	0.267924%	0.269189%	0.269597%	0.272703%
Region of Halton	0.362107%	0.375933%	0.389749%	0.407156%	0.432995%
School boards	1.203959%	1.227780%	1.266862%	1.308523%	1.353050%
	1.833126%	1.871637%	1.925800%	1.985276%	2.058748%

Taxation rates by property class - General

Residential					
Town of Milton	0.217554%	0.217304%	0.212707%	0.212393%	0.214340%
Region of Halton	0.338872%	0.352164%	0.365036%	0.381453%	0.405889%
School Boards	0.212000%	0.221000%	0.231000%	0.241000%	0.252000%
	0.768426%	0.790467%	0.808743%	0.834846%	0.872229%
Multi-residential					
Town of Milton	0.492086%	0.491519%	0.481122%	0.480412%	0.484815%
Region of Halton	0.766494%	0.796558%	0.825675%	0.862808%	0.918081%
School boards	0.212000%	0.221000%	0.231000%	0.241000%	0.252000%
	1.470580%	1.509077%	1.537797%	1.584220%	1.654896%
Farmlands					
Town of Milton	0.043511%	0.043460%	0.042542%	0.042479%	0.042868%
Region of Halton	0.067775%	0.070433%	0.073008%	0.076290%	0.081178%
School boards	0.053000%	0.055250%	0.057750%	0.060250%	0.063000%
	0.164286%	0.169143%	0.173300%	0.179019%	0.187046%

Five-Year Financial Statistics

Property Taxation

	2013	2012	2011	2010	2009
Managed Forests					
Town of Milton	0.054388%	0.054326%	0.053176%	0.053098%	0.053585%
Region of Halton	0.084718%	0.088041%	0.091259%	0.095363%	0.101472%
School boards	0.053000%	0.055250%	0.269982%	0.060250%	0.063000%
	0.192106%	0.197617%	0.414417%	0.208711%	0.218057%
Commercial					
Town of Milton	0.316867%	0.316503%	0.309807%	0.309350%	0.312186%
Region of Halton	0.493566%	0.512926%	0.531675%	0.555586%	0.591177%
School boards	0.969644%	1.007461%	1.079929%	1.165006%	1.264346%
	1.780077%	1.836890%	1.921411%	2.029942%	2.167709%
Commercial - Vacant units/excess land					
Percentage of full rate	70%	70%	70%	70%	70%
Industrial					
Town of Milton	0.513406%	0.512816%	0.501967%	0.501226%	0.505821%
Region of Halton	0.799704%	0.831071%	0.861449%	0.900190%	0.957858%
School boards	1.571345%	1.576954%	1.660413%	1.754070%	1.859195%
	2.884455%	2.920841%	3.023829%	3.155486%	3.322874%
Industrial - Vacant land/excess land					
Percentage of full rate	65%	65%	65%	65%	65%
Pipeline					
Town of Milton	0.230977%	0.230711%	0.225831%	0.225498%	0.227565%
Region of Halton	0.359780%	0.373892%	0.387559%	0.404989%	0.430932%
School boards	1.203959%	1.227780%	1.266862%	1.308523%	1.353050%
	1.794716%	1.832383%	1.880252%	1.939010%	2.011547%





Five-Year Financial Statistics

Long-Term Debt and Other Statistics

	2013	2012	2011	2010	2009
Transfers from other levels of government					
Federal	\$ 17,012,047	\$ 2,209,449	\$ 7,191,800	\$ 13,327,946	\$ 428,171
Provincial	764,030	687,443	6,205,602	12,874,332	2,137,240
Total transfers	17,776,077	2,896,892	13,397,402	26,202,278	2,565,410

Long-term debt:					
Debt supported by property taxes	18,727,283	14,683,574	16,879,757	18,566,946	17,036,946
Debt supported by development charges	10,064,778	11,472,493	10,933,828	6,475,473	1,508,871
Debt supported by reserves and reserve funds	4,434,552	4,865,643	5,060,021	5,442,816	5,811,950
Debt supported by user fees	142,234	278,136	408,098	532,643	652,161
Total long-term debt	\$ 33,368,847	\$ 31,299,846	\$ 33,281,705	\$ 31,017,878	\$ 25,009,928

Long-term debt by function:					
General government	\$ 8,371,769	\$ 6,732,358	\$ 10,909,744	\$ 8,002,048	\$ 8,657,623
Fire	3,050,963	3,369,904	1,777,690	626,146	-
Roadways	10,626,430	8,443,537	8,466,809	10,750,964	11,038,485
Parks	1,530,365	1,392,713	1,596,010	1,791,622	1,980,164
Recreation facilities	7,890,100	9,222,691	7,948,544	7,245,018	3,106,113
Cultural services	1,750,261	1,968,651	2,392,836	2,392,837	-
Library	148,959	169,991	190,072	209,243	227,543
Total long-term debt	\$ 33,368,847	\$ 31,299,846	\$ 33,281,705	\$ 31,017,878	\$ 25,009,928

Total long-term debt per capita	361.92	339.48	378.20	378.27	318.6
Total long-term debt per household	1,104.20	1,035.73	1,160.45	1,131.63	987.75

Annual debt repayment limit*	20,269,498	20,723,283	17,302,886	17,531,596	14,998,783
Actual annual debt repayment	5,661,569	5,389,525	3,479,713	3,752,705	3,318,070
Actual debt repayment as % of own source revenues	7%	7%	5%	5%	6%

* Calculated as 25% of current year actual net revenue.

Five-Year Financial Statistics

Municipal Statistics

	2013	2012	2011	2010	2009
Population	98,000	92,200	88,000	82,000	78,500
Area	37,754	37,754	37,754	37,754 *	38,100
Households	32,183	30,220	28,680	27,410	25,320
Full time employees	331	316	302	284	256
Part time	120	128	142	141	141
Seasonal	302	270	243	246	235
Total employees	753	714	687	671	632
Roads infrastructure					
Paved roads	1,055	1,029	963	945	911
Unpaved roads	0	0	0	0	4
Recreation					
Total kilometres of trails	21.76	21.76	19.53	14.97	14.03
Total hours of recreations programs	4,120,044	4,494,229	4,377,511	4,219,789	3,082,402

Source: Financial Information Return and Municipal Performance Measurement Program

* 2010 Town area has decreased due to municipal boundary realignment with the City of Mississauga.



Five-Year Financial Statistics

Municipal Statistics

	2013	2012	2011	2010	2009
New construction procurement:					
Number of new construction contracts awarded	19	16	16	23	26
Total value of new construction contracts awarded	\$ 14,286,199	\$ 21,066,613	\$ 50,460,861	\$ 81,350,778	\$ 19,312,723

Square metres of new construction:					
Residential properties	55,959	204,193	232,707	360,976	316,718
Multi-residential properties	28,888	151,999	103,341	88,269	40,910
All other property classes	103,386	255,744	325,711	106,014	46,982
Total square metres	188,233	611,936	661,759	555,259	404,610

Building permits issued:					
Residential properties	237	967	1,045	741	14,83
Multi-residential properties	303	1,258	848	677	283
All other property classes	158	131	129	152	147
Total building permits issued	698	2,356	2,022	1,570	1,913

Value of building permits issued:					
Residential properties	\$ 71,845,441	\$ 174,694,261	\$ 189,546,097	\$ 132,155,417	\$ 281,328,300
Multi-residential properties	27,535,869	145,488,443	83,361,716	88,038,423	40,250,992
All other property classes	138,529,227	240,890,129	53,701,000	205,542,095	75,001,120
Total value of building permits issued	\$ 237,910,537	\$ 561,072,833	\$ 326,608,813	\$ 425,735,935	\$ 396,580,412

List of 2013 Principal Corporate Tax Accounts

- 857529 Ontario Incorporated/Karmax Heavy Stamping
- 3131 STMartin Equities Incorporated
- Sobeys Capital Incorporated
- Westpen Properties
- Manheim Auto Auctions
- Hoopp Realty Incorporated
- 4173015 Canada Incorporated
- 3242795 Nova Scotia Limited
- Calloway Reit (Milton) Incorporated





Information on the Town of Milton is available at

www.milton.ca

Direct any inquires regarding this document to:

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Corporate Services Department

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L9T 6Z5

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