



The Corporation of the Town of Milton

# Financial Report 2023

Town of Milton, Ontario, Canada

For the Fiscal Year Ended December 31, 2023



## Land Acknowledgement

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



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

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

# TABLE OF CONTENTS

## INTRODUCTION

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- 1 About Milton
- 5 Governance
- 6 Organizational Structure
- 7 Message from the Treasurer
- 8 Financial Statements Discussion and Analysis

## FINANCIAL REPORTS

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### THE CORPORATION OF THE TOWN OF MILTON

- 35 Management's Responsibility for the Consolidated Financial Statements
- 36 Independent Auditors' Report
- 39 Consolidated Statement of Financial Position
- 40 Consolidated Statement of Operations
- 41 Consolidated Statement of Change in Net Financial Assets
- 42 Consolidated Statement of Cash Flows
- 44 Notes to Consolidated Financial Statements

### MILTON PUBLIC LIBRARY

- 77 Independent Auditors' Report
- 79 Statement of Financial Position
- 80 Statement of Operations
- 81 Statement of Change in Net Financial Assets
- 82 Statement of Change in Due from the Town of Milton
- 83 Notes to Financial Statements

### DOWNTOWN MILTON BUSINESS IMPROVEMENT AREA

- 95 Independent Auditors' Report
- 97 Statement of Financial Position
- 98 Statement of Operations
- 99 Statement of Change in Net Financial Assets
- 100 Statement of Change in Due from the Town of Milton
- 101 Notes to Financial Statements

## STATISTICAL DATA

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### MULTI-YEAR COMPARISON OF FINANCIAL STATEMENTS

- 109 Consolidated Statement of Financial Position
- 110 Consolidated Statement of Operations
- 111 Consolidated Statement of Change in Net Financial Assets
- 111 Analysis of Expenses by Object
- 112 Net Book Value of Tangible Capital Assets
- 113 Accumulated Surplus

### FIVE-YEAR FINANCIAL STATISTICS

- 115 Property Taxes
- 118 Long-Term Debt and Other Statistics
- 119 Municipal Statistics
- 121 List of Principal Tax Accounts and Principal Employers

# ABOUT MILTON

The Town of Milton has a strategic vision for the future that guides the work of Council and staff to meet the needs of our evolving community:

“In 2051, Milton will be a safe, diverse and welcoming community that respects its natural beauty and heritage, supports a range of neighbourhoods, sustains a strong and balanced economy, and offers outstanding opportunities to live, learn, work and play.”

The Town is a responsive municipal organization that understands the importance of listening and collaborating with local residents, businesses and partners. Working together, we can deliver on our vision through our strategic plan.

## 2023-2027 STRATEGIC PLAN

Council identified Milton’s priorities through the development of the **2023-2027 Strategic Plan**. The plan strives for abundant economic opportunity for residents, educational opportunities for youth, and a community that leads in sustainability, diversity and inclusion.

Together with staff, Council has set five themes:



### Invest in People

We will invest in a more permanent, balanced and highly skilled workforce required for Vision 2051, making the Town of Milton an employer of choice where diverse and talented staff are able to offer superior service and productivity in a period of rapid change.



### Innovate in Technology and Process

We will focus substantial investments in technology, process improvements and meaningful partnerships to improve customer service, embed sustainable practices and create a foundation for flattening long-term costs.



### Quality Facilities and Amenities

We will deploy adequate and consistent resources to maintain, operate and intensify the use of parks, facilities and other Town-owned assets, improving resident safety and quality of place.



### Connected Transit and Mobility

We will accelerate investments in Milton-owned transit assets so these connect to other services, increase transit ridership and help pedestrians and cyclists navigate our community defined by smart density, placemaking, mobility and economic development.



### Planned Community Growth

We will plan and build infrastructure that supports the changing needs of our community as we prepare for a future with higher density, mixed-use neighbourhoods that offer an excellent quality of life.

## A Place of Possibility

The Town of Milton is a vibrant community.

We are planning a community with exceptional quality of life.

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

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

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

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

**Milton is A Place of Possibility.**



# QUICK FACTS



**365 sq. km**  
Land Area



**140,260**  
Population  
(2023 estimate)



**384**  
Population density  
per sq. km



**346%**  
Population growth (2001-2023)  
From **31,471** to **140,260**

## 238k

**Milton continues to be one of Canada's fastest growing mid-size municipalities.**

The Town has had record breaking growth from 2001-2023 of 346% and a total population forecast for 2031 of 238,000 - a further increase of 97,740 or 70%



**43,091**  
Households in 2023



**\$154,995**  
\*Average household  
income



**\$559,356**  
\*Average assessed value  
per dwelling



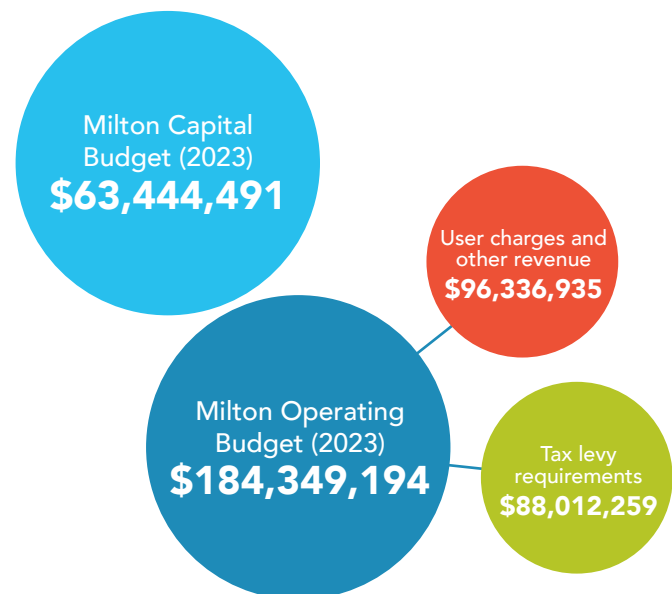
**2.70%**  
\*Property taxes as a % of  
household income  
Lowest in GTA (average of 3.60%)



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



### Capital and operating budgets by the numbers

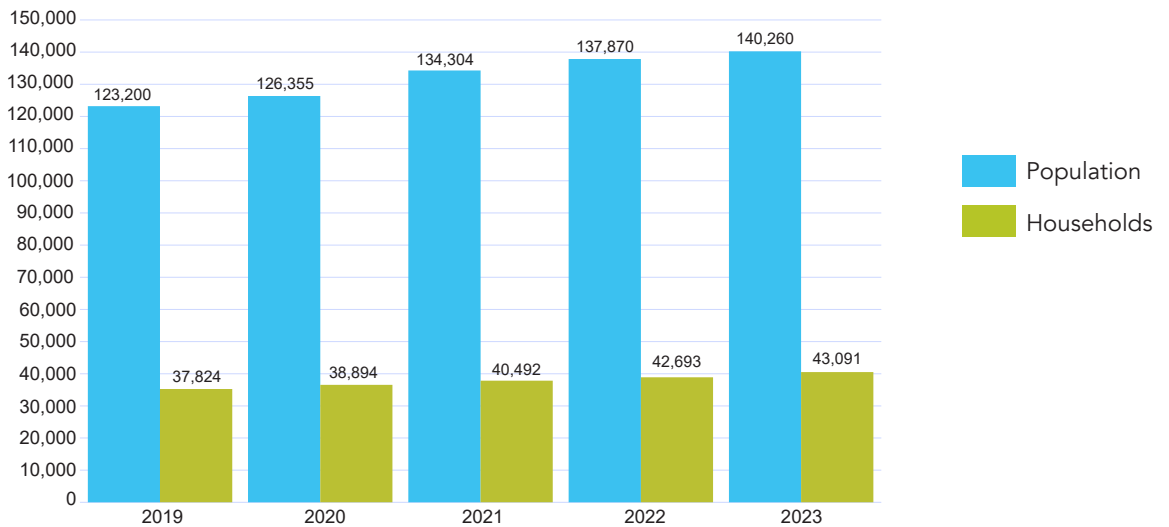


\*Source: BMA Management Consulting Inc. Municipal Study 2023

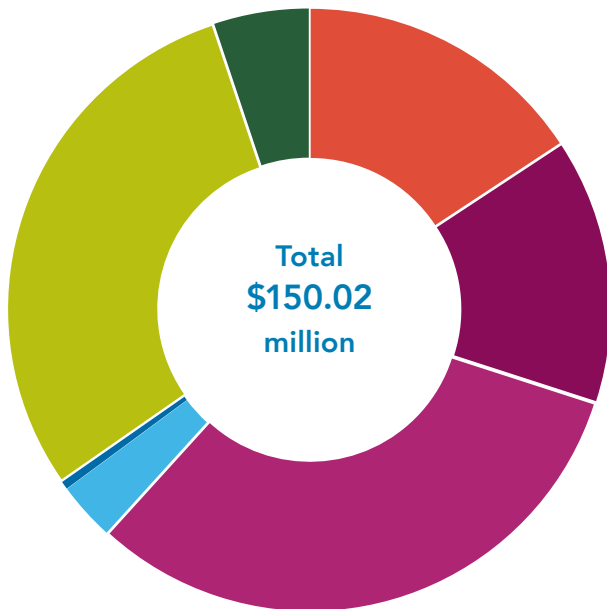
Note: Tax Levy requirements excludes budgeted supplementary taxes and payments in lieu.

# HIGHLIGHTS

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

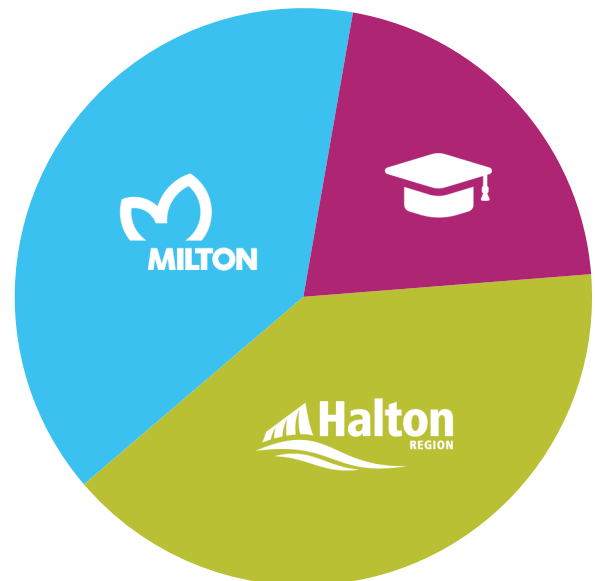


## 2023 Expenses (actuals) (in million dollars)



- Environmental services 3.16%
- Health services 0.43%
- Recreational and cultural services 29.55%
- Planning and development 5.13%
- General Government 15.73%
- Protection to person and property 14.24%
- Transportation services 31.75%

## 2023 Residential Tax Breakdown



- Town of Milton 40%
- Halton Region 39%
- School Boards 21%

## MAYOR AND COUNCIL

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

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



**Gordon Krantz**  
Mayor



**Colin Best**  
Regional Councillor  
Ward 1



**Rick Malboeuf**  
Regional Councillor  
Ward 2



**Sammy Ijaz**  
Regional Councillor  
Ward 3



**Sameera Ali**  
Regional Councillor  
Ward 4



**Kristina Tesser Derksen**  
Town Councillor  
Ward 1



**John Challinor II**  
Town Councillor  
Ward 2



**Adil Khalqi**  
Town Councillor  
Ward 3



**Sarah Marshall**  
Town Councillor  
Ward 4

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



# ORGANIZATIONAL STRUCTURE

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



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

## MESSAGE FROM THE TREASURER

The Town of Milton is proud to present its annual Financial Report, which details the Town's financial performance and highlights key accomplishments through 2023. The financial statements have been prepared in accordance with the Municipal Act, 2001, and are based on the reporting standards set by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

In 2023, Town Council approved a strategic plan for the Town that will allow the community to achieve its goals and vision for 2051. The resulting themes of investing in people, technology, facilities, transit and mobility, as well as planning for the changing needs of a growing community, will be engrained in the Town's service delivery and lead to opportunities for residents and businesses alike.

Growth within the community remains a key focus for Milton and an important element in addressing the housing challenges faced both locally and beyond. Residential growth in Milton realized an increase of 33.8% in the number of units created relative to 2022, with a continuation in the shift towards medium and high density housing types. Construction in the non-residential sector was also strong, with 314 thousand square meters of development in 2023.

Within the broader economy, 2023 saw the Bank of Canada increase the overnight rate by 75 basis points, which led to a higher than anticipated returns for new investments and contributed to inflation rates easing from 6.8% in 2022 to 3.9% for 2023.

These factors contributed to a strengthening of the Town's financial position in 2023. The Town's net financial assets grew by 6.5% to \$191.1 million, with both an increase in the value of the Town's long-term investments, as well as a decrease in the amount of debt outstanding. The Town's tangible capital asset base also continued to grow with a \$64.4 million increase, largely in the form of infrastructure that was constructed or funded by the development community. These results will be considered as the Town plans for the fiscal years ahead, where the impacts of inflation, service level demands and growth are expected to remain prevalent as Town Council prioritizes the allocation of resources for the community.

The accomplishments of 2023 are reflective of the collaborative and forward thinking approach that continues to shape Milton as a vibrant community. The Town looks forward to further building on this foundation in the years ahead.

Glen Cowan  
Chief Financial Officer & Treasurer

June 3, 2024

# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

The accompanying financial statements are prepared in accordance with the Canadian public sector accounting standards published by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants Canada. The Financial Report is published to provide the Town's Council, staff, citizens and other readers with detailed information concerning the financial position and activities of the Corporation of the Town of Milton (the "Town") for the fiscal year ended December 31, 2023. There are four required financial statements:

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

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

## Town of Milton Mandate

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

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

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

The Town of Milton is a lower tier municipality within the Regional Municipality of Halton ("Halton Region"). The Town collects taxes and other revenues on behalf of the Halton Region (an upper tier municipal government) and the school boards. The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the Halton Region 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 Halton Region to provide a number of services which include, but are not limited to, policing, waste and recycling collection, water and sewage treatment and social housing.

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

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

## Management Responsibility

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

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

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

The consolidated financial statements have been audited by Deloitte LLP, an independent external auditor appointed by the Town. The Independent Auditor's Report, which is included in the statements, provides an unqualified "clean" opinion on the Town's consolidated financial statements for the year ended December 31, 2023. The report also outlines the auditor's responsibilities and the scope of their examination.

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

An audit involves performing specific procedures chosen by the auditors to obtain audit evidence in order to verify the amounts and disclosures in the consolidated financial statements as well as to assess the risk of material misstatements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

## Risk Management and Significant Financial Management Policies

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

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

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

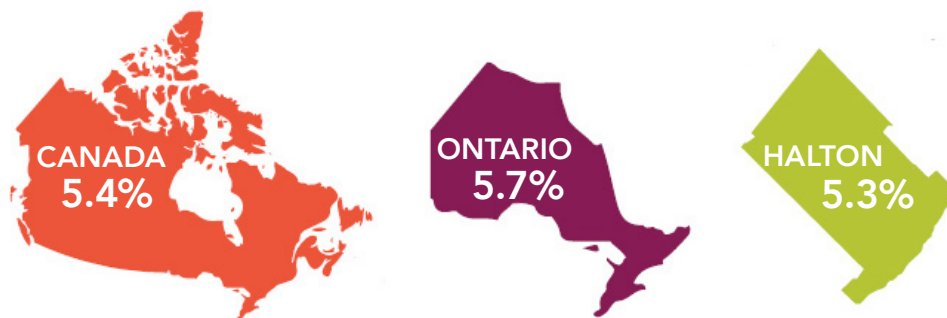
The Town's financial management policies regarding tangible capital assets (TCAs) stipulate that said assets are recorded at cost and include all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The costs, less residual value, of the TCAs are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

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

## 2023 Economic Update

### Employment Growth

The 2023 unemployment rate for Canada was 5.4% (5.3% in 2022) and 5.7% (5.6% in 2022) for Ontario<sup>1</sup>. The unemployment rate in Halton Region was 5.3% (5.5% in 2022)<sup>2</sup>.



### Inflation

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

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

For the 2023 budget, the MPI for the Town of Milton includes a 5.90% change in expenditures and a total pressure of 7.11% when revenues are considered.

### Interest Rates/Borrowing

During 2023 the Bank of Canada (BOC) increased the overnight rate by 75 basis points from 4.25% to 5.00% to help address higher levels of inflation which have started to ease from a high of 6.8% in 2022 to 3.9% in 2023. Over the course of 2023 yields on longer dated bonds were fairly consistent for the first six months of the year. As the market started pricing in decreases in the overnight rate the longer term investment yields declined starting in the Fall of 2023, resulting in an inverted yield curve (short-term rates are higher than long-term rates). Overall, returns were higher in 2023 than in 2022, for reference, the return on a 5 year Government of Canada bond averaged 3.56% in 2023 (2022 average: 2.78%) and 10 year Government of Canada yields averaged 3.36% in 2023 (2022 average: 2.77%).

This affects the Town in two key ways:

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

<sup>1</sup> Statistics Canada

<sup>2</sup> Halton Region

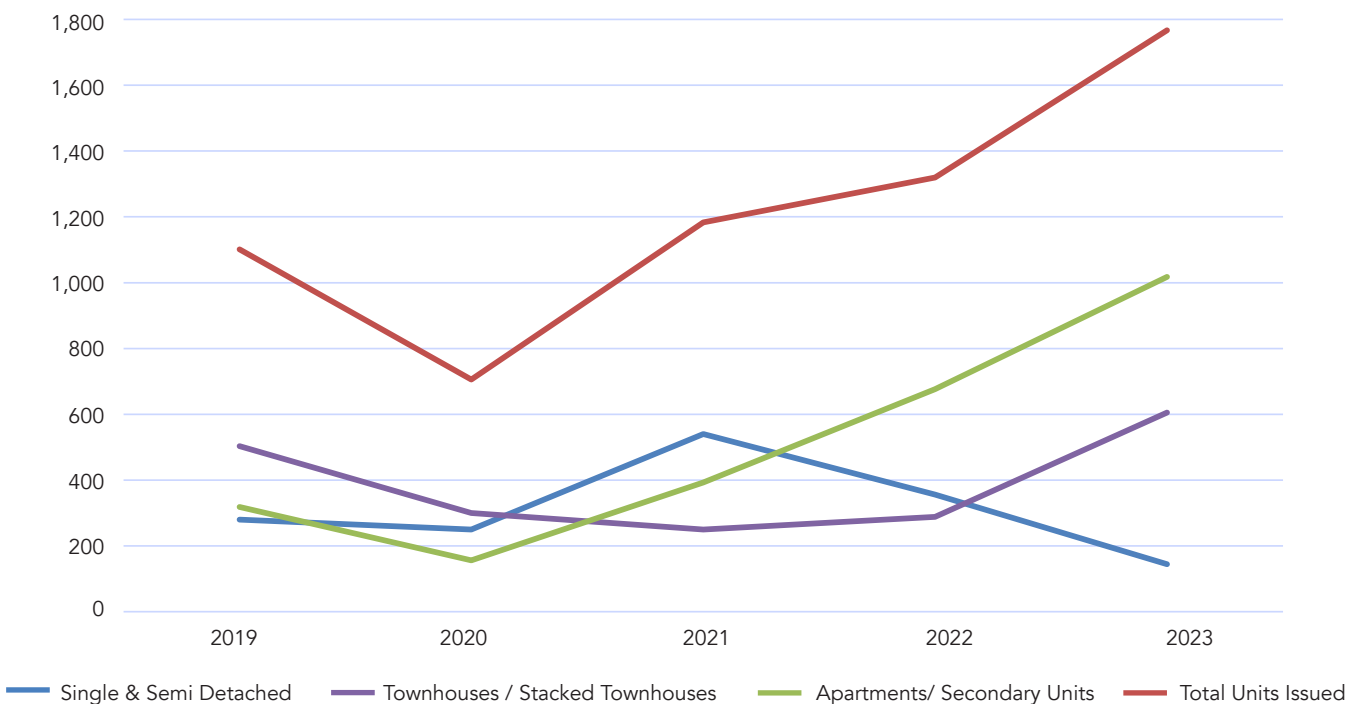
# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

## 2023 Significant Events Affecting Financial Statements

### Growth and Building Activity

Residential building activity increased in 2023 relative to recent years, with total residential units issued of 1,767. This represents a 33.8% increase from 2022, when 1,320 units were issued. The issuance of Secondary Units increased significantly when compared to 2022, as development is shifting towards higher density, as well as more affordable unit types. This trend is expected to continue in future years, due to a combination of market demand, economic conditions, and a number of financial incentives to support these unit types.

Residential Development (in units)

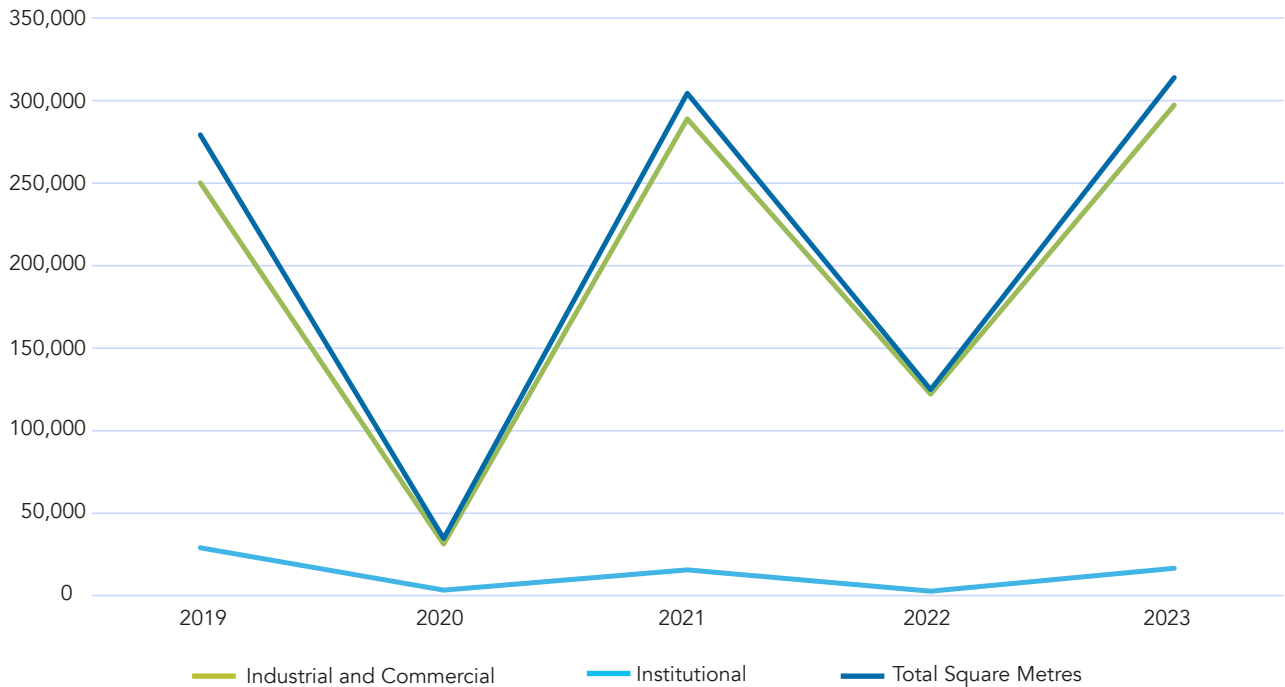


	2019	2020	2021	2022	2023
Single and Semi Detached	280	250	540	356	144
Townhouses / Stacked Townhouses	503	300	250	288	605
Apartments / Secondary Units	318	156	393	676	1,018
<b>Total Units Issued</b>	<b>1,101</b>	<b>706</b>	<b>1,183</b>	<b>1,320</b>	<b>1,767</b>

# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

The Industrial, Commercial and Institutional (ICI) permit activity remained robust in 2023. There was a significant increase in total Non-Residential Floor Areas compared to the previous year with 2023 achieving a 5-year high, largely driven by development in the Derry Green Business Park. This uptick is indicative of the underlying strength and resilience of the ICI sectors, and it reflects a continued confidence in the long-term economic prospects of the community.

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



	2019	2020	2021	2022	2023
Industrial and Commercial	250,239	31,237	288,935	122,132	297,409
Institutional	29,054	3,455	15,612	2,726	16,580
<b>Total Square Metres</b>	<b>279,293</b>	<b>34,692</b>	<b>304,547</b>	<b>124,858</b>	<b>313,989</b>

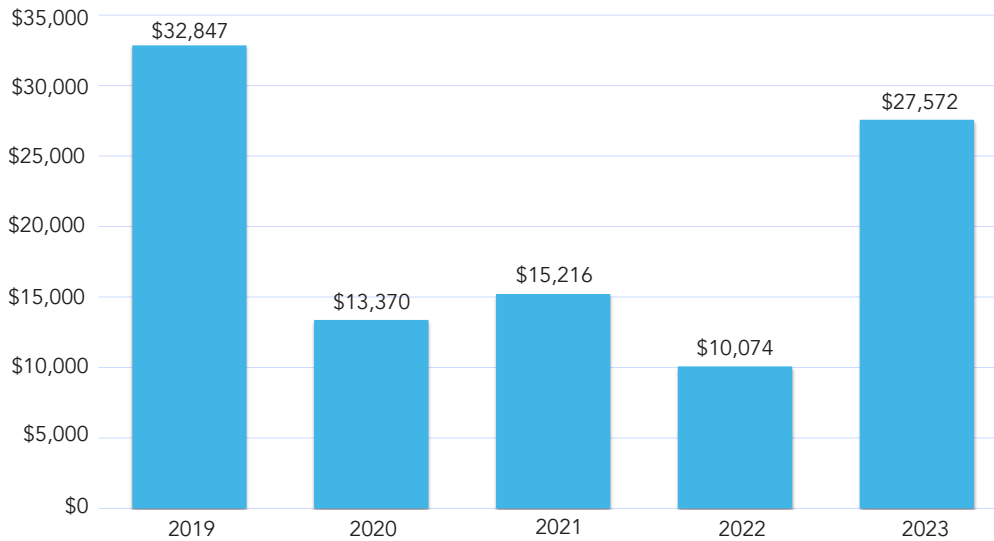
As we move forward, we remain committed to fostering a supportive environment for all building and development activities, while also adapting to the ever-changing economic landscape.



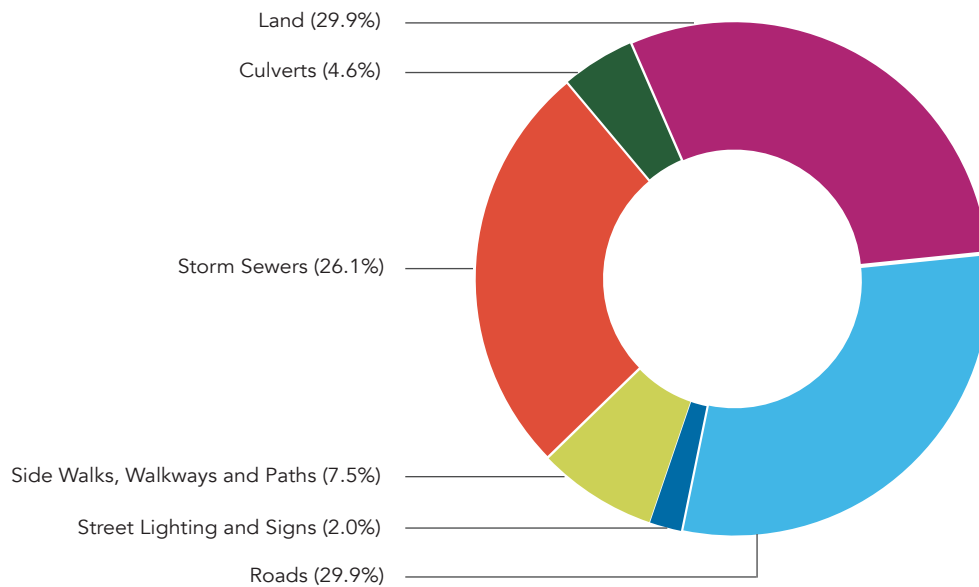
## Contributed Tangible Capital Assets

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

**Contributed Tangible Capital Assets  
(in thousands of dollars)**



**Breakdown of Contributed Tangible Capital Assets - 2023**



## Major Construction Projects in 2023

### Fifth Line (Hwy 401 to Derry Road)

This project is for the reconstruction and widening of Fifth Line from Hwy. 401 to Derry Road. The project was phased over multiple years. Phase 1 was completed in 2023 and consisted of widening, urbanization and realignment of Fifth Line from Hwy. 401 to south of Main Street East, intersection improvements at Main Street East and Fifth Line and the replacement of the 16 Mile Creek structure. The next phase of construction is currently underway which includes the widening and urbanization of Fifth Line, replacement of the at-grade crossing of the Canadian Pacific Railway tracks, construction of multiple cross culverts and intersection improvements at the Yukon Court, Labrador Avenue and Derry Road intersections with Fifth Line. Construction of the second phase is anticipated to be complete in fall 2024. The total estimated costs of this project is \$42.3 million.

### Bronte Street (Main to Steeles)

This project is for the reconstruction and widening of Bronte Street, between Main Street and Steeles Avenue. The widening has been phased over multiple years. Phase 1 was completed in 2019 and consisted of widening from Main Street to Victoria Street, and intersection improvements at Main Street and Bronte Street. Advance works to prepare for Phase 2 (Victoria to Steeles) were completed in 2020. Phase 2 works, for the section from Victoria Street to Steeles Avenue, includes the replacement of the 16 Mile Creek structure, the replacement of the at-grade crossing of the Canadian Pacific Railway tracks, burying of the Hydro lines for a portion of the west side of Bronte Street, and the removal of a 'jog" in the roadway. Construction of Phase 2 has achieved substantial completion in October 2023. The total cost of this project is estimated at \$36.0 million.

### Asphalt Overlay Program

This is an annual program to rehabilitate the asphalt surface on roads before they deteriorate to the point where major reconstruction is required, and is an important component in maintaining the Town's road network. Included in the program is the replacement of portions of curb, sidewalk, and rebuilding catch basins and manholes. The total amount spent in 2023 was \$8.1 million.

## 2023 Financial Highlights

Net revenue increased from \$61.6 million in 2022 to \$77.5 million in 2023. This net increase of \$15.8 million was reflective of an increase in revenue of \$26.1 million, partially offset by an increase in expenses of \$10.3 million.

Total revenue for 2023 is \$227.5 million compared to 2022 total revenue of \$201.4 million, an increase of \$26.1 million. This is largely the result of an increase in developer contributed assets of \$17.5 million in addition to higher revenues from property taxation, user fees, investments and developer contributions.

In 2023, total expenses increased by \$10.3 million from \$139.7 in 2022 to \$150.0 million in 2023. This is reflective of the resumption of service for the full fiscal year, inflationary pressures and growth in the Town's services and asset base.

The audited consolidated financial statements indicate that the Town's net financial position at December 31, 2023, as represented by the accumulated surplus, equals \$1,434.7 million. This amount has grown by 5.7% relative to 2022 year end. The large majority of the accumulated surplus, as well as the growth in it, is related to non-financial assets such as the Town's infrastructure, which is used to support service delivery. Growth in this asset base, much of which is initially constructed and/or funded by developers, will require sufficient annual funding in order to provide for the eventual rehabilitation and replacement of many of these assets if existing service levels are to be sustained.

The Town finished 2023 with debt principal outstanding of \$41.3 million, a large portion of which relates to the Town's local contribution towards the hospital expansion. The Town's debt capacity ratio of 4.60% is well within the guidelines set by both the Province and Town Council. Reserve balances increased to \$145.3 million from \$134.3 million.

# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

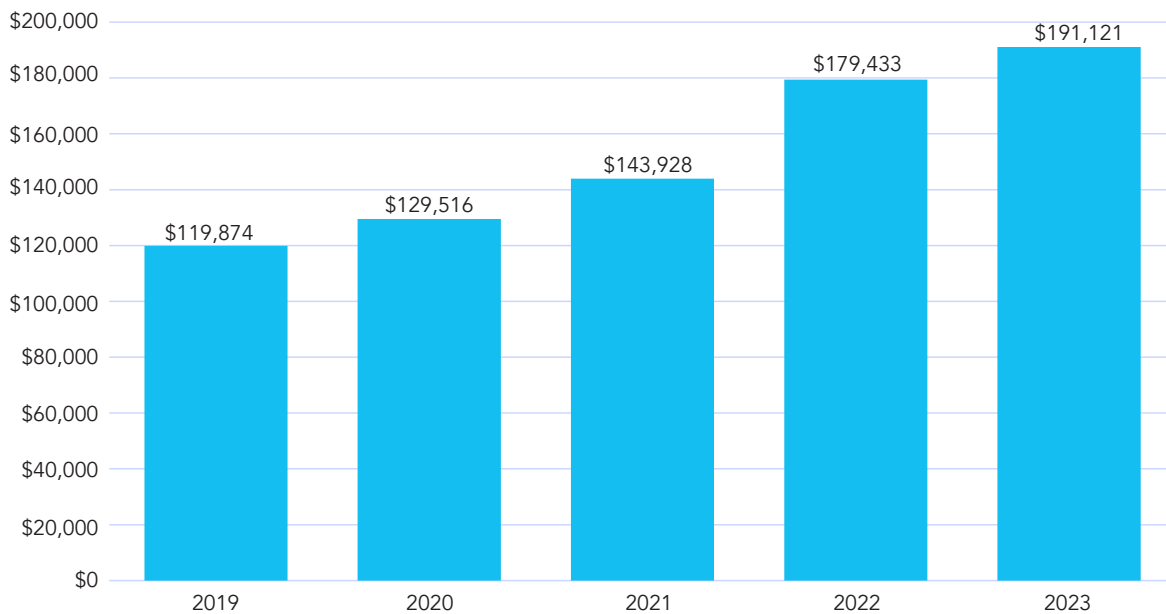
## Consolidated Statement of Financial Position

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

	2023	2022	Variance	% Change
Financial assets	\$ 360,536	\$ 352,053	\$ 8,483	2.4%
Financial liabilities	\$ 169,415	\$ 172,620	\$ (3,205)	(1.9%)
<b>Net financial assets</b>	<b>\$ 191,121</b>	<b>\$ 179,433</b>	<b>\$ 11,688</b>	<b>6.5%</b>

The Town ended the year with a net financial asset position (financial assets less financial liabilities) of \$191.1 million, a 6.5% increase of \$11.7 million from the prior year. The increase in financial assets of \$8.5 million was amplified by a decrease in financial liabilities of \$3.2 million. The largest contributors to the change in financial assets was an increase in investments of \$21.0 million. The decrease in financial liabilities is mostly attributable to a reduction of deferred revenue balances of \$5.1 million and long-term debt repayment of \$5.7 million, slightly offset by increase in developer obligations of \$3.1 million and asset retirement obligation of \$2.7 million.

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



### Financial Assets

The 2023 increase in the Town's financial assets by \$8.5 million is mostly due \$21.0 million increase in investments held by the Town at the end of the fiscal year, offset by reduction in Cash of \$14.2 million, as described in the following sections. Other changes in financial assets largely offset one another in areas such as taxes receivable and grants receivable.

# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

## Cash and Short-Term Investments

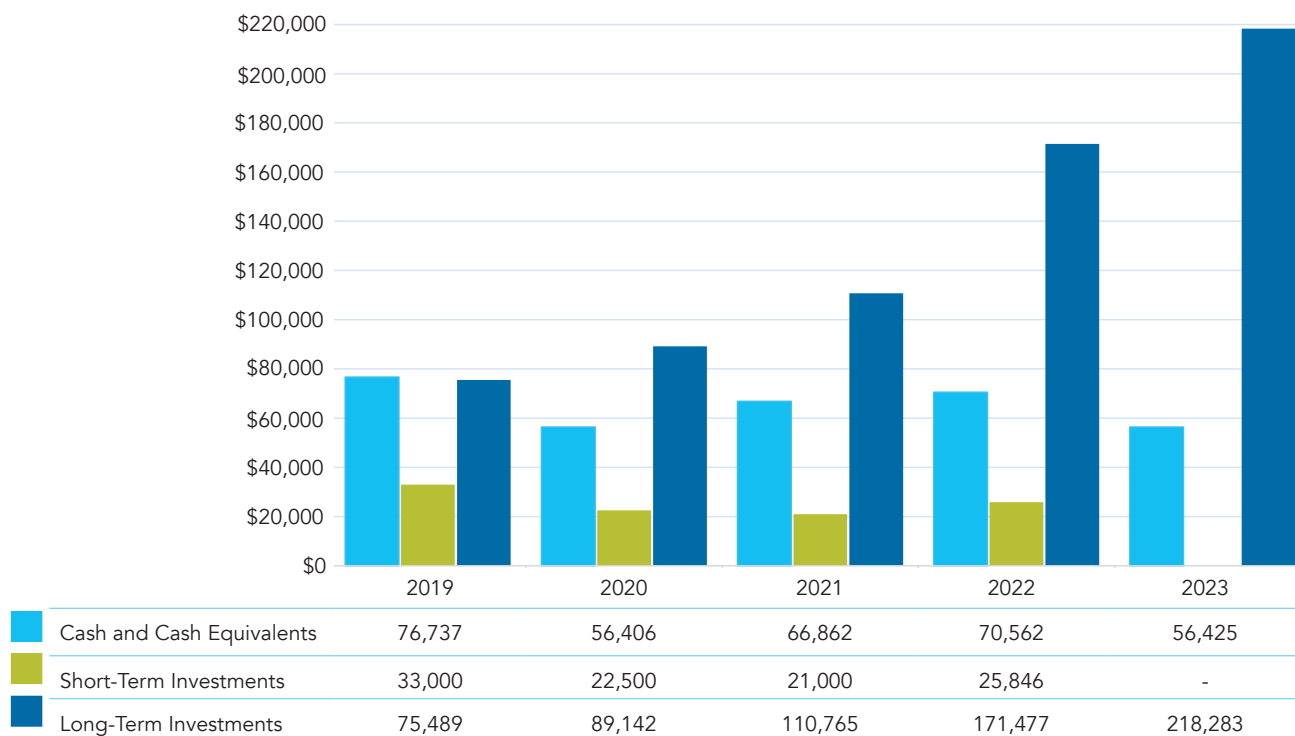
At the end of 2023 the year end cash equivalents balance was \$56.4 million. The \$14.1 million decrease from the 2022 year end balance of \$70.6 million was due to deploying cash into longer term investments, timing of maturities and market conditions. The average yield on cash balances for 2023 was 5.28%, generating \$4.5 million in interest income .

The balance in short-term investments, securities with a holding period of one year or less, was \$Nil at year end as funds were re-invested into longer term investments upon maturity to take advantage of favourable long-term rates. During 2023 the average balance of short-term investments was \$11.9 million which generated \$0.5 million in investment returns and returned an average yield of 4.00%. The lower overall short-term return compared to cash is related to short-term deposit notes that were purchased through 2022 at lower rates of return which have now matured in 2023.

## Long-Term Investments

Long-term investments, securities with a term greater than one year, held by the Town at year end totaled \$218.3 million, an increase of \$46.8 million from the previous year. The increase was related to timing of payments related to the capital program and market opportunities where it was advantageous to lock in long-term investments and provide further diversification into Provincial, Municipal bonds and other major Canadian Banks. In 2023 the long-term investment average rate of return was 3.37%, generating \$9.0 million in investment earnings.

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



# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

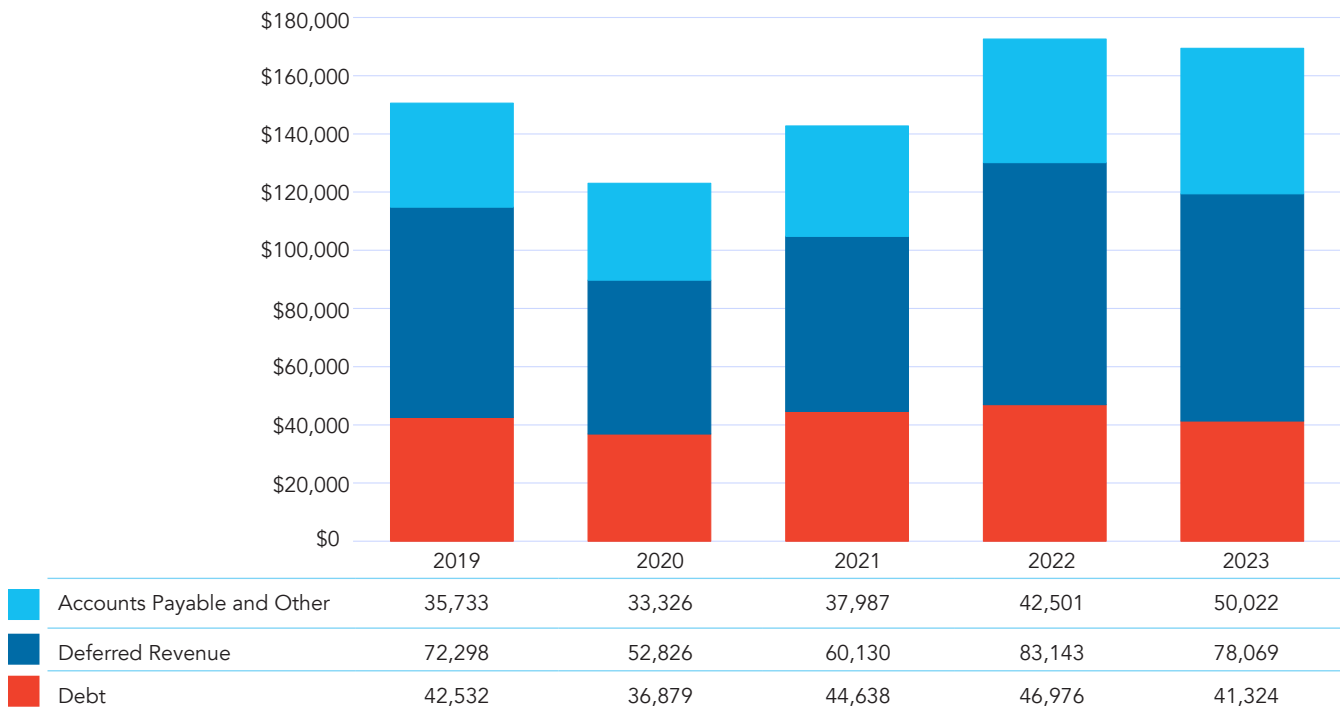
## Financial Liabilities

The major contributors to the decrease of \$3.2 million in 2023 financial liabilities was a reduction of Deferred Revenue balances of \$ 5.1 million, primarily attributable to the increase in utilization of previously collected Development Charges in the construction of capital infrastructure.

Offsetting the decrease in financial liabilities are increases in: developer obligations by \$3.1 million due to new subdivision agreements with developers for construction of Road infrastructure; and the adoption of the new public sector accounting standard PS3280 Asset Retirement Obligations, which resulted in \$2.7 million liability.

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

**Financial Liabilities**  
(in thousands of dollars)



## Debt

During 2023 the debenture obligations decreased from \$47.0 million to \$41.3 million reflecting \$5.7 million in debenture repayments that occurred during the year.

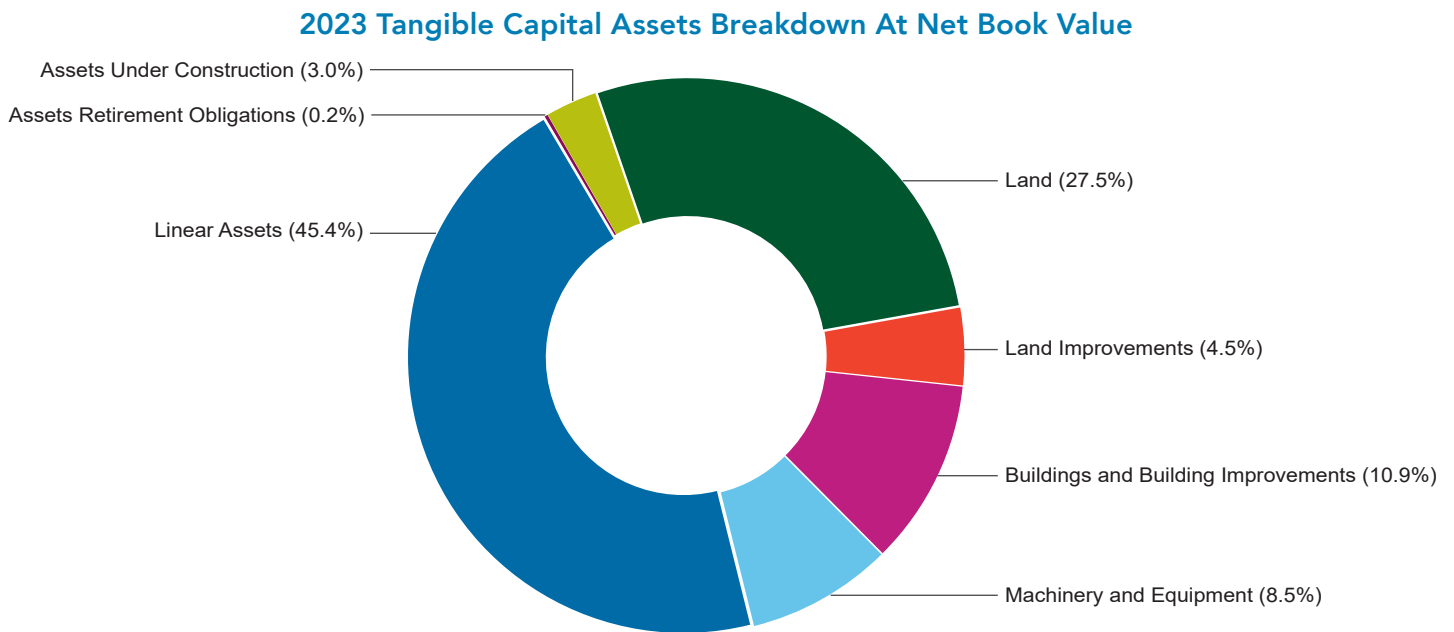
Guidelines established through Ontario Regulation 403/02 allow for a maximum debt payment ratio of 25% of own source revenues, which in 2023 equaled \$30.4 million. Through Council direction, Milton has further restrictive guidelines of 15% and up to 20% with the inclusion of non-tax supported debt. The Town's current debt capacity ratio of 4.60% is well within the guidelines set by both the Province and Town Council.

# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

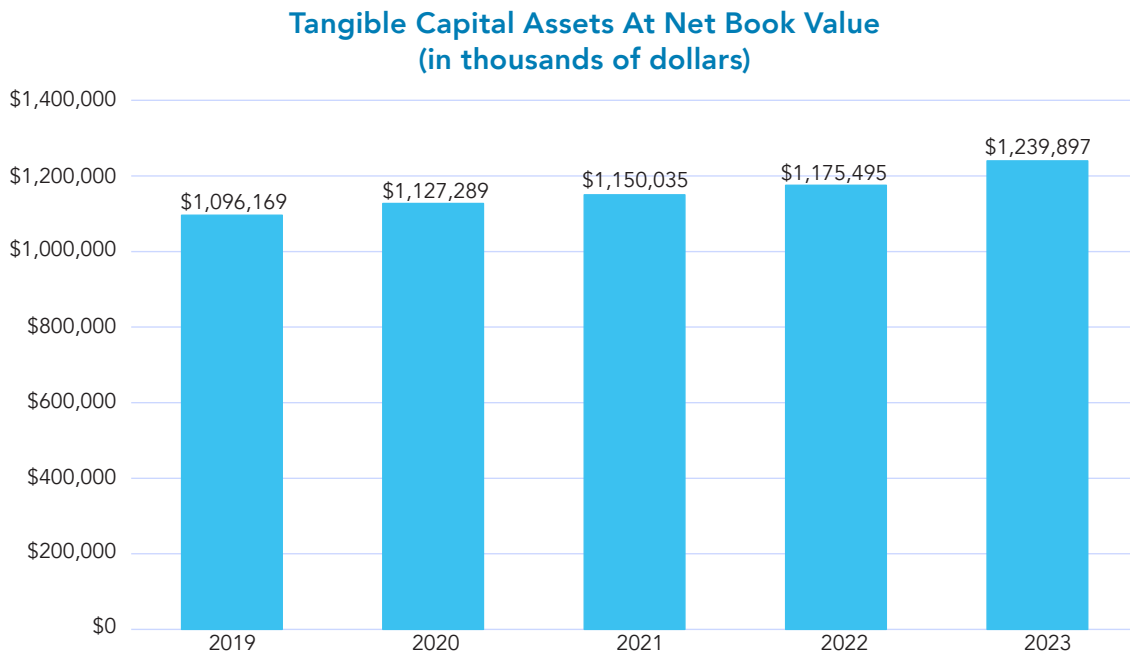
## Non-Financial Assets

Non-financial assets, primarily consisting of tangible capital assets have continued to increase this year. The \$64.4 million increase in TCA reflects the Town’s investment in new capital infrastructure and the value of new assets that were built by developers and assumed by the Town. This growth in the Town’s asset inventory is outpacing the annual amortization costs.

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



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



# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

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

Asset Type	2023	%	2022	%	Change	% Change
Land	\$ 340,376	27.45%	\$ 323,552	27.52%	16,824	1.43%
Land improvements	56,079	4.52%	54,806	4.66%	1,273	0.11%
Buildings and building improvements	134,849	10.88%	138,371	11.77%	(3,522)	(0.30%)
Machinery and equipment	105,917	8.54%	103,392	8.80%	2,525	0.21%
Linear assets	562,911	45.40%	504,414	42.91%	58,497	4.98%
Asset retirement obligations	2,326	0.19%	-	-	2,326	0.20%
Assets under construction	37,439	3.02%	50,960	4.34%	(13,521)	(1.15%)
<b>Total</b>	<b>\$ 1,239,897</b>	<b>100.0%</b>	<b>\$ 1,175,495</b>	<b>100.0%</b>	<b>64,402</b>	<b>5.48%</b>

## Accumulated Surplus

Overall, the Town ended the year with an accumulated surplus of \$1,434.7 million, an increase of 5.71% from the prior year balance of \$1,357.2 million. This change represents the annual excess of revenues over expenses for the year of \$77.5 million, and is largely related to the infrastructure assumed from or funded by development.

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

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

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

	2023	2022	Change
Reserves	\$ 121,230	\$ 106,915	\$ 14,315
Reserve funds	24,076	27,402	(3,326)
Investment in tangible capital assets	1,239,897	1,175,495	64,402
Unexpended capital	50,739	47,976	2,763
Investment in Milton Hydro Holdings Inc.	60,481	60,477	4
Unfunded liabilities	(61,755)	(61,068)	(687)
<b>Total accumulated surplus</b>	<b>\$ 1,434,668</b>	<b>\$ 1,357,197</b>	<b>\$ 77,471</b>



# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

The reserve balances increased by \$14.3 million as contributions for future needs exceeded the current year's withdrawals. An \$8.0 increase in infrastructure non-growth related reserves largely due to additional dividends received from Milton Hydro and higher than expected investment income. Infrastructure growth reserves had a \$2.8 million increase due to more capital provision revenues being collected through financial agreements than last year. The Vehicle and Equipment Replacement Reserve balance increased by \$2.6 million due to timing of funding of future capital investment in the Town's equipment.

Reserve funds balances decreased by \$3.3 million in 2023, mostly due to additional transfers to capital projects based on ten-year capital forecast from Ontario Lottery and Gaming Corporation Proceeds reserve funds.

The unfunded liabilities balance is comprised of the principal outstanding on long-term debt that has been issued by the Town, estimates of future employee benefit costs, and amounts owing to developers for infrastructure constructed on behalf of the Town. In 2023, asset retirement obligation was added to unfunded liabilities as a result of implementation of the new public sector accounting standard PS3280 Asset Retirement Obligation. The \$5.7 million reduction in long-term debt balances is offset by \$2.7 million increase in asset retirement obligation and \$0.74 million increase in employee future benefits.

## 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. The annual surplus reported on this statement represents the difference between the cost of providing the Town's services and the revenues recognized for the year on an accrual basis. Budget figures represent capital and operating budgets combined as outlined in Note 19 of the consolidated financial statements.

# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

## Revenues

### 2023 Budget to Actual Comparative Analysis (in thousands of dollars)

Revenues	Budget	Actual	Variance	% Variance
Taxation	\$ 91,903	\$ 92,055	\$ 152	0.2%
User charges	26,522	22,741	(3,781)	(14.3%)
Government transfers:				
Federal	1,361	5,514	4,153	305.1%
Provincial	6,775	1,993	(4,782)	(70.6%)
Other municipalities	4,944	3,628	(1,316)	(26.6%)
Investment income	4,835	8,979	4,144	85.7%
Penalties and interest	3,052	3,202	150	4.9%
Developer contributions	21,120	39,435	18,315	86.7%
Developer contributed tangible capital assets	-	27,572	27,572	100.0%
Proceeds from Ontario Lottery Corporation	6,200	7,377	1,177	19.0%
Licences, permits, rents etc.	13,728	7,806	(5,922)	(43.1%)
Equity in income of Milton Hydro Holdings Inc.	1,500	5,710	4,210	280.7%
Donations	59	1,051	992	1681.4%
Other recoveries	141	13	(128)	100.0%
Miscellaneous	111	416	305	274.8%
<b>Total revenues</b>	<b>\$ 182,251</b>	<b>\$ 227,492</b>	<b>\$ 45,241</b>	<b>24.8%</b>

The variations in the budget and actual columns are primarily related to differences in assumptions used. Council-approved budgets are prepared in a manner that determines the annual cash levy requirements. The actuals reported on the audited consolidated financial statements are following PSAB requirements, and are predominantly fully accrued transactions. These differences in reporting methodologies will always generate significant variances when compared to each other. One example of a significant difference is the unbudgeted tangible capital asset activity such as developer contributed assets, which gave a positive variance of \$27.6 million.

Another contributing factor is the timing of capital expenses and revenues being incurred in a different year from the budget year. Developer contributions include development charges earned for the capital expenses incurred within the calendar year and does not include approved funding from the obligatory reserve funds for outstanding work. This timing difference caused a favourable fluctuation in developer contributions revenue of \$18.3 million.

## FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

A deferral in the timing of planning applications and building permit activity largely accounted for the unfavourable variance to budget in license, permits and rents revenue of \$5.9 million and user charges of \$3.8 million.

Equity in Milton Hydro have a favourable variance of \$4.2 million, due to the increased dividend pay-outs during 2023.

Due to solid rates of return during 2023, the Town have received \$4.2 million in Investment income more than anticipated.

Note 19, "Budget Data" provides a reconciliation between the statements and the operating and capital budgets previously approved by Town Council.

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

Revenues	2023	2022	Change	% Change
Taxation	\$ 92,055	\$ 83,283	\$ 8,772	10.5%
User charges	22,741	16,929	5,812	34.3%
Government transfers:				
Federal	5,514	7,888	(2,374)	(30.1%)
Provincial	1,993	2,424	(431)	(17.8%)
Other municipalities	3,628	7,213	(3,585)	(49.7%)
Investment income	8,979	5,666	3,313	58.5%
Penalties and interest	3,202	2,952	250	8.5%
Developer contributions	39,435	31,808	7,627	24.0%
Developer contributed assets	27,572	10,074	17,498	173.7%
Proceeds from Ontario Lottery Corporation	7,377	7,007	370	5.3%
Licences, permits, rents etc.	7,806	7,142	664	9.3%
Equity in income of Milton Hydro Holdings Inc.	5,710	14,727	(9,017)	(61.2%)
Donations	1,051	1,065	(14)	(1.3%)
Other recoveries	13	866	(853)	(98.5%)
Miscellaneous	416	2,338	(1,922)	(82.2%)
<b>Total revenues</b>	<b>\$ 227,492</b>	<b>\$ 201,382</b>	<b>\$ 26,110</b>	<b>13.0%</b>

# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

Total revenue reported for the year 2023 was \$227.5 million, an increase of \$26.1 million from last year's amount of \$201.4 million.

The increase in taxation revenue of \$8.8 million is consistent with the increased 2023 levy requirement approved by Council. The increase of \$5.7 million in User Charges revenue that the Town was able to collect relates to further lifting of Provincial Covid-19 restrictions during 2023 and recovery of Town services to pre-pandemic levels. Additionally, the Town received \$3.3 million more revenue than last year from its investments due to favourable rates of return.

The increase in developer contributed assets of \$17.5 million is related to a larger number and value of assets received through subdivision assumptions in 2023. The Town receives assets from developers as part of their obligation under subdivision agreements, which are deemed to be donated assets because no cash changes hands. These assets are transferred into the ownership of the Town and must be recorded on the Town's Consolidated Statement of Financial Position as part of the tangible capital asset pool. At the same time, the value of the assets contributed must be recognized as revenue received by the Town on the Statement of Operations.

Developer contributions include development charges earned for the capital expenses incurred within the calendar year. Increase in capital activity was observed in 2023, resulting in increase in developer contributions revenue of \$7.6 million.

Revenues generated through the equity in Milton Hydro have decreased by \$9.0 million, due to the corporation selling its land assets located on Fifth Line and Main Street, resulting in a gain on disposal and increased retained earnings in 2022.

Dampening revenue increases are reductions in government grants of \$2.8 million as pandemic support funding programs have come to an end. Transfers from the Halton Region decreased by \$3.6 million due to recovery of costs in joint capital projects in 2022 and \$1.9 million decrease in miscellaneous revenue due to gain on sale of parcels of Town lands in 2022.

## Expenses

### 2023 Budget to Actual Comparative Analysis (in thousands of dollars)

Expenses	Budget	Actual	Variance	Less Capital Expenses	Amortization Variance	Operating Expenses Variance
General government	\$ 23,520	\$ 23,605	\$ (85)	\$ (429)	\$ (155)	\$ (669)
Protection services	22,537	21,370	1,167	125	(104)	1,188
Transportation services	46,820	47,676	(856)	3,499	(901)	1,742
Environmental services	3,654	4,735	(1,081)	994	(150)	(237)
Health Services	663	651	12	-	-	12
Recreational and cultural services	46,060	44,281	1,779	813	(500)	2,092
Planning and development	7,789	7,703	86	596	(2)	680
<b>Total expenses</b>	<b>\$ 151,043</b>	<b>\$ 150,021</b>	<b>\$ 1,022</b>	<b>\$ 5,598</b>	<b>\$ (1,812)</b>	<b>\$ 4,809</b>

# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

The 2023 financial position of the Town results in actual expenditures of \$150.0 million. The variance between the budget and actual columns is in part related to tangible capital asset activity of \$5.6 million, which is comprised of losses on disposal \$2.7 million that were not included in the budget column and \$2.9 million of expenses that were included in capital budgets and cannot be capitalized, and therefore need to be expensed on the Statement of Operations. These expenses would include, for example, studies or work undertaken on behalf of others which may lend themselves better to the capital budget for transparency, funding or project administration purposes. Budgeted amortization estimate exceeded the actual amortization expense by \$1.8 million. Once the methodology differences related to tangible capital amounts are accounted for, the remaining variance equals to \$4.8 million in favourable variance.

Staff gapping during 2023 continued to be the reason of costs savings in several areas, such as Protection to Persons and Property Services (\$1.2 million savings), Transportation Services (\$1.7 million savings) and Recreation and Cultural Services (\$2.1 million savings).

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

Expenses	2023	2022	Change	% Change
General government	\$ 23,605	\$ 21,012	\$ 2,593	12.3%
Protection services	21,370	19,137	2,233	11.7%
Transportation services	47,676	44,846	2,830	6.3%
Environmental services	4,735	7,942	(3,207)	(40.4%)
Health Services	651	687	(36)	(5.2%)
Recreational and cultural services	44,281	38,747	5,534	14.3%
Planning and development	7,703	7,368	335	4.5%
<b>Total expenses</b>	<b>\$ 150,021</b>	<b>\$ 139,739</b>	<b>\$ 10,282</b>	<b>7.4%</b>

## FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

The 2023 financial position of the Town results in a \$10.3 million or 7.4% increase in expenses over 2022.

Recreation and cultural services has incurred \$5.5 million more in expenses compared to 2022. Increased labour costs include pension eligibility changes introduced January 1, 2023, allowing all employees, and not just regular-full time, to join the plan. Increase in the cost of purchased services and goods of \$1.4 million is also partly related to recovery of recreational services offered to public to pre-pandemic levels, as well as inflationary pressure. Expenses related to capital activity have increased by \$0.9 million, mostly due to loss on disposal and renovation of capital assets.

Transportation services experienced an increase of \$2.8 million in expenses compared to last year. \$1.1 million is primarily attributable to transactions in capital projects that do not meet capital requirement and have to be expensed. The increased costs of contracts of \$ 1.4 million is mostly attributable to increased costs in traffic control and transit services. 2023 transit costs increased due several factors: re-introduction of services to pre-pandemic levels, transit support for incremental growth, expansion of on-demand services, additions to school related services, and cross-boundary services to Mississauga under a cost sharing agreement. Increased cost of labour of \$0.3 is related to the hiring of more seasonal workers for public works operations.

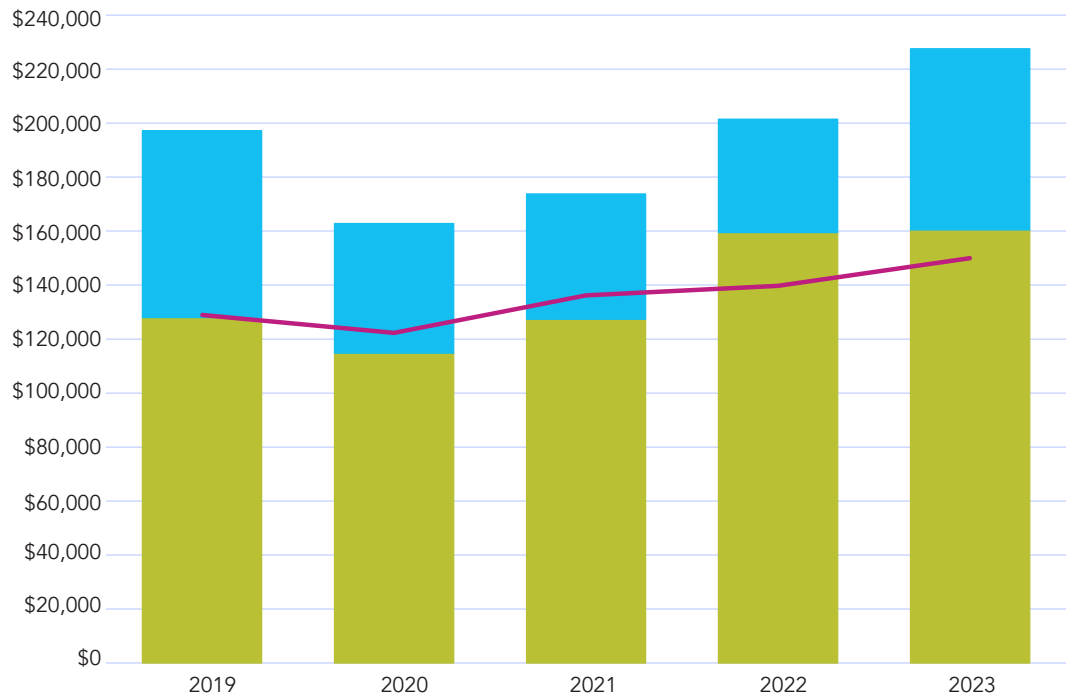
Cost increases in general government of \$2.6 million compared to prior year are largely attributable to WSIB claims as well as the addition of both permanent and temporary staff positions in program support services in 2023.

The decrease in cost for environmental services of \$3.2 million is primarily attributable to transactions in capital projects that do not meet capital requirement and have to be expensed.

Protective services experienced cost increase of \$2.2 million compared to the last year, of which increase in labour of \$1.9 million is largely attributable to new fire staff as well as the impact of staff vacancy savings in 2022.

# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

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



Revenue: Developer Contributions	69,175	47,950	46,341	41,882	67,007
Revenue: Other	127,970	114,807	127,423	159,500	160,485
Expenses	128,905	122,299	136,220	139,739	150,021

## 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 net financial assets is an increase of \$11.7 million. This is primarily attributable to increase in Town's Investments of \$21.0 million that is offset by reduction of cash and cash equivalents of \$14.2 million, as described in earlier sections. Reductions in financial liabilities such as deferred revenue of \$5.1 million and long-term debt of \$5.7 million had amplified the increase in financial assets.

## Consolidated Statement of Cash Flows

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

The consolidated cash position of the municipality decreased by \$14.2 million from \$70.6 million in 2022 to \$56.4 million in 2023. Net cash from operating activities increased cash position by \$83.1 million. Various activities that required cash outflow and reduced the Town's cash position include an acquisition of tangible capital assets of \$76.6 million, cash used in investment activities of \$15.3, as well as cash used to repay long-term debt of \$5.7 million.

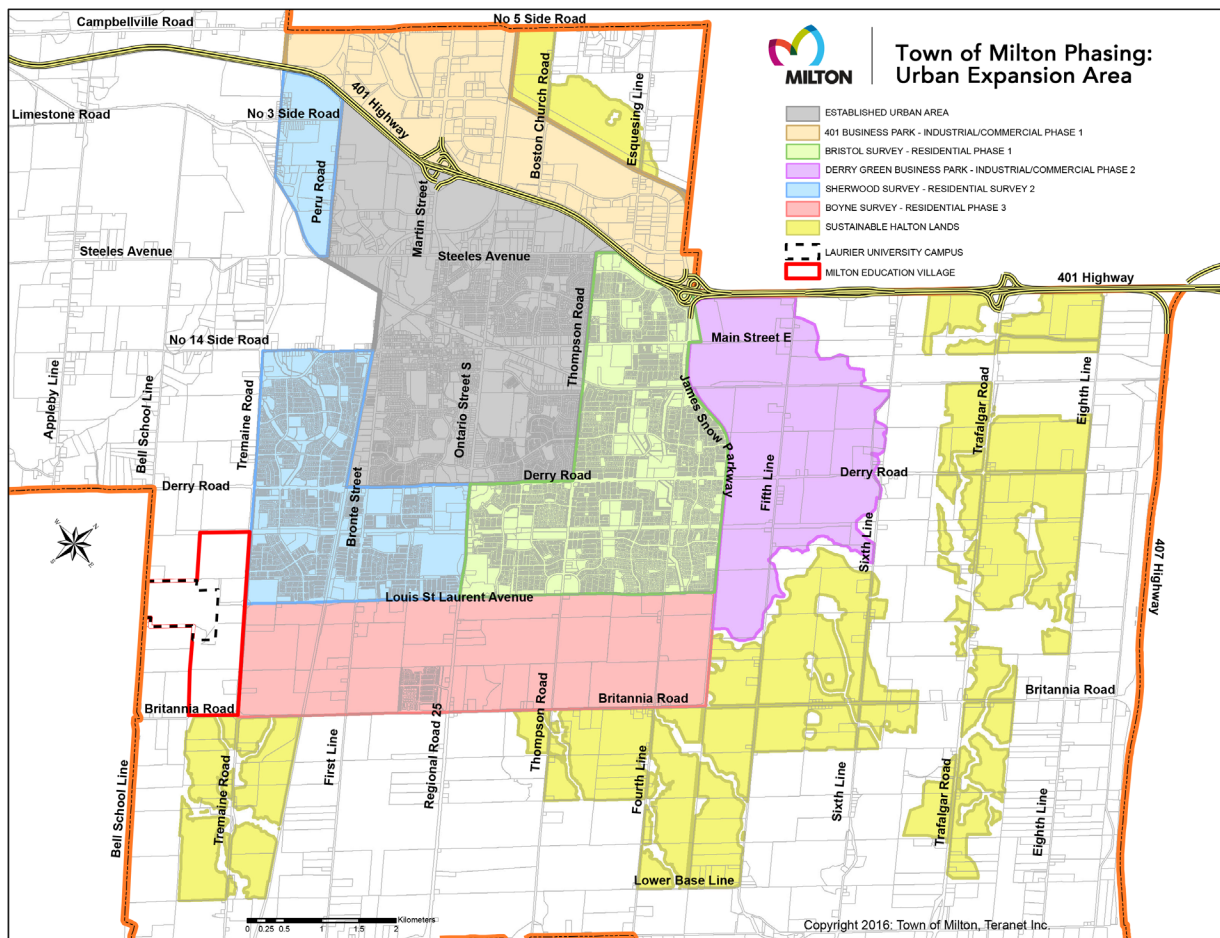
*All financial information contained within the 2023 Financial Report has been reviewed and approved by the Treasurer, with final approval of Council.*

June 3, 2024



# LOOKING FORWARD

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



## Planning for Growth

### Halton Urban Structure Plan

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

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

## LOOKING FORWARD

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

### Sustainable Halton

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

Sustainable Halton lands in Milton generally extend the urban boundary to the south and east of the existing urban boundary and includes lands to the west for the proposed Milton Education Village. The Sustainable Halton Land Base Analysis projected that Milton's population will grow to an estimated total of 238,000 people and 114,000 jobs once these lands are developed.

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

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

### Milton Education Village

Milton's vision for the Milton Education Village (MEV), is a comprehensively-planned neighbourhood that integrates post-secondary education, residential, commercial and recreational uses in a 400 acre area alongside the Niagara Escarpment. In 2020, Council approved a secondary plan for the area. In June 2021, with the Ontario government's support, the Town announced that a Wilfrid Laurier University and Conestoga College post-secondary education campus along with a Schlegel Villages long-term care facility would be developed within the MEV. Planning for the area continues while development activity has begun on the site in relation to the long-term care facility.

### Established Urban Area

Milton's GO Station is identified as a Mobility Hub within the Halton Region Official Plan with guidance from Metrolinx's The Big Move Regional Transportation Plan. A Mobility Hub is a Major Transit Station Area designated by Metrolinx as regionally significant given the level of transit services planned for the area and the development potential around the station. It is identified as a strategic location for urban intensification and growth to promote a complete transit-supportive community that encourages active transportation. In 2020, the Town completed the Milton Mobility Hub Study that presented a planning framework providing flexibility for alternative approaches as development of the area is likely to continue beyond a 30 year period. Medium and long-term policy comprehensive processes and implementation measures for the Mobility Hub include a secondary plan and further policy provisions as part of the Town's new Official Plan.

# LOOKING FORWARD

## Planning to 2051 and Beyond

The Town continues to assess growth to 2051 and beyond, including consideration of any urban boundary expansions that may be required to accommodate both population and employment growth. This approach will ensure appropriate phasing for a steady stream of development land in Milton in order to achieve the housing and employment targets for the community. Next planned steps include finalizing the residential/non residential take-up land needs implementation plan which will forecast population, housing mix, employment and non-residential uses by type from now until 2051. Phasing of the forecasted growth will be developed in 5 year increments to inform infrastructure and financial planning, and will be incorporated into Milton's new Official Plan that is targeted for completion in 2025.

## Providing for Growth

### Fiscal Impact Study

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

The study projection annual tax rate pressures to 2041 due to the additional investments that will be required in relation to the infrastructure deficit, as well as the fire and transit master plans. Since the time of the 2021 study, inflationary pressures have mounted, legislative changes have been introduced and the service needs of the community have evolved. These changes are reflected each year as the Town updates its forecast through the Budget process, and will be more fully assessed through the next iteration of a fiscal impact study, which is expected to occur after the finalization of the Town's updated Asset Management Plan and Development Charge Background Study.

### Asset Management Planning

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

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

A lifecycle funding analysis projected an annual infrastructure funding deficit throughout the planning horizon. Current financial strategies of the Town are expected to ensure that the deficit will not increase as the Town grows, and continuation of an incremental annual contribution to infrastructure funding will remain critical to gradually reducing the funding gap. The funding gap may be further mitigated through a variety of financial and non-financial strategies including service level changes, increasing funding from other potential sources, and exploring methods to extend the useful life or reduce the cost of assets.

An update to the AMP is planned for 2024, based on the next milestone identified in Ontario Regulation 588/17, which will include all municipal assets.

# LOOKING FORWARD

## Annual Budget Process

The Town's 2024 budget and forecast is reflective of strategies that have been adopted as part of the Town's master and strategic planning exercise, and is consistent with the findings identified through the Town's long-term fiscal impact studies.

In 2024 specifically, the capital budget includes 144 projects worth \$83.7 million with a significant focus on roads including the maintenance of various roads throughout the Town, using asphalt overlay, expanded asphalt and surface treatment methods as well as facility and stormwater rehabilitation. Of the total program, 29.5% is required for projects related to growth in the community, 70.5% is required for the investment in the state of good repair to ensure the ongoing serviceability of existing assets and the balance of the capital program is associated with other non-growth, non-renewal projects.

The 2024 Operating budget involves a gross expenditure of \$192.5 million for the programs and services provided to the community. Of the total, 53% is funded through property taxation with the remainder from other sources such as user fees, service charges and other transfers.

Looking beyond 2024, the ten-year forecast projects a capital investment of \$1,369.3 million with 58.8% of expenditures relating to growth. The largest areas of investment will be the transportation and public facilities programs, accounting for 41.9% and 25.7% of the anticipated spend, respectively.

Glen Cowan  
Chief Financial Officer & Treasurer

June 3, 2024



2023 Town of Milton Financial Report  
**Consolidated Financial Statements**

For the year ended December 31, 2023



## Management's Responsibility for the Consolidated Financial Statements

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

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

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

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

*All financial information contained within the 2023 Financial Report has been reviewed and approved by the Treasurer, with final approval of Council.*

June 3, 2024



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## Independent Auditor's Report

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

### Opinion

We have audited the consolidated financial statements of the Corporation of the Town of Milton (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2023, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

### Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in The Corporation of the Town of Milton - Financial Report 2023 (the "Financial Report").

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

# Independent Auditors' Report

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

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

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

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

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

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

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

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



# Independent Auditors' Report

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

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



Chartered Professional Accountants  
Licensed Public Accountants  
June 6, 2024

# The Corporation of the Town of Milton

## Consolidated Statement of Financial Position

As at December 31, 2023 with comparative information for 2022  
(in thousands of dollars)

	2023	2022
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 56,425	\$ 70,562
Accounts receivable (note 3)		
Taxes receivable	10,804	7,846
Grants receivable	279	1,885
Other	13,822	13,537
Investments (note 4)	218,283	197,319
Investment in Milton Hydro Holdings Inc. (note 5)	60,481	60,477
Other assets	442	427
<b>Total financial assets</b>	<b>360,536</b>	<b>352,053</b>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	20,568	18,932
Other liabilities	8,369	9,124
Deferred revenue (note 6)	78,069	83,143
Long-term debt (note 7)	41,324	46,976
Developer obligations (note 8)	13,991	10,912
WSIB, employee benefits and other liabilities (note 9)	4,438	3,533
Asset retirement obligation (note 18)	2,656	-
<b>Total liabilities</b>	<b>169,415</b>	<b>172,620</b>
<b>Net financial assets</b>	<b>191,121</b>	<b>179,433</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 11)	1,239,897	1,175,495
Inventories of supplies	1,248	864
Prepaid expenses	2,402	1,405
<b>Total non-financial assets</b>	<b>1,243,547</b>	<b>1,177,764</b>
Commitments (note 20)		
Contingent liabilities and guarantees (note 21)		
<b>Accumulated surplus (note 12)</b>	<b>\$ 1,434,668</b>	<b>\$ 1,357,197</b>

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

# The Corporation of the Town of Milton Consolidated Statement of Operations

Year ended December 31, 2023 with comparative information for 2022  
(in thousands of dollars)

	Budget (Note 19)	2023	2022
<b>Revenues:</b>			
Taxation (note 13)	\$ 91,903	\$ 92,055	\$ 83,283
User charges	26,522	22,741	16,929
Government transfers:			
Federal (note 14)	6,775	5,514	7,888
Provincial (note 14)	1,361	1,993	2,424
Other municipalities	4,944	3,628	7,213
Investment income	4,835	8,979	5,666
Penalties and interest	3,052	3,202	2,952
Developer contributions	21,120	39,435	31,808
Contributed tangible capital assets	-	27,572	10,074
Proceeds from Ontario Lottery Corporation	6,200	7,377	7,007
Licenses, permits and rents	13,728	7,806	7,142
Equity in income of Milton Hydro Holding Inc. (note 5)	1,500	5,710	14,727
Donations	59	1,051	1,065
Other recoveries	141	13	866
Miscellaneous	111	416	2,338
<b>Total revenues</b>	<b>182,251</b>	<b>227,492</b>	<b>201,382</b>
<b>Expenses:</b>			
General government	23,520	23,605	21,012
Protection services	22,537	21,370	19,137
Transportation services	46,820	47,676	44,846
Environmental services	3,654	4,735	7,942
Health services	663	651	687
Recreation and cultural services	46,060	44,281	38,747
Planning and development	7,789	7,703	7,368
<b>Total expenses</b>	<b>151,043</b>	<b>150,021</b>	<b>139,739</b>
Annual surplus	31,208	77,471	61,643
Accumulated surplus, beginning of year	1,357,197	1,357,197	1,295,554
<b>Accumulated surplus, end of year (note 12)</b>	<b>\$ 1,388,405</b>	<b>\$ 1,434,668</b>	<b>\$ 1,357,197</b>

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

# The Corporation of the Town of Milton

## Consolidated Statement of Change in Net Financial Assets

Year ended December 31, 2023 with comparative information for 2022  
(in thousands of dollars)

	Budget (Note 19)	2023	2022
Annual surplus	\$ 31,208	\$ 77,471	\$ 61,643
Acquisition of tangible capital assets	(63,444)	(104,125)	(63,999)
Amortization	38,818	37,006	35,869
Loss on disposal of tangible capital assets	-	2,498	392
Proceeds on sale of tangible capital assets	-	219	2,278
	<b>6,582</b>	<b>13,069</b>	<b>36,183</b>
Change in inventories of supplies	-	(384)	(514)
Change in prepaid expenses	-	(997)	(164)
<b>Change in net financial assets</b>	<b>6,582</b>	<b>11,688</b>	<b>35,505</b>
Net financial assets, beginning of year	179,433	179,433	143,928
<b>Net financial assets, end of year</b>	<b>\$ 186,015</b>	<b>\$ 191,121</b>	<b>\$ 179,433</b>

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

# The Corporation of the Town of Milton Consolidated Statement of Cash Flows

Year ended December 31, 2023 with comparative information for 2022  
(in thousands of dollars)

	2023	2022
<b>Operating Activities:</b>		
Annual surplus	\$ 77,471	\$ 61,643
<b>Items not involving cash:</b>		
Amortization	37,006	35,869
Loss on disposal of tangible capital assets	2,498	392
Developer contributions of tangible capital assets	(27,572)	(10,074)
Change in WSIB, employee benefits and other liabilities	905	7
Change in asset retirement obligations	2,656	-
Equity in income of Milton Hydro Holdings Inc.	(5,710)	207
<b>Change in non-cash assets and liabilities:</b>		
Accounts receivable	(1,637)	2,158
Other assets	(15)	(50)
Accounts payable and accrued liabilities	1,636	(2,861)
Other liabilities	(755)	770
Deferred revenue	(5,074)	23,013
Developer obligations	3,079	6,598
Inventories of supplies	(384)	(514)
Prepaid expenses	(997)	(164)
<b>Net change in cash from operating activities</b>	<b>83,107</b>	<b>116,994</b>
<b>Capital Activities:</b>		
Proceeds on sale of tangible capital assets	219	2,278
Cash used to acquire tangible capital assets	(76,553)	(53,925)
<b>Net change in cash from capital activities</b>	<b>(76,334)</b>	<b>(51,647)</b>
<b>Investing Activities:</b>		
Investments	(20,964)	(65,554)
Dividends from Milton Hydro Holdings Inc.	5,706	1,569
<b>Net change in cash from investing activities</b>	<b>(15,258)</b>	<b>(63,985)</b>
<b>Financing Activities</b>		
Debt issued and assumed	-	7,500
Debt principal repayment	(5,652)	(5,162)
<b>Net change in cash from financing activities</b>	<b>(5,652)</b>	<b>2,338</b>
<b>Net change in cash</b>	<b>(14,137)</b>	<b>3,700</b>
Cash and cash equivalents, beginning of year	70,562	66,862
<b>Cash and cash equivalents, end of year</b>	<b>\$ 56,425</b>	<b>\$ 70,562</b>
Cash and cash equivalents consist of:		
Cash	54,637	70,451
Cash equivalents	1,788	111
	<b>\$ 56,425</b>	<b>\$ 70,562</b>

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

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# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

The Corporation of the Town of Milton ("the Town") 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 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. ("Milton Hydro") and Halton Digital Access Services Corporation (HDASC), which are accounted for on the modified equity basis of accounting.

These reporting entities include:

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

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

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

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

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

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

##### (iii) Halton Digital Access Services Corporation

Halton Digital Access Services Corporation was incorporated on June 14, 2023. It is owned in equal parts by the Town of Milton, the Regional Municipality of Halton ("Halton Region"), the Town of Oakville, the City of Burlington, and the Town of Halton Hills. HDASC serves to consolidate the negotiation and provision of licensing and permitting of pole positions within the Halton Region boundary.

The investment in HDASC is accounted for on a modified equity basis, consistent with Canadian public sector accounting standards. Under the modified equity basis, HDASC'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 HDASC in its Consolidated Statement of Operations with a corresponding increase or decrease in its investment asset account. The HDASC did not have any material activity during 2023.

##### (iv) Accounting for Halton Region and School Board transactions:

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

#### (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. 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.

#### (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 related services are performed.



# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

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

#### (d) Deferred revenue (continued):

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

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

#### (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 is added to the deferred revenue balance.

#### (g) Taxation revenue:

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

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

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

#### (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, 2023  
(in thousands of dollars)

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

#### (i) Employee future benefits:

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

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

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

##### (ii) Compensated vacation:

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

#### (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) Contaminated sites:

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

- (i) an environmental standard exists
- (ii) contamination exceeds the environmental standard
- (iii) the Town is directly responsible or accepts responsibility
- (iv) it is expected that future economic benefits will be given up; and

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

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

#### (k) Contaminated sites: (continued)

(v) a reasonable estimate of the amount can be made.

#### (l) 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 (TCA) 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:

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

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

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

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

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

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

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

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

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

#### (m) Asset retirement obligations

Asset Retirement Obligations represent the legal obligations associated with the retirement of a tangible capital asset that result from its acquisition, construction, development, or normal use. The tangible assets include but are not limited to assets in productive use, assets no longer in productive use, leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the Town of Milton to incur costs in relation to a specific TCA, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized for underlying assets that have been recorded and reported within the TCA values presented in the financial statements. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates. In circumstances when the underlying asset is fully depreciated, the ARO will be amortized over the estimated future life until the cash disbursement is made in the future to settle the obligation.

At remediation, the Town of Milton removes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

#### (n) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities, allowance for doubtful accounts, and in performing actuarial valuations of employee future benefits, useful lives of tangible capital assets and the valuation of assets contributed by developers.

Actual results could differ from these estimates.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### **2. Adoption of New Public Sector Accounting Standards:**

The Town of Milton adopted the following standards concurrently beginning January 1, 2023 prospectively: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS3280 Asset Retirement Obligation and PS 3450 Financial Instruments.

#### **(a) PS 1201 - Financial Statement Presentation**

PS1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

The adoption of this standard had no significant impact on the financial statements of the Town, no Statement of Remeasurement Gains and Losses has been included in the financial statements in the current year.

#### **(b) PS 2601 - Foreign Currency Translation**

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

The adoption of this standard had no significant impact on the financial statements of the Town, no Statement of Remeasurement Gains and Losses has been included in the financial statements in the current year.

#### **(c) PS 3041 - Portfolio Investments**

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 Temporary Investments no longer applies.

#### **(d) PS 3280 - Asset Retirement Obligations**

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. As this standard includes solid waste landfill sites active and post-closing obligations, upon adoption of this new standard, existing Solid

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### 2. Adoption of New Public Sector Accounting Standards: (continued)

#### (d) PS 3280 - Asset Retirement Obligations (continued)

Waste Landfill Closure and Post-Closure Liability section PS 3270 will be withdrawn.

This change in policy has been applied on a prospective basis with no restatement of prior period comparative amounts. The change in accounting policy has impacted the Town's consolidated financial statements on January 1, 2023 by increasing the following balances:

Asset retirement obligations	\$	2,474
Tangible capital assets	\$	2,474

#### (e) PS 3450 - Financial Instruments

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

The adoption of this standard had no significant impact on the financial statements of the Town, no Statement of Remeasurement Gains and Losses has been included in the financial statements in the current year.

### 3. Accounts receivable:

Taxes receivable of \$10,804 (2022 - \$7,846) reported on the Consolidated Statement of Financial Position include supplementary taxes of \$1,675 (2022 - \$1,659) recorded in 2023 as earned, but not due until 2024. Other accounts receivable are reported net of a valuation allowance of \$1,257 (2022 - \$1,355).

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

#### 4. Investments:

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

	<b>2023</b>	
	<b>Cost</b>	<b>Market Value</b>
Government and government guaranteed bonds	\$ 51,196	\$ 49,814
Municipal bonds	44,796	43,705
Financial institutions	122,291	122,757
<b>Total investments, year end</b>	<b>\$ 218,283</b>	<b>\$ 216,276</b>

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

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

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

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

	<b>2023</b>	<b>2022</b>
<b>Financial Position:</b>		
<b>Assets:</b>		
Current	\$ 40,187	\$ 43,308
Capital	144,495	131,869
Other non-current assets	4,079	6,694
Regulatory balances	19,177	15,269
<b>Total assets</b>	<b>207,938</b>	<b>197,140</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

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

	2023	2022
<b>Liabilities:</b>		
Current	26,533	28,473
Long-term debt	63,642	58,758
Other non-current liabilities	50,280	44,189
Regulatory balances	7,002	5,243
<b>Total liabilities</b>	<b>147,457</b>	<b>136,663</b>
<b>Equity:</b>		
Share capital	17,549	17,549
Retained earnings	42,932	42,928
<b>Total equity</b>	<b>60,481</b>	<b>60,477</b>
<b>Total liabilities and equity</b>	<b>207,938</b>	<b>197,140</b>
<b>Operations:</b>		
Revenue (including other comprehensive income)	138,221	137,690
Expenses (including income tax provision)	134,663	126,797
Income net of taxes	3,558	10,893
Net movement in regulatory balances, net of tax	2,152	3,834
Total comprehensive income	5,710	14,727
Dividend paid to Town of Milton	(5,706)	(1,569)
<b>Change in equity</b>	<b>4</b>	<b>13,158</b>
<b>Town of Milton investment represented by:</b>		
2,000 Common shares	17,549	17,549
Retained earnings, end of year	42,932	42,928
<b>Total investment in Milton Hydro Holdings Inc.</b>	<b>\$ 60,481</b>	<b>\$ 60,477</b>

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

Gross revenue earned by Milton Hydro from the Town was \$2,727 (2022 - \$2,377). Property taxes paid to the Town by Milton Hydro was \$203 (2022 - \$112).



# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### 6. Deferred revenue:

#### (a) Deferred revenue continuity:

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

	2023	2022
Obligatory reserve funds (note 6.b)	\$ 54,671	\$ 64,473
Subdivision agreement fees	3,608	3,276
Property taxes prepaid	7,694	7,078
Development fees	771	2,702
Housing Accelerator Grant Program	5,604	-
Investment in the Arts Campaign naming rights	333	470
Naming Opportunities Deferred	2,573	3,381
Prepaid facility rentals and program registrations	1,102	974
Other	1,713	789
<b>Total deferred revenue</b>	<b>\$ 78,069</b>	<b>\$ 83,143</b>

	2023	2022
<b>Balance, beginning of year:</b>		
Obligatory reserve funds (note 6.b)	\$ 64,473	\$ 42,781
Subdivision agreement fees	3,276	3,214
Property taxes prepaid	7,078	6,693
Development fees	2,702	1,555
Investment in the Arts Campaign naming rights	470	607
Naming opportunities	3,381	4,187
Prepaid facility rentals and program registrations	974	367
Other	789	726
<b>Total beginning balance</b>	<b>83,143</b>	<b>60,130</b>
<b>Receipts:</b>		
Obligatory reserve funds	29,364	54,918
Interest earned on obligatory reserve funds	2,629	1,174
Subdivision agreement fees	3,205	2,689
Property taxes prepaid	7,694	7,078
Development fees	(362)	1,198
Housing Accelerator Grant Program	5,604	-
Prepaid facility rentals and program registrations	176	607
Other	1,898	1,272
<b>Total receipts</b>	<b>50,208</b>	<b>68,936</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### 6. Deferred revenue (continued):

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

	2023	2022
<b>Transfers to revenue:</b>		
Obligatory reserve funds	(41,795)	(34,400)
Subdivision agreement fees	(2,873)	(2,627)
Property taxes prepaid	(7,078)	(6,693)
Development fees	(1,569)	(51)
Investment in the Arts Campaign naming rights	(137)	(137)
Naming opportunities	(808)	(806)
Prepaid facility rentals and program registrations	(48)	-
Other	(974)	(1,209)
<b>Total transfers to revenue</b>	<b>(55,282)</b>	<b>(45,923)</b>
<b>Balance, end of year</b>	<b>\$ 78,069</b>	<b>\$ 83,143</b>

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

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

	2023	2022
Building stabilization	\$ 12,670	\$ 13,829
Cash in lieu of parking	356	343
Cash in lieu of parkland	23,108	20,792
Federal gas tax	4,834	5,406
Provincial gas tax	1,471	1,095
Provincial government transfers	189	432
Arts programming	12	11
Development charges	12,031	22,565
	<b>\$ 54,671</b>	<b>\$ 64,473</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### 7. Long-term debt:

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

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

	<b>2023</b>	<b>2022</b>
Serial debt issued by Halton Region, beginning of year	\$ 34,095	\$ 31,454
Less: Principal repayment	(5,349)	(4,859)
Add: New debt issued	-	7,500
<b>Total serial debt</b>	<b>28,746</b>	<b>34,095</b>
Sinking fund debt, beginning of year	15,000	15,000
Less: Sinking fund assets	(2,422)	(2,119)
<b>Total sinking fund debt</b>	<b>12,578</b>	<b>12,881</b>
<b>Net long-term debt, end of year</b>	<b>\$ 41,324</b>	<b>\$ 46,976</b>

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

#### (b) Future principal payments:

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

	Operating	Development Charges	Obligatory Reserve Funds	Discretionary Reserve Funds	Total
2024	\$ 3,149	\$ -	\$ -	\$ 1,870	\$ 5,019
2025	3,093	-	-	1,909	5,002
2026	2,773	-	-	1,950	4,723
2027	2,832	-	-	1,996	4,828
2028	2,598	-	-	303	2,901
2029 - 2033	7,786	-	-	1,514	9,300
2034 - onward	-	-	-	9,551	9,551
	<b>\$ 22,231</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,093</b>	<b>\$ 41,324</b>

Of the future principal repayment amounts presented from Discretionary Reserve Funds, approximately \$5,593 is expected to be funded from investment earnings that are generated on the sinking fund contributions that are made in advance of the maturity date. The investment earnings are managed by the Halton Region and the actual return will be subject to market conditions. The Town will remain responsible for the entire sinking fund debt net of the final cumulative investment earnings amount.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

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

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

The total interest on long-term liabilities which are reported on the Consolidated Statement of Operations amounted to \$1,501 in 2023 (2022 - \$1,324). The long-term liabilities bear interest at rates ranging from 1.83% to 3.82%.

### 8. Developer obligations:

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

	2023	2022
Subdivision agreements - parks	\$ 1,061	\$ 837
Subdivision agreements - roads	8,460	5,882
Sustainable Halton Studies	4,470	4,193
<b>Developer obligations, end of year</b>	<b>\$ 13,991</b>	<b>\$ 10,912</b>

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

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

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

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

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

	2023	2022
Future payments to WSIB	\$ 2,657	\$ 1,911
Retiree benefits	795	800
Vacation pay and banked overtime	986	822
<b>Total</b>	<b>\$ 4,438</b>	<b>\$ 3,533</b>

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

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

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

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, 2023. The actuarial update was prepared for three consecutive years. The Estimated Average Remaining Service Life (EARSL) is 14 years, which is calculated using the Mean Term of the unescalated future payments for existing WSIB claims.

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

Interest (gross discount rate)	4.50% per annum
Administration costs	21.00% of compensation
Compensation costs (including loss of earnings, health care benefits, survivor benefits and non-economic loss awards)	Before allowance for mortality improvements 0.50% - 2.50% per annum After allowance for mortality improvements - 0.25% - 1.75% per annum

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

	<b>2023</b>	<b>2022</b>
Accrued WSIB obligation, beginning of year	\$ 2,089	\$ 1,968
Benefit costs	880	264
Actuarial loss	(825)	-
Interest	58	55
Benefit payments	(214)	(198)
	<b>1,988</b>	<b>2,089</b>
Net unamortized actuarial loss	669	(178)
<b>Accrued WSIB obligation, end of year</b>	<b>\$ 2,657</b>	<b>\$ 1,911</b>

The Town has established a WSIB reserve to mitigate the future impact of the WSIB obligations in the amount of \$5,077 (2022 - \$4,789).

In the current year, amortization of net actuarial loss of \$23 (2022 - \$23) has been included in the benefit expense on the Consolidated Statement of Operations.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

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

#### (b) Retiree benefits:

The Town provides dental and health care benefits between the time an employee retires under OMERS and the normal retirement age of 65 for employees hired prior to July 1, 1996. Where applicable, bargaining unit employees are eligible for post-retirement benefits, as set out in the collective agreements. An independent actuarial study of the post-employment benefits has been undertaken. The most recent valuation of the employee future benefits was completed as of December 31, 2021. The actuarial update was prepared for three consecutive years. The Estimated Average Remaining Service Life (EARSL) is 14 years.

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

Interest (discount rate)	3.75% per annum
Dental benefits escalation	same as health benefits
Health benefits escalation	5.42% per annum in 2023 decreasing by 0.33% per year to 3.75% in 2028 and 3.75% per annum thereafter

	<b>2023</b>	<b>2022</b>
Accrued benefits obligation, beginning of year	\$ 757	\$ 826
Current benefit cost	28	26
Actuarial loss	-	(54)
Interest	28	28
Benefits paid	(58)	(69)
	<b>755</b>	<b>757</b>
Unamortized actuarial gain	40	43
<b>Accrued benefits obligation, end of year</b>	<b>\$ 795</b>	<b>\$ 800</b>

In the current year amortization of the actuarial gains of \$3 (2022 - \$3) has been included in benefit expense on the Consolidated Statement of Operations.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### 10. Pension agreements:

The Town makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of 586 (2022- 459) members of its staff. Effective January 1, 2023, OMERS updated eligibility rules to allow all existing and newly hired employees who are not currently plan members to join the plan. 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 \$66.6 and at a rate of 14.6% for earnings greater than the yearly maximum pensionable earnings.

The Town's contribution to OMERS for 2023 was \$4,810 (2022 - \$4,337) for current service and is included as an expense on the Consolidated Statement of Operations. Employees' contribution to OMERS in 2023 was \$4,810 (2022 - \$4,337).

As OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees. The OMERS primary pension plan has a deficit of \$4.2 billion as of December 31, 2023 (2022 - \$6.6 billion).

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### 11. Tangible capital assets:

<b>Cost</b>	<b>Balance at, December 31, 2022</b>	<b>Additions (Transfers)</b>	<b>Disposals</b>	<b>Balance at, December 31, 2023</b>
Land	\$ 323,552	\$ 16,824	\$ -	\$ 340,376
Land improvements	86,858	5,406	(719)	91,545
Buildings and building improvements	186,366	844	(293)	186,917
Machinery and equipment	201,554	15,575	(6,059)	211,070
Linear assets	833,790	76,522	(9,747)	900,565
Asset retirement obligations	-	2,475	-	2,475
Assets under construction	50,960	(13,521)	-	37,439
<b>Total</b>	<b>\$ 1,683,080</b>	<b>\$ 104,125</b>	<b>\$ (16,818)</b>	<b>\$ 1,770,387</b>

<b>Accumulated amortization</b>	<b>Balance at, December 31, 2022</b>	<b>Amortization</b>	<b>Disposals</b>	<b>Balance at, December 31, 2023</b>
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	32,052	3,884	(470)	35,466
Building and building improvements	47,995	4,306	(233)	52,068
Machinery and equipment	98,162	12,566	(5,575)	105,153
Linear assets	329,376	16,101	(7,823)	337,654
Asset retirement obligations	-	149	-	149
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 507,585</b>	<b>\$ 37,006</b>	<b>\$ (14,101)</b>	<b>\$ 530,490</b>

<b>Net book value</b>	<b>December 31, 2022</b>	<b>December 31, 2023</b>
Land	\$ 323,552	\$ 340,376
Land improvements	54,806	56,079
Buildings and building improvements	138,371	134,849
Machinery and equipment	103,392	105,917
Linear assets	504,414	562,911
Asset retirement obligations	-	2,326
Assets under construction	50,960	37,439
<b>Total</b>	<b>\$ 1,175,495</b>	<b>\$ 1,239,897</b>



# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

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

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

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

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

#### (a) Assets under construction:

Assets under construction, having a value of \$37,439 (2022 - \$50,960), have not been amortized. Amortization of these assets will commence when the asset is put into service.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### **11. Tangible capital assets (continued):**

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

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

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

Contributed tangible capital assets have been recognized at fair value at the date of contribution. The value of contributed assets received during the year is \$27,572 (2022 - \$10,074) and is comprised of land and land improvements in the amount of \$8,246 (2022 - \$25,610) and linear assets in the amount of \$19,326 (2022 - \$9,342).

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

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

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

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### 12. Accumulated surplus:

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

	2023	2022
<b>Reserves set aside by Council:</b>		
Aggregate permit fees	\$ 303	\$ 194
Capital provision	8,267	7,331
Information technology	3,459	3,684
Downtown Business Improvement Area	304	248
Election	253	28
Vehicles and Equipment Replacement	9,674	7,102
Growth Capital - Other	12,113	10,207
Infrastructure Renewal - Roads and Structures, Traffic	39,920	35,719
Infrastructure Renewal - Stormwater	3,704	4,615
Infrastructure Renewal - Recreation, Facilities, Other	15,493	11,379
Insurance and Legal Matters	7,696	7,427
Library tax rate stabilization	541	546
Library capital works	1,393	1,431
Per unit development processing fee	1,906	1,197
Seniors fundraising	76	76
Studies and Other Non-Growth	1,648	451
Tax rate stabilization	7,340	8,428
Severe weather stabilization	2,063	2,063
WSIB	5,077	4,789
<b>Total reserves</b>	<b>121,230</b>	<b>106,915</b>
<b>Reserve funds set aside for specific purpose by Council:</b>		
Mayors legacy	100	96
Ontario Lottery Corporation proceeds	8,824	11,606
Post Period Capacity	(407)	(383)
Property transactions	15,559	16,083
<b>Total reserve funds</b>	<b>24,076</b>	<b>27,402</b>
<b>Surplus:</b>		
Invested in tangible capital assets	1,239,897	1,175,495
Unexpended Capital	50,739	47,976
Investment in Milton Hydro Holdings Inc.	60,481	60,477
Unfunded:		
Long-term debt	(41,324)	(46,976)
Employee future benefits	(3,452)	(2,711)
Asset retirement obligation	(2,656)	-
Developer obligations	(13,991)	(10,912)
Investment In the Arts Deferred Naming Donations	(332)	(469)
<b>Total surplus</b>	<b>1,289,362</b>	<b>1,222,880</b>
<b>Total accumulated surplus</b>	<b>\$ 1,434,668</b>	<b>\$ 1,357,197</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### 13. Taxation:

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

	2023	2022
Municipal and school property taxes	\$ 247,712	\$ 230,824
Payments-in-lieu of property and business taxes	1,980	1,992
Balance, end of year	249,692	232,816
Payments to Halton Region and school boards	(157,637)	(149,533)
<b>Net property taxes and payments in-lieu available for municipal purposes</b>	<b>\$ 92,055</b>	<b>\$ 83,283</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### 14. Government transfers:

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

	2023	2022
<b>Ontario grants:</b>		
Audit and Accountability Fund	\$ 24	\$ 98
COVID-19 Recovery Funding for Municipalities	105	86
Elderly Persons Centres Program	63	54
Gas Tax Funds for Public Transportation Program	967	1,018
Infectious Disease Emergency Leave	-	10
Investing in Canada Infrastructure - COVID-19 Resilience	-	266
Ministry of Transportation - fire calls on King's highways	103	99
Ontario Arts Council Programs	26	5
Ontario Seniors Community Grant Program	7	20
Ontario's After School Program	36	48
The Next Generation 9-1-1	302	-
Public Library Operating Grant	52	52
Public Library Pay Equity Grant	3	3
Reconnect Festivals and Events	1	23
Safe Restart Program	-	501
Streamline Development Approval Fund	244	77
Summer Experience Program	-	4
TO2015 Sport Legacy Fund	60	60
<b>Subtotal Provincial grants</b>	<b>1,993</b>	<b>2,424</b>
<b>Federal grants:</b>		
Active Transportation Fund	50	-
Canada Arts Presentation Fund	57	126
Canada Community-Building Fund	4,419	5,536
Canada Community Revitalization Fund	13	32
Canada Healthy Communities Initiative	20	30
Canada Summer Jobs Program	23	52
CanExport Community Investments Program	-	40
Digital Service Squad Program	45	48
Investing in Canada Infrastructure - COVID-19 Resilience	-	980
Municipalities for Climate Innovation Program	-	58
Commemorate Canada Program - the National Day for Truth and Reconciliation	10	10
New Horizons for Seniors Program	24	24
TO2015 Sport Legacy Fund	797	797
Tourism Relief Fund	-	149
Young Canada Works Program	3	6
Zero Emission Transit Fund	53	-
<b>Subtotal Federal grants</b>	<b>5,514</b>	<b>7,888</b>
<b>Total transfers</b>	<b>\$ 7,507</b>	<b>\$ 10,312</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### **15. Segmented information:**

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

#### **(a) General Government:**

General government function includes Mayor and Council as well as other divisions that are responsible for the general management and control of the Town, including adopting by-laws, adopting administrative policy, levying taxes, and providing administrative, communication, human resources, technical, and financial services. They also ensure quality services are provided to the community and that the services provided are aligned with Council approved actions.

#### **(b) Protection to Persons and Property:**

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

#### **(c) Transportation Services:**

The related divisions are responsible for the operations and infrastructure management of the Town's road and bridge network. They also provide traffic control, parking control and development engineering services. Milton Transit provides a fixed route conventional and on-demand transit service as well as accessible transit.

#### **(d) Health Services:**

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

#### **(e) Environmental Services:**

The Town provides storm water management services (planning, construction or assumption and operations) through several program areas.

#### **(f) Recreation and Cultural Services:**

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

#### **(g) Planning and Development:**

The Development Services Department provides direction to Council and the community through land

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### **15. Segmented information (continued):**

#### **(g) Planning and Development (continued):**

use policy formulation and implementation. The Economic Development Division assists businesses through technical processes associated with the relocation or set up of business. With the support of the Town, the DMBIA 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, 2023  
(in thousands of dollars)

### 15. Segmented information (continued):

	2023							Total
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Recreation and cultural services	Planning and development	
<b>Revenues:</b>								
Taxation	\$ 14,938	\$ 12,942	\$ 27,502	\$ 2,253	\$ 396	\$ 29,708	\$ 4,316	\$ 92,055
User charges	1,507	278	2,543	9	-	14,926	3,478	22,741
Government transfers								
Federal	-	-	4,372	150	-	924	68	5,514
Provincial	140	392	969	-	-	247	245	1,993
Other municipalities	-	289	3,205	8	-	126	-	3,628
Investment income	8,979	-	-	-	-	-	-	8,979
Penalties and interest	1,906	-	1,230	-	-	66	-	3,202
Developer contributions	41	30	28,938	2,831	-	2,677	4,918	39,435
Contributed tangible capital assets	-	-	12,537	6,936	-	8,099	-	27,572
Proceeds from Ontario Lottery Corporation	7,377	-	-	-	-	-	-	7,377
Licenses, permits and rents	536	6,659	140	-	-	427	44	7,806
Equity in income of Milton Hydro Holding Inc.	5,710	-	-	-	-	-	-	5,710
Donations	-	-	3	-	-	962	86	1,051
Other recoveries	-	-	-	-	-	13	-	13
Miscellaneous	31	110	145	-	-	130	-	416
<b>Total revenues</b>	<b>41,165</b>	<b>20,700</b>	<b>81,584</b>	<b>12,187</b>	<b>396</b>	<b>58,305</b>	<b>13,155</b>	<b>227,492</b>
<b>Expenses:</b>								
Salaries, wages and employee benefits	15,866	17,398	6,548	255	-	19,713	6,262	66,042
Purchased goods	2,030	768	3,709	60	-	5,963	170	12,700
Purchased services	2,440	1,025	17,477	1,595	-	4,758	1,209	28,504
Financial expenses / (recovery)	282	75	2,408	3	651	1,879	19	5,317
Transfers to others	5	24	-	-	-	422	1	452
Amortization expense	2,982	2,080	17,534	2,822	-	11,546	42	37,006
<b>Total expenses</b>	<b>23,605</b>	<b>21,370</b>	<b>47,676</b>	<b>4,735</b>	<b>651</b>	<b>44,281</b>	<b>7,703</b>	<b>150,021</b>
<b>Annual surplus / (deficit)</b>	<b>\$ 17,560</b>	<b>\$ (670)</b>	<b>\$ 33,908</b>	<b>\$ 7,452</b>	<b>\$ (255)</b>	<b>\$ 14,024</b>	<b>\$ 5,452</b>	<b>\$ 77,471</b>



# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### 15. Segmented information (continued):

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### 16. Expenses by Object:

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

	Budget 2023	Actual 2023	Actual 2022
Salaries, wages and employee benefits	\$ 69,728	\$ 66,042	\$ 58,032
Purchased goods	14,559	12,700	12,550
Purchased services	25,037	28,504	28,384
Financial expenses / (recovery)	2,339	5,317	4,619
Transfers to others	562	452	285
Amortization expense	38,818	37,006	35,869
<b>Total</b>	<b>\$ 151,043</b>	<b>\$ 150,021</b>	<b>\$ 139,739</b>

### 17. Fair value and risk management:

Town of Milton is exposed to a variety of financial risks, including credit risk and liquidity risk. Milton's overall risk management program seeks to minimize potential adverse effects on financial performance.

Financial instruments are classified as either fair value, cost, or amortized cost. The Town of Milton determines the classification of its financial instruments at initial recognition.

The following classification is used to describe the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category:

Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - market based inputs other than quoted prices that are observable for the asset for liability either directly or indirectly; and

Level 3 - inputs for the assets or liabilities that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instruments being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

Town of Milton does not have any financial instruments that are measured at fair value as at end of fiscal year 2023.

#### (a) Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss. The Town of Milton is exposed to credit risk with respect to accounts receivable and other investments. The Town assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in Allowance for Doubtful Accounts. The maximum exposure to credit risk of the Town is the carrying value of these assets. Management considers credit risk to be minimal as most of the accounts receivable balance is collected in a timely fashion.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### **17. Fair value and risk management: (continued)**

#### **(a) Credit Risk (continued)**

There have been no significant changes to credit risk exposure from prior year.

#### **(b) Liquidity Risk**

Liquidity risk is the risk that the Town will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Town manages its liquidity risk by monitoring its operating requirements, and prepares a budget, as well as cash forecasts, to ensure that it has sufficient funds to fulfill obligations.

There have been no significant changes to the liquidity risk exposure from prior year, as Milton, through prudent long-term financial planning, continues to support the Halton Region's AAA credit rating, which allows the Halton Region to obtain the most competitive rates available in the market.

#### **(c) Interest Rate Risk**

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates. The Town is not subject to significant interest rate risk as its cash and cash equivalents, investments, and long term debt have fixed interest rates and are intended to be carried until maturity. Since cash and cash equivalents are carried at amortized cost, their valuation does not change with changes in fair value.

The Town follows a Treasury Policy approved by Council.

#### **(d) Currency Risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Town of Milton is not exposed to this risk due to the amounts held in foreign currency being immaterial.

### **18. Asset Retirement Obligation:**

#### **(a) Asbestos:**

The Town of Milton owns 23 buildings which contain or might contain asbestos, and therefore, the Town is legally required to perform abatement activities upon renovation or demolition of this asset. Abatement activities include handling and disposing of the asbestos in a prescribed manner when it is disturbed.

The estimated total liability of \$1,742 thousand (2022 - \$Nil) is based on a per square foot estimate of potential abatement costs that has been applied to all of Town's buildings. Further, the sum of the estimated costs for abatement activities was adjusted for inflation using annual non-residential construction price index (2023- 8.23%). The Town has not designated funds for settling the abatement activities.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### 18. Asset Retirement Obligation (continued):

#### (b) Landfill:

Landfill closure and post-closure care requirements have been defined in accordance with The Environmental Management and Protection Act and include final covering and landscaping of the landfill, pumping of ground water, methane gas and leachate management, and ongoing environmental monitoring, site inspection and maintenance. The responsibility to monitor the closed landfill in perpetuity resides with the Halton Region.

The reported liability is based on estimations of capital costs over the term of 40 years. The estimated total liability of \$116 thousand (2022- \$Nil) is based on the sum of discounted future cash flows for capital activities using a discount rate of 4.5% and assuming annual inflation (2023- 8.23%). The estimate will be adjusted annually to reflect changes in discount rate and annual inflation rate. Future events may result in changes to the estimated total expense, and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

#### (c) Fuel Tanks:

The Town of Milton owns and operates two underground fuel tanks that have estimated useful life of 30 years, however could be used for a longer period of time if maintained in good condition. According to O.Reg. 213/01 - Fuel Oil under the Technical Standards and Safety Act, 2000, at the end of use, the Town is legally required to remove the fuel tanks from the ground, to properly dispose of, and to remediate contamination, if any. An Asset Retirement Obligation estimated at \$363 thousand (2022 - \$Nil) has been recorded and, is based on the cost of a similar project, adjusted for inflation by annual non-residential construction price index.

#### (d) Leasehold:

The Salt Dome at the Civic Operations Centre is located on a parcel of land leased from the Halton Region. The lease term is expiring in 2050, and as such an obligation has been identified in relation to the decommissioning of that Dome at the end of the lease. An Asset Retirement Obligation estimated at \$435 thousand (2022 - \$Nil) has been recorded, and is based on the cost of a similar project, adjusted for inflation by annual non-residential construction price index.

	2023	2022
<b>Balance, beginning of year</b>	\$ -	\$ -
Liabilities incurred	2,474	-
Accretion expense	182	-
<b>Balance, end of year</b>	<b>\$ 2,656</b>	<b>\$ -</b>

### 19. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2023 budget

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### 19. Budget data: (continued)

approved by Council on January 23, 2023. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	<b>Budget Amount</b>
<b>Revenue:</b>	
Operating budget	\$ 184,756
Capital budget	63,444
<b>Less:</b>	
Interfund transfers	(48,272)
New debt financing	(7,815)
Reallocated revenues	(9,862)
<b>Total revenue</b>	<b>182,251</b>
<b>Expenses:</b>	
Operating budget	184,756
Capital budget	63,444
Amortization	38,818
<b>Less:</b>	
Acquisition of tangible capital assets	(63,444)
Interfund transfers	(57,088)
Reallocated expenses	(9,791)
Debt principal payments	(5,652)
<b>Total expenses</b>	<b>151,043</b>
<b>Annual surplus</b>	<b>\$ 31,208</b>

### 20. Commitments:

The Town has outstanding contractual obligations of approximately \$58,803 for capital works and operating activities. The Town Council has authorized financing of these obligations.

### 21. Contingent liabilities and guarantees:

The Town has guaranteed debt of its wholly owned subsidiaries Milton Hydro Holdings Inc. and Milton Energy and Generation Solutions Inc. in the amount of \$5,100 (2022 - \$5,100). No claim has been made under the guarantee.

The Town has been named as the defendant in certain legal actions, in which damages have been sought. Any losses arising from these actions are recorded in the year that the related litigation is settled or when likely amounts are measurable. Where the outcomes of actions are not determinable as at December 31, 2023, no provision is made in the consolidated financial statements.

# The Corporation of the Town of Milton

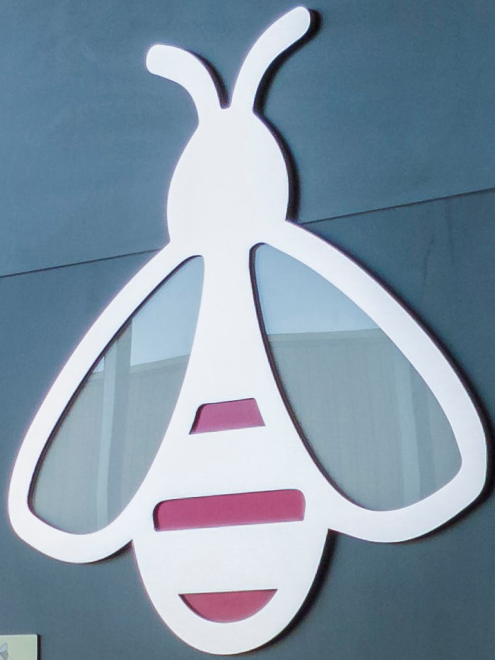
## Notes to Consolidated Financial Statements

Year ended December 31, 2023  
(in thousands of dollars)

### **22. Contractual rights:**

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

Town's contractual rights of \$55,496 arise because of the various types of contracts entered into, among which are agreements for assumption of assets under subdivision agreements of \$46,336, cost recovery of \$4,647, lease agreements of \$2,870, services agreements of \$119 and \$1,524 from agreements with developers.



# Milton Public Library

Be Inspired

Library Hours

Monday	9:30 am - 6:00 pm
Tuesday	9:30 am - 6:00 pm
Wednesday	9:30 am - 6:00 pm
Thursday	9:30 am - 6:00 pm
Friday	9:30 am - 6:00 pm
Saturday	9:30 am - 6:00 pm
Sunday	1:00 pm - 5:00 pm

Milton  
Library Board  
1000 Lakeshore Blvd. West  
Milton, ON L7T 4R1  
905.874.2200

2023 Town of Milton Financial Report  
**Milton Public Library Board**

For the year ended December 31, 2023





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Bay Adelaide East  
8 Adelaide Street West  
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## Independent Auditor's Report

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

### Opinion

We have audited the financial statements of the Milton Public Library Board of the Corporation of the Town of Milton (the "Library Board"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Library Board as at December 31, 2023, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

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

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

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

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



# Independent Auditors' Report

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

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

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

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

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



Chartered Professional Accountants  
Licensed Public Accountants  
June 13, 2024

# Milton Public Library Board Statement of Financial Position

As at December 31, 2023 with comparative information for 2022

	<b>2023</b>	<b>2022</b>
<b>Financial assets:</b>		
Due from the Town of Milton	\$ 3,560,967	\$ 3,442,546
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	322,759	304,528
Deferred revenue (note 3)	19,985	13,000
<b>Net financial assets</b>	<b>3,218,223</b>	<b>3,125,018</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 4)	3,008,409	3,010,743
Prepaid expenses	61,289	84,661
<b>Total non-financial assets</b>	<b>3,069,698</b>	<b>3,095,404</b>
Commitments (note 7)		
<b>Accumulated surplus (note 5)</b>	<b>\$ 6,287,921</b>	<b>\$ 6,220,422</b>

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

# Milton Public Library Board Statement of Operations

Year ended December 31, 2023 with comparative information for 2022

	Budget (Note 8)	2023	2022
<b>Revenues:</b>			
Transfer from the Town of Milton	\$ 5,901,548	\$ 5,901,548	\$ 5,308,486
Fines and penalties	145,501	73,348	81,574
User charges	53,307	24,828	22,258
Federal government transfers:			
Summer career placement grant	1,850	-	4,796
Canada Healthy Communities	-	20,000	30,000
Young Canada Works	-	3,329	5,614
National Day for Truth	-	10,000	9,995
New Horizons for Seniors	-	23,734	23,667
Provincial government transfers:			
Library pay equity program	3,275	3,275	3,275
Public library operating grant program	52,429	52,429	52,429
Municipal government transfers	21,696	30,604	18,919
Milton contributions - growth capital projects (note 6)	-	76,390	85,379
Miscellaneous	7,951	14,357	11,395
<b>Total revenues</b>	<b>6,187,557</b>	<b>6,233,842</b>	<b>5,657,787</b>
<b>Expenses:</b>			
Salaries, wages and employee benefits	4,149,873	4,047,759	3,680,162
Administrative	53,629	73,363	66,090
Financial	5,822	6,999	6,662
Purchased goods	372,984	449,988	348,423
Purchased services	926,261	979,616	821,090
Amortization	759,372	608,618	741,483
<b>Total expenses</b>	<b>6,267,941</b>	<b>6,166,343</b>	<b>5,663,910</b>
<b>Annual surplus/(deficit)</b>	<b>(80,384)</b>	<b>67,499</b>	<b>(6,123)</b>
<b>Accumulated surplus, beginning of year</b>	<b>6,220,422</b>	<b>6,220,422</b>	<b>6,226,545</b>
<b>Accumulated surplus, end of year (note 5)</b>	<b>\$ 6,140,038</b>	<b>\$ 6,287,921</b>	<b>\$ 6,220,422</b>

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

# Milton Public Library Board

## Statement of Change in Net Financial Assets

Year ended December 31, 2023 with comparative information for 2022

	<b>Budget (Note 8)</b>	<b>2023</b>	<b>2022</b>
Annual surplus / (deficit)	\$ (80,384)	\$ 67,499	\$ (6,123)
Acquisition of tangible capital assets	(712,314)	(606,284)	(646,530)
Amortization of tangible capital assets	759,372	608,618	741,483
	<b>(33,326)</b>	<b>69,833</b>	<b>88,830</b>
Change in prepaid expenses	-	23,372	4,144
<b>Change in net financial assets</b>	<b>(33,326)</b>	<b>93,205</b>	<b>92,974</b>
<b>Net financial assets, beginning of year</b>	3,125,018	3,125,018	3,032,044
<b>Net financial assets, end of year</b>	<b>\$ 3,091,692</b>	<b>\$ 3,218,223</b>	<b>\$ 3,125,018</b>

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

# Milton Public Library Board

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

Year ended December 31, 2023 with comparative information for 2022

	2023	2022
<b>Cash provided by (used in):</b>		
<b>Operating Activities:</b>		
Annual surplus / (deficit)	\$ 67,499	\$ (6,123)
Items not involving cash:		
Amortization	608,618	741,483
Change in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	18,231	188,423
Deferred revenue	6,985	(1,000)
Prepaid expenses	23,372	4,144
<b>Net change in due from the Town of Milton from operating activities</b>	<b>724,705</b>	<b>926,927</b>
<b>Capital Activities:</b>		
Cash used to acquire tangible capital assets	(606,284)	(646,530)
<b>Financing Activities:</b>		
Change in due from Town of Milton	(118,421)	(280,397)
<b>Net change in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

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

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2023

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

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

Significant accounting policies adopted by the Library are as follows:

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

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

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

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

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

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

#### **(d) Deferred revenue:**

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

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2023

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

#### (e) 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:

<b>Assets</b>	<b>Useful Life - Years</b>
IT equipment	3 - 10
Office equipment	10 - 50
Collections	3 - 10

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

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

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue. Where fair market value is not available the values are estimated.

#### (f) Use estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities and useful lives of tangible capital assets.

Actual results could differ from these estimates.

### 2. Accounting standard changes and adoption of new accounting policies:

The Library Board adopted the following standards concurrently beginning January 1, 2023 prospectively: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations.

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2023

### **2. Accounting standard changes and adoption of new accounting policies: (continued)**

#### **(a) PS 1201 - Financial Statement Presentation**

PS1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

#### **(b) PS 2601 - Foreign Currency Translation**

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

#### **(c) PS 3041 - Portfolio Investments**

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 Temporary Investments no longer applies.

#### **(d) PS 3280 - Asset Retirement Obligations**

PS 3280 Asset Retirement Obligations (ARO) establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

This standard was adopted on January 1, 2023 on a prospective basis, and had no impact on the financial statements of the Library Board.

#### **(e) PS 3450 - Financial Instruments**



# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2023

### 2. Accounting standard changes and adoption of new accounting policies: (continued)

#### (e) PS 3450 - Financial Instruments (continued)

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

Fair value hierarchy:

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

As the remeasurement gain (loss) resulting from the adoption of the above accounting standards is not identified, a Statement of Remeasurement Gains and Losses has not been prepared.

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2023

### 3. Deferred revenue:

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

	<b>2023</b>	<b>2022</b>
Deferred revenue	\$ 19,985	\$ 13,000
<b>Balance, beginning of year:</b>		
Deferred revenue	\$ 13,000	\$ 14,000
<b>Receipts:</b>		
Grants and sponsorships	7,985	-
<b>Transfers:</b>		
Naming rights revenue earned	(1,000)	(1,000)
<b>Balance, end of year</b>	<b>\$ 19,985</b>	<b>\$ 13,000</b>

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2023

### 4. Tangible capital assets:

<b>Cost</b>	<b>Balance at, December 31, 2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at, December 31, 2023</b>
IT equipment	\$ 792,034	\$ 145,866	\$ (82,479)	\$ 855,421
Office equipment	1,507,083	19,915	(1,429)	1,525,569
Collections	5,962,367	440,503	(306,425)	6,096,445
<b>Total</b>	<b>\$ 8,261,484</b>	<b>\$ 606,284</b>	<b>\$ (390,333)</b>	<b>\$ 8,477,435</b>

<b>Accumulated amortization</b>	<b>Balance at, December 31, 2022</b>	<b>Amortization</b>	<b>Disposals</b>	<b>Balance at, December 31, 2023</b>
IT equipment	\$ 462,141	\$ 140,186	\$ (82,479)	\$ 519,848
Office equipment	666,258	80,714	(1,429)	745,543
Collections	4,122,342	387,718	(306,425)	4,203,635
<b>Total</b>	<b>\$ 5,250,741</b>	<b>\$ 608,618</b>	<b>\$ (390,333)</b>	<b>\$ 5,469,026</b>

<b>Net book value</b>	<b>Balance at, December 31, 2022</b>	<b>Balance at, December 31, 2023</b>
IT equipment	\$ 329,893	\$ 335,573
Office equipment	840,825	780,026
Collections	1,840,025	1,892,810
<b>Total</b>	<b>\$ 3,010,743</b>	<b>\$ 3,008,409</b>

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2023

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

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

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

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

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2023

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

##### (a) Contributed capital assets:

The Library received no contributed tangible capital assets in 2023 or 2022.

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

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

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

The Library has not recorded write-downs of tangible capital assets during the year of 2023 or 2022 .

#### 5. Accumulated surplus:

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

	2023	2022
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 3,008,409	\$ 3,010,743
Unexpended capital	1,346,006	1,233,095
<b>Total surplus</b>	<b>4,354,415</b>	<b>4,243,838</b>
<b>Reserves set aside by Library Board:</b>		
Library capital works	1,392,911	1,430,604
Library tax rate stabilization	540,595	545,980
<b>Total reserves</b>	<b>1,933,506</b>	<b>1,976,584</b>
<b>Accumulated surplus</b>	<b>\$ 6,287,921</b>	<b>\$ 6,220,422</b>

The capital reserve is designated by the Board for the future purchase of Library owned tangible capital assets. The library capital reserve balance represents funds that have been allocated from the Town to the Library for the acquisition of Library assets. These funds do not include development charges that have been collected under the Town's by-law. The library services reserve is used to stabilize revenue streams and provide resources to respond to extraordinary events.

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

The Town of Milton (the "Town") manages a development charge obligatory reserve fund for library services in the amount of \$8,794,548 (2022 - \$7,537,958 ) that is funded by contributions received from developers as stipulated by the Development Charges By-law and identified in the Development Charges Background Study.

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

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2023

### 7. Commitments:

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

2024	\$ 412,606
2025	438,518
2026	283,858
2027	108,043
2028	114,828
2029 and thereafter	122,039
	<b>\$ 1,479,892</b>

### 8. Budget data:

The budget data presented in these financial statements is based upon the 2023 operating and capital budgets approved by Council on January 23, 2023. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	<b>Budget Amount</b>
<b>Revenue:</b>	
Operating budget	\$ 6,196,431
Capital budget	712,314
<b>Less:</b>	
Interfund transfers	(712,314)
Other transfers	(8,874)
<b>Total revenue</b>	<b>6,187,557</b>
<b>Expenses:</b>	
Operating budget	6,196,431
Capital budget	712,314
Amortization	759,372
<b>Less:</b>	
Interfund transfers	(678,988)
Other transfers	(8,874)
Acquisition of tangible capital assets	(712,314)
<b>Total expenses</b>	<b>6,267,941</b>
<b>Annual surplus</b>	<b>\$ (80,384)</b>

# Milton Public Library Board Notes to Financial Statements

Year ended December 31, 2023

## **9. Related party transactions:**

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

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

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2023 Town of Milton Financial Report  
**Downtown Milton Business  
Improvement Area**  
For the year ended December 31, 2023





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## Independent Auditor's Report

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

### Opinion

We have audited the financial statements of the Downtown Milton Business Improvement Area of the Corporation of the Town of Milton (the "BIA"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations and change in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the BIA as at December 31, 2023, and the results of its operations and changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

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

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

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

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

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

# Independent Auditors' Report

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

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

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

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

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



Chartered Professional Accountants  
Licensed Public Accountants  
June 7, 2024

# Downtown Milton Business Improvement Area

## Statement of Financial Position

As at December 31, 2023 with comparative information for 2022

	2023	2022
<b>Financial assets:</b>		
Due from the Town of Milton	\$ 327,687	\$ 279,575
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	23,790	31,952
<b>Net financial assets</b>	<b>303,897</b>	<b>247,623</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 3)	78,912	95,813
Prepaid expenses	-	218
<b>Total Non-financial assets</b>	<b>78,912</b>	<b>96,031</b>
Commitments (note 6)		
<b>Accumulated surplus (note 4)</b>	<b>\$ 382,809</b>	<b>\$ 343,654</b>

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

# Downtown Milton Business Improvement Area Statement of Operations

Year ended December 31, 2023 with comparative information for 2022

	Budget (Note 7)	2023	2022
<b>Revenues:</b>			
Taxation levied by Town	\$ 253,586	\$ 255,912	\$ 242,599
User charges	18,500	23,618	22,193
Federal government transfers (note 5)	4,000	22,451	112,776
Provincial transfers (note 5)	-	1,108	22,563
Municipal government transfers	69,661	108,411	33,150
Miscellaneous	26,500	85,525	67,642
<b>Total revenues</b>	<b>372,247</b>	<b>497,025</b>	<b>500,923</b>
<b>Expenses:</b>			
Beautification and planters	59,900	58,448	93,996
General administration	53,285	47,407	48,487
Salaries and benefits	173,391	202,522	158,596
Trade promotion and special events	115,411	127,688	86,646
Amortization	22,964	21,805	10,931
<b>Total expenses</b>	<b>424,951</b>	<b>457,870</b>	<b>398,656</b>
<b>Annual surplus/(deficit)</b>	<b>(52,704)</b>	<b>39,155</b>	<b>102,267</b>
<b>Accumulated surplus, beginning of year</b>	<b>343,654</b>	<b>343,654</b>	<b>241,387</b>
<b>Accumulated surplus, end of year (note 4)</b>	<b>\$ 290,950</b>	<b>\$ 382,809</b>	<b>\$ 343,654</b>

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

# Downtown Milton Business Improvement Area

## Statement of Change in Net Financial Assets

Year ended December 31, 2023 with comparative information for 2022

	Budget (Note 7)	2023	2022
Annual surplus	\$ (52,704)	\$ 39,155	\$ 102,267
Acquisition of tangible capital assets	-	(4,904)	(63,143)
Amortization of tangible capital assets	22,964	21,805	10,931
	<b>(29,740)</b>	<b>56,056</b>	<b>50,055</b>
Change in prepaid expenses	-	218	216
<b>Change in net financial assets</b>	<b>(29,740)</b>	<b>56,274</b>	<b>50,271</b>
Net financial assets, beginning of year	247,623	247,623	197,352
<b>Net financial assets, end of year</b>	<b>\$ 217,883</b>	<b>\$ 303,897</b>	<b>\$ 247,623</b>

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

# Downtown Milton Business Improvement Area Statement of Change in Due from the Town of Milton

Year ended December 31, 2023 with comparative information for 2022

	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used in):</b>		
<b>Operating Activities:</b>		
Annual surplus	\$ 39,155	\$ 102,267
Items not involving cash:		
Amortization	21,805	10,931
Change in non-cash assets and other liabilities:		
Accounts payable and accrued liabilities	(8,162)	19,981
Prepaid expenses	218	216
<b>Net change in cash from operating activities</b>	<b>53,016</b>	<b>133,395</b>
<b>Capital Activities:</b>		
Cash used to acquire tangible capital assets	(4,904)	(63,143)
<b>Financing Activities:</b>		
Change in Due from Town of Milton	(48,112)	(70,252)
<b>Net change in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

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

# Downtown Milton Business Improvement Area

## Notes to Financial Statements

Year ended December 31, 2023

**1. Significant accounting policies:**

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

Significant accounting policies adopted by the DMBIA are as follows:

**(a) Basis of accounting:**

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

**(b) Government transfers:**

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

**(c) Non-financial assets:**

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

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

<b>Assets</b>	<b>Useful Life - Years</b>
Office equipment	3 - 15
Other equipment	5 - 10



# Downtown Milton Business Improvement Area

## Notes to Financial Statements

Year ended December 31, 2023

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

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

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

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

#### (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.

### 2. Accounting standard changes and adoption of new accounting policies:

The DMBIA adopted the following standards concurrently beginning January 1, 2023 prospectively: PS 1201 Financial Statement Presentation, PS 2601 Foreign Currency Translation, PS 3041 Portfolio Investments, PS 3450 Financial Instruments and PS 3280 Asset Retirement Obligations.

#### (a) PS 1201 - Financial Statement Presentation

PS1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

#### (b) PS 2601 - Foreign Currency Translation

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

#### (c) PS 3041 - Portfolio Investments

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 Temporary Investments no longer applies.

# Downtown Milton Business Improvement Area

## Notes to Financial Statements

Year ended December 31, 2023

### 2. Accounting standard changes and adoption of new accounting policies: (continued)

#### (d) PS 3280 - Asset Retirement Obligations

PS 3280 Asset Retirement Obligations (ARO) establishes the accounting and reporting requirements for legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use.

The new standard requires the recognition of a liability for legal obligations that exist as a result of the acquisition, construction or development of a tangible capital asset, or that result from the normal use of the asset when the asset is recorded. Such obligation justifies recognition of a liability and can result from existing legislation, regulation, agreement, contract, or that is based on a promise and an expectation of performance. The estimate of the liability includes costs directly attributable to asset retirement activities. When recording an asset retirement obligation, the estimated retirement costs are capitalized to the carrying value of the associated assets and amortized over the asset's estimated useful life. The amortization of the asset retirement costs follows the same method of amortization as the associated tangible capital asset.

This standard was adopted on January 1, 2023 on a prospective basis, and had no impact on the financial statements of the DMBIA.

# Downtown Milton Business Improvement Area

## Notes to Financial Statements

Year ended December 31, 2023

### 2. Accounting standard changes and adoption of new accounting policies: (continued)

#### (e) PS 3450 - Financial Instruments

PS 3450 Financial Instruments establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

Establishing fair value:

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

Fair value hierarchy:

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

As the remeasurement gain (loss) resulting from the adoption of the above accounting standards is not identified, a Statement of Remeasurement Gains and Losses has not been prepared.

# Downtown Milton Business Improvement Area

## Notes to Financial Statements

Year ended December 31, 2023

### 3. Tangible capital assets:

	2023		
	Office Equipment	Other Equipment	Total
<b>Cost</b>			
Balance, beginning of year	\$ 7,060	\$ 130,829	\$ 137,889
Additions	-	4,904	4,904
Disposals	-	(2,462)	(2,462)
<b>Balance, end of year</b>	<b>7,060</b>	<b>133,271</b>	<b>140,331</b>
<b>Accumulated amortization</b>			
Balance, beginning of year	4,773	37,303	42,076
Disposals	-	(2,462)	(2,462)
Amortization	210	21,595	21,805
<b>Balance, end of year</b>	<b>4,983</b>	<b>56,436</b>	<b>61,419</b>
<b>Net book value, end of year</b>	<b>\$ 2,077</b>	<b>\$ 76,835</b>	<b>\$ 78,912</b>

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

#### (a) Contributed capital assets:

The DMBIA received no contributed tangible capital assets in 2023 or 2022.

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

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

# Downtown Milton Business Improvement Area Notes to Financial Statements

Year ended December 31, 2023

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

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

The DMBIA has not recorded write-downs of tangible capital assets during the year of 2023 or 2022 .

### 4. Accumulated surplus:

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

	2023	2022
<b>Surplus</b>		
Invested in tangible capital assets	\$ 78,912	\$ 95,813
<b>Reserves</b>		
Downtown Business Improvement Area	303,897	247,841
<b>Accumulated surplus</b>	<b>\$ 382,809</b>	<b>\$ 343,654</b>

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

The change in the reserve fund balance is as follows:

	2023	2022
Annual surplus	\$ 39,155	\$ 102,267
Less: Current year tangible capital assets additions	(4,904)	(63,143)
Add: Amortization expense	21,805	10,931
	<b>56,056</b>	<b>50,055</b>
Fund balance at beginning of year	247,841	197,786
<b>Fund balance, end of year</b>	<b>\$ 303,897</b>	<b>\$ 247,841</b>

### 5. Government transfers:

The Provincial Government transfer reported on the Statement of Operations is the Reconnect Festival and Event Program in the amount of \$1,108 (2022 - \$ 22,563). The Federal Government transfers reported on the Statement of Operations in the amount of \$22,451 (2022 - \$112,776) consist of Community Revitalization Fund \$12,935 (2022 - \$32,067) and the Summer Career Placement Grant \$9,516 (2022 - \$7,709).

# Downtown Milton Business Improvement Area Notes to Financial Statements

Year ended December 31, 2023

## 6. Commitments:

In August 2023, The Board of Management of the Downtown Milton Business Improvement Area entered into a five year lease agreement, which expires on September 30, 2028 and is committed to lease payments payable as follows:

2024	\$ 14,337
2025	15,084
2026	15,876
2027	16,140
2028	12,105
<b>Total 5 Year Commitments</b>	<b>\$ 73,542</b>

## 7. Budget data:

The budget data presented in these financial statements is based upon the 2023 budget approved by Council on January 23, 2023.

## 8. Related party transactions:

During the year the Town has provided DMBIA ground maintenance services for \$11,755 of which \$3,000 were recovered from Downtown Milton Business Improvement Area. In addition to the transactions noted, the Town also periodically provides support services at no cost. Should the DMBIA be required to source these services independently, additional costs that could be material may be incurred.



2023 Town of Milton Financial Report  
**Multi-Year Comparison of Financial  
Statements**

For the year ended December 31, 2023



# Consolidated Statement of Financial Position

(in thousands of dollars)

	2023	2022	2021	2020	2019
Cash and cash equivalents	\$ 56,425	\$ 70,562	\$ 66,862	\$ 56,406	\$ 76,737
Accounts receivable					
Taxes receivable	10,804	7,846	6,027	9,477	6,523
Grants receivable	279	1,885	104	352	292
Other	13,822	13,537	19,295	11,520	14,441
Investments	218,283	197,319	131,765	111,642	108,489
Investment in Milton Hydro Holdings Inc.	60,481	60,477	62,253	59,962	61,220
Other Assets	442	427	377	3,188	2,735
<b>Total financial assets</b>	<b>360,536</b>	<b>352,053</b>	<b>286,683</b>	<b>252,547</b>	<b>270,437</b>
Non-financial assets	1,243,547	1,177,764	1,151,626	1,128,494	1,097,678
<b>Total assets</b>	<b>1,604,083</b>	<b>1,529,816</b>	<b>1,438,309</b>	<b>1,381,041</b>	<b>1,368,115</b>
Accounts payable and accrued liabilities	20,568	18,932	21,793	19,654	23,533
Other liabilities	8,369	9,124	8,354	6,984	6,419
Deferred revenue	78,069	83,143	60,130	52,826	72,298
Long-term debentures	41,324	46,976	44,638	36,879	42,532
Asset retirement obligation	2,656	-	-	-	-
Developer obligations	13,991	10,912	4,314	3,398	2,613
Employee benefits and other liabilities	4,438	3,533	3,526	3,290	3,168
<b>Total liabilities</b>	<b>169,415</b>	<b>172,620</b>	<b>142,755</b>	<b>123,031</b>	<b>150,563</b>
<b>Accumulated surplus</b>	<b>\$ 1,434,668</b>	<b>\$ 1,357,197</b>	<b>\$ 1,295,554</b>	<b>\$ 1,258,010</b>	<b>\$ 1,217,552</b>



# Consolidated Statement of Operations

(in thousands of dollars)

	2023	2022	2021	2020	2019
<b>Sources of revenue:</b>					
Taxation	\$ 92,055	\$ 83,283	\$ 76,995	\$ 72,732	\$ 67,289
User charges	22,741	16,929	11,829	10,233	19,347
Government transfers:					
Federal	5,514	7,888	6,096	6,448	3,990
Provincial	1,993	2,424	4,501	4,985	4,412
Other municipalities	3,628	7,213	4,761	4,900	6,422
Investment income	8,979	5,666	3,788	4,202	4,854
Penalties and interest	3,202	2,952	2,710	2,225	3,105
Developer contributions	39,435	31,808	31,125	34,580	36,328
Contributed tangible capital assets	27,572	10,074	15,216	13,370	32,847
Proceeds from Ontario Lottery Corporation	7,377	7,007	3,900	1,551	7,984
License, permits, rents etc.	7,806	7,142	6,488	6,193	6,415
Equity in income of Milton Hydro Holdings Inc.	5,710	14,727	3,791	242	2,542
Donations	1,051	1,065	1,963	899	893
Other Recoveries	13	866	181	62	347
Miscellaneous	416	2,338	420	135	370
<b>Total revenue</b>	<b>227,492</b>	<b>201,382</b>	<b>173,764</b>	<b>162,757</b>	<b>197,145</b>
<b>Expenses by function:</b>					
General government	23,605	21,012	19,584	20,659	19,900
Protection to persons and property	21,370	19,137	18,167	17,447	16,230
Transportation services	47,676	44,846	40,848	37,116	42,043
Environmental services	4,735	7,942	6,057	6,480	3,418
Health Services	651	687	774	1,861	1,767
Recreational and cultural services	44,281	38,747	43,630	31,893	38,316
Planning and development	7,703	7,368	7,160	6,843	7,231
<b>Total expenses</b>	<b>150,021</b>	<b>139,739</b>	<b>136,220</b>	<b>122,299</b>	<b>128,905</b>
Annual surplus	77,471	61,643	37,544	40,458	68,240
Accumulated surplus, beginning of year	1,357,197	1,295,554	1,258,010	1,217,552	1,149,312
<b>Accumulated surplus, end of year</b>	<b>\$ 1,434,668</b>	<b>\$ 1,357,197</b>	<b>\$ 1,295,554</b>	<b>\$ 1,258,010</b>	<b>\$ 1,217,552</b>

# Consolidated Statement of Change in Net Financial Asset

(in thousands of dollars)

	2023	2022	2021	2020	2019
Annual surplus	\$ 77,471	\$ 61,643	\$ 37,544	\$ 40,458	\$ 68,240
Acquisition of tangible capital assets	(104,125)	(63,999)	(68,795)	(69,672)	(88,303)
Amortization of tangible capital assets	37,006	35,869	34,370	33,644	30,378
Loss on disposal of tangible capital assets	2,498	392	10,903	4,857	3,445
Proceeds on sale of tangible capital assets	219	2,278	776	51	219
	13,069	36,183	14,798	9,338	13,979
Change in supplies of inventory	(384)	(514)	193	262	(133)
Change in prepaid expenses	(997)	(164)	(579)	42	(236)
Change in net financial assets	11,688	35,505	14,412	9,642	13,610
Net financial assets, beginning of year	179,433	143,928	129,516	119,874	106,264
<b>Net financial assets, end of year</b>	<b>\$ 191,121</b>	<b>\$ 179,433</b>	<b>\$ 143,928</b>	<b>\$ 129,516</b>	<b>\$ 119,874</b>

## Analysis of Expenses by Object

(in thousands of dollars)

	2023	2022	2021	2020	2019
Salaries, wages and employee benefits	\$ 66,042	\$ 58,032	\$ 52,283	\$ 49,091	\$ 52,803
Purchased goods	12,315	12,550	10,122	9,544	12,082
Purchased services	28,889	28,384	23,236	22,301	27,134
Financial expenses	5,317	4,619	13,221	7,469	5,685
External transfers	452	285	2,988	250	823
Amortization expense	37,006	35,869	34,370	33,644	30,378
<b>Total expenses</b>	<b>\$ 150,021</b>	<b>\$ 139,739</b>	<b>\$ 136,220</b>	<b>\$ 122,299</b>	<b>\$ 128,905</b>

## Net Book Value of Tangible Capital Assets

(in thousands of dollars)

	2023	2022	2021	2020	2019
Land	\$ 340,376	\$ 323,552	\$ 314,338	\$ 313,955	\$ 313,457
Land improvements	56,079	54,806	54,575	52,939	53,336
Buildings and building improvements	134,849	138,371	142,346	146,049	148,611
Machinery and equipment	105,917	103,392	107,644	110,136	107,388
Linear assets	562,911	504,414	500,415	462,687	453,762
Asset retirement obligation	2,326	-	-	-	-
Assets under construction	37,439	50,960	30,717	41,523	19,615
<b>Total assets</b>	<b>\$ 1,239,897</b>	<b>\$ 1,175,495</b>	<b>\$ 1,150,035</b>	<b>\$ 1,127,289</b>	<b>\$ 1,096,169</b>

# Accumulated Surplus

(in thousands of dollars)

	2023	2022	2021	2020	2019
<b>Reserves set aside by Council:</b>					
Aggregate permit fees	\$ 303	\$ 194	\$ 125	\$ 367	\$ 483
Capital provision/growth	8,267	7,331	12,609	12,167	13,387
Capital works	-	-	-	-	7,703
Computer replacement	3,459	3,684	3,220	5,492	1,245
Downtown Business Improvement Area	304	248	198	166	107
Election	253	28	627	504	314
Equipment replacement	9,674	7,102	9,085	8,152	7,835
Growth related resources	-	-	-	-	2,068
Growth capital - other	12,113	10,207	9,828	7,588	-
Infrastructure renewal reserve - roads and structures	39,920	35,719	13,694	11,776	4,964
Infrastructure renewal - stormwater	3,704	4,615	4,062	2,748	-
Infrastructure renewal - recreation, facilities, other	15,493	11,379	7,896	7,037	-
Insurance	-	-	-	1,573	1,413
Insurance legal matters	7,696	7,427	6,923	1,439	1,341
Library services	541	546	807	859	2,204
Library capital	1,393	1,431	1,107	1,767	674
Municipal building component	-	-	-	-	7,973
Municipal building replacement	-	-	-	-	435
Per unit development processing fee	1,906	1,197	1,340	1,224	1,468
Seniors fundraising	76	76	76	76	76
Studies and other non-growth capital	1,648	451	2,992	2,082	-
Tax rate stabilization	7,340	8,428	8,019	8,160	4,190
Training	-	-	-	-	461
Transit and transportation	-	-	-	-	1,786
Severe weather	2,063	2,063	1,923	1,467	1,468
Working funds	-	-	-	-	1,064
WSIB	5,077	4,789	4,034	2,867	1,212
<b>Total reserves</b>	<b>\$ 121,230</b>	<b>\$ 106,915</b>	<b>\$ 88,565</b>	<b>\$ 77,511</b>	<b>\$ 63,871</b>

## Accumulated Surplus (Continued)

(in thousands of dollars)

	2023	2022	2021	2020	2019
<b>Reserve funds set aside for specific purpose by Council:</b>					
Cash in lieu of storm water management	\$ -	\$ -	\$ -	\$ -	\$ 46
Investment in the Arts Campaign	-	-	-	-	609
Mayor's legacy	100	96	94	92	91
Milton District Hospital	-	-	-	310	371
Post Period Capacity	(407)	(383)	-	-	-
Ontario Lottery Corporation proceeds	8,824	11,606	4,702	7,496	9,045
Perpetual maintenance	-	-	-	-	605
Property transactions	15,559	16,083	8,067	7,260	11,496
Sports field development	-	-	-	-	44
<b>Total reserve funds</b>	<b>\$ 24,076</b>	<b>\$ 27,402</b>	<b>\$ 12,863</b>	<b>\$ 15,158</b>	<b>\$ 22,307</b>

	2023	2022	2021	2020	2019
<b>Surplus:</b>					
Invested in tangible capital assets	\$ 1,239,897	\$ 1,175,495	\$ 1,150,035	\$ 1,127,289	\$ 1,096,169
Unexpended capital	50,739	47,976	33,983	19,151	20,374
Investment in Milton Hydro Holdings Inc.	60,481	60,477	62,253	59,962	61,220
Endowment fund	-	-	-	2,406	2,043
<b>Unfunded:</b>					
Long-term debentures	(41,324)	(46,976)	(44,638)	(36,879)	(42,532)
Asset retirement obligation	(2,656)	-	-	-	-
Employee future benefits	(3,452)	(2,711)	(2,586)	(2,446)	(2,406)
Developer obligations	(13,991)	(10,912)	(4,314)	(3,398)	(2,613)
Investment in the Arts deferred donations	(332)	(469)	(607)	(744)	(881)
<b>Total surplus</b>	<b>\$ 1,289,362</b>	<b>\$ 1,222,880</b>	<b>\$ 1,194,126</b>	<b>\$ 1,165,341</b>	<b>\$ 1,131,374</b>
<b>Total accumulated surplus</b>	<b>\$ 1,434,668</b>	<b>\$ 1,357,197</b>	<b>\$ 1,295,554</b>	<b>\$ 1,258,010</b>	<b>\$ 1,217,552</b>

# Five-Year Financial Statistics

## Property Taxation

(in thousands of dollars)

	2023	2022	2021	2020	2019
<b>Weighted assessment by property class</b>					
Residential	23,206,192	22,730,282	22,096,688	21,316,998	19,533,502
Multi-residential	359,624	305,380	302,876	316,308	303,639
Farmland	75,201	79,540	77,826	80,693	77,348
Managed forests	10,309	10,563	10,424	10,585	9,741
Commercial	4,900,845	4,738,171	4,644,238	4,334,385	4,083,573
Industrial	1,297,251	1,319,149	1,371,262	1,589,913	1,521,036
Pipelines	118,118	116,781	115,568	114,190	111,212
<b>Total weighted assessment</b>	<b>29,967,540</b>	<b>29,299,865</b>	<b>28,618,882</b>	<b>27,763,071</b>	<b>25,640,051</b>
Commercial and industrial as % of total weighted assessment	21%	21%	21%	21%	22%
<b>Total tax levied and collected</b>					
Property tax levied	91,884	83,406	77,234	73,233	67,028
Taxes billed on behalf of Halton Region	88,616	83,670	80,088	77,314	73,105
Taxes billed on behalf of school boards	70,426	68,346	67,101	67,198	64,425
<b>Total tax levied</b>	<b>250,927</b>	<b>235,422</b>	<b>224,423</b>	<b>217,745</b>	<b>204,558</b>
<b>Total tax collected</b>	<b>247,969</b>	<b>233,603</b>	<b>227,872</b>	<b>214,791</b>	<b>206,171</b>
<b>Taxes Receivable as % of tax levied</b>	<b>4.31%</b>	<b>3.33%</b>	<b>2.69%</b>	<b>4.35%</b>	<b>3.19%</b>

# Five-Year Financial Statistics

## Property Taxation

	2023	2022	2021	2020	2019
<b>Taxation rates by property class – General</b>					
<b>Residential</b>					
Town of Milton	0.293692%	0.271966%	0.257867%	0.248124%	0.248082%
Halton Region	0.288176%	0.278490%	0.272466%	0.267578%	0.276694%
School boards	0.153000%	0.153000%	0.153000%	0.153000%	0.161000%
	<b>0.734868%</b>	<b>0.703456%</b>	<b>0.683333%</b>	<b>0.668702%</b>	<b>0.685776%</b>
<b>Multi-residential</b>					
Town of Milton	0.587384%	0.543932%	0.515735%	0.496248%	0.496164%
Halton Region	0.576353%	0.556980%	0.544930%	0.535156%	0.553388%
School boards	0.153000%	0.153000%	0.153000%	0.153000%	0.161000%
	<b>1.316737%</b>	<b>1.253912%</b>	<b>1.213665%</b>	<b>1.184404%</b>	<b>1.210552%</b>
<b>Farmlands</b>					
Town of Milton	0.058738%	0.054393%	0.051573%	0.049625%	0.049616%
Halton Region	0.057635%	0.055698%	0.054493%	0.053516%	0.055338%
School boards	0.038250%	0.038250%	0.038250%	0.038250%	0.040250%
	<b>0.154624%</b>	<b>0.148341%</b>	<b>0.144316%</b>	<b>0.141391%</b>	<b>0.145204%</b>
<b>Managed forests</b>					
Town of Milton	0.073423%	0.067992%	0.064467%	0.062031%	0.062021%
Halton Region	0.072044%	0.069622%	0.068116%	0.066895%	0.069174%
School boards	0.038250%	0.038250%	0.038250%	0.038250%	0.040250%
	<b>0.183717%</b>	<b>0.175864%</b>	<b>0.170833%</b>	<b>0.167176%</b>	<b>0.171445%</b>
<b>Commercial</b>					
Town of Milton	0.427762%	0.396118%	0.375584%	0.361393%	0.361331%
Halton Region	0.419729%	0.405620%	0.396844%	0.389728%	0.403005%
School boards	0.770552%	0.770552%	0.770552%	0.770552%	0.804055%
	<b>1.618043%</b>	<b>1.572290%</b>	<b>1.542980%</b>	<b>1.521673%</b>	<b>1.568391%</b>
<b>Commercial - vacant units/excess land</b>					
Percentage of full rate	100%	100%	100%	100%	78%

# Five-Year Financial Statistics

## Property Taxation

	2023	2022	2021	2020	2019
<b>Industrial</b>					
Town of Milton	0.614022%	0.568599%	0.539124%	0.518753%	0.585449%
Halton Region	0.602490%	0.582239%	0.569643%	0.559425%	0.652969%
School boards	0.880000%	0.880000%	0.880000%	1.098184%	1.167241%
	<b>2.096512%</b>	<b>2.030838%</b>	<b>1.988766%</b>	<b>2.176362%</b>	<b>2.405659%</b>
<b>Industrial - vacant land/excess land</b>					
<b>Percentage of full rate</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>75%</b>	<b>73%</b>
<b>Pipeline</b>					
Town of Milton	0.311813%	0.288746%	0.273778%	0.263433%	0.263389%
Halton Region	0.305957%	0.295673%	0.289276%	0.284088%	0.293767%
School boards	0.880000%	0.880000%	0.880000%	0.980000%	1.030000%
	<b>1.497770%</b>	<b>1.464419%</b>	<b>1.443055%</b>	<b>1.527521%</b>	<b>1.587156%</b>



# Five-Year Financial Statistics

## Long-Term Debt and Other Statistics

	2023	2022	2021	2020	2019
<b>Transfers from other levels of government</b>					
Federal	\$ 5,514,246	\$ 7,887,811	\$ 6,095,929	\$ 6,495,575	\$ 3,990,368
Provincial	1,992,878	2,424,070	4,501,084	4,985,317	4,412,448
<b>Total transfers</b>	<b>\$ 7,507,124</b>	<b>\$ 10,311,881</b>	<b>\$ 10,597,013</b>	<b>\$ 11,480,892</b>	<b>\$ 8,402,817</b>
<b>Long-term debt:</b>					
Debt supported by property taxes	\$ 22,230,943	\$ 26,046,969	\$ 21,684,476	\$ 11,328,317	\$ 13,664,487
Debt supported by development charges	-	-	195,967	993,126	2,378,415
Debt supported by reserves and reserve funds	19,092,940	20,928,713	22,757,235	24,558,025	26,489,369
Debt supported by user fees	-	-	-	-	-
<b>Total long-term debt</b>	<b>\$ 41,323,884</b>	<b>\$ 46,975,682</b>	<b>\$ 44,637,677</b>	<b>\$ 36,879,467</b>	<b>\$ 42,532,271</b>
<b>Long-term debt by function:</b>					
General government	\$ -	\$ 269,088	\$ 554,954	\$ 834,473	\$ 1,364,736
Fire	937,247	1,081,926	1,419,869	1,890,629	2,422,612
Roadways	16,197,844	18,806,057	14,758,070	5,525,473	6,717,193
Parks	3,698,051	4,236,320	3,248,260	1,464,697	1,681,768
Storm water	120,022	178,553	236,098	292,689	348,359
Health services	19,092,940	20,928,713	22,734,517	24,513,164	26,165,924
Recreation facilities	1,155,938	1,334,375	1,526,802	2,181,130	3,356,468
Cultural services	-	-	-	-	280,210
Library	121,842	140,650	159,107	177,213	195,000
<b>Total long-term debt</b>	<b>\$ 41,323,884</b>	<b>\$ 46,975,682</b>	<b>\$ 44,637,677</b>	<b>\$ 36,879,467</b>	<b>\$ 42,532,271</b>
Total long-term debt per capita	294.62	340.72	332.36	291.87	345.23
Total long-term debt per household	958.99	1,100.31	1,102.38	948.20	1,124.48
Annual debt repayment limit*	30,375,897	25,061,991	21,372,010	17,742,653	20,681,378
Actual annual debt repayment	6,853,224	6,341,265	5,650,799	6,858,561	6,895,082
<b>Actual debt repayment as % of own source revenues</b>	<b>4.60%</b>	<b>5.05%</b>	<b>5.23%</b>	<b>6.97%</b>	<b>6.25%</b>

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

# Five-Year Financial Statistics

## Municipal Statistics

	2023	2022	2021	2020	2019
Population	140,260	137,870	134,304	126,355	123,200
Area	36,538	36,538	36,538	36,538	36,538
Households	43,091	42,693	40,492	38,894	37,824
Average household income*	\$ 154,995	\$ 137,141	\$ 137,789	\$ 135,698	\$ 133,325
Halton Region unemployment rate**	5.30%	5.50%	6.50%	9.20%	5.30%
<b>Town of Milton budgeted labour force:</b>					
Full time funded positions	475	460	439	430	424
Part time funded positions	919	779	775	774	764
Seasonal funded positions	304	312	312	312	296
<b>Total funded positions</b>	<b>1,698</b>	<b>1,551</b>	<b>1,526</b>	<b>1,516</b>	<b>1,484</b>
<b>Infrastructure</b>					
Lane kilometres of paved roads***	1,291	1,257	1,242	1,226	1,201
Lane kilometres of unpaved roads	5	5	5	5	7
Total kilometres of stormwater (urban and rural)***	988	971	960	953	939
<b>Recreation</b>					
Total kilometres of trails	46	45	44	44	42
Total hours of recreations programs***	5,062,153	3,952,032	1,004,073	2,035,361	5,408,421

\* BMA Management Consulting Inc. Municipal Study

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

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

# Five-Year Financial Statistics

## Municipal Statistics

	2023	2022	2021	2020	2019
<b>New construction procurement:</b>					
Number of new construction contracts awarded	23	23	18	18	19
<b>Total value of new construction contracts awarded</b>	<b>\$ 41,724,388</b>	<b>\$ 18,190,237</b>	<b>\$ 51,225,636</b>	<b>\$ 27,536,935</b>	<b>\$ 24,575,275</b>
<b>Square metres of new construction:</b>					
Residential properties	117,709	125,815	158,584	108,704	142,154
Multi-residential properties	35,070	38,640	18,477	-	18,534
All other property classes*	313,989	124,858	304,547	34,692	279,293
<b>Total square metres</b>	<b>466,768</b>	<b>289,313</b>	<b>481,609</b>	<b>143,396</b>	<b>439,981</b>
<b>Residential permits issued (excluding secondary units):</b>					
Single and Semi Detached	144	356	540	250	280
Townhouses/ Stacked Townhouses	605	288	250	300	503
Apartments**	4	4	1	-	4
<b>Total building permits issued</b>	<b>753</b>	<b>648</b>	<b>791</b>	<b>550</b>	<b>788</b>
<b>Value of building permits issued:</b>					
Residential properties	264,155,030	249,445,679	291,581,462	\$ 178,441,220	\$ 230,046,990
Multi-residential properties	174,816,735	148,050,000	28,700,000	-	48,860,400
All other property classes	357,303,031	89,601,737	289,135,300	27,599,872	234,384,094
<b>Total value of building permits issued</b>	<b>\$ 796,274,796</b>	<b>\$ 487,097,416</b>	<b>\$ 609,416,762</b>	<b>\$ 206,041,092</b>	<b>\$ 513,291,484</b>

\* 2019 data has been revised.

\*\* 2019-2021 permits have been revised to exclude secondary units

# Five-Year Financial Statistics

## List of 2023 Principal Corporate Tax Accounts

<b>Business Name</b>
SP Copper Property Buyer Incorporated
SunLife Assurance Company of Canada
Hoop Realty Incorporated
The Canada Life Assurance Company
857529 Ontario Incorporated
690346 Ontario Incorporated
I.G. Investment Management Ltd.
8574 Boston Church Road ULC
Roxul Incorporated
Cox Automotive Canada

## List of 2023 Principal Employers

<b>Business Name</b>	<b>Industry Subsector</b>
Gordon Food Service	General-line food merchant wholesalers, admin offices and distribution
Karmax Heavy Stamping	Motor vehicle metal stamping
Modatek Systems	Motor vehicle manufacturing
Maplehurst Correctional Complex	Correctional facility
Milton District Hospital	Community hospital
Uline Canada Corporation	Warehouse facility
Rockwool	Manufacturer of stone wool
Monaghan Mushrooms Ltd	Agricultural producer
DSV Canada - Global Transport & Logistics	Transportation and logistics
Community Living North Halton	Non-profit organization



Direct any inquiries regarding this document to:

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Finance Division

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