

The Corporation of the Town of Milton

# Financial Report 2021

For the fiscal year ended December 31, 2021.



**This report was prepared by:**

The Finance Division of the Corporation of The Town of Milton



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# About Milton

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

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

## Council-Staff Work Plan for 2020 - 2023

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



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



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



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



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

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

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

# About Milton

## A Place of Possibility

The town of Milton is a vibrant community.

We are planning a community with exceptional quality of life.

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

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

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

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

**Milton is A Place of Possibility.**



# Quick Facts



**365 sq. km**  
Land Area



**134,304**  
Population  
(2021 estimate)



**368**  
Population density  
per sq. km



**327%**  
Population growth (2001-2021)  
From **31,471** to **134,304**

## 238k

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

The Town has had record breaking growth from 2001-2021 of 327% and a total population forecast for 2031 of 238,000 - a further increase of 103,696 or 77%



**40,492**  
Households



**\$137,789**  
average household income  
2021 estimate



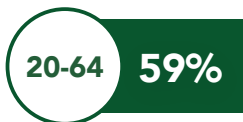
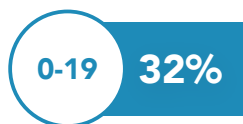
**\$559,356**  
\*2021 average value  
of dwelling



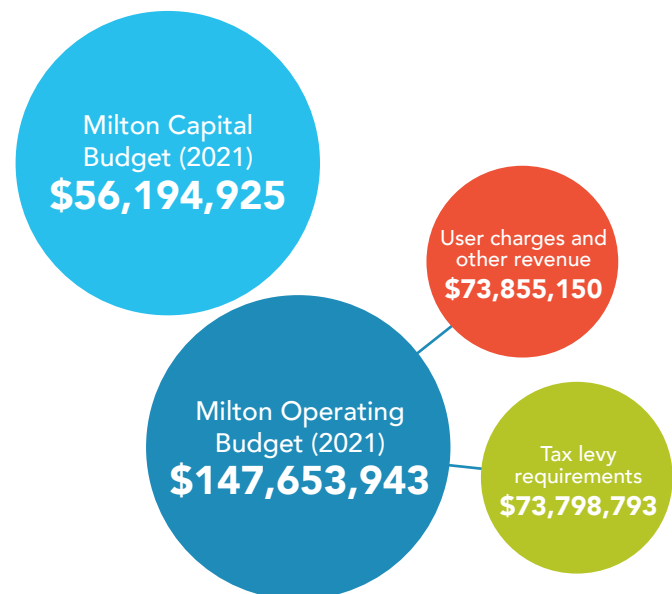
**2.8%**  
Property taxes as a % of  
household income  
Lowest in GTA (average of 3.8%)



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



### Capital and operating budgets by the numbers

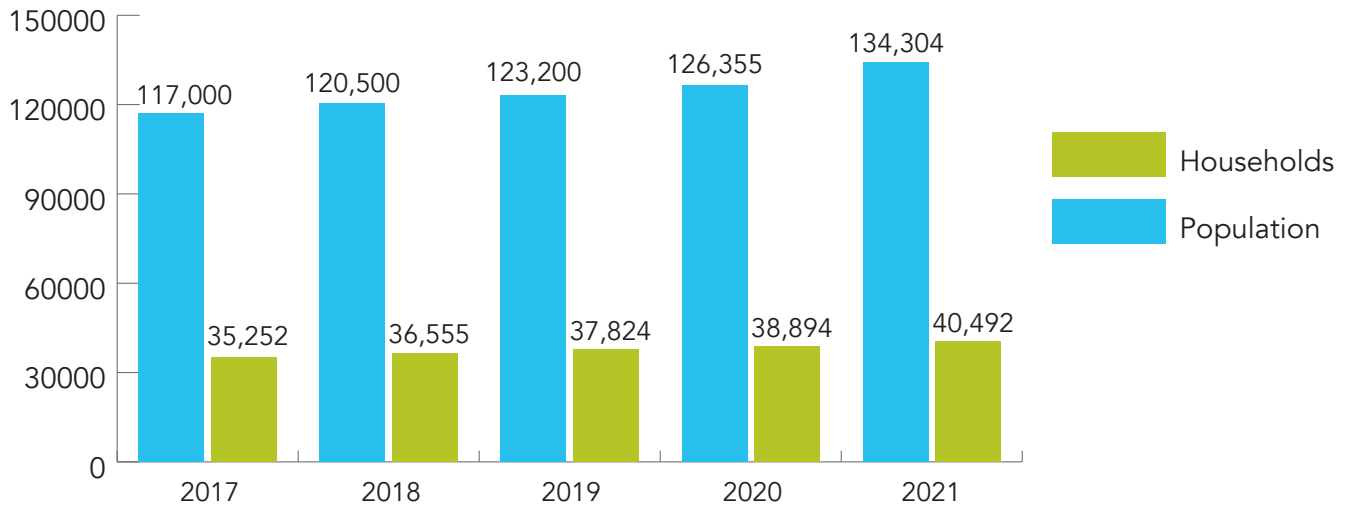


\*Source: BMA Management Consulting Inc. Municipal Study 2021

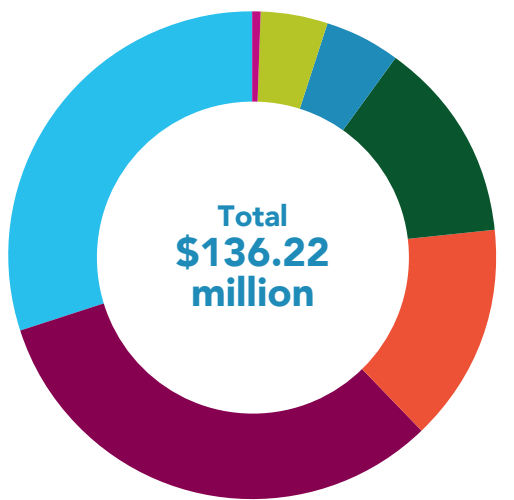
Note: Tax Levy requirements excludes budgeted supplementary taxes and payments in lieu.

# Highlights

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

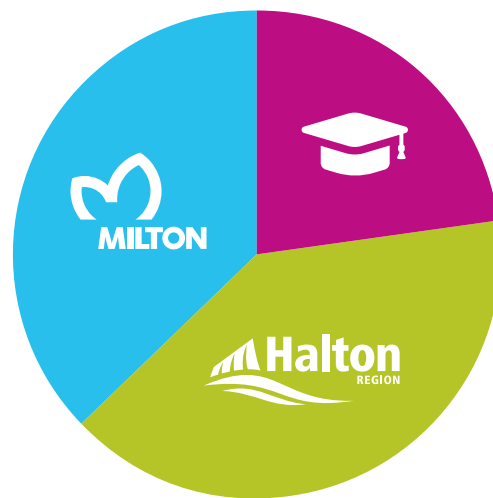


2021 Expenses (actuals) (in million dollars)



- Recreational and cultural services 32.03%
- Transportation services 29.99%
- General Government 14.38%
- Protection to persons and property 13.34%
- Planning and development 5.26%
- Environmental services 6.06%
- Health Services 0.57%

2021 Residential Tax Breakdown



- Town of Milton 38%
- Region of Halton 40%
- School Boards 22%

## 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



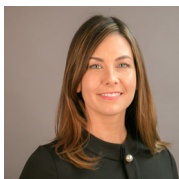
**Rick Malboeuf**  
Regional Councillor  
Ward 2



**Mike Cluett**  
Regional Councillor  
Ward 3



**Zeeshan Hamid**  
Regional Councillor  
Ward 4



**Kristina Tesser Derksen**  
Town Councillor  
Ward 1



**John Challinor II**  
Town Councillor  
Ward 2



**Rick Di Lorenzo**  
Town Councillor  
Ward 3



**Sameera Ali**  
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 2021. 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.

The Town remained nimble as the effects of the pandemic carried into 2021. Services were adapted in order to meet the needs of the community, and various strategies were utilized to manage the financial pressures and uncertainties that stemmed from the restrictions as well as the economic climate in general. The Federal and Provincial Governments also offered important financial support as the Town experienced revenue losses in programs like transit and recreation. The net result of all of these efforts is the strengthening of the Town's financial position by 2021 year end, as demonstrated in the financial statements.

The Town also continued to progress on the key initiatives that were established in the Council-Staff work plan to 2023. This progress included:

- Reaching an important milestone towards the realization of a post secondary educational presence within Milton through the transfer of land within the Milton Education Village to Wilfred Laurier University and Conestoga College;
- The establishment of important strategic plans and work plans in the areas of Government Relations, Culture, Fire Services, Climate Change and Customer Service;
- Council approval of an updated Asset Management Plan for the Town's Core Assets, which provides a framework for the sustainable provision of service to the community; and
- Significant construction activity in the non-residential sector with over 300 thousand square metres of development proceeding in 2021, including the growth realized in the Derry Green Business Park.

The accomplishments of 2021 are reflective of the collaborative and forward thinking approach that continues to shape Milton as a vibrant and connected community. The Town looks forward to further building on this foundation in the years to come.

Glen Cowan  
Chief Financial Officer & Treasurer

May 30, 2022

# 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, 2021. There are four required financial statements:

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

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

## Town of Milton Mandate

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

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

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

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

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

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

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

## 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, 2021. The report also outlines the auditor's responsibilities and the scope of their examination.

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

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

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

## 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.

## 2021 Economic Update

### Employment Growth

The 2021 unemployment rate for Canada was 7.5% (9.5% in 2020) and 8.0% (9.6% in 2020) for Ontario<sup>1</sup>. The unemployment rate in Halton Region was 6.5% (9.2% in 2020)<sup>2</sup>. Due to improving economic conditions and the recovery from the Covid-19 pandemic the labour force is starting to return to pre-pandemic levels where the historical national average was 6.4% between 2016-2020<sup>3</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 2021 budget, the MPI for the Town of Milton includes a 2.12% change in expenditures and a total pressure of 2.51% when revenues are considered.

### Interest Rates/Borrowing

Through 2021 the global and Canadian economies have started to recover from the COVID-19 pandemic although supply chain disruptions are restraining activity and cases of COVID-19 present risk to the global recovery. To provide support to the financial system the overnight rate set by the Bank of Canada continued to remain at 0.25% since March 2020<sup>4</sup> however long term bond yields have increased since the lows during the height of the pandemic.

This affects the Town in two key ways:

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

<sup>1</sup> Statistics Canada  
<sup>2</sup> Halton Region

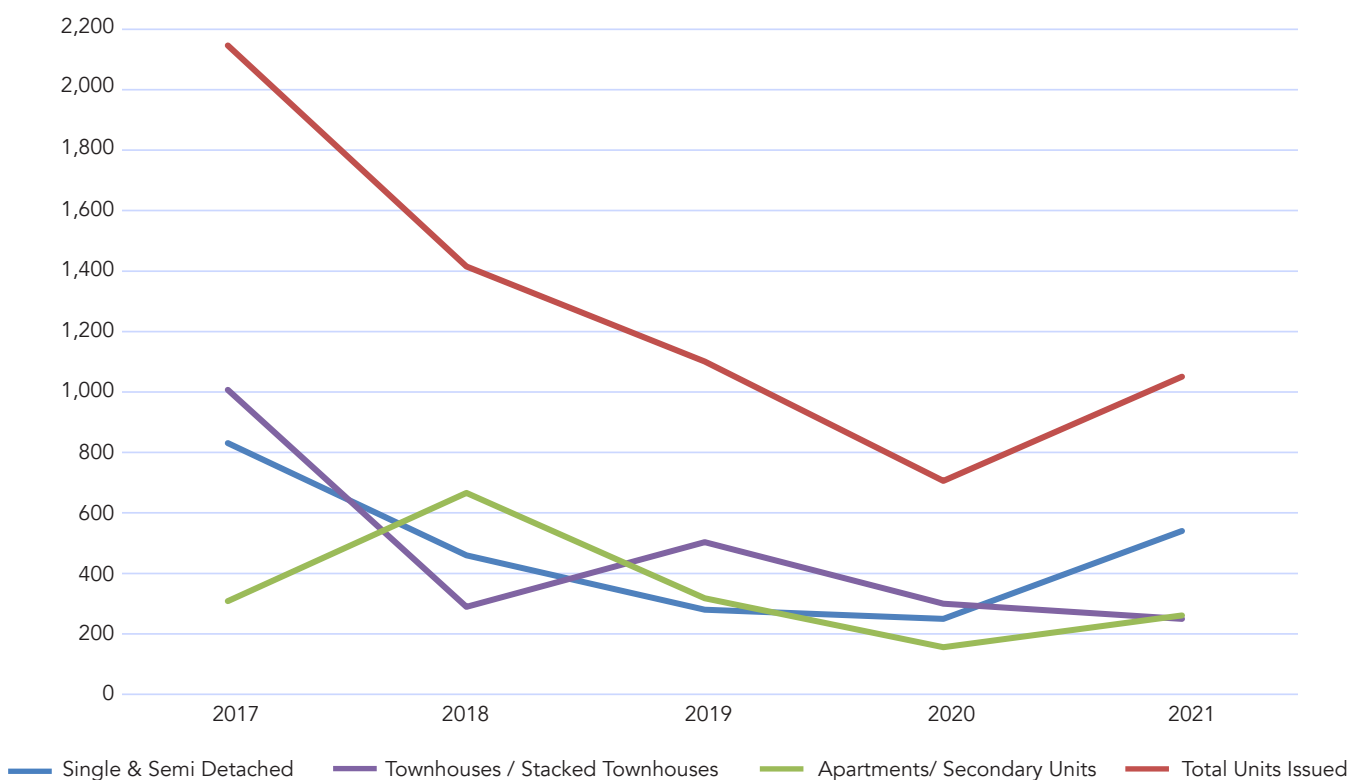
<sup>3</sup> Statistics Canada  
<sup>4</sup> Bank of Canada

## 2021 Significant Events Affecting Financial Statements

### Growth and Building Activity

Construction in 2021 for both residential and non-residential zoning experienced an increase compared to 2020. The increase can be attributed to the lifting of many of the provincially mandated temporary shutdowns of non-essential construction types and continued demand for housing. As a result, the number of new residential units created through building permits issued in 2021 was significantly higher than 2020. Building permits were issued for 1051 dwelling units, an increase of 48% from 2020. The non-residential construction also experienced a significant increase across the industrial and commercial types.

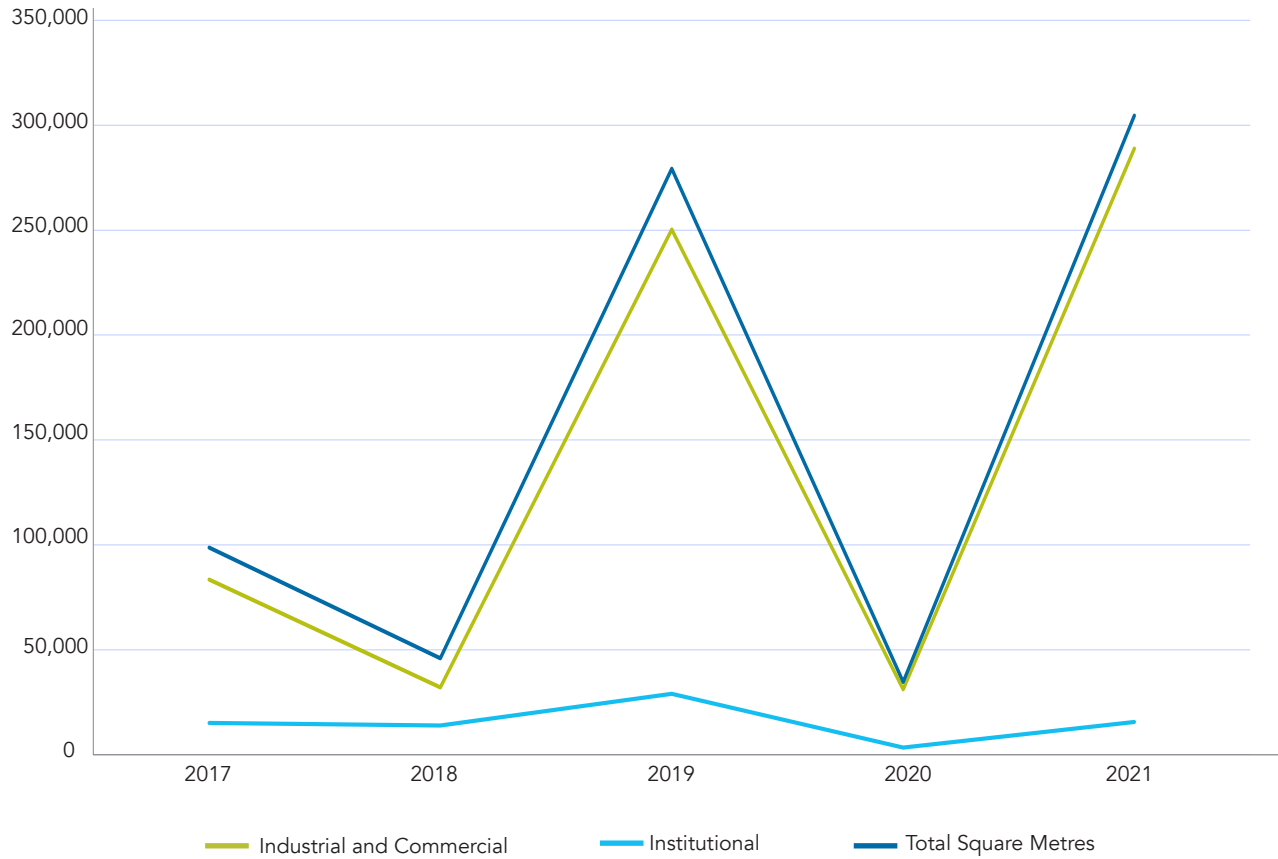
Residential Development (in units)



	2017	2018	2019	2020	2021
Single and Semi Detached	831	460	280	250	540
Townhouses / Stacked Townhouses	1,007	289	503	300	250
Apartments / Secondary Units	308	666	318	156	261
<b>Total Units Issued</b>	<b>2,146</b>	<b>1,415</b>	<b>1,101</b>	<b>706</b>	<b>1,051</b>

# Financial Statements Discussion and Analysis

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



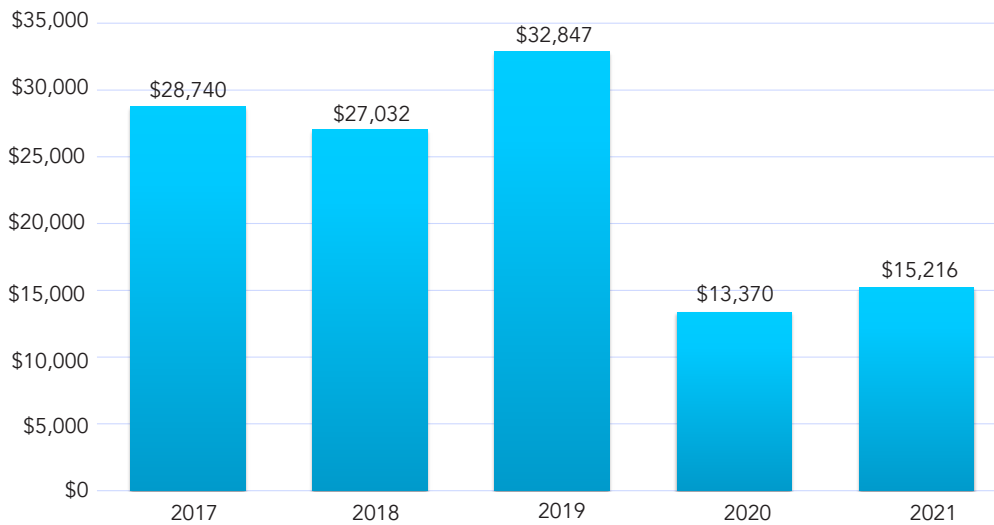
	2017	2018	2019	2020	2021
Industrial and Commercial	83,588	32,093	250,239	31,237	288,935
Institutional	15,166	13,982	29,054	3,455	15,612
<b>Total Square Metres</b>	<b>98,754</b>	<b>46,075</b>	<b>279,293</b>	<b>34,692</b>	<b>304,547</b>



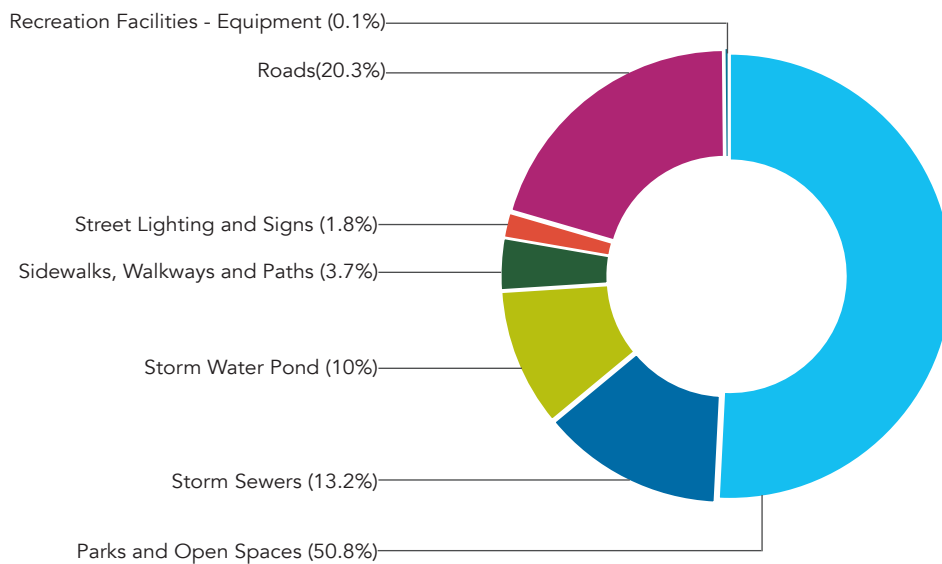
## Developer Contributed Tangible Capital Assets

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.

**Developer Contributed Assets  
(in thousands of dollars)**



**Breakdown of Contributed Assets - 2021**



## Major Construction Projects in 2021

### 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 2021 was \$9.2 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 started in 2021 with anticipated completion in late 2023 or early 2024. The total cost of this project is estimated at \$35.0 million.

### Main St (Scott Blvd (incl. CNR Crossing) to Bronte St)

This project for the construction of the Main Street (Scott to Bronte) realignment, included a joint tender program award between CN Rail and the Town for the creation of pedestrian tunnels through the Main Street grade separation (west of Bronte Street). Construction work, managed and procured by CN, commenced in 2020, with completion in 2021. Road works (top asphalt on Main Street) occurred as part of the Bronte Street (Victoria to Steeles) contract, in the fall of 2021. The project is nearing final completion, with minor site cleanup outstanding. The total estimated cost of the project is \$14.4 million. Included in that total are \$1.8 million in Region/Developer expenses that have been fully recovered.

### Thompson Road (Britannia to Louis St Laurent)

Construction of this road segment included a widened cross section to four lanes, one roundabout and an interim signalized intersection, which will be converted to a roundabout when development proceeds on the east side of Thompson Road. Construction was substantially complete in 2021, with final landscaping and site cleanup in 2022. The total estimated cost of the project is \$14.3 million, which includes an estimated \$4.4 million in developer expenses related to works adjacent to Thompson Road that are fully recoverable.

## COVID-19 Financial Implications

The pandemic continued to impact the Town through the year 2021. Due to limitations placed on how services could be delivered, the Town of Milton experienced revenue losses in 2021 of \$11.6 million. Recreation and transit services were most directly impacted, with revenue shortfalls of \$10.4 million and \$1.2 million, respectively. The Town received Federal and Provincial support for the 2021 financial pressures of the pandemic including \$3.1 million that was recognized from the Safe Restart Program's Municipal Operating and Transit streams. Also offsetting the Town's revenue losses were savings in the amount of \$9.0 million resulting from the closure of certain Town facilities, cost constraint and staff level adjustments, especially in the programs that were most impacted by restrictions, and reductions in transit services where applicable.

## 2021 Financial Highlights

Total revenue for 2021 is \$173.8 million compared to 2020 total revenue of \$162.8 million, an increase of \$11.0 million. This differential can be largely attributed to the partial lifting of Provincial restrictions, resulting in better revenue stream for Town facilities user fees and proceeds from Ontario Gaming and Lottery Corporation.

A \$3.5 million reduction in Developer contributions is related to the timing of recognition of Development Charges as revenue used to fund Town's capital projects, and is based on the capital expenses incurred within the calendar year.

The Town has spent \$13.9 million more in total operating expense. \$7.7 million of this amount relates to a transfer of land that will lead to the establishment of two post secondary institutions with the Milton Education Village. The majority of the remaining \$6.2 million in increased expenses are attributable to the higher activity levels in the Town's programs in 2021. In 2021, total expense has increased to \$136.2 million compared to \$122.3 million last year.

The audited consolidated financial statements indicate that the Town's net financial position at December 31, 2021, as represented by the accumulated surplus, equals \$1,295.6 million. This amount has still grown by 2.98% relative to 2020 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 2021 with debt principal outstanding of \$44.6 million, a large portion of which relates to the Town's local contribution towards the hospital expansion. The Town's debt capacity ratio of 6.97% is well within the guidelines set by both the Province and Town Council. Reserve balances increased to \$101.4 million from \$92.7 million.

# Financial Statements Discussion and Analysis

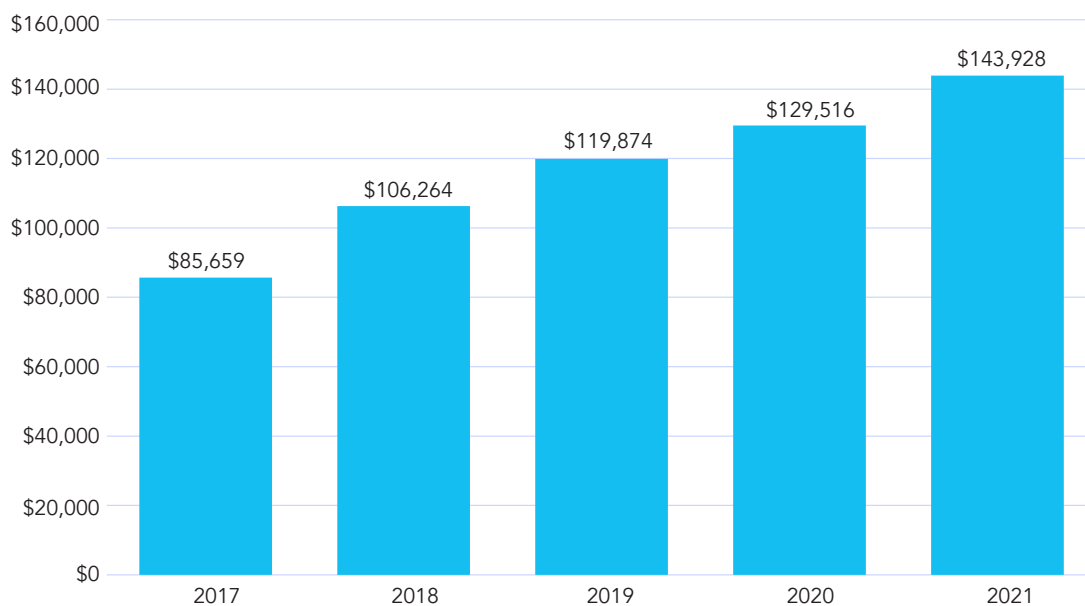
## Consolidated Statement of Financial Position

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

	2021	2020	Variance	% Change
Financial assets	\$ 286,683	\$ 252,547	\$ 34,136	13.5%
Financial liabilities	\$ 142,755	\$ 123,031	\$ 19,724	16.0%
<b>Net financial assets</b>	<b>\$ 143,928</b>	<b>\$ 129,516</b>	<b>\$ 14,412</b>	<b>11.1%</b>

The Town ended the year with a net financial asset position (financial assets less financial liabilities) of \$143.9 million, an 11.1% increase of \$14.4 million from the prior year. The increase in financial assets of \$34.1 million was dampened by a increase in financial liabilities of \$19.7 million. The largest contributors to the change in Financial Assets was the increase of the Town's cash position by \$10.4 million and increase in investments of \$20.1 million. The increase in Financial Liability is mostly attributable to increase in deferred revenue balances of \$7.3 million and long term debt by \$7.8 million.

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



### Financial Assets

The increase in the Town's financial assets by \$34.1 million is mostly due to a \$10.5 million increase in cash position, amplified by a \$20.1 million increase in investments held by the Town at the end of the fiscal year, as described in the following sections. In addition, an increase in Other Accounts Receivable of \$7.8 million was offset by a \$3.4 million decrease in Taxes Receivable. The decrease of \$2.8 million in Other Assets, compared to last year is attributed to removal of the Endowment Fund asset from Town's Balance Sheet.

# Financial Statements Discussion and Analysis

## Cash and Short-Term Investments

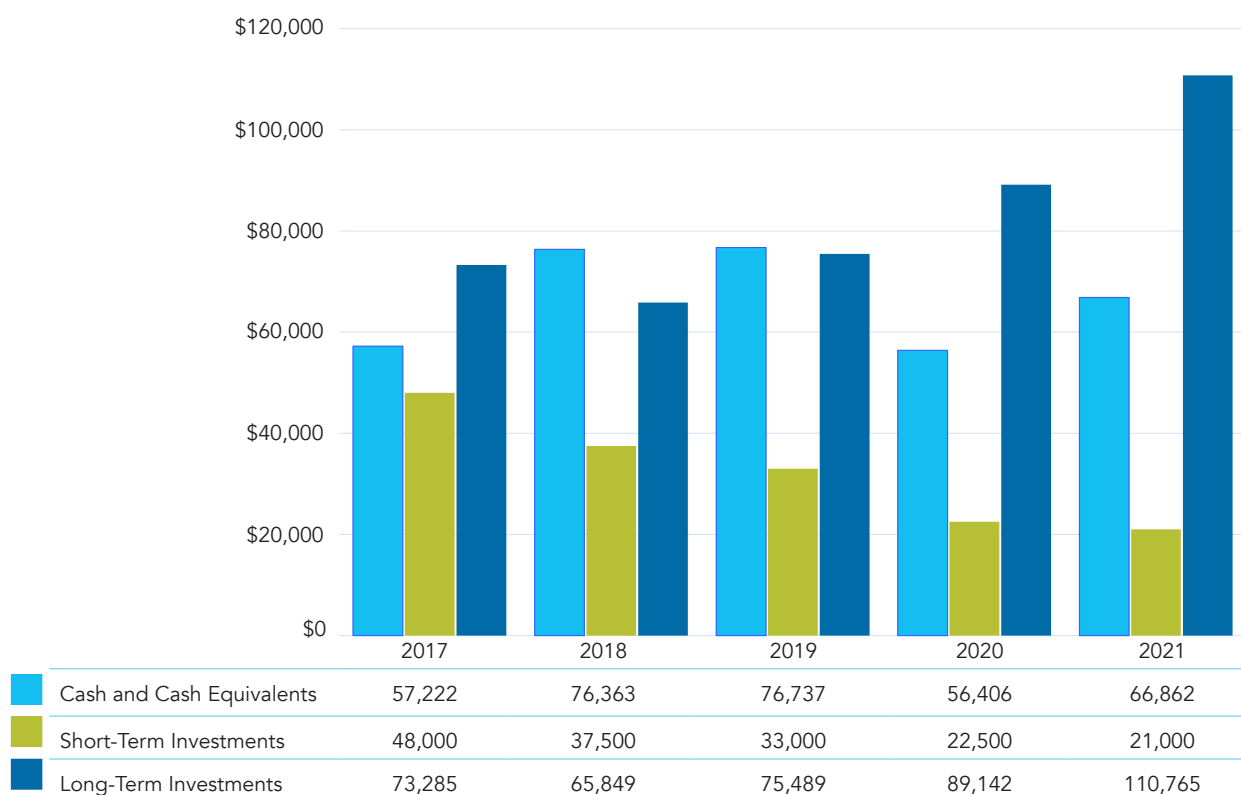
At the end of 2021 the year end cash equivalents balance was \$66.9 million. The \$10.5 million increase over the 2020 year end balance of \$56.4 million was due to timing of maturities and market conditions. The average yield on cash balances for 2021 was 0.81%, generating \$0.7 million in interest income.

During 2021 short term investments, securities with a holding period of one year or less, were purchased as the yields were favourable to savings, high interest accounts and five year provincial bonds while still providing liquidity options if the funds were required. The average yield on short term investments for 2021 was 1.08%, generating \$0.2 million in investment earnings. At the end of 2021 the Town held \$21.0 million in short term securities. From the end of 2020 short-term investments declined by \$1.5 million due to market conditions towards the end of 2021.

## Long-Term Investments

Long-term investments, securities with a term greater than one year, held by the Town at year end totaled \$110.8 million, an increase of \$21.7 million from the previous year. The increase was related to market opportunities where it was advantageous to lock in long term investments and provide further diversification into Federal, Provincial and Municipal bonds. In 2021 the long term investment average rate of return was 2.21%, generating \$2.2 million in investment earnings.

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



# Financial Statements Discussion and Analysis

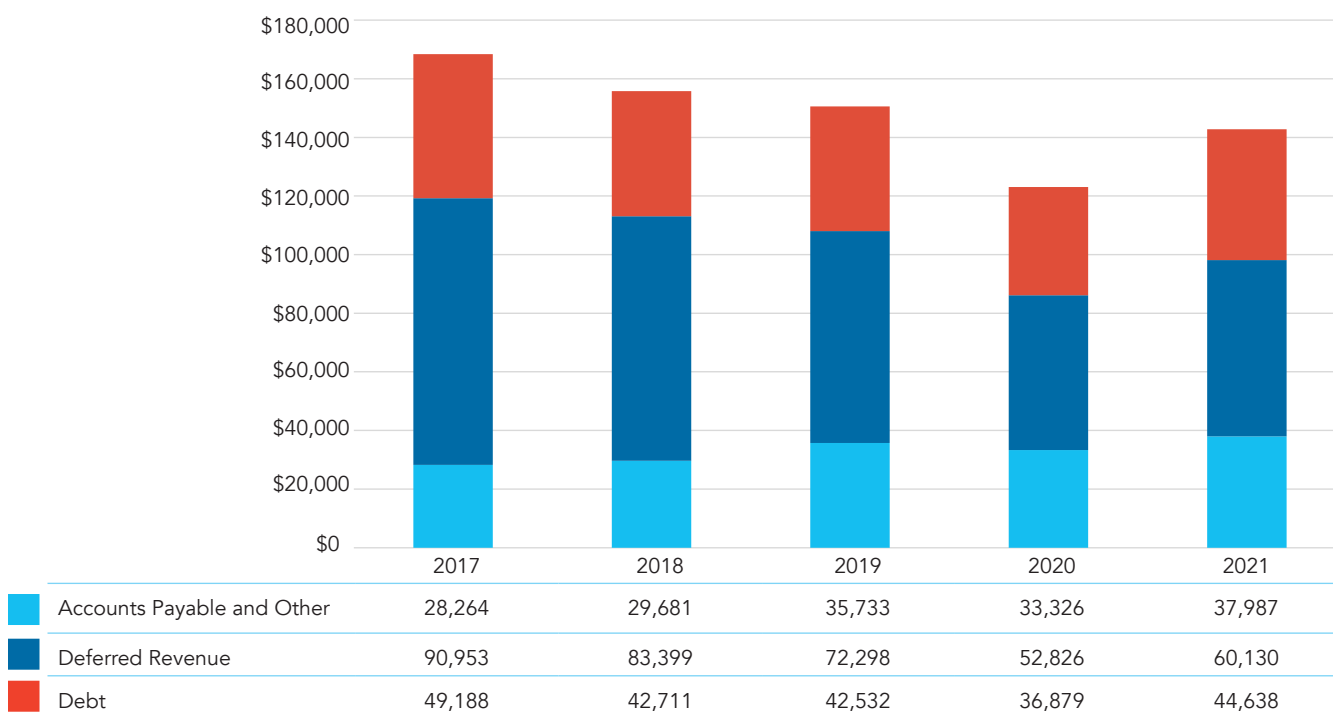
## Financial Liabilities

The major contributors to the increase of \$19.7 million in 2021 financial liabilities was increase in the Long-term Debt balances of \$7.8 million, an increase in deferred revenue of \$7.3 million, as well as an increase of \$2.1 million in Accounts Payable and other liabilities.

In 2021, the Town has assumed new long-term debt, increasing outstanding balance to \$44.6 million, as discussed in detail below. The increase in deferred revenue was primarily attributable to the Development Charges accumulated for the construction of capital infrastructure. The increase in Accounts Payable is attributed to the timing of the progress payments to contractors on the capital construction projects in 2021.

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

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



## Debt

During 2021 the debenture obligations increased from \$36.9 million to \$44.6 million reflecting a new issuance of \$12.3 million and \$4.6 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 2021 equaled \$21.4 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 5.23% is well within the guidelines set by both the Province and Town Council.

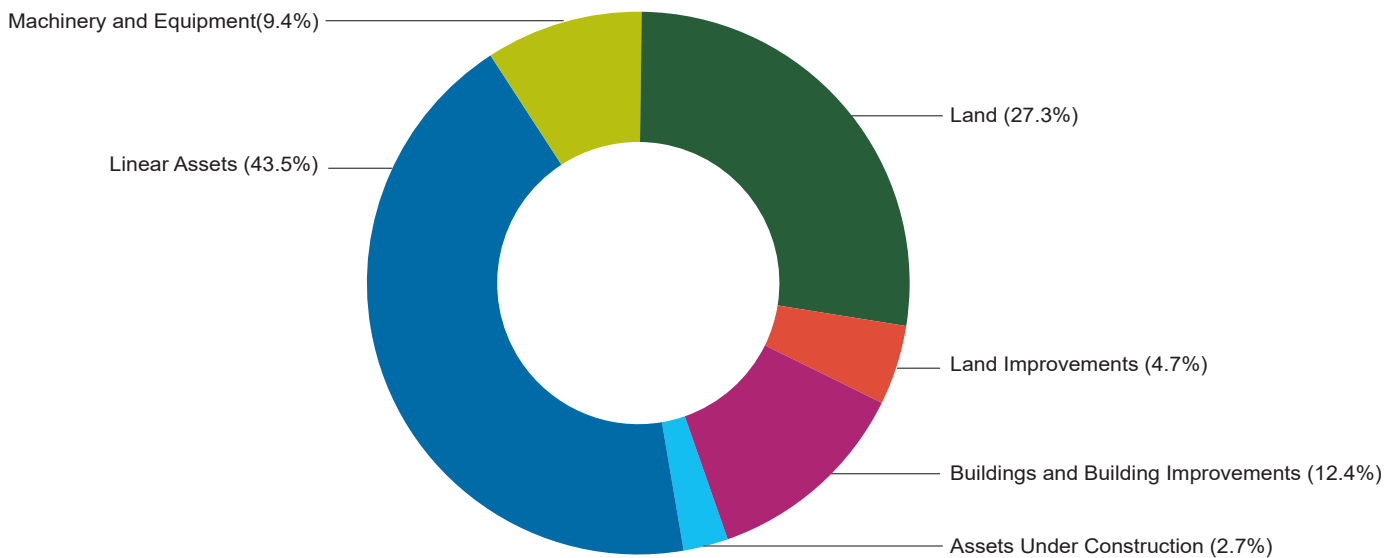
# Financial Statements Discussion and Analysis

## Non-Financial Assets

Non-financial assets, primarily consisting of tangible capital assets have continued to increase this year. The increase of \$23.1 million reflects the Town's investment in new capital infrastructure and the value of new assets that were built by developers and assumed by the Town. This growth in the Town's asset inventory is outpacing the annual amortization costs.

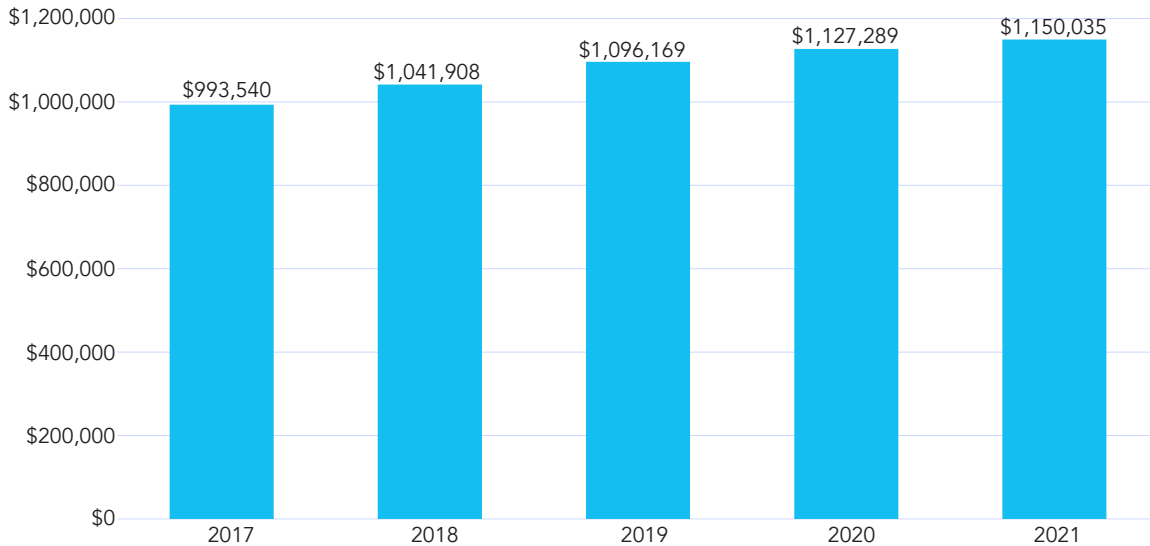
The pie chart below provides the breakdown of tangible capital assets by their type:

**2021 Tangible Capital Assets Breakdown At Net Book Value**



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

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





# Financial Statements Discussion and Analysis

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

Asset Type	2021	%	2020	%	Change	% Change
Land	\$ 314,338	27.3%	\$ 313,955	27.85%	\$ 383	0.03%
Land improvements	54,575	4.7%	52,939	4.70%	1,636	0.15%
Buildings and building improvements	142,346	12.4%	146,049	12.96%	(3,703)	(0.33%)
Machinery and equipment	107,644	9.4%	110,136	9.77%	(2,492)	(0.22%)
Linear assets	500,415	43.5%	462,687	41.04%	37,728	3.35%
Assets under construction	30,717	2.7%	41,523	3.68%	(10,806)	(0.96%)
<b>Total</b>	<b>\$ 1,150,035</b>	<b>100.0%</b>	<b>\$ 1,127,289</b>	<b>100.0%</b>	<b>\$ 22,746</b>	<b>2.02%</b>

## Accumulated Surplus

Overall, the Town ended the year with an accumulated surplus of \$1,295.6 million, an increase of 2.98% from the prior year balance of \$1,258.0 million. This change represents the annual excess of revenues over expenses for the year of \$37.5 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 11 “accumulated surplus” of the Consolidated Financial Statements. Summary information is included in the table below:

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

	2021	2020	Change
Reserves	\$ 88,565	\$ 77,511	\$ 11,054
Reserve funds	12,863	15,158	(2,295)
Investment in tangible capital assets	1,150,035	1,127,289	22,746
Unexpended capital	33,983	19,151	14,831
Investment in Milton Hydro	62,253	59,962	2,291
Endowment fund	-	2,406	(2,406)
Unfunded liabilities	(52,145)	(43,467)	(8,677)
<b>Total accumulated surplus</b>	<b>\$ 1,295,554</b>	<b>\$ 1,258,010</b>	<b>\$ 37,544</b>

# Financial Statements Discussion and Analysis

The reserve balances increased by \$11.1 million as contributions for future needs exceeded the current years withdrawals. Included in the increase is the 2021 year end surplus. Of the \$4.45 million year end surplus, \$3.4 million was transferred to the Insurance and Legal Matters reserve to mitigate mounting pressure of increased insurance costs as the Town assets grow.

Reserve Funds decreased by \$2.3 million in 2021 mostly due to a \$2.8 decrease in the Ontario Lottery and Gaming Corporation (OLG) reserve fund used to fund capital projects to improve Towns facilities and parks.

A change in accounting methodology for the Endowment fund held with the Community Foundation of Halton North has resulted in an increase of reserve balances and the removal of the Endowment Fund as a separate surplus category.

The unfunded liabilities balance is comprised of the principal outstanding on long-term debt that have been issued by the Town, estimates of future employee benefit costs and amounts owing to developers for infrastructure constructed on behalf of the Town. The \$8.7 million increase in unfunded liabilities is mostly related to the increase of the long term debt balance in 2021 as the town has assumed new debt.

## 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 15 of the consolidated financial statements.

# Financial Statements Discussion and Analysis

## Revenues

### 2021 Budget to Actual Comparative Analysis (in thousands of dollars)

Revenues	Budget	Actual	Variance	% Variance
Taxation	\$ 77,471	\$ 76,995	\$ (476)	(0.6%)
User charges	18,628	11,829	(6,799)	(36.5%)
Government transfers:				
Federal	5,911	6,096	185	3.1%
Provincial	1,294	4,501	3,207	247.8%
Other municipalities	4,488	4,761	273	6.1%
Investment income	3,596	3,788	192	5.3%
Penalties and interest	2,968	2,710	(258)	(8.7%)
Developer contributions	16,350	31,125	14,775	90.4%
Developer contributed tangible capital assets	-	15,216	15,216	100.0%
Proceeds from Ontario Lottery Corporation	3,100	3,900	800	25.8%
Licences, permits, rents etc.	10,944	6,488	(4,456)	(40.7%)
Equity in income of Milton Hydro	1,500	3,791	2,291	152.7%
Donations	69	1,963	1,894	2744.9%
Other recoveries	-	181	181	100.0%
Miscellaneous	123	420	297	241.5%
<b>Total revenues</b>	<b>\$ 146,442</b>	<b>\$ 173,764</b>	<b>\$ 27,322</b>	<b>18.7%</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 \$15.2 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 caused a favourable fluctuation in developer contributions revenue of \$14.8 million.

## Financial Statements Discussion and Analysis

A favourable variance of \$3.2 million in Provincial Government transfers is related to the timing of the budget approval and the announcement for several Covid-19 recovery programs, for example Provincial Safe Restart Agreement Phase 2 (\$1.6 million) and 2021 Provincial COVID-19 Recovery Fund (\$1.5 million).

As a result of the pandemic the Town of Milton continues to experience substantial revenue losses in 2021 user charges which amounted to \$6.8 million. Revenues losses relative to budget were primarily experienced in the following areas: Recreation \$4.3 million, as facility bookings and recreational programming were limited; General Government - \$2.6 million, as budgeted sale of land was deferred to 2022.

A further \$4.5 million in lost revenue from the licenses and permits was also realized due to changes in the timing of non-residential and residential development resulted in building permit application fees falling below the budget. This is a timing difference only as the applications that were not received in 2021 are expected in 2022.

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

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

Revenues	2021	2020	Change	% Change
Taxation	\$ 76,995	\$ 72,732	\$ 4,263	5.9%
User charges	11,829	10,186	1,643	16.1%
Government transfers:				
Federal	6,096	6,495	(399)	(6.1%)
Provincial	4,501	4,985	(484)	(9.7%)
Other municipalities	4,761	4,900	(139)	(2.8%)
Investment income	3,788	4,202	(414)	(9.9%)
Penalties and interest	2,710	2,225	485	21.8%
Developer contributions	31,125	34,580	(3,455)	(10.0%)
Developer contributed assets	15,216	13,370	1,846	13.8%
Proceeds from Ontario Lottery Corporation	3,900	1,551	2,349	151.5%
Licences, permits, rents etc.	6,488	6,193	295	4.8%
Equity in income of Milton Hydro	3,791	242	3,549	1466.5%
Donations	1,963	899	1,064	118.4%
Other recoveries	181	62	119	191.9%
Miscellaneous	420	135	285	211.1%
<b>Total revenues</b>	<b>\$ 173,764</b>	<b>\$ 162,757</b>	<b>\$ 11,007</b>	<b>6.8%</b>

## Financial Statements Discussion and Analysis

Total revenue reported for the year 2021 was \$173.8 million, a increase of \$11.0 million from last year's amount of \$162.8 million.

The increase in taxation revenue of \$4.2 million is consistent with the increased 2021 levy requirement approved by Council. The increase of \$1.6 million in User Charges revenue that the Town was able to collect relates to lifting of Provincial Covid-19 restrictions during part of 2021. Additionally, the Town received \$2.3 million more revenue than last year from the Ontario Lottery and Gaming Corporation proceeds due to the partial re-opening of Woodbine Mohawk Park and Racetrack.

The increase in developer contributed assets of \$ 1.8 million is related to an increase of number and value of assets received through subdivision assumptions. The Town receives assets from developers as part of their obligation under subdivision agreements, which are deemed to be donated assets because no cash 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.

Milton Hydro recorded better operating performance than last year, and as such the change in Town's equity in income of Milton Hydro Holding Inc. was increased by \$3.5 million compared to last year.

The \$3.5 million unfavourable variance in Developer contributions is related to the timing of recognition of the Development Charges that are used to fund the Town's growth capital projects, and is based on the capital expenses incurred within the calendar year.

### Expenses

#### 2021 Budget to Actual Comparative Analysis (in thousands of dollars)

Expenses	Budget	Actual	Variance	Less Capital Expenses	Amortization Variance	Operating Expenses Variance
General government	\$ 19,361	\$ 19,584	\$ (223)	\$ 193	\$ 84	\$ 53
Protection services	18,655	18,167	488	21	95	604
Transportation services	38,194	40,848	(2,654)	4,432	1,079	2,858
Environmental services	3,764	6,057	(2,293)	2,924	(624)	7
Health Services	724	774	(50)	59	-	9
Recreational and cultural services	38,488	43,630	(5,142)	7,821	729	3,409
Planning and development	6,814	7,160	(346)	864	7	526
<b>Total expenses</b>	<b>\$ 126,000</b>	<b>\$ 136,220</b>	<b>\$ (10,220)</b>	<b>\$ 16,315</b>	<b>\$ 1,370</b>	<b>\$ 7,465</b>

## Financial Statements Discussion and Analysis

The 2021 financial position of the Town results in actual expenditures of \$136.2 million. The variance between the budget and actual columns is primarily related to tangible capital asset activity of \$16.3 million, which is comprised of losses on disposal \$11.6 million that were not included in the budget column and \$4.7 million of expenses that are included in capital budgets and cannot be capitalized, and therefore need to be expensed on the Statement of Operations. These expenses would include, for example, studies or work undertaken on behalf of others which may lend themselves better to the capital budget for transparency, funding or project administration purposes. Actual amortization expense exceeded the budgeted estimation by \$1.4 million. Once the methodology differences related to tangible capital amounts are accounted for, the remaining variance equals \$7.5 million in favourable variance.

Recreation and cultural services has realized costs savings in the amount of \$3.4 million resulting from the closure of Town facilities in 2021, staffing adjustments in response to the restrictions that are associated with the pandemic, as well as savings in utilities and service contracts.

The \$2.9 million favourable variance in Transportation Services includes \$1.7 million in savings in service contracts for winter control, road maintenance and transit. The transit savings resulted from service adjustments in response to the ridership changes experienced during the pandemic. The remaining savings are associated with more road work being performed in-house as well as milder winter conditions.

In addition, \$0.8 million savings in staffing costs in park and road maintenance operations as well as traffic operations were caused by staff vacancies, implementation of staff management strategies and work program changes related to the pandemic. A reduction in the Town's services also resulted in savings of \$0.4 million in energy, fuel and materials costs.

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

Expenses	2021	2020	Change	% Change
General government	\$ 19,584	\$ 20,659	\$ (1,075)	(5.2%)
Protection services	18,167	17,447	720	4.1%
Transportation services	40,848	37,116	3,732	10.1%
Environmental services	6,057	6,480	(423)	(6.5%)
Health Services	774	1,861	(1,087)	(58.4%)
Recreational and cultural services	43,630	31,893	11,737	36.8%
Planning and development	7,160	6,843	317	4.6%
<b>Total expenses</b>	<b>\$ 136,220</b>	<b>\$ 122,299</b>	<b>\$ 13,921</b>	<b>11.4%</b>

## Financial Statements Discussion and Analysis

The 2021 financial position of the Town results in a \$13.9 million or 11.4% increase in expenses over 2020.

Recreation and cultural services has incurred \$11.7 million more in expenses compared to 2020. Of that amount, \$7.7 million is related to the transfer of land to Laurier University and Conestoga College in order to enable the establishment of post secondary education in the Milton Education Village. \$1.3 million is related to increased amortization expense of newly added tangible capital assets. Additionally, a change in accounting methodology for the Endowment fund held with Community Foundation of Halton North had resulted in the removal of \$2.4 million in Endowment Fund assets from the Town's balance sheet and was recorded as a donation expense in 2021.

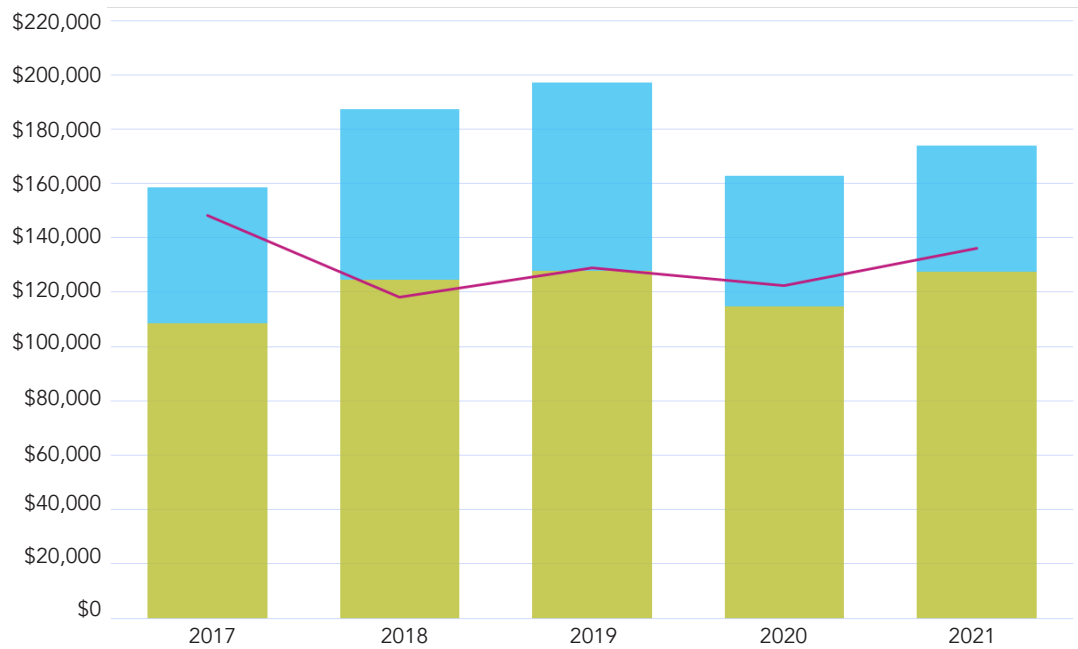
Transportation services experienced an increase of \$3.7 million in expenses compared to last year, of which \$3.1 million is related to capital activity: \$2.1 million less than in 2020 is a loss of the unamortized value of roads that were replaced to improve the condition of the base and sewer lines underneath; \$0.2 million more than last year are costs in capital projects that do not meet capital requirement and have to be expensed; and a \$0.8 million increase in amortization expense as more road infrastructure is built and assumed during the year. Operating expenses increased by \$0.6 million over previous year as operating activities started to come back as Provincial Covid-19 restrictions were gradually lifted.

A favourable variance of \$1.1 million in Health services is related to less than last year costs in capital projects that do not meet capital requirement and have to be expensed.

The favourable variance in General Government of \$ 1.1 million is related to a lower loss on disposal of tangible capital assets in 2021 than in 2020 when the demolition of a former post office was recorded.

# Financial Statements Discussion and Analysis

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



	2017	2018	2019	2020	2021
Revenue: Developer Contributions	49,857	62,692	69,175	47,950	46,341
Revenue: Other	108,556	124,548	127,970	114,807	127,423
Expenses	148,239	118,093	128,905	122,299	136,220

## Consolidated Statement of Change in Net Financial Assets

The purpose of the Statement of Change in Net Financial Assets is to assist financial statement users in fully understanding the nature of the Town’s financial activities in the period. The statement backs out all the non-financial activity from the statement of operations (e.g. amortization, gains/losses, purchases and sale of assets). Thus, the financial impact on the surplus attributable to change in financial assets is an increase of \$14.4 million, compared to last year’s increase of \$9.6 million. This is primarily attributable to increase in Town’s cash position and Investments as described in earlier sections. An increase in financial liabilities such as deferred revenue and long-term debt is offsetting a portion of the increase in financial assets.



# Financial Statements Discussion and Analysis

## Consolidated Statement of Cash Flows

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

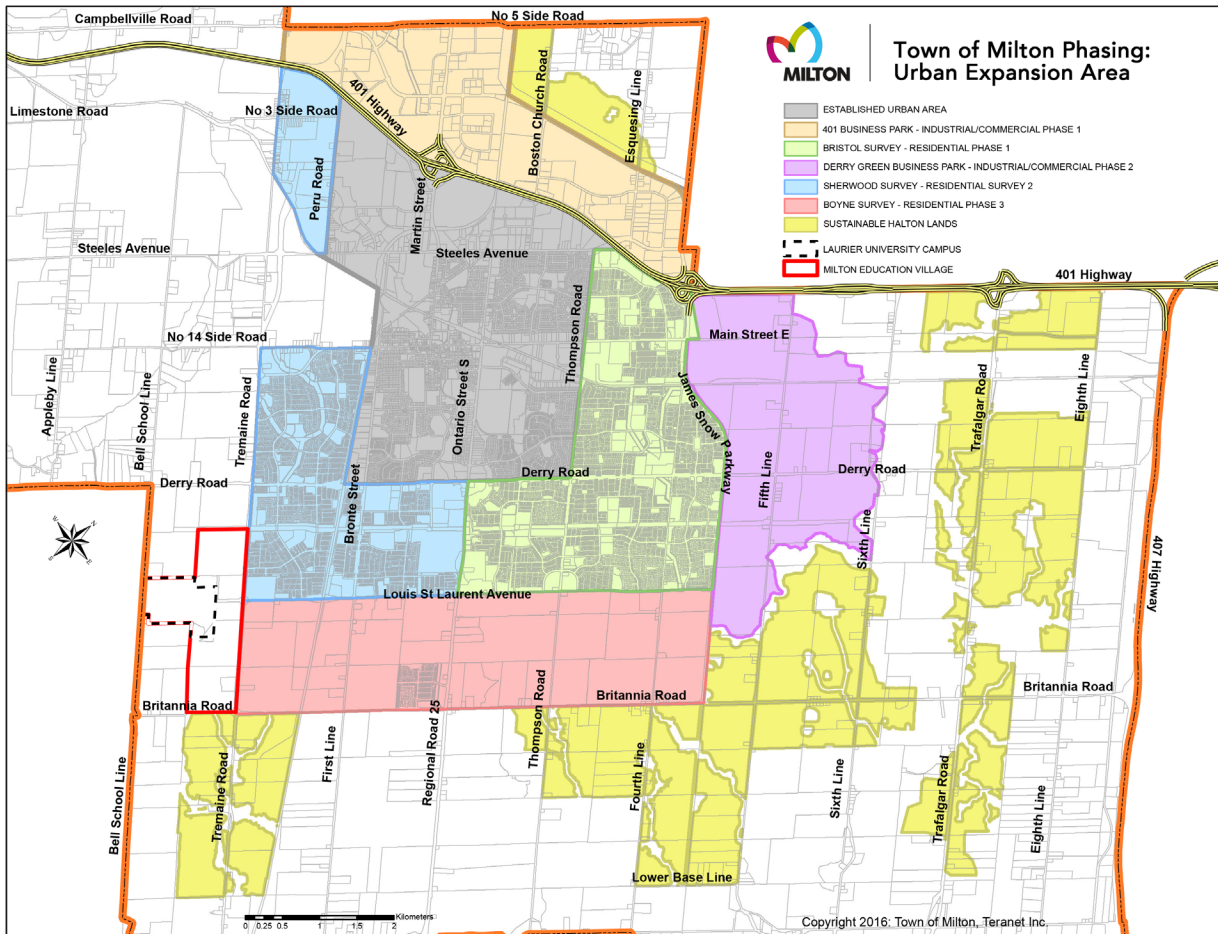
The consolidated cash position of the municipality increased by \$10.5 million from \$56.4 million in 2020 to \$66.9 million in 2021. Various operating activities increased the Town's cash position by \$74.1 million, which was offset by outflow of cash from capital activities \$52.8 million due to the acquisition of tangible capital assets. Investing activities, such as purchase of investments of \$20.1 million offset by Milton Hydro dividend of \$1.5 million further reduced cash position by \$18.6 million in 2021. \$7.8 million net cash brought in from financing activities in 2021 resulted from assuming new long-term debt of \$12.3 million, reduced by \$5.7 million in debt principal repayment.

*All financial information contained within the 2021 Financial Report has been reviewed and approved by the Treasurer, with final approval of Council.*

May 30, 2022

# Looking Forward

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



## Planning for Growth

### Halton Urban Structure Plan

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

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

# Looking Forward

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

## Sustainable Halton

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

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

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

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

## Milton Education Village

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

## 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

Halton Region has commenced its next Regional Official Plan Review (ROPR) process that is intended to examine and establish a preferred urban expansion scenario among the four local municipalities to the year 2051 and beyond. In accordance with provincial policy, the ROPR process and resulting Official Plan update is considered to be a Municipal Comprehensive Review (MCR) process. The Town of Milton continues to participate in the process and has requested that Halton Region phase a concurrent and steady stream of development land in Milton, to ensure shovel-ready employment land and an appropriate balance of residential intensification and new greenfield development to 2051.

## Providing for Growth

### Fiscal Impact Study

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

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

### Asset Management Planning

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

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

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

# Looking Forward

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

## Annual Budget Process

The Town's 2022 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 2022 specifically, the capital budget includes 127 projects worth \$123.7 million with a significant focus on roads including the continued expansion of Fifth Line to four lanes from Main Street to Derry Road and maintenance of various roads throughout the Town, using asphalt overlay, expanded asphalt and surface treatment methods. It also includes the planned construction of a Transit Operations Centre to address the Town's short and long term needs for storing, service, maintain and operating a Town-owned transit fleet and association service delivery functions. Of the total program, 75.7% is required for projects related to growth in the community, 22.8% 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 2022 Operating budget involves a gross expenditure of \$164.2 million for the programs and services provided to the community. Of the total, 50.4% is funded through property taxation with the remainder from other sources such as user fees, service charges and other transfers.

Looking beyond 2022, the 9-year forecast projects a capital investment of \$1,083.5 million with 63.7% of expenditures relating to growth. Similar to the year 2022, the largest areas of investment will remain the transportation and public facilities, accounting for 33.0% and 32.0% of the anticipated spend, respectively.

## Service Delivery Review

Using a phased approach the Town has been reviewing services and their delivery to identify potential changes to service delivery methods and/ or service levels and recommend changes that will improve efficiency or effectiveness. Phase 1 of the review was undertaken in 2019 with a focus on the Community Services Department, with Phase 2 of the project in 2020 for Corporate Services. Opportunities identified through these reviews will continue to be analyzed and implemented, and further investment in continuous improvement will occur in order to ensure value to the Town's residents and businesses.

Glen Cowan  
Chief Financial Officer & Treasurer

May 30, 2022

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2021 Town of Milton Financial Report  
**Consolidated Financial Statements**

For the year ended December 31, 2021



## 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 2021 Financial Report has been reviewed and approved by the Treasurer, with final approval of Council.*

May 30, 2022





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

## Opinion

We have audited the consolidated financial statements of the Corporation of the Town of Milton (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2021, 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, 2021, 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 2021 (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.

## **Other matter**

The financial statements of the Town as at and for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements dated June 7, 2021.

[Original signed Deloitte LLP]

Chartered Professional Accountants  
Licensed Public Accountants  
May 30, 2022

# The Corporation of the Town of Milton

## Consolidated Statement of Financial Position

As at December 31, 2021 with comparative information for 2020  
(in thousands of dollars)

	2021	2020
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 66,862	\$ 56,406
Accounts receivable (note 2)		
Taxes receivable	6,027	9,477
Grants receivable	104	352
Other	19,295	11,520
Investments (note 3)	131,765	111,642
Investment in Milton Hydro Holdings Inc. (note 4)	62,253	59,962
Other assets	377	3,188
<b>Total financial assets</b>	<b>286,683</b>	<b>252,547</b>
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	21,793	19,654
Other liabilities	8,354	6,984
Deferred revenue (note 5)	60,130	52,826
Long-term debt (note 6)	44,638	36,879
Developer obligations (note 7)	4,314	3,398
WSIB, employee benefits and other liabilities (note 8)	3,526	3,290
<b>Total liabilities</b>	<b>142,755</b>	<b>123,031</b>
<b>Net financial assets</b>	<b>143,928</b>	<b>129,516</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 10)	1,150,035	1,127,289
Inventories of supplies	350	543
Prepaid expenses	1,241	662
<b>Total non-financial assets</b>	<b>1,151,626</b>	<b>1,128,494</b>
Commitments (note 16)		
Contingent liabilities and guarantees (note 17)		
<b>Accumulated surplus (note 11)</b>	<b>\$ 1,295,554</b>	<b>\$ 1,258,010</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, 2021 with comparative information for 2020  
(in thousands of dollars)

	Budget (Note 15)	2021	2020
<b>Revenues:</b>			
Taxation (note 12)	\$ 77,471	\$ 76,995	\$ 72,732
User charges	18,628	11,829	10,186
Government transfers:			
Federal (note 13)	5,911	6,096	6,495
Provincial (note 13)	1,294	4,501	4,985
Other municipalities	4,488	4,761	4,900
Investment income	3,596	3,788	4,202
Penalties and interest	2,968	2,710	2,225
Developer contributions	16,350	31,125	34,580
Developer contributed tangible capital assets	-	15,216	13,370
Proceeds from Ontario Lottery Corporation	3,100	3,900	1,551
Licenses, permits and rents	10,944	6,488	6,193
Equity in income of Milton Hydro Holding Inc. (note 4)	1,500	3,791	242
Donations	69	1,963	899
Other recoveries	-	181	62
Miscellaneous	123	420	135
<b>Total revenues</b>	<b>146,442</b>	<b>173,764</b>	<b>162,757</b>
<b>Expenses:</b>			
General government	19,361	19,584	20,659
Protection services	18,655	18,167	17,447
Transportation services	38,194	40,848	37,116
Environmental services	3,764	6,057	6,480
Health services	724	774	1,861
Recreation and cultural services	38,488	43,630	31,893
Planning and development	6,814	7,160	6,843
<b>Total expenses</b>	<b>126,000</b>	<b>136,220</b>	<b>122,299</b>
Annual surplus	20,442	37,544	40,458
Accumulated surplus, beginning of year	1,258,010	1,258,010	1,217,552
<b>Accumulated surplus, end of year (note 11)</b>	<b>\$ 1,278,452</b>	<b>\$ 1,295,554</b>	<b>\$ 1,258,010</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, 2021 with comparative information for 2020  
(in thousands of dollars)

	Budget (Note 15)	2021	2020
Annual surplus	\$ 20,442	\$ 37,544	\$ 40,458
Acquisition of tangible capital assets	(56,195)	(68,795)	(69,672)
Amortization	33,000	34,370	33,644
Loss on disposal of tangible capital assets	-	10,903	4,857
Proceeds on sale of tangible capital assets	-	776	51
	<b>(2,753)</b>	<b>14,798</b>	<b>9,338</b>
Change in inventories of supplies	-	193	262
Change in prepaid expenses	-	(579)	42
<b>Change in net financial assets</b>	<b>(2,753)</b>	<b>14,412</b>	<b>9,642</b>
Net financial assets, beginning of year	129,516	129,516	119,874
<b>Net financial assets, end of year</b>	<b>\$ 126,763</b>	<b>\$ 143,928</b>	<b>\$ 129,516</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, 2021 with comparative information for 2020  
(in thousands of dollars)

	2021	2020
<b>Operating Activities:</b>		
Annual surplus	\$ 37,544	\$ 40,458
<b>Items not involving cash:</b>		
Amortization	34,370	33,644
Loss on disposal of tangible capital assets	10,903	4,857
Developer contributions of tangible capital assets	(15,216)	(13,370)
Change in WSIB, employee benefits and other liabilities	236	122
Equity in income of Milton Hydro Holdings Inc.	(3,791)	(242)
<b>Change in non-cash assets and liabilities:</b>		
Accounts receivable	(4,077)	(93)
Other assets	2,811	(453)
Accounts payable and accrued liabilities	2,139	(3,879)
Other liabilities	1,370	565
Deferred revenue	7,304	(19,472)
Developer obligations	916	785
Inventories of supplies	193	262
Prepaid expenses	(579)	42
<b>Net change in cash from operating activities</b>	<b>74,123</b>	<b>43,226</b>
<b>Capital Activities:</b>		
Proceeds on sale of tangible capital assets	776	51
Cash used to acquire tangible capital assets	(53,579)	(56,302)
<b>Net change in cash from capital activities</b>	<b>(52,803)</b>	<b>(56,251)</b>
<b>Investing Activities:</b>		
Investments	(20,123)	(3,153)
Dividends from Milton Hydro Holdings Inc.	1,500	1,500
<b>Net change in cash from investing activities</b>	<b>(18,623)</b>	<b>(1,653)</b>
<b>Financing Activities</b>		
Debt issued and assumed	12,335	-
Debt principal repayment	(4,576)	(5,653)
<b>Net change in cash from financing activities</b>	<b>7,759</b>	<b>(5,653)</b>
<b>Net change in cash</b>	<b>10,456</b>	<b>(20,331)</b>
Cash and cash equivalents, beginning of year	56,406	76,737
<b>Cash and cash equivalents, end of year</b>	<b>\$ 66,862</b>	<b>\$ 56,406</b>
Cash and cash equivalents consist of:		
Cash	66,571	53,870
Cash equivalents	291	2,536
	<b>\$ 66,862</b>	<b>\$ 56,406</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, 2021  
(in thousands of dollars)

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

### 1. Significant accounting policies:

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

Significant accounting policies adopted by the Town are as follows:

#### (a) Basis of consolidation:

##### (i) Consolidated entities:

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

These reporting entities include:

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

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

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

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

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

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

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

#### (b) Basis of accounting:

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

#### (c) Other income:

Other income is reported as revenue in the period earned.

#### (d) Government transfers:

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

#### (e) Deferred revenue:

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

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

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

#### (f) Investments:

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

#### (g) Investment income:

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

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

#### (h) Taxation revenue:

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

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

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

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

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

#### (j) Employee future benefits:

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

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

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

##### (ii) Compensated vacation:

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

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

#### (k) Pension agreements:

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

#### (l) Contaminated sites:

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

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

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

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

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

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

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

<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 not recorded as assets in these financial statements.

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

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

#### (n) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements,

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

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

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

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

Actual results could differ from these estimates.

### 2. Accounts receivable:

Taxes receivable of \$6,027 (2020 - \$9,477) reported on the Consolidated Statement of Financial Position include supplementary taxes of \$1,646 (2020 - \$523) recorded in 2021 as earned, but not due until 2022. Other accounts receivable are reported net of a valuation allowance of \$1,325 (2020 - \$1,234).

### 3. Investments:

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

	2021	
	Cost	Market Value
Short-term notes and deposits	\$ 21,000	\$ 21,000
Government and government guaranteed bonds	31,315	31,138
Municipal bonds	21,391	21,708
Financial institutions	58,059	58,174
<b>Total investments, year end</b>	<b>\$ 131,765</b>	<b>\$ 132,020</b>

	2020	
	Cost	Market Value
Short-term notes and deposits	\$ 22,500	\$ 22,500
Government and government guaranteed bonds	24,571	25,054
Municipal bonds	8,494	9,303
Financial institutions	56,077	56,358
<b>Total investments, year end</b>	<b>\$ 111,642</b>	<b>\$ 113,215</b>

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

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

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

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

	2021	2020
<b>Financial Position:</b>		
<b>Assets:</b>		
Current	\$ 30,828	\$ 35,927
Capital	129,072	123,321
Other non-current assets	6,596	6,668
Regulatory balances	13,075	9,539
<b>Total assets</b>	<b>179,571</b>	<b>175,455</b>
<b>Liabilities:</b>		
Current	42,633	31,826
Long term debt	32,114	45,110
Long term note payable to Town of Milton	14,934	14,934
Other non-current liabilities	35,689	31,349
Regulatory balances	6,882	7,208
<b>Total liabilities</b>	<b>132,252</b>	<b>130,427</b>
<b>Equity:</b>		
Share capital	17,549	17,549
Retained earnings	29,770	27,479
<b>Total equity</b>	<b>47,319</b>	<b>45,028</b>
<b>Total liabilities and equity</b>	<b>179,571</b>	<b>175,455</b>
<b>Operations:</b>		
Revenue (including other comprehensive income)	134,664	146,121
Expenses (including income tax provision)	134,734	145,538
Income net of taxes	(70)	583
Net movement in regulatory balances, net of tax	3,861	(341)
Total comprehensive income	3,791	242
Dividend paid to Town of Milton	(1,500)	(1,500)
<b>Change in equity</b>	<b>2,291</b>	<b>(1,258)</b>
<b>Town of Milton investment represented by:</b>		

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

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

	2021	2020
Promissory note receivable from Milton Hydro	14,934	14,934
2,000 Common shares	17,549	17,549
Retained earnings, end of year	29,770	27,479
<b>Total investment in Milton Hydro</b>	<b>\$ 62,253</b>	<b>\$ 59,962</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 \$4,384 (2020 - \$4,098). Property taxes paid to the Town by Milton Hydro was \$256 (2020 - \$252).

Promissory note receivable from Milton Hydro to the Town bears interest at 7.25% payable in quarterly installments of \$271, with no fixed principal repayment date. Interest expense on the note payable recorded by Milton Hydro for the year was \$1,083 (2020 - \$1,083).

Subsequent to the end of 2021 fiscal year, the principal balance of the promissory note was fully paid off in January 2022 as the Town received a payment of \$14.9 million from Milton Hydro. This payment was made based on Milton Hydro's 2022 Budget and Business Plan and is part of a broader re-financing strategy that is expected to lead to growth in the total return to the shareholder in the long term.

#### 5. Deferred revenue:

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

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

	2021	2020
Obligatory reserve funds (note 5.b)	\$ 42,781	\$ 34,476
Subdivision agreement fees	3,214	3,497
Property taxes prepaid	6,693	6,424
Development fees	1,555	1,488
Investment in the Arts Campaign naming rights	607	744
Naming Opportunities Deferred	4,187	5,754
Prepaid facility rentals and program registrations	367	39
Other	726	404
<b>Total deferred revenue</b>	<b>\$ 60,130</b>	<b>\$ 52,826</b>



# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

### 5. Deferred revenue (continued):

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

	2021	2020
<b>Balance, beginning of year:</b>		
Obligatory reserve funds (note 5.b)	\$ 34,476	\$ 53,529
Subdivision agreement fees	3,497	3,013
Property taxes prepaid	6,424	6,189
Development fees	1,488	1,004
Investment in the Arts Campaign naming rights	744	881
Naming opportunities	5,754	6,248
Prepaid facility rentals and program registrations	39	766
Other	404	668
<b>Total beginning balance</b>	<b>52,826</b>	<b>72,298</b>
<b>Receipts:</b>		
Obligatory reserve funds	36,700	20,127
Interest earned on obligatory reserve funds	392	591
Subdivision agreement fees	1,745	2,316
Property taxes prepaid	6,693	6,424
Development fees	534	1,191
Naming opportunities	300	100
Prepaid facility rentals and program registrations	328	40
Other	536	323
<b>Total receipts</b>	<b>47,228</b>	<b>31,112</b>
<b>Transfers to revenue:</b>		
Obligatory reserve funds	(28,787)	(39,771)
Subdivision agreement fees	(2,028)	(1,832)
Property taxes prepaid	(6,424)	(6,189)
Development fees	(467)	(707)
Investment in the Arts Campaign naming rights	(137)	(137)
Naming opportunities	(1,867)	(594)
Prepaid facility rentals and program registrations	-	(767)
Other	(214)	(587)
<b>Total transfers to revenue</b>	<b>(39,924)</b>	<b>(50,584)</b>
<b>Balance, end of year</b>	<b>\$ 60,130</b>	<b>\$ 52,826</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

### 5. Deferred revenue (continued):

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

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

	2021	2020	Net Change
Building stabilization	\$ 5,184	\$ 3,401	\$ 1,783
Cash in lieu of parking	334	329	5
Cash in lieu of parkland	13,138	10,441	2,697
Federal gas tax	7,267	5,136	2,131
Provincial gas tax	772	473	299
Provincial government transfers	85	14	71
Arts programming	6	6	-
Development charges	15,995	14,676	1,319
	<b>\$ 42,781</b>	<b>\$ 34,476</b>	<b>\$ 8,305</b>

### 6. Long-term debt:

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

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

	2021	2020
Serial debt issued by Region of Halton, beginning of year	\$ 23,393	\$ 28,845
Less: Principal repayment	(4,274)	(5,452)
Add: New debt issued	12,335	-
<b>Total serial debt</b>	<b>31,454</b>	<b>23,393</b>
Sinking fund debt, beginning of year	15,000	15,000
Less: Sinking fund assets	(1,816)	(1,514)
<b>Total sinking fund debt</b>	<b>13,184</b>	<b>13,486</b>
<b>Net long-term debt, end of year</b>	<b>\$ 44,638</b>	<b>\$ 36,879</b>

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

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

#### (b) Future principal payments:

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

	Operating	Development Charges	Obligatory Reserve Funds	Discretionary Reserve Funds	Total
2022	\$ 3,138	\$ 196	\$ 23	\$ 1,806	\$ 5,163
2023	3,163	-	-	1,836	4,999
2024	2,479	-	-	1,870	4,349
2025	2,404	-	-	1,909	4,313
2026	2,063	-	-	1,950	4,013
2027 - 2031	8,438	-	-	3,207	11,645
2032 - onward	-	-	-	10,156	10,156
	<b>\$ 21,685</b>	<b>\$ 196</b>	<b>\$ 23</b>	<b>\$ 22,734</b>	<b>\$ 44,638</b>

Of the future principal repayment amounts presented from Discretionary Reserve Funds, approximately \$5,740 is expected to be funded from investment earnings that are generated on the sinking fund contributions that are made in advance of the maturity date. The investment earnings are managed by the Region of Halton and the actual return will be subject to market conditions. The Town will remain responsible for the entire sinking fund debt net of the final cumulative investment earnings amount.

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

The total interest on long-term liabilities which are reported on the Consolidated Statement of Operations amounted to \$1,074 in 2021 (2020 - \$1,103). The long-term liabilities bear interest at rates ranging from 1.83% to 3.82%.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

### 7. Developer obligations:

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

	2021	2020
Subdivision agreements - parks	\$ 261	\$ 352
Subdivision agreements - roads	256	29
Sustainable Halton Studies	3,797	3,017
<b>Developer obligations, end of year</b>	<b>\$ 4,314</b>	<b>\$ 3,398</b>

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

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

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

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

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

	2021	2020
Future payments to WSIB	\$ 1,767	\$ 1,626
Retiree benefits	818	820
Vacation pay and banked overtime	941	844
<b>Total</b>	<b>\$ 3,526</b>	<b>\$ 3,290</b>

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

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

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

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

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

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

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

	2021	2020
Accrued WSIB obligation, beginning of year	\$ 1,756	\$ 1,709
Benefit costs	257	143
Actuarial loss	78	-
Interest	52	68
Benefit payments	(175)	(164)
	<b>1,968</b>	<b>1,756</b>
Net unamortized actuarial loss	(201)	(130)
<b>Accrued WSIB obligation, end of year</b>	<b>\$ 1,767</b>	<b>\$ 1,626</b>

The Town has established a WSIB reserve to mitigate the future impact of the WSIB obligations in the amount of \$4,034 (2020 - \$2,867).

In the current year, amortization of net actuarial loss of \$9 (2020 - \$1) 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, 2021  
(in thousands of dollars)

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

#### (b) Retiree benefits:

The Town provides dental and health care benefits between the time an employee retires under OMERS and the normal retirement age of 65 for employees hired prior to July 1, 1996. An independent actuarial study of the post-employment benefits has been undertaken. The most recent valuation of the employee future benefits was completed as of December 31, 2018 and first used for 2019 Financial Statements. Estimation of 2021 retiree benefits is based on extrapolation of data collected in 2018. The Estimated Average Remaining Service Life (EARSL) is 13 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	3.75% per annum in 2020 decreasing by 0.33% per year to 3.75% in 2028 and 3.75% per annum thereafter

	<b>2021</b>	<b>2020</b>
Accrued benefits obligation, beginning of year	\$ 809	\$ 798
Current benefit cost	36	34
Actuarial loss	-	-
Interest	29	29
Benefits paid	(48)	(52)
	<b>826</b>	<b>809</b>
Unamortized actuarial gain	(8)	11
<b>Accrued benefits obligation, end of year</b>	<b>\$ 818</b>	<b>\$ 820</b>

In the current year amortization of the actuarial gains and losses of \$19 (2020 - \$19) has been included in benefit expense on the Consolidated Statement of Operations.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

### 9. Pension agreements:

The Town makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of 500 (2020- 475) members of its staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions of employees with a normal retirement age of 65 were being made at a rate of 9.0% for earnings up to the yearly maximum pensionable earnings of \$61.6 and at a rate of 14.6% for earnings greater than the yearly maximum pensionable earnings.

The Town's contribution to OMERS for 2021 was \$4,156 (2020 - \$3,998) for current service and is included as an expense on the Consolidated Statement of Operations. Employees' contribution to OMERS in 2021 was \$4,156 (2020 - \$3,998).

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 \$3.1 billion as of December 31, 2021 (2020 - \$3.2 billion).

There was no change in contribution rates in 2021. OMERS expects these contribution and policy changes to return the plan to a fully funded position by 2025, if not sooner.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

### 10. Tangible Capital Assets:

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

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

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



# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

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

<b>Cost</b>	<b>Balance at, December 31, 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at, December 31, 2020</b>
Land	\$ 313,457	\$ 498	\$ -	\$ 313,955
Land Improvements	76,386	5,944	(3,533)	78,797
Building and building improvements	184,058	3,182	(1,705)	185,535
Machinery and equipment	180,315	14,207	(2,038)	192,484
Linear assets	754,580	23,933	(6,575)	771,938
Assets under construction	19,615	21,908	-	41,523
<b>Total</b>	<b>\$ 1,528,411</b>	<b>\$ 69,672</b>	<b>\$ (13,851)</b>	<b>\$ 1,584,232</b>

<b>Accumulated amortization</b>	<b>Balance at, December 31, 2019</b>	<b>Amortization</b>	<b>Disposals</b>	<b>Balance at, December 31, 2020</b>
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	23,050	4,024	(1,216)	25,858
Buildings and building improvements	35,447	4,346	(307)	39,486
Machinery and equipment	72,927	11,444	(2,023)	82,348
Linear assets	300,818	13,830	(5,397)	309,251
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 432,242</b>	<b>\$ 33,644</b>	<b>\$ (8,943)</b>	<b>\$ 456,943</b>

<b>Net book value</b>	<b>Balance at, December 31, 2019</b>	<b>Balance at, December 31, 2020</b>
Land	\$ 313,457	\$ 313,955
Land improvements	53,336	52,939
Buildings and building improvements	148,611	146,049
Machinery and equipment	107,388	110,136
Linear assets	453,762	462,687
Assets under construction	19,615	41,523
<b>Total</b>	<b>\$ 1,096,169</b>	<b>\$ 1,127,289</b>

#### (a) Assets under construction:

Assets under construction, having a value of \$30,717 (2020 - \$41,523), 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, 2021  
(in thousands of dollars)

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

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

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

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

Contributed tangible capital assets have been recognized at fair value at the date of contribution. The value of contributed assets received during the year is \$15,216 (2020 - \$13,370) and is comprised of land and land improvements in the amount of \$9,769 (2020 - \$25,610) and linear assets in the amount of \$5,424 (2020 - \$10,747), as well as machinery and equipment \$23 (2020 - Nil).

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

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

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

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

### 11. Accumulated surplus:

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

	2021	2020
<b>Reserves set aside by Council:</b>		
Aggregate permit fees	\$ 125	\$ 367
Capital provision / growth	12,609	12,167
Computer replacement	3,220	5,492
Downtown Business Improvement Area	198	166
Election	627	504
Equipment replacement	9,085	8,152
Growth - Capital	9,828	7,588
Infrastructure renewal - Roads and Structures	13,694	11,776
Infrastructure Renewal - Stormwater	4,062	2,748
Infrastructure Renewal - Recreation, Facilities, Other	7,896	7,037
Insurance	-	1,573
Insurance and Legal Matters	6,923	1,439
Library services	807	859
Library capital	1,107	1,767
Per unit development processing fee	1,340	1,224
Seniors fundraising	76	76
Studies and Other Non-Growth	2,992	2,082
Tax rate stabilization	8,019	8,160
Severe weather	1,923	1,467
WSIB	4,034	2,867
<b>Total reserves</b>	<b>88,565</b>	<b>77,511</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

### 11. Accumulated surplus (continued):

	2021	2020
<b>Reserve funds set aside for specific purpose by Council:</b>		
Mayors legacy	94	92
Milton District Hospital	-	310
Ontario Lottery Corporation proceeds	4,702	7,496
Property transactions	8,067	7,260
<b>Total reserve funds</b>	<b>12,863</b>	<b>15,158</b>
<b>Surplus:</b>		
Invested in tangible capital assets	1,150,035	1,127,289
Unexpended Capital	33,983	19,151
Community Foundation of Halton North - Endowment fund	-	2,406
Investment in Milton Hydro Holdings Inc.	62,253	59,962
Unfunded:		
Long-term debt	(44,638)	(36,879)
Employee future benefits	(2,586)	(2,446)
Developer obligations	(4,314)	(3,398)
Investment In the Arts Deferred Naming Donations	(607)	(744)
<b>Total surplus</b>	<b>1,194,126</b>	<b>1,165,341</b>
<b>Total accumulated surplus</b>	<b>\$ 1,295,554</b>	<b>\$ 1,258,010</b>

### 12. Taxation:

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

	2021	2020
Municipal and school property taxes	\$ 218,284	\$ 211,618
Payments-in-lieu of property and business taxes	1,944	1,752
Balance, end of year	220,228	213,370
Payments to Region and school boards	(143,233)	(140,638)
<b>Net property taxes and payments in-lieu available for municipal purposes</b>	<b>\$ 76,995</b>	<b>\$ 72,732</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

### 13. Government transfers:

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

	2021	2020
<b>Ontario grants:</b>		
2021 COVID-19 Recovery Funding for Municipalities	\$ 1,502	\$ -
2021 Reconnect Festivals and Events	20	-
Elderly Persons Centres Program	40	54
Gas Tax Program	999	983
Infectious Disease Emergency Leave	6	-
Investing in Canada Infrastructure - COVID-19 Resilience	20	-
Ministry of Municipal Affairs - Audit and Accountability Fund	-	39
Ministry of Transportation - fire calls on King's highways	110	94
Municipal Transit Enhanced Cleaning	-	22
Ontario Arts Council Programs	8	26
Ontario Community Infrastructure Fund	-	830
Ontario's After School Program	48	29
Public Library Operating Grant	52	52
Public Library Pay Equity Grant	3	3
Safe Restart Program	1,585	2,796
The Municipal Fire Protection Grant	32	-
TO2015 Sport Legacy Fund	76	57
<b>Subtotal Provincial grants</b>	<b>4,501</b>	<b>4,985</b>
<b>Federal grants:</b>		
Canada Summer Jobs	34	12
Digital Service Squad Program	16	18
Gas Tax Fund	4,811	5,684
Investing in Canada Infrastructure - COVID-19 Resilience	80	-
Municipal Asset Management Program	50	-
Municipalities for Climate Innovation Program	43	-
New Horizons for Seniors Program	47	2
Public Transit Infrastructure Fund	-	5
TO2015 Sport Legacy Fund	1,015	774
<b>Subtotal Federal grants</b>	<b>6,096</b>	<b>6,495</b>
<b>Total transfers</b>	<b>\$ 10,597</b>	<b>\$ 11,480</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

### 14. Segmented information:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

### 14. Segmented information (continued):

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

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

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

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

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

# The Corporation of the Town of Milton Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

## 14. Segmented information (continued):

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



# The Corporation of the Town of Milton Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

## 14. Segmented information (continued):

	2020							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	\$ 14,486	\$ 13,898	\$ 17,456	\$ 575	\$ 650	\$ 20,532	\$ 5,135	\$ 72,732
User charges	1,114	142	857	4	-	5,015	3,054	10,186
Government transfers								
Federal	-	-	5,689	-	-	784	22	6,495
Provincial	-	2,505	2,258	-	-	222	-	4,985
Other municipalities	-	1,304	3,251	-	293	52	-	4,900
Investment income	4,194	-	-	-	-	8	-	4,202
Penalties and interest	1,250	-	932	-	-	43	-	2,225
Developer contributions	196	4,369	23,263	902	821	3,127	1,902	34,580
Developer contributed tangible capital assets	-	-	7,742	5,579	-	49	-	13,370
Proceeds from Ontario Lottery Corporation	1,551	-	-	-	-	-	-	1,551
Licenses, permits and rents	523	5,284	81	-	-	286	19	6,193
Equity in income of Milton Hydro Holding Inc.	242	-	-	-	-	-	-	242
Donations	-	-	-	-	-	859	40	899
Other recoveries	4	-	58	-	-	-	-	62
Miscellaneous	12	-	93	-	-	30	-	135
<b>Total revenues</b>	<b>23,572</b>	<b>27,502</b>	<b>61,680</b>	<b>7,060</b>	<b>1,764</b>	<b>31,007</b>	<b>10,172</b>	<b>162,757</b>
<b>Expenses:</b>								
Salaries, wages and employee benefits	11,584	13,830	5,256	242	-	13,088	5,091	49,091
Purchased goods	1,640	879	2,686	55	-	4,170	114	9,544
Purchased services	2,245	925	12,689	642	1,120	3,063	1,617	22,301
Financial expenses / (recovery)	2,579	57	1,371	2,323	741	383	15	7,469
Transfers to others	-	19	-	-	-	231	-	250
Amortization expense	2,611	1,737	15,114	3,218	-	10,958	6	33,644
<b>Total expenses</b>	<b>20,659</b>	<b>17,447</b>	<b>37,116</b>	<b>6,480</b>	<b>1,861</b>	<b>31,893</b>	<b>6,843</b>	<b>122,299</b>
<b>Annual surplus / (deficit)</b>	<b>\$ 2,913</b>	<b>\$ 10,055</b>	<b>\$ 24,564</b>	<b>\$ 580</b>	<b>\$ (97)</b>	<b>\$ (886)</b>	<b>\$ 3,329</b>	<b>\$ 40,458</b>

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

### 15. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2021 budget approved by Council on December 7, 2020. 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	\$ 147,654
Capital budget	56,195
<b>Less:</b>	
Interfund transfers	(33,042)
New debt financing	(7,800)
Reallocated revenues	(8,940)
Contribution from surplus	(7,625)
<b>Total revenue</b>	<b>146,442</b>
<b>Expenses:</b>	
Operating budget	147,654
Capital budget	56,195
Amortization	33,000
<b>Less:</b>	
Acquisition of tangible capital assets	(56,195)
Interfund transfers	(42,370)
Reallocated expenses	(8,504)
Debt principal payments	(3,780)
<b>Total expenses</b>	<b>126,000</b>
<b>Annual surplus</b>	<b>\$ 20,442</b>

### 16. Commitments:

The Town has outstanding contractual obligations of approximately \$48,088 for capital works and operating activities, out of which \$41,373 relates to various capital projects. The Town Council has authorized financing of these obligations.

# The Corporation of the Town of Milton

## Notes to Consolidated Financial Statements

Year ended December 31, 2021  
(in thousands of dollars)

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

The Town has guaranteed debt of its wholly owned subsidiaries Milton Hydro Holdings Inc. and Milton Energy and Generation Solutions Inc. (MEGS) in the amount of \$15,600 (2020 - 15,600). No claim has been made under the guarantee.

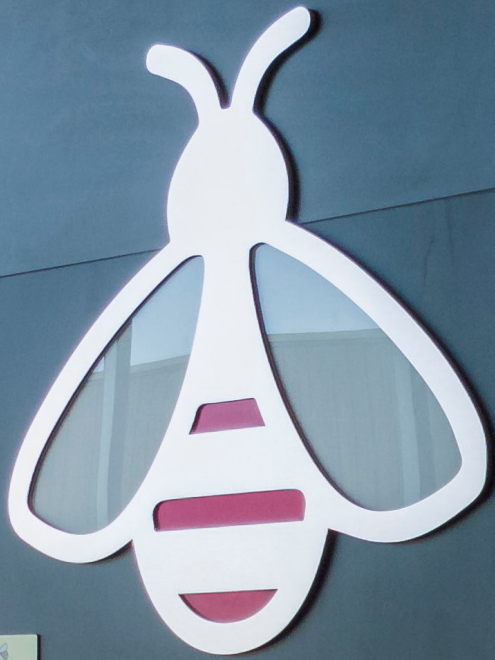
The Town has been named as the defendant in certain legal actions, in which damages have been sought. Any losses arising from these actions are recorded in the year that the related litigation is settled or when likely amounts are measurable. Where the outcomes of actions are not determinable as at December 31, 2021, no provision is made in the consolidated financial statements.

### **18. 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 \$52,997 arise because of the various types of contracts entered into, among which are agreements for assumption of assets under subdivision agreements of \$44,450, cost recovery of \$4,028, lease agreements of \$2,864, services agreements of \$242 and \$1,413 from agreements with developers.

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# 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. W.  
Milton, ON L7T 4M1  
905.874.2200

## 2021 Town of Milton Financial Report Milton Public Library Board

For the year ended December 31, 2021





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

## Opinion

We have audited the consolidated financial statements of The Corporation of the Town of Milton Public Library Board (the "Library Board"), which comprise the statement of financial position as at December 31, 2021, 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, 2021, and the results of its operations, changes in net financial assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

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

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

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

# Independent Auditors' Report

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

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

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

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

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

# Independent Auditors' Report

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

## **Other matter**

The financial statements of the Library Board as at and for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements dated June 7, 2021.

[Original signed Deloitte LLP]

Chartered Professional Accountants  
Licensed Public Accountants  
May 30, 2022



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# Milton Public Library Board

## Statement of Financial Position

As at December 31, 2021 with comparative information for 2020

	2021	2020
<b>Financial assets:</b>		
Due from the Town of Milton	\$ 3,162,149	\$ 3,111,618
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	116,105	219,933
Deferred revenue (note 2)	14,000	-
<b>Net financial assets</b>	<b>3,032,044</b>	<b>2,891,685</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 3)	3,105,696	3,304,434
Prepaid expenses	88,805	80,050
	<b>3,194,501</b>	<b>3,384,484</b>
Commitments (note 6)		
<b>Accumulated surplus (note 4)</b>	<b>\$ 6,226,545</b>	<b>\$ 6,276,169</b>

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

# Milton Public Library Board Statement of Operations

Year ended December 31, 2021 with comparative information for 2020

	Budget (Note 7)	2021	2020
<b>Revenues:</b>			
Transfer from the Town of Milton	\$ 5,039,861	\$ 5,039,861	\$ 4,785,491
Fines and penalties	142,648	45,400	52,659
User charges	52,495	8,359	12,525
Federal government transfers:			
Summer career placement grant	1,850	-	-
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	17,903	17,096	19,415
Milton contributions - growth capital projects (note 5)	-	68,159	60,481
Miscellaneous	7,907	14,215	26,167
<b>Total revenues</b>	<b>5,318,368</b>	<b>5,248,794</b>	<b>5,012,442</b>
<b>Expenses:</b>			
Salaries, wages and employee benefits	3,691,189	3,411,386	3,003,431
Administrative	36,315	50,651	44,312
Financial	5,727	6,291	6,534
Purchased goods	283,606	316,674	346,166
Purchased services	847,528	762,111	720,438
Transfer to municipal government (note 8)	-	-	605,398
Amortization	737,604	751,305	760,001
<b>Total expenses</b>	<b>5,601,969</b>	<b>5,298,418</b>	<b>5,486,280</b>
<b>Annual surplus/(deficit)</b>	<b>(283,601)</b>	<b>(49,624)</b>	<b>(473,838)</b>
<b>Accumulated surplus, beginning of year</b>	<b>6,276,169</b>	<b>6,276,169</b>	<b>6,750,007</b>
<b>Accumulated surplus, end of year (note 4)</b>	<b>\$ 5,992,568</b>	<b>\$ 6,226,545</b>	<b>\$ 6,276,169</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, 2021 with comparative information for 2020

	<b>Budget (Note 7)</b>	<b>2021</b>	<b>2020</b>
Annual surplus / (deficit)	\$ 454,003	\$ (62,651)	\$ (473,838)
Acquisition of tangible capital assets	(1,334,084)	(552,567)	(419,326)
Amortization of tangible capital assets	737,604	764,332	760,001
	<b>(142,477)</b>	<b>149,114</b>	<b>(133,163)</b>
Change in prepaid expenses	-	(8,755)	775
<b>Change in net financial assets</b>	<b>(142,477)</b>	<b>140,359</b>	<b>(132,388)</b>
<b>Net financial assets, beginning of year</b>	2,891,685	2,891,685	3,024,073
<b>Net financial assets, end of year</b>	<b>\$ 2,749,208</b>	<b>\$ 3,032,044</b>	<b>\$ 2,891,685</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, 2021 with comparative information for 2020

	2021	2020
<b>Cash provided by (used in):</b>		
<b>Operating Activities:</b>		
Annual surplus / (deficit)	\$ (62,651)	\$ (473,838)
Items not involving cash:		
Amortization	764,332	760,001
Change in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	(103,828)	40,383
Deferred revenue	14,000	-
Prepaid expenses	(8,755)	775
<b>Net change in due from the Town of Milton from operating activities</b>	<b>603,098</b>	<b>327,321</b>
<b>Capital Activities:</b>		
Cash used to acquire tangible capital assets	(552,567)	(419,326)
<b>Financing Activities:</b>		
Change in due from Town of Milton	(50,531)	92,005
<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, 2021

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

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

Significant accounting policies adopted by the Library are as follows:

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

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

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

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

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

Other income is reported as revenue in the period earned.

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

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

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

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

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2021

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

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

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

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

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

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

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

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

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

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

#### (g) Use estimates:

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

Actual results could differ from these estimates.

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2021

### 2. Deferred revenue:

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

	2021	2020
Deferred revenue	\$ 14,000	\$ -
<b>Receipts:</b>		
Naming Rights Agreement	\$ 14,000	\$ -

### Transfers:

### 3. Tangible capital assets:

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

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

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



# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2021

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

<b>Cost</b>	<b>Balance at, December 31, 2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balance at, December 31, 2020</b>
IT equipment	\$ 877,953	\$ 26,515	\$ (87,541)	\$ 816,927
Office equipment	1,426,126	57,317	(2,380)	1,481,063
Collections	5,295,870	335,494	(19,033)	5,612,331
<b>Total</b>	<b>\$ 7,599,949</b>	<b>\$ 419,326</b>	<b>\$ (108,954)</b>	<b>\$ 7,910,321</b>

<b>Accumulated amortization</b>	<b>Balance at, December 31, 2019</b>	<b>Amortization</b>	<b>Disposals</b>	<b>Balance at, December 31, 2020</b>
IT equipment	\$ 372,252	\$ 184,579	\$ (87,541)	\$ 469,290
Office equipment	424,705	91,210	(2,380)	513,535
Collections	3,157,883	484,212	(19,033)	3,623,062
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 3,954,840</b>	<b>\$ 760,001</b>	<b>\$ (108,954)</b>	<b>\$ 4,605,887</b>

<b>Net book value</b>	<b>Balance at, December 31, 2019</b>	<b>Balance at, December 31, 2020</b>
IT equipment	\$ 505,701	\$ 347,637
Office equipment	1,001,421	967,528
Collections	2,137,987	1,989,269
<b>Total</b>	<b>\$ 3,645,109</b>	<b>\$ 3,304,434</b>

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2021

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

#### (a) Contributed capital assets:

The Library received no contributed tangible capital assets in 2021 or 2020.

#### (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 2021 or 2020 .

### 4. Accumulated surplus:

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

	2021	2020
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 3,092,669	\$ 3,304,434
<b>Reserves set aside by Library Board:</b>		
Library Capital	1,107,305	1,767,051
Library Services	804,684	858,548
Library Other	1,208,860	346,136
<b>Total reserves</b>	<b>3,120,849</b>	<b>2,971,735</b>
<b>Accumulated surplus</b>	<b>\$ 6,213,518</b>	<b>\$ 6,276,169</b>

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

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

The Town of Milton (the "Town") manages a development charge obligatory reserve fund for library services in the amount of \$6,640,934 (2020 - \$6,052,478 ) 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, 2021

### 6. Commitments:

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

2022	\$ 371,296
2023	404,547
2024	415,591
2025	426,936
2026	269,415
2027 and thereafter	317,433
	<b>\$ 2,205,218</b>

### 7. Budget data:

The budget data presented in these financial statements is based upon the 2021 operating and capital budgets approved by Council on December 7, 2020. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	<b>Budget Amount</b>
<b>Revenue:</b>	
Operating budget	\$ 5,477,242
Capital budget	1,334,084
Municipal government transfers	17,903
<b>Less:</b>	
Interfund transfers	(1,501,987)
Other transfers	(8,874)
<b>Total revenue</b>	<b>5,318,368</b>
<b>Expenses:</b>	
Operating budget	5,477,242
Capital budget	1,334,084
Amortization	737,604
<b>Less:</b>	
Interfund transfers	(604,003)
Other transfers	(8,874)
Acquisition of tangible capital assets	(1,334,084)
<b>Total expenses</b>	<b>5,601,969</b>
<b>Annual surplus</b>	<b>\$ (283,601)</b>

# Milton Public Library Board

## Notes to Financial Statements

Year ended December 31, 2021

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

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

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

In 2020, Library realized \$605,398 in savings due largely to facility closures during the COVID-19 pandemic. On April 12, 2021, Town Council approved the 2020 transfer of the library surplus to the Tax Rate Stabilization reserve, where it was combined with the mitigation realized in the Town's other program areas and made available for any potential future pressures that may arise during the pandemic and recovery.

### **9. Impacts of COVID-19 pandemic:**

In March, 2020, the COVID-19 pandemic was declared a pandemic by the World Health Organization. This has resulted in government worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown.

As a result of the government interventions, the Library has had to modify services or close entirely to support public safety. The current challenging economic climate may lead to adverse changes in revenues and cash flows that may also have a direct impact on the Library's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Library is not known at this time.



2021 Town of Milton Financial Report  
**Board of Management of the Milton  
Downtown Business Improvement Area**  
For the year ended December 31, 2021





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

## Opinion

We have audited the consolidated financial statements of the Downtown Business Improvement Area of the Corporation of the Town of Milton (the "BIA"), which comprise the statement of financial position as at December 31, 2021, 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, 2021, and the results of its operations and changes in net financial assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for Opinion

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

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

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

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

# Independent Auditors' Report

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

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

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

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

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

# Independent Auditors' Report

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

## **Other matter**

The financial statements of the BIA as at and for the year ended December 31, 2020 were audited by another auditor who expressed an unmodified opinion on those statements dated June 7, 2021.

[Original signed Deloitte LLP]

Chartered Professional Accountants  
Licensed Public Accountants  
May 30, 2022  
Vaughan, Ontario



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# Milton Downtown Business Improvement Area

## Statement of Financial Position

As at December 31, 2021 with comparative information for 2020

	2021	2020
<b>Financial assets:</b>		
Due from the Town of Milton	\$ 209,323	\$ 177,877
<b>Liabilities:</b>		
Accounts payable and accrued liabilities	11,971	11,623
<b>Net financial assets</b>	<b>197,352</b>	<b>166,254</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 2)	43,601	41,833
Prepaid expenses	434	-
	<b>44,035</b>	<b>41,833</b>
Commitments (note 5)		
<b>Accumulated surplus (note 3)</b>	<b>\$ 241,387</b>	<b>\$ 208,087</b>

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

# Milton Downtown Business Improvement Area Statement of Operations

Year ended December 31, 2021 with comparative information for 2020

	Budget (Note 6)	2021	2020
<b>Revenues:</b>			
Taxation levied by Town	\$ 235,137	\$ 233,136	\$ 230,208
User charges	500	8,110	900
Federal government transfers (note 4)	-	6,088	22,052
Provincial transfers (note 4)	-	20,497	-
Municipal government transfers	17,250	14,425	6,000
Miscellaneous	500	26,676	14,783
<b>Total revenues</b>	<b>253,387</b>	<b>308,932</b>	<b>273,943</b>
<b>Expenses:</b>			
Beautification and planters	56,300	46,657	52,526
General administration	51,344	42,136	37,867
Salaries and benefits	141,125	138,901	121,786
Trade promotion and special events	43,750	41,203	2,842
Amortization	5,492	6,735	5,658
<b>Total expenses</b>	<b>298,011</b>	<b>275,632</b>	<b>220,679</b>
<b>Annual surplus/(deficit)</b>	<b>(44,624)</b>	<b>33,300</b>	<b>53,264</b>
<b>Accumulated surplus, beginning of year</b>	<b>208,087</b>	<b>208,087</b>	<b>154,823</b>
<b>Accumulated surplus, end of year (note 3)</b>	<b>\$ 163,463</b>	<b>\$ 241,387</b>	<b>\$ 208,087</b>

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

# Milton Downtown Business Improvement Area

## Statement of Change in Net Financial Assets

Year ended December 31, 2021 with comparative information for 2020

	Budget (Note 6)	2021	2020
Annual surplus	\$ (39,132)	\$ 33,300	\$ 53,264
Acquisition of tangible capital assets	-	(8,503)	-
Amortization of tangible capital assets	5,492	6,735	5,658
	<b>(33,640)</b>	<b>31,532</b>	<b>58,922</b>
Change in prepaid expenses	-	(434)	-
<b>Change in net financial assets</b>	<b>(33,640)</b>	<b>31,098</b>	<b>58,922</b>
Net financial assets, beginning of year	166,254	166,254	107,332
<b>Net financial assets, end of year</b>	<b>\$ 132,614</b>	<b>\$ 197,352</b>	<b>\$ 166,254</b>

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

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

Year ended December 31, 2021 with comparative information for 2020

	2021	2020
<b>Cash provided by (used in):</b>		
<b>Operating Activities:</b>		
Annual surplus	\$ 33,300	\$ 53,264
Items not involving cash:		
Amortization	6,735	5,658
Change in non-cash assets and other liabilities:		
Accounts payable and accrued liabilities	348	(13,387)
Prepaid expenses	(434)	-
<b>Net change in cash from operating activities</b>	<b>39,949</b>	<b>45,535</b>
<b>Capital Activities:</b>		
Cash used to acquire tangible capital assets	(8,503)	-
<b>Financing Activities:</b>		
Change in Due from Town of Milton	(31,446)	(45,535)
<b>Net change in cash and cash equivalents</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ -</b>	<b>\$ -</b>

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

# Milton Downtown Business Improvement Area

## Notes to Financial Statements

Year ended December 31, 2021

### 1. Significant accounting policies:

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

Significant accounting policies adopted by the DBIA are as follows:

#### (a) Basis of accounting:

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

#### (b) Government transfers:

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

#### (c) Other income:

Other income is reported as revenue in the period earned.

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

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

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

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

# Milton Downtown Business Improvement Area Notes to Financial Statements

Year ended December 31, 2021

## 1. Significant accounting policies (continued):

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

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

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

### (e) Use of estimates:

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

## 2. Tangible capital assets:

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

# Milton Downtown Business Improvement Area Notes to Financial Statements

Year ended December 31, 2021

## 2. Tangible capital assets (continued):

	2020		
	Office Equipment	Other Equipment	Total
<b>Cost</b>			
Balance, beginning of year	\$ 9,924	\$ 58,428	\$ 68,352
Disposals	-	(2,109)	(2,109)
<b>Balance, end of year</b>	<b>9,924</b>	<b>56,319</b>	<b>66,243</b>
<b>Accumulated amortization</b>			
Balance, beginning of year	5,401	15,460	20,861
Disposals	-	(2,109)	(2,109)
Amortization	209	5,449	5,658
<b>Balance, end of year</b>	<b>5,610</b>	<b>18,800</b>	<b>24,410</b>
<b>Net book value, end of year</b>	<b>\$ 4,314</b>	<b>\$ 37,519</b>	<b>\$ 41,833</b>

### (a) Contributed capital assets:

The DBIA received no contributed tangible capital assets in 2021 or 2020.

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

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

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

The DBIA has not recorded write-downs of tangible capital assets during the year of 2021 or 2020 .

## 3. Accumulated surplus:

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

	2021	2020
<b>Surplus</b>		
Invested in tangible capital assets	\$ 43,601	\$ 41,833
<b>Reserves</b>		
Downtown Business Improvement Area	197,786	166,254
<b>Accumulated surplus</b>	<b>\$ 241,387</b>	<b>\$ 208,087</b>

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



# Milton Downtown Business Improvement Area

## Notes to Financial Statements

Year ended December 31, 2021

### 3. Accumulated surplus (continued):

The change in the reserve fund balance is as follows:

	2021	2020
Annual surplus	\$ 33,300	\$ 53,264
Less: Current year tangible capital assets additions	(8,503)	-
Add: Amortization expense	6,735	5,658
	<b>31,532</b>	<b>58,922</b>
Fund balance at beginning of year	166,254	107,332
<b>Fund balance, end of year</b>	<b>\$ 197,786</b>	<b>\$ 166,254</b>

### 4. Government transfers:

The Provincial Government transfer reported on the Statement of Operations is the 2021 Reconnect Festival and Event Program provided by The Ministry of Heritage, Sport, Tourism and Culture Industries in the amount of \$20,497 (2020 - \$ nil). The Federal Government transfer reported on the Statement of Operations is the Summer Career Placement Grant in the amount of \$6,088 (2020 - \$22,052).

### 5. Commitments:

The Board of Management of the Milton Downtown Business Improvement Area has entered into a five year lease agreement in 2018 and is committed to minimum annual lease payments as follows:

2022	\$ 13,782
2023	10,566
<b>Total 2 Year Commitments</b>	<b>\$ 24,348</b>

### 6. Budget data:

The budget data presented in these financial statements is based upon the 2021 budget approved by Council on December 7, 2020.

### 7. Related party transactions:

During the year the Town has provided DBIA ground maintenance services for \$33,956 of which \$3,000 were recovered from Milton Downtown Business Area. In addition to the transactions noted, the Town also periodically provides support services at no cost. Should the DBIA be required to source these services independently, additional costs that could be material may be incurred.

# Milton Downtown Business Improvement Area

## Notes to Financial Statements

Year ended December 31, 2021

### **8. Impacts of COVID-19 pandemic:**

In March, 2020, the COVID-19 pandemic was declared a pandemic by the World Health Organization. This has resulted in government worldwide, including the Canadian and Ontario governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and in Ontario resulting in an economic slowdown.

As a result of the government interventions, the DBIA has focused on new, innovative ways to support members and deliver services throughout the year. Later in 2021 when interventions began to lift, the DBIA hosted some in-person events again. The current challenging economic climate may lead to adverse changes in revenue and cash flows that may also have a direct impact on the organization's operating results and financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the DBIA are not known at this time.



2021 Town of Milton Financial Report  
**Multi-Year Comparison of Financial  
Statements**

For the year ended December 31, 2021



# Consolidated Statement of Financial Position

(in thousands of dollars)

	2021	2020	2019	2018	2017
Cash and cash equivalents	\$ 66,862	\$ 56,406	\$ 76,737	\$ 76,363	\$ 57,222
Accounts receivable					
Taxes receivable	6,027	9,477	6,523	8,136	6,412
Grants receivable	104	352	292	983	60
Other	19,295	11,520	14,441	10,570	11,294
Investments	131,765	111,642	108,489	103,349	121,285
Investment in Milton Hydro Holdings Inc.	62,253	59,962	61,220	60,178	57,221
Other Assets	377	3,188	2,735	2,476	570
<b>Total financial assets</b>	<b>286,683</b>	<b>252,547</b>	<b>270,437</b>	<b>262,055</b>	<b>254,064</b>
Non-financial assets	1,151,626	1,128,494	1,097,678	1,043,048	994,506
<b>Total assets</b>	<b>1,438,309</b>	<b>1,381,041</b>	<b>1,368,115</b>	<b>1,305,103</b>	<b>1,248,570</b>
Accounts payable and accrued liabilities	21,793	19,654	23,533	17,452	18,860
Other liabilities	8,354	6,984	6,419	7,324	5,231
Deferred revenue	60,130	52,826	72,298	83,399	90,953
Long-term debentures	44,638	36,879	42,532	42,711	49,188
Developer obligations	4,314	3,398	2,613	2,046	1,760
Employee benefits and other liabilities	3,526	3,290	3,168	2,859	2,413
<b>Total liabilities</b>	<b>142,755</b>	<b>123,031</b>	<b>150,563</b>	<b>155,791</b>	<b>168,405</b>
<b>Accumulated surplus</b>	<b>\$ 1,295,554</b>	<b>\$ 1,258,010</b>	<b>\$ 1,217,552</b>	<b>\$ 1,149,312</b>	<b>\$ 1,080,165</b>

# Consolidated Statement of Operations

(in thousands of dollars)

	2021	2020	2019	2018	2017
<b>Sources of revenue:</b>					
Taxation	\$ 76,995	\$ 72,732	\$ 67,289	\$ 60,976	\$ 55,164
User charges	11,829	10,233	19,347	18,607	18,130
Government transfers:					
Federal	6,096	6,448	3,990	5,126	4,170
Provincial	4,501	4,985	4,412	2,899	3,202
Other municipalities	4,761	4,900	6,422	4,385	4,304
Investment income	3,788	4,202	4,854	3,959	3,761
Penalties and interest	2,710	2,225	3,105	2,434	2,248
Developer contributions	31,125	34,580	36,328	35,660	21,117
Developer contributed assets	15,216	13,370	32,847	27,032	28,740
Proceeds from Ontario Lottery Corporation	3,900	1,551	7,984	6,484	6,182
License, permits, rents etc.	6,488	6,193	6,415	6,568	6,298
Equity in income of Milton Hydro	3,791	242	2,542	4,457	2,815
Donations	1,963	899	893	876	1,197
Other Recoveries	181	62	347	449	263
Miscellaneous	420	135	370	7,328	822
<b>Total revenue</b>	<b>173,764</b>	<b>162,757</b>	<b>197,145</b>	<b>187,240</b>	<b>158,413</b>
<b>Expenses by function:</b>					
General government	19,584	20,659	19,900	18,045	15,970
Protection to persons and property	18,167	17,447	16,230	15,672	14,686
Transportation services	40,848	37,116	42,043	36,252	35,182
Environmental services	6,057	6,480	3,418	3,232	2,910
Health Services	774	1,861	1,767	812	35,866
Recreational and cultural services	43,630	31,893	38,316	36,302	37,312
Planning and development	7,160	6,843	7,231	7,778	6,313
<b>Total expenses</b>	<b>136,220</b>	<b>122,299</b>	<b>128,905</b>	<b>118,093</b>	<b>148,239</b>
Annual surplus	37,544	40,458	68,240	69,147	10,174
Accumulated surplus, beginning of year	1,258,010	1,217,552	1,149,312	1,080,165	1,069,991
<b>Accumulated surplus, end of year</b>	<b>\$ 1,295,554</b>	<b>\$ 1,258,010</b>	<b>\$ 1,217,552</b>	<b>\$ 1,149,312</b>	<b>\$ 1,080,165</b>

# Consolidated Statement of Change in Net Financial Asset

(in thousands of dollars)

	2021	2020	2019	2018	2017
Annual surplus	\$ 37,544	\$ 40,458	\$ 68,240	\$ 69,147	\$ 10,174
Acquisition of tangible capital assets	(68,795)	(69,672)	(88,303)	(78,787)	(61,576)
Amortization of tangible capital assets	34,370	33,644	30,378	29,095	28,088
Loss on disposal of tangible capital assets	10,903	4,857	3,445	(5,020)	1,706
Proceeds on sale of tangible capital assets	776	51	219	6,344	624
	14,798	9,338	13,979	20,779	(20,984)
Change in supplies of inventory	193	262	(133)	(216)	116
Change in prepaid expenses	(579)	42	(236)	42	(267)
Change in net financial assets	14,412	9,642	13,610	20,605	(21,135)
Net financial assets, beginning of year	129,516	119,874	106,264	85,659	106,794
<b>Net financial assets, end of year</b>	<b>\$ 143,928</b>	<b>\$ 129,516</b>	<b>\$ 119,874</b>	<b>\$ 106,264</b>	<b>\$ 85,659</b>

## Analysis of Expenses by Object

(in thousands of dollars)

	2021	2020	2019	2018	2017
Salaries, wages and employee benefits	\$ 52,283	\$ 49,091	\$ 52,803	\$ 50,372	\$ 45,961
Purchased goods	10,122	9,544	12,082	11,103	10,258
Purchased services	23,236	22,301	27,134	23,836	23,564
Financial expenses	13,221	7,469	5,685	3,630	4,735
External transfers	2,988	250	823	57	35,322
Amortization expense	34,370	33,644	30,378	29,095	28,088
<b>Total expenses</b>	<b>\$ 136,220</b>	<b>\$ 122,299</b>	<b>\$ 128,905</b>	<b>\$ 118,093</b>	<b>\$ 147,928</b>

## Net Book Value of Tangible Capital Assets

(in thousands of dollars)

	2021	2020	2019	2018	2017
Land	\$ 314,338	\$ 313,955	\$ 313,457	\$ 288,834	\$ 286,806
Land improvements	54,575	52,939	53,336	48,398	41,956
Buildings and building improvements	142,346	146,049	148,611	123,423	126,747
Machinery and equipment	107,644	110,136	107,388	93,914	95,672
Linear assets	500,415	462,687	453,762	444,177	417,686
Assets under construction	30,717	41,523	19,615	43,162	24,673
<b>Total assets</b>	<b>\$ 1,150,035</b>	<b>\$ 1,127,289</b>	<b>\$ 1,096,169</b>	<b>\$ 1,041,908</b>	<b>\$ 993,540</b>

# Accumulated Surplus

(in thousands of dollars)

	2021	2020	2019	2018	2017
<b>Reserves set aside by Council:</b>					
Aggregate permit fees	\$ 125	\$ 367	\$ 483	\$ 452	\$ 1,043
Capital provision/growth	12,609	12,167	13,387	13,820	14,727
Capital works	-	-	7,703	5,492	5,124
Computer replacement	3,220	5,492	1,245	993	782
Downtown Business Improvement Area	198	166	107	87	70
Election	627	504	314	121	254
Equipment replacement	9,085	8,152	7,835	7,534	6,980
Growth related resources	-	-	2,068	2,130	2,084
Growth capital - other	9,828	7,588	-	-	-
Infrastructure renewal reserve - roads and structures	13,694	11,776	4,964	2,999	913
Infrastructure renewal - stormwater	4,062	2,748	-	-	-
Infrastructure renewal - recreation, facilities, other	7,896	7,037	-	-	-
Insurance	-	1,573	1,413	1,286	1,055
Insurance legal matters	6,923	1,439	1,341	1,048	800
Library services	807	859	2,204	2,187	1,698
Library capital	1,107	1,767	674	539	769
Municipal building component	-	-	7,973	6,986	6,089
Municipal building replacement	-	-	435	291	208
Per unit development processing fee	1,340	1,224	1,468	1,703	1,723
Seniors fundraising	76	76	76	76	78
Studies and other non-growth capital	2,992	2,082	-	-	-
Tax rate stabilization	8,019	8,160	4,190	2,285	2,048
Training	-	-	461	358	299
Transit and transportation	-	-	1,786	1,399	1,247
Severe weather	1,923	1,467	1,468	1,468	1,109
Working funds	-	-	1,064	1,064	1,064
WSIB	4,034	2,867	1,212	1,340	813
<b>Total reserves</b>	<b>\$ 88,565</b>	<b>\$ 77,511</b>	<b>\$ 63,871</b>	<b>\$ 55,658</b>	<b>\$ 50,977</b>



## Accumulated Surplus (Continued)

(in thousands of dollars)

	2021	2020	2019	2018	2017
<b>Reserve funds set aside for specific purpose by Council:</b>					
Cash in lieu of storm water management	\$ -	\$ -	\$ 46	\$ 46	\$ 45
Investment in the Arts Campaign	-	-	609	(194)	1,709
Mayor's legacy	94	92	91	88	87
Milton District Hospital	-	310	371	431	502
Ontario Lottery Corporation proceeds	4,702	7,496	9,045	7,108	7,814
Perpetual maintenance	-	-	605	591	485
Property transactions	8,067	7,260	11,496	11,583	6,930
Sports field development	-	-	44	34	123
<b>Total reserve funds</b>	<b>\$ 12,863</b>	<b>\$ 15,158</b>	<b>\$ 22,307</b>	<b>\$ 19,687</b>	<b>\$ 17,695</b>

	2021	2020	2019	2018	2017
<b>Surplus:</b>					
Invested in tangible capital assets	\$ 1,150,035	\$ 1,127,289	\$ 1,096,169	\$ 1,041,908	\$ 993,540
Unexpended capital	33,983	19,151	20,374	16,853	13,394
Operating surplus - Town	-	-	-	-	102
Operating surplus - Library	-	-	-	-	51
Investment in Milton Hydro	62,253	59,962	61,220	60,178	57,221
Endowment fund	-	2,406	2,043	2,035	-
<b>Unfunded:</b>					
Long term debentures	(44,638)	(36,879)	(42,532)	(42,711)	(49,188)
Employee future benefits	(2,586)	(2,446)	(2,406)	(2,250)	(1,867)
Developer obligations	(4,314)	(3,398)	(2,613)	(2,046)	(1,760)
Investment in the Arts deferred donations	(607)	(744)	(881)	-	-
<b>Total surplus</b>	<b>\$ 1,194,126</b>	<b>\$ 1,165,341</b>	<b>\$ 1,131,374</b>	<b>\$ 1,073,967</b>	<b>\$ 1,011,493</b>
<b>Total accumulated surplus</b>	<b>\$ 1,295,554</b>	<b>\$ 1,258,010</b>	<b>\$ 1,217,552</b>	<b>\$ 1,149,312</b>	<b>\$ 1,080,165</b>

# Five-Year Financial Statistics

## Property Taxation

(in thousands of dollars)

	2021	2020	2019	2018	2017
<b>Weighted assessment by property class</b>					
Residential	22,096,688	21,316,998	19,533,502	17,936,196	16,288,907
Multi-residential	302,876	316,308	303,639	291,591	301,378
Farmland	77,826	80,693	77,348	77,439	71,916
Managed forests	10,424	10,585	9,741	8,746	7,477
Commercial	4,644,238	4,334,385	4,083,573	3,618,015	3,431,245
Industrial	1,371,262	1,589,913	1,521,036	1,527,625	1,346,475
Pipelines	115,568	114,190	111,212	109,737	82,078
<b>Total weighted assessment</b>	<b>28,618,882</b>	<b>27,763,071</b>	<b>25,640,051</b>	<b>23,569,349</b>	<b>21,529,476</b>
Commercial and industrial as % of total weighted assessment	21%	21%	22%	22%	22%
<b>Total tax levied and collected</b>					
Property tax levied	77,234	73,233	67,028	60,509	55,995
Taxes billed on behalf of Region of Halton	80,088	77,314	73,105	70,056	67,200
Taxes billed on behalf of school boards	67,101	67,198	64,425	62,701	60,251
<b>Total tax levied</b>	<b>224,423</b>	<b>217,745</b>	<b>204,558</b>	<b>193,266</b>	<b>183,447</b>
<b>Total tax collected</b>	<b>227,872</b>	<b>214,791</b>	<b>206,171</b>	<b>191,543</b>	<b>182,956</b>
<b>Taxes Receivable as % of tax levied</b>	<b>2.69%</b>	<b>4.35%</b>	<b>3.19%</b>	<b>4.21%</b>	<b>3.50%</b>

# Five-Year Financial Statistics

## Property Taxation

	2021	2020	2019	2018	2017
<b>Taxation rates by property class – General and Urban Surcharge</b>					
<b>Residential</b>					
Town of Milton	0.257867%	0.248124%	0.248082%	0.242228%	0.243461%
Region of Halton	0.272466%	0.267578%	0.276694%	0.287039%	0.299581%
School boards	0.153000%	0.153000%	0.161000%	0.170000%	0.179000%
	<b>0.683333%</b>	<b>0.668702%</b>	<b>0.685776%</b>	<b>0.699267%</b>	<b>0.722042%</b>
<b>Multi-residential</b>					
Town of Milton	0.515735%	0.496248%	0.496164%	0.484456%	0.486922%
Region of Halton	0.544930%	0.535156%	0.553388%	0.574078%	0.599162%
School boards	0.153000%	0.153000%	0.161000%	0.170000%	0.179000%
	<b>1.213665%</b>	<b>1.184404%</b>	<b>1.210552%</b>	<b>1.228534%</b>	<b>1.265084%</b>
<b>Farmlands</b>					
Town of Milton	0.051573%	0.049625%	0.049616%	0.048446%	0.048693%
Region of Halton	0.054493%	0.053516%	0.055338%	0.057408%	0.059917%
School boards	0.038250%	0.038250%	0.040250%	0.042500%	0.044750%
	<b>0.144316%</b>	<b>0.141391%</b>	<b>0.145204%</b>	<b>0.148354%</b>	<b>0.153360%</b>
<b>Managed forests</b>					
Town of Milton	0.064467%	0.062031%	0.062021%	0.060557%	0.060865%
Region of Halton	0.068116%	0.066895%	0.069174%	0.071762%	0.074896%
School boards	0.038250%	0.038250%	0.040250%	0.042500%	0.044750%
	<b>0.170833%</b>	<b>0.167176%</b>	<b>0.171445%</b>	<b>0.174819%</b>	<b>0.180511%</b>
<b>Commercial</b>					
Town of Milton	0.375584%	0.361393%	0.361331%	0.352805%	0.354601%
Region of Halton	0.396844%	0.389728%	0.403005%	0.418072%	0.436339%
School boards	0.770552%	0.770552%	0.804055%	0.838216%	0.860141%
	<b>1.542980%</b>	<b>1.521673%</b>	<b>1.568391%</b>	<b>1.609093%</b>	<b>1.651081%</b>
<b>Commercial - vacant units/excess land</b>					
Percentage of full rate	100%	100%	78%	70%	70%

# Five-Year Financial Statistics

## Property Taxation

	2021	2020	2019	2018	2017
<b>Industrial</b>					
Town of Milton	0.539124%	0.518753%	0.585449%	0.571634%	0.574544%
Region of Halton	0.569643%	0.559425%	0.652969%	0.677383%	0.706983%
School boards	0.880000%	1.098184%	1.167241%	1.244198%	1.335379%
	<b>1.988766%</b>	<b>2.176362%</b>	<b>2.405659%</b>	<b>2.493215%</b>	<b>2.616906%</b>
<b>Industrial - vacant land/excess land</b>					
<b>Percentage of full rate</b>	<b>100%</b>	<b>75%</b>	<b>73%</b>	<b>65%</b>	<b>65%</b>
<b>Pipeline</b>					
Town of Milton	0.273778%	0.263433%	0.263389%	0.257173%	0.258482%
Region of Halton	0.289276%	0.284088%	0.293767%	0.304749%	0.318066%
School boards	0.880000%	0.980000%	1.030000%	1.090000%	1.140000%
	<b>1.443055%</b>	<b>1.527521%</b>	<b>1.587156%</b>	<b>1.651922%</b>	<b>1.716548%</b>
* The Urban Surcharge was removed in 2017.					
<b>Taxation rates by property class - General</b>					
<b>Residential</b>					
Town of Milton	0.257867%	0.248124%	0.248082%	0.242228%	0.243461%
Region of Halton	0.272466%	0.267578%	0.276694%	0.287039%	0.299581%
School Boards	0.153000%	0.153000%	0.161000%	0.170000%	0.179000%
	<b>0.683333%</b>	<b>0.668702%</b>	<b>0.685776%</b>	<b>0.699267%</b>	<b>0.722042%</b>
<b>Multi-residential</b>					
Town of Milton	0.515735%	0.496248%	0.496164%	0.484456%	0.486922%
Region of Halton	0.544930%	0.535156%	0.553388%	0.574078%	0.599162%
School boards	0.153000%	0.153000%	0.161000%	0.170000%	0.179000%
	<b>1.213665%</b>	<b>1.184404%</b>	<b>1.210552%</b>	<b>1.228534%</b>	<b>1.265084%</b>
<b>Farmlands</b>					
Town of Milton	0.051573%	0.049625%	0.049616%	0.048446%	0.048693%
Region of Halton	0.054493%	0.053516%	0.055338%	0.057408%	0.059917%
School boards	0.038250%	0.038250%	0.040250%	0.042500%	0.044750%
	<b>0.144316%</b>	<b>0.141391%</b>	<b>0.145204%</b>	<b>0.148354%</b>	<b>0.153360%</b>

# Five-Year Financial Statistics

## Property Taxation

	2021	2020	2019	2018	2017
<b>Managed Forests</b>					
Town of Milton	0.064467%	0.062031%	0.062021%	0.060557%	0.060865%
Region of Halton	0.068116%	0.066895%	0.069174%	0.071762%	0.074896%
School boards	0.038250%	0.038250%	0.040250%	0.042500%	0.044750%
	<b>0.170833%</b>	<b>0.167176%</b>	<b>0.171445%</b>	<b>0.174819%</b>	<b>0.180511%</b>
<b>Commercial</b>					
Town of Milton	0.375584%	0.361393%	0.361331%	0.352805%	0.354601%
Region of Halton	0.396844%	0.389728%	0.403005%	0.418072%	0.436339%
School boards	0.770552%	0.770552%	0.804055%	0.838216%	0.860141%
	<b>1.542980%</b>	<b>1.521673%</b>	<b>1.568391%</b>	<b>1.609093%</b>	<b>1.651081%</b>
<b>Commercial - vacant units/excess land</b>					
Percentage of full rate	100%	100%	78%	70%	70%
<b>Industrial</b>					
Town of Milton	0.539124%	0.518753%	0.585449%	0.571634%	0.574544%
Region of Halton	0.569643%	0.559425%	0.652969%	0.677383%	0.706983%
School boards	0.880000%	1.098184%	1.167241%	1.244198%	1.335379%
	<b>1.988766%</b>	<b>2.176362%</b>	<b>2.405659%</b>	<b>2.493215%</b>	<b>2.616906%</b>
<b>Industrial - vacant land/excess land</b>					
Percentage of full rate	100%	75%	73%	65%	65%
<b>Pipeline</b>					
Town of Milton	0.273778%	0.263433%	0.263389%	0.257173%	0.258482%
Region of Halton	0.289276%	0.284088%	0.293767%	0.304749%	0.318066%
School boards	0.880000%	0.980000%	1.030000%	1.090000%	1.140000%
	<b>1.443055%</b>	<b>1.527521%</b>	<b>1.587156%</b>	<b>1.651922%</b>	<b>1.716548%</b>

# Five-Year Financial Statistics

## Long-Term Debt and Other Statistics

	2021	2020	2019	2018	2017
<b>Transfers from other levels of government</b>					
Federal	\$ 6,095,929	\$ 6,495,575	\$ 3,990,368	\$ 5,126,228	\$ 4,170,416
Provincial	4,501,084	4,985,317	4,412,448	2,899,019	3,201,679
<b>Total transfers</b>	<b>\$ 10,597,013</b>	<b>\$ 11,480,892</b>	<b>\$ 8,402,817</b>	<b>\$ 8,025,247</b>	<b>\$ 7,372,095</b>
<b>Long-term debt:</b>					
Debt supported by property taxes	\$ 21,684,476	\$ 11,328,317	\$ 13,664,487	\$ 10,437,376	\$ 13,346,672
Debt supported by development charges	195,967	993,126	2,378,415	3,713,650	5,001,513
Debt supported by reserves and reserve funds	22,757,235	24,558,025	26,489,369	28,619,337	30,839,578
Debt supported by user fees	-	-	-	-	-
<b>Total long-term debt</b>	<b>\$ 44,637,677</b>	<b>\$ 36,879,467</b>	<b>\$ 42,532,271</b>	<b>\$ 42,770,363</b>	<b>\$ 49,187,763</b>
<b>Long-term debt by function:</b>					
General government	\$ 554,954	\$ 834,473	\$ 1,364,736	\$ 2,085,811	\$ 3,261,134
Fire	1,419,869	1,890,629	2,422,612	1,305,367	1,676,245
Roadways	14,758,070	5,525,473	6,717,193	6,483,544	7,856,238
Parks	3,248,260	1,464,697	1,681,768	1,349,546	1,802,763
Storm water	236,098	292,689	348,359	403,109	456,938
Health services	22,734,517	24,513,164	26,165,924	28,004,433	29,695,766
Recreation facilities	1,526,802	2,181,130	3,356,468	2,561,878	3,577,468
Cultural services	-	-	280,210	548,885	806,887
Library	159,107	177,213	195,000	27,790	54,325
<b>Total long-term debt</b>	<b>\$ 44,637,677</b>	<b>\$ 36,879,467</b>	<b>\$ 42,532,271</b>	<b>\$ 42,770,363</b>	<b>\$ 49,187,763</b>
Total long-term debt per capita	332.36	291.87	345.23	354.94	418.03
Total long-term debt per household	1,102.38	948.20	1,124.48	1,170.03	1,395.32
Annual debt repayment limit*	21,372,010	17,742,653	20,681,378	26,359,885	25,086,769
Actual annual debt repayment	5,650,799	6,858,561	6,895,082	7,782,418	8,653,978
<b>Actual debt repayment as % of own source revenues</b>	<b>5.23%</b>	<b>6.97%</b>	<b>6.25%</b>	<b>7.38%</b>	<b>8.62%</b>

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

# Five-Year Financial Statistics

## Municipal Statistics

	2021	2020	2019	2018	2017
Population	134,304	126,355	123,200	120,500	117,667
Area	36,538	36,538	36,538	36,538	36,538
Households	40,492	38,894	37,824	36,555	35,252
Halton Region unemployment rate*	6.50%	9.20%	5.30%	4.0%	5.5%
<b>Town of Milton budgeted labour force:</b>					
Full time funded positions	439	430	424	428	408
Part time funded positions	775	774	764	750	744
Seasonal funded positions	312	312	296	290	274
<b>Total funded positions</b>	<b>1,526</b>	<b>1,516</b>	<b>1,484</b>	<b>1,468</b>	<b>1,426</b>
<b>Infrastructure</b>					
Lane kilometres of paved roads**	1,242	1,226	1,201	1,175	1,175
Total kilometres of stormwater (urban and rural)**	960	953	939	936	911
<b>Recreation</b>					
Total kilometres of trails	44	44	42	40	35
Total hours of recreations programs**	1,004,073	2,035,361	5,408,421	4,754,370	8,585,564

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

\*\* 2017-2019 data has been revised.

# Five-Year Financial Statistics

## Municipal Statistics

	2021	2020	2019	2018	2017
<b>New construction procurement:</b>					
Number of new construction contracts awarded	18	18	19	19	29
<b>Total value of new construction contracts awarded</b>	<b>\$ 51,225,636</b>	<b>\$ 27,536,935</b>	<b>\$ 24,575,275</b>	<b>\$ 15,046,989</b>	<b>\$ 56,294,609</b>
<b>Square metres of new construction:</b>					
Residential properties	158,584	108,704	142,154	146,961	373,569
Multi-residential properties	18,477	-	18,534	54,714	17,746
All other property classes*	304,547	34,692	279,293	46,075	98,692
<b>Total square metres</b>	<b>481,609</b>	<b>143,396</b>	<b>439,981</b>	<b>247,750</b>	<b>490,007</b>
<b>Residential units:</b>					
Single and Semi Detached	540	250	280	460	831
Townhouses/ Stacked Townhouses	250	300	503	289	1,082
Apartments/ Secondary Units*	-	-	4	666	233
<b>Total building permits issued</b>	<b>790</b>	<b>550</b>	<b>787</b>	<b>1,415</b>	<b>2,146</b>
<b>Value of building permits issued:</b>					
Residential properties	291,581,462	\$ 178,441,220	\$ 230,046,990	\$ 271,635,228	\$ 696,132,013
Multi-residential properties	28,700,000	-	48,860,400	129,200,000	37,352,401
All other property classes	289,135,300	27,599,872	234,384,094	76,107,851	205,423,411
<b>Total value of building permits issued</b>	<b>\$ 609,416,762</b>	<b>\$ 206,041,092</b>	<b>\$ 513,291,484</b>	<b>\$ 476,943,079</b>	<b>\$ 938,907,825</b>

\* 2017-2019 data has been revised.



# Five-Year Financial Statistics

## List of 2021 Principal Corporate Tax Accounts

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

## List of 2021 Principal Employers

<b>Business Name</b>	<b>Industry Subsector</b>
DSV	Transportation and logistics
Karmax Heavy Stamping	Motor vehicle metal stamping
Gordon Food Service	General-line food merchant wholesalers, admin offices and distribution
Rockwool	Electrical wiring and construction supplies merchant wholesalers
Monaghan Mushrooms Ltd.	Mushroom production
Woodbine Mohawk Park	Harness racing track
Amazon Fulfillment	General warehousing and storage
Chudleigh's Ltd.	Food production
Manheim Auto Auctions Company	New and used automobile and light-duty truck merchant wholesalers
EATON Industries (Canada) Company	Electric power distribution



**MILTON**

Direct any inquiries regarding this document to:

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Finance Division

Town Hall  
150 Mary Street  
Milton ON, L9T 6Z5  
905-878-7252

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

