



The Corporation of the Town of Milton

Report To:	Council
From:	Glen Cowan, Chief Financial Officer / Treasurer
Date:	August 24, 2020
Report No:	CORS-042-20
Subject:	2019 Financial Report
Recommendation:	THAT the draft audited 2019 Financial Statements for the Town of Milton and Boards be approved

EXECUTIVE SUMMARY

The financial audit of the Town has been completed for the year ended December 31, 2019 and the results are presented in the attached financial report. Staff are pleased to report that the Town has received an unqualified audit opinion, meaning that in the auditor's opinion the statements are fairly and appropriately presented and in accordance with Public Sector Accounting Board (PSAB) standards.

REPORT

Background

The 2019 draft financial report is being presented to Council for approval. Ms. Lois Ouellette and Mr. Scott Plugers from KPMG LLP will be making a short presentation to Council to highlight the audit findings for the year ended December 31, 2019 and will be available to answer any questions. Under Canadian Auditing Standards, the Auditors' Report will be signed by KPMG upon the approval of the financial statements by Town Council.

Discussion

The financial statements have been prepared in accordance with Canadian public sector accounting standards. The Public Sector Accounting Board of the Chartered Professional Accountants (CPA) Canada issues recommendations and reporting requirements that the Town is obligated to adhere to in preparation of the audited financial statements.



Under Canadian public sector accounting standards, municipal reporting requirements include the following:

- Consolidated Statement of Financial Position
- Consolidated Statement of Operations
- Consolidated Statement of Change in Net Financial Assets (Net Debt)
- Consolidated Statement of Cash Flows
- Consolidated Schedule of Segment Disclosure
- Notes to the Consolidated Financial Statements

These statements and notes 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.

2019 Financial Highlights

Growth in the community and the Town's infrastructure are primary contributors to the annual financial results for a municipality such as Milton. As such, the aforementioned development trends, contributed assets and capital projects influence the Town's 2019 statements in several respects.

Total revenue for 2019 is \$197.1 million compared to total expenses of \$128.9 million resulting in net revenue of \$68.2 million. This differential can be largely attributed to the developer contributed assets and development charges earned during the year, each of which results in growth in the Town's tangible capital asset base as well as future operating cost.

The audited consolidated financial statements indicate that the Town's net financial position at December 31, 2019, as represented by the accumulated surplus, equals \$1,217.6 million. This amount has grown by 6% relative to 2018 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 2019 with debt principal outstanding of \$42.5 million, a large portion of which relates to the Town's local contribution towards the hospital expansion. The Town's debt capacity ratio of 6.25% is well within the guidelines set by both the Province and Town Council. Reserve balances increased from \$75.3 million to \$85.3 million.



Consolidated Statement of Financial Position

Net Financial Assets

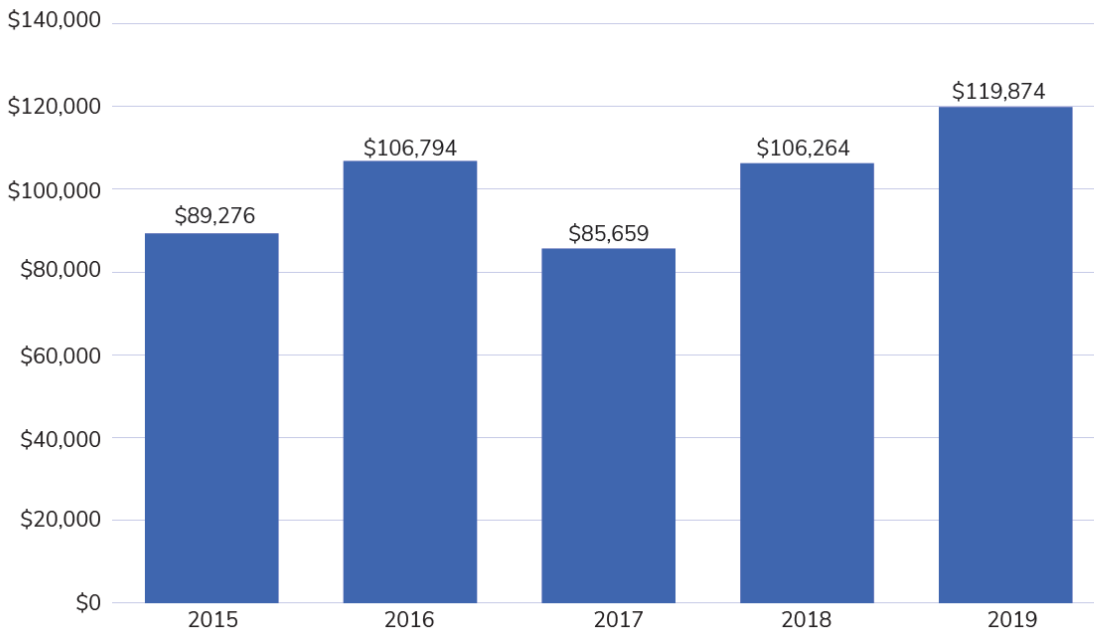
(in thousands of dollars)

	2019	2018	Variance	% Change
Financial Assets	\$ 262,055	\$ 262,055	\$ 8,382	3.2%
Less: Financial Liability	155,791	155,791	(5,228)	(3.4)%
Net Financial Assets	\$ 106,264	\$ 106,264	\$ 13,610	12.8%

The Town ended the year with a net financial asset position (financial assets less financial liabilities) of \$119.9 million, a 12.8% increase of \$13.6 million from the prior year. The largest contributors to the change was the increase in the Town’s investments of \$5.1 million, increase in Accounts Payable of \$6.1 million and a decrease in deferred revenue balances of \$11.1 million.

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

Net Financial Assets (in thousands of dollars)





Financial Assets

In 2019, the Town's financial assets increased by \$8.3 million, mostly due to a \$5.1 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 Accounts Receivable of \$3.9 million and increase of \$1.0 million in investment in Milton Hydro Holdings Inc., were offset by a \$1.6 million decrease in Taxes Receivable.

Cash and Short-Term Investments

At the end of 2019 the year end cash and cash equivalents balance was \$76.7 million, with essentially no change over 2018. The cash balances remained high during 2019 due to market conditions, along with cash requirements for major capital projects including the Sherwood Community Centre and Fire Station No. 5. The average yield on cash balances for 2019 was 2.32%, generating \$2.0 million in interest income.

During 2019 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 2019 was 2.72%, generating \$1.0 million in investment earnings. At the end of 2019 the Town held \$33.0 million in short term securities.

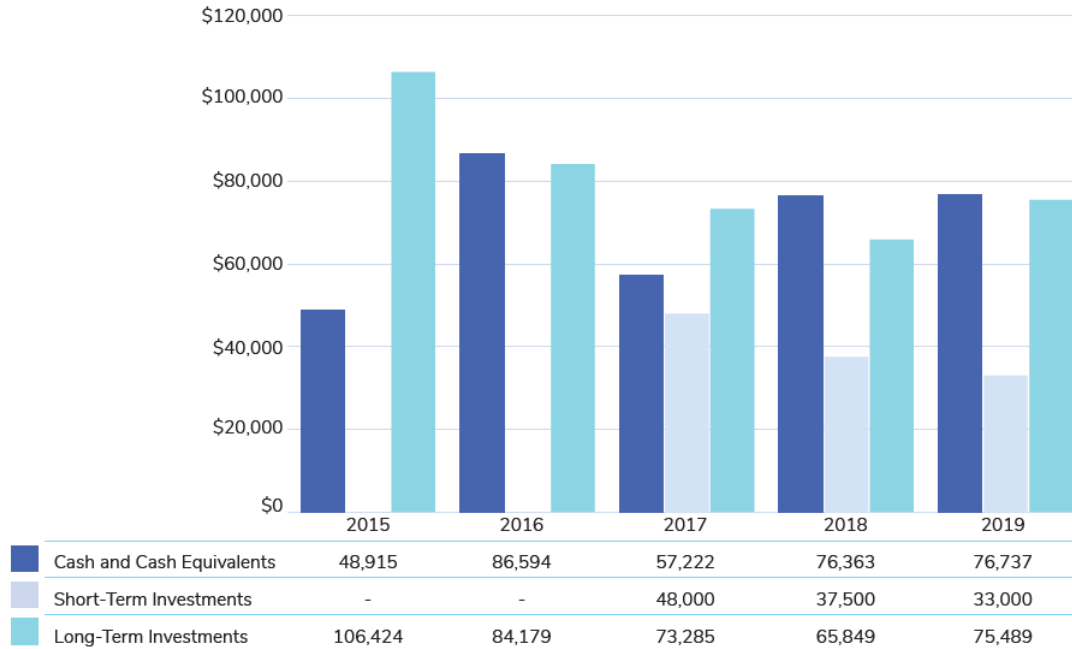
Long-Term Investments

Long-term investments, securities with a term greater than one year, held by the Town at year end totaled \$75.5 million, an increase of \$9.6 million from the previous year. The increase was related to market opportunities where it was advantageous to lock in long term investments at favourable rates. In 2019 the long term investment average rate of return was 2.45%, generating \$1.9 million in investment earnings.



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

Cash and Investments
(in thousands of dollars)

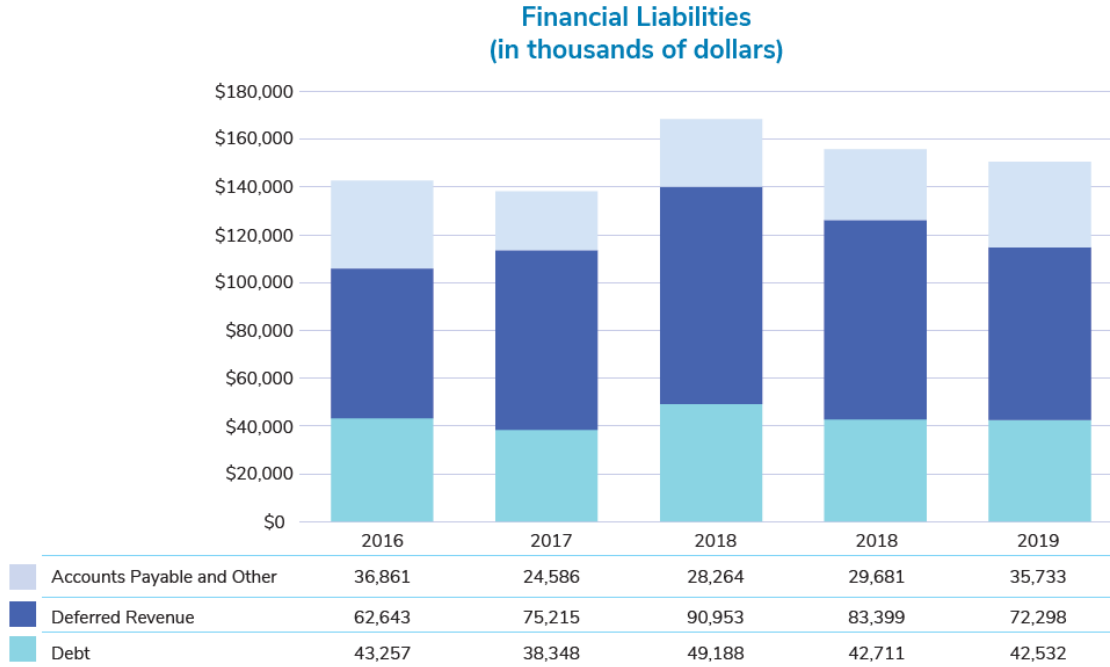


Financial Liabilities

The major contributors to the decrease of \$5.2 million in 2019 financial liabilities was decreased deferred revenue of \$11.1 million, offset by increase in accounts payable of \$6.1 million.

The decrease in deferred revenue was primarily attributable to the utilization of development charges for the construction of capital infrastructure. The increase in Accounts Payable is attributed to the timing of the progress payments to subcontractor on the capital construction projects.

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



Debt

During 2019 the debenture obligations decreased from \$42.7 million to \$42.5 million. In 2019 the Town issued \$5.5 million of previously approved debentures for various capital projects including Sherwood Community Centre, Fire Station No. 1, Wheelabrator Way and New Campbellville Park Redevelopment. 2019 also included \$5.7 million of scheduled principal payments.

Guidelines established through Ontario Regulation 403/02 allow for a maximum debt payment ratio of 25% of own source revenues, which in 2019 equaled \$20.7 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 6.25% is well within the guidelines set by both the Province and Town Council.

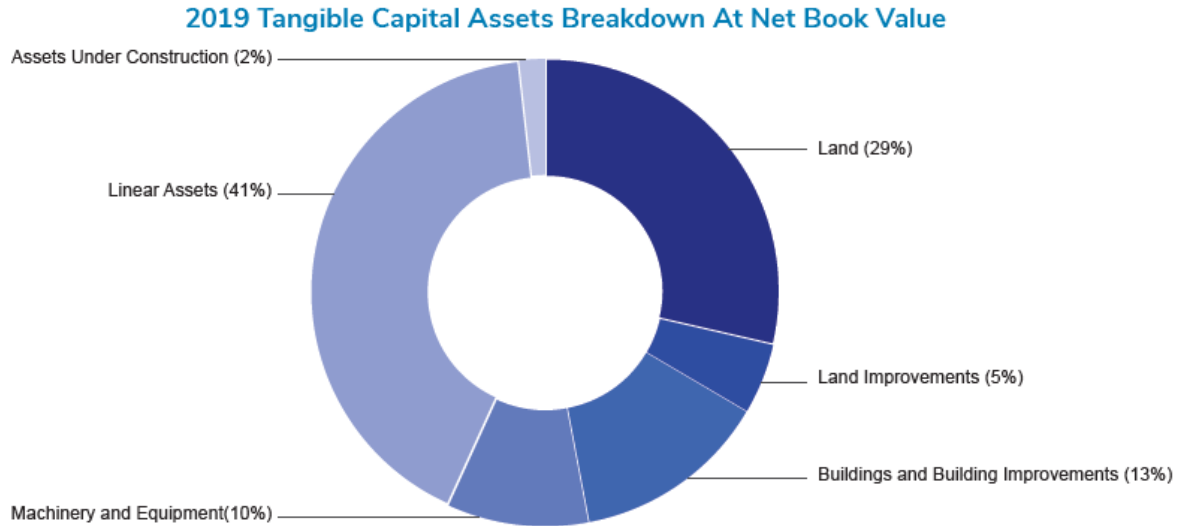
Non-Financial Assets

Non-financial assets, primarily consisting of tangible capital assets have continued to increase this year. The increase of \$54.3 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.

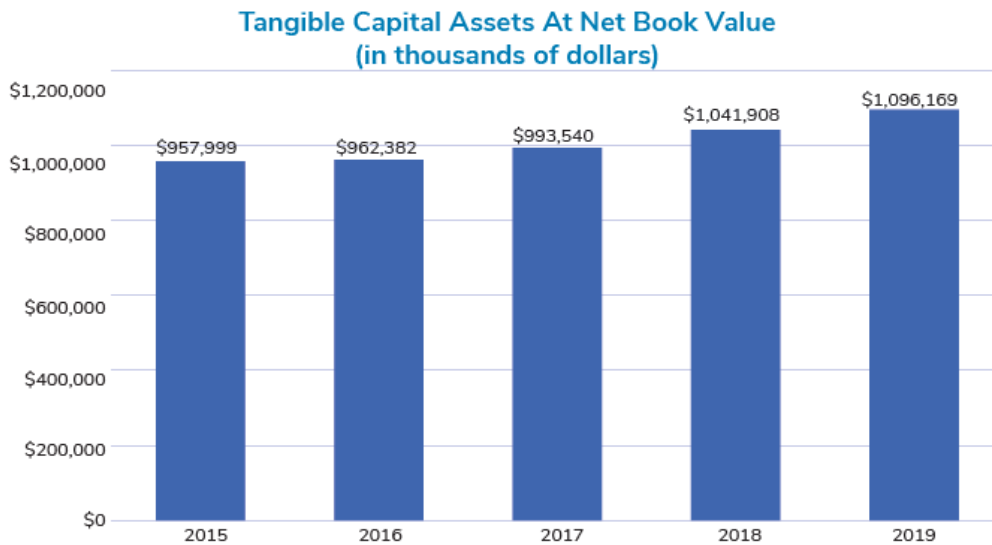


The Corporation of the Town of Milton

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



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



Accumulated Surplus

Overall, the Town ended the year with an accumulated surplus of \$1,217.6 million, an increase of 5.9% from the prior year balance of \$1,149.3 million. This change represents the annual excess of revenues over expenses for the year of \$68.2 million, and is largely related to the infrastructure assumed from or funded by development.



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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)

	2019	2018	Change
Reserves	\$ 63,871	\$ 55,658	\$ 8,213
Reserve Funds	21,426	19,687	1,739
Invested in tangible capital assets	1,096,169	1,041,908	54,261
Unexpended capital	20,374	16,853	3,521
Investment in Milton Hydro	61,220	60,178	1,042
Endowment Fund	2,043	2,035	8
Unfunded liabilities	(47,551))	(47,007)	(544)
Total Accumulated Surplus	\$ 1,217,552	\$ 1,149,312	\$68,240

The reserve balances have experienced an increase of \$8.2 million as contributions for future needs exceeded current year’s withdrawals. The main driver of the increase are transfers to Capital Works, Infrastructure renewal and Tax rate stabilization reserves.

A \$2.2 million increase in Capital Works reserve is reflective of transfers of Supplementary taxes above \$0.98 as per the approved 2019 budget. In addition, funds received from higher than anticipated interest earned on unspent capital funds and debenture charge savings on previously approved, however not yet issued debt, were also transferred.

\$1.9 million increase in Tax Rate Stabilization reserve is a result of transferring 2019 year end operating surplus. The transfer of additional funds to Tax Stabilization reserve is prudent as pressures have been forecasted for the years 2020 and 2021 and the reserve balance may provide additional flexibility to the Town in managing the resulting impacts.

The discretionary reserve funds have increased by \$1.7 million from the \$19.7 million reported in 2019. This includes a \$1.9 million increase in Ontario Lottery Corporation proceeds reserve fund resulted from higher than budgeted revenues from the Ontario Lottery and Gaming Corporation in the amount of \$2.1 million which were transferred to reserve.

The unfunded liabilities balance is comprised of the principal outstanding on debentures 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 \$0.5 million increase in unfunded liabilities is related to the increase in the amounts owing to developers for studies under Sustainable Halton Plan conducted on behalf of the Town.

Consolidated Statement of Operations

The Consolidated Statement of Operations is the municipal equivalent of the private sector's income statement, providing a summary of revenues and expenses throughout the year. 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.

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 \$32.8 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 \$9.1 million.

Higher than budgeted revenues were also received from the Ontario Lottery and Gaming Corporation resulting in favourable variance of \$2.1 million.

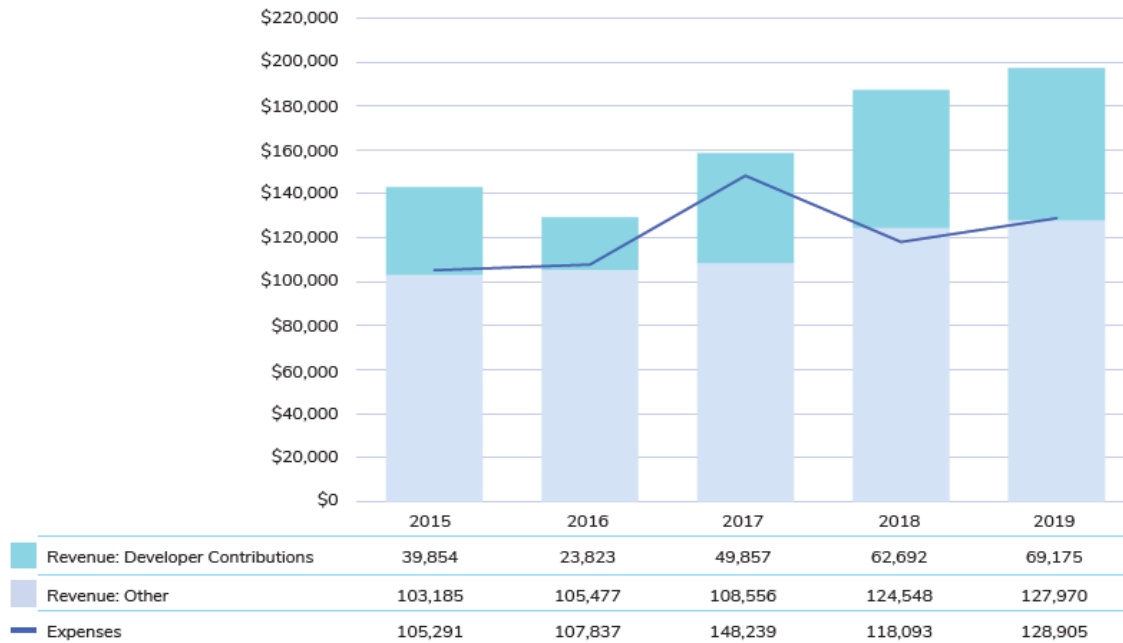
Licences, permits and rents and building permit fee revenue, in particular, have realized an unfavourable variance of \$1.1 million compared to budget as building permit activity in 2019 was lower than expected due to market conditions.

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

Total revenue reported for the year 2019 was \$197.1 million, an increase of \$9.9 million from last year's amount of \$187.2 million. The following table illustrates how the 2019 results compare over the five-year period.



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



Consolidated Statement of Change in Net Financial Assets

The purpose of the Statement of Change in Net Financial Assets is to assist financial statement users in fully understanding the nature of the Town’s financial activities in the period. The statement backs out all the non-financial activity from the statement of operations (e.g. amortization, gains/losses, purchases and sale of assets). Thus, the financial impact on the surplus attributable to change in financial assets is an increase of \$13.6 million, compared to last year’s increase of \$20.6 million. This is primarily attributable to decreases in deferred revenue balances, amplified by an overall increase in financial assets, such as the investments and accounts receivable, as described in earlier sections.

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 slightly by \$0.3 million from \$76.4 million in 2018 to \$76.7 million in 2019. Various operating activities increased



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Towns cash position by \$59.4 million, which was offset by outflow of cash from capital activities \$55.2 million due to the acquisition of tangible capital assets. Investing activities, such as purchase of investments of \$5.1 million offset by Milton Hydro dividend of \$1.5 million further reduced cash position by 3.6 million in 2019.

Financial Impact

In addition to being a requirement under section 294.1 of the Municipal Act, 2001, the production of audited financial statements on an annual basis is an integral part of Town's financial management. The financial impacts of the transactions occurring in 2019 as well as the Town's 2019 year-end position are outlined in detail in the attached statements.

Through report CORS-006-20, Council approved the year end accounting entries and reserve transfers based on the estimated year end position. Through the process of finalizing the 2019 financial statements, there were no additional transactions processed impacting the bottom line operating position.

Respectfully submitted,

Glen Cowan
Chief Financial Officer / Treasurer

For questions, please contact: Zaneta Kowalik

Phone: Ext. 2122

Attachments

Appendix A – Draft 2019 Financial Report

CAO Approval
Andrew M. Siltala
Chief Administrative Officer



MILTON

The Corporation of the Town of Milton

FINANCIAL REPORT

Town of Milton, Ontario, Canada
For the Fiscal Year Ended December 31, 2019

2019

2019 THE CORPORATION OF THE TOWN OF MILTON
FINANCIAL REPORT
For the fiscal year ending December 31, 2019

The Corporation of the Town of Milton, Ontario, Canada

This report was prepared by:

The Finance Division of the Corporation of the Town of Milton

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About Milton

The Town's Vision

Together, we will shape the future of Milton by building a vibrant, thriving and innovative community, where everyone feels welcome, safe, connected and engaged.

The Town's Mission

We are committed to providing a range of quality programs and services that meet the needs of our growing and diverse community.

The Town's Strategic Action Plan

The Town's updated strategic plan, [Destiny Milton 3](#), is the result of extensive research and collaboration between Council, Town staff, stakeholders and members of the community. With the significant amount of growth that the Town continues to face, Destiny Milton 3 has been designed to strategically guide the Town's priorities and decision-making.

Destiny Milton 3 - Goals

The goals and actions identified in the strategic plan will ensure that the Town is responding to population and employment growth in a way that is positive, sustainable and responsive to the changing and diverse needs of the community.

It will provide direction on all short-term and long-term planning and influence the services that the Town provides, how the Town provides these services, where the Town directs its efforts and how the Town allocates its resources.

Goal 1 - Vibrant and Connected Community

Provide a complete, sustainable and livable community.

Goal 2 - Economic Growth

Stimulate and provide a healthy economy and standard of living.

Goal 3 - Financial Sustainability

Ensure sound and diversified short-term and long-term financial management.

Goal 4 - Enhanced Communication

Improve the quality of internal and external communications.

Goal 5 - Organizational Effectiveness

Continue to strive for organizational effectiveness and optimization.

Note: Represents the Town's Strategic Plan as of December 31, 2019. In 2020, Milton Town Council approved updated priorities to 2023 through report ES-009-20.

About Milton

Over the last few decades, the Town of Milton has emerged as a unique and dynamic community. Located in a prime position within the western part of the Greater Toronto Area, Milton presents an impressive blend of historic charm, scenic rural beauty, along with new developments and opportunities.

Recognized as one of the fastest growing municipalities in Canada, the Town has embraced its growth while at the same time retaining its core character and appeal. With an expansive portfolio, Milton can proudly be described as a community that has it all, making it an ideal place to live, learn, work and grow.

Our Place in the GTA



Quick Facts



365 sq. km
Land Area



123,200
Population
(2019 estimate)



337
Population density
per sq. km



291%
Population growth (2001-2019)
From 31,471 to 123,200

238k

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

The Town has had record breaking growth from 2006-2019 of 124% and a total population forecast for 2031 of 238,000 - a further increase of 114,800 or 93%



37,824
Number of households



\$133,325
*2019 estimate of average household
income. GTA average at \$131,495

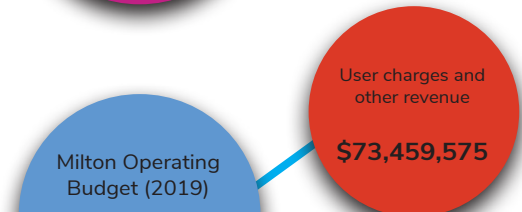
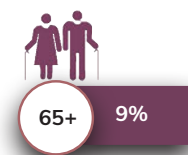
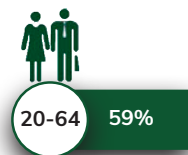
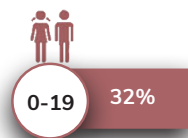


\$529,698
*2019 average value
of dwelling



2.7%
*Property Taxes as a % of household
income. Lowest in GTA which has an
average of 3.8%

*Age of population (by age groups)

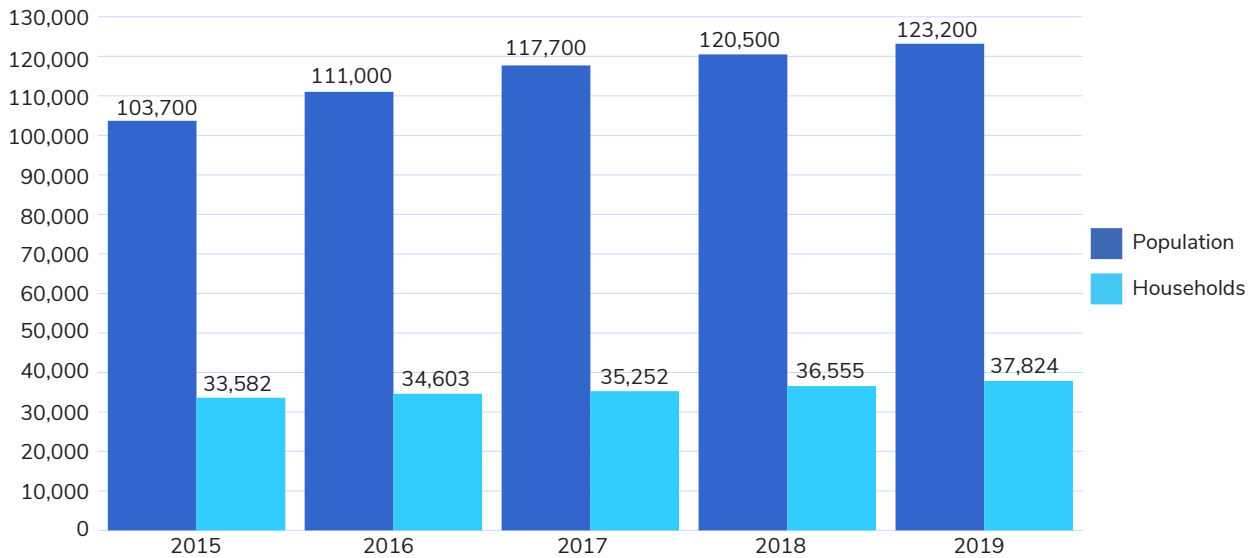


*Source: BMA Management Consulting Inc. Municipal Study 2019

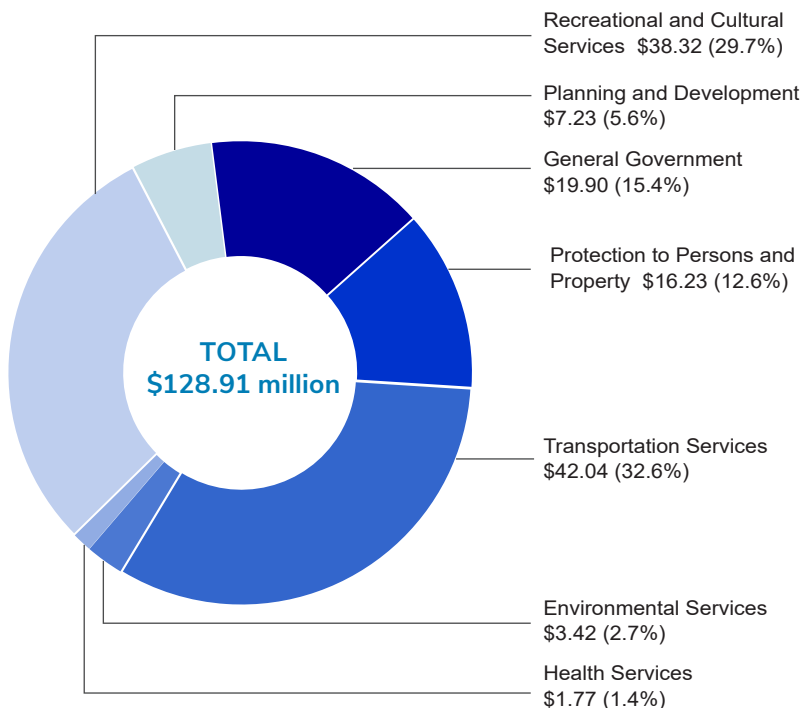
Note: Tax Levy requirements excludes budgeted supplementary taxes and payments in lieu.

Highlights

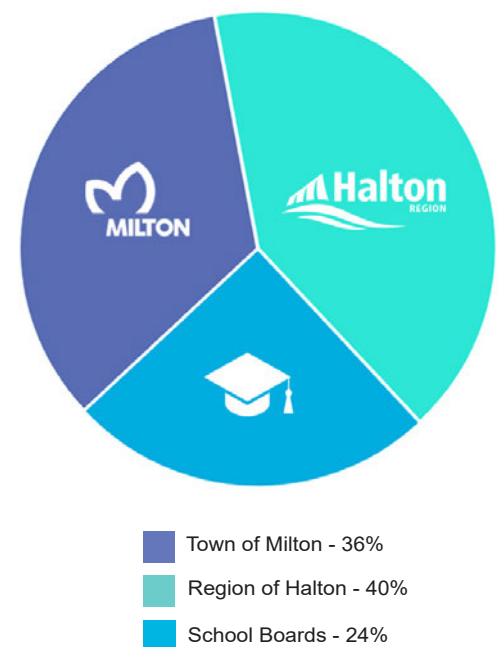
Population Growth and Household Increase (over the last 5 years)



2019 Expenses (Actuals) (in million dollars)



2019 Residential Tax Breakdown



Mayor and Council

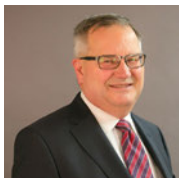
The Town's Council is comprised of the Mayor, four Regional Councillors and four Town Councillors, elected for four-year terms of office. Through the representation of wards, these members of Council are the governing body of the Town and have the following responsibilities:

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

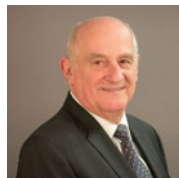


Gordon Krantz
Mayor

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



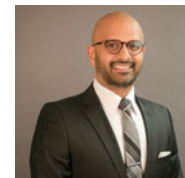
Colin Best
Regional Councillor
Ward 1



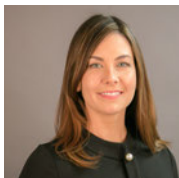
Rick Malboeuf
Regional Councillor
Ward 2



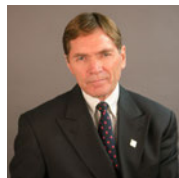
Mike Cluett
Regional Councillor
Ward 3



Zeeshan Hamid
Regional Councillor
Ward 4



Kristina Tesser Derksen
Town Councillor
Ward 1



John Challinor II
Town Councillor
Ward 2

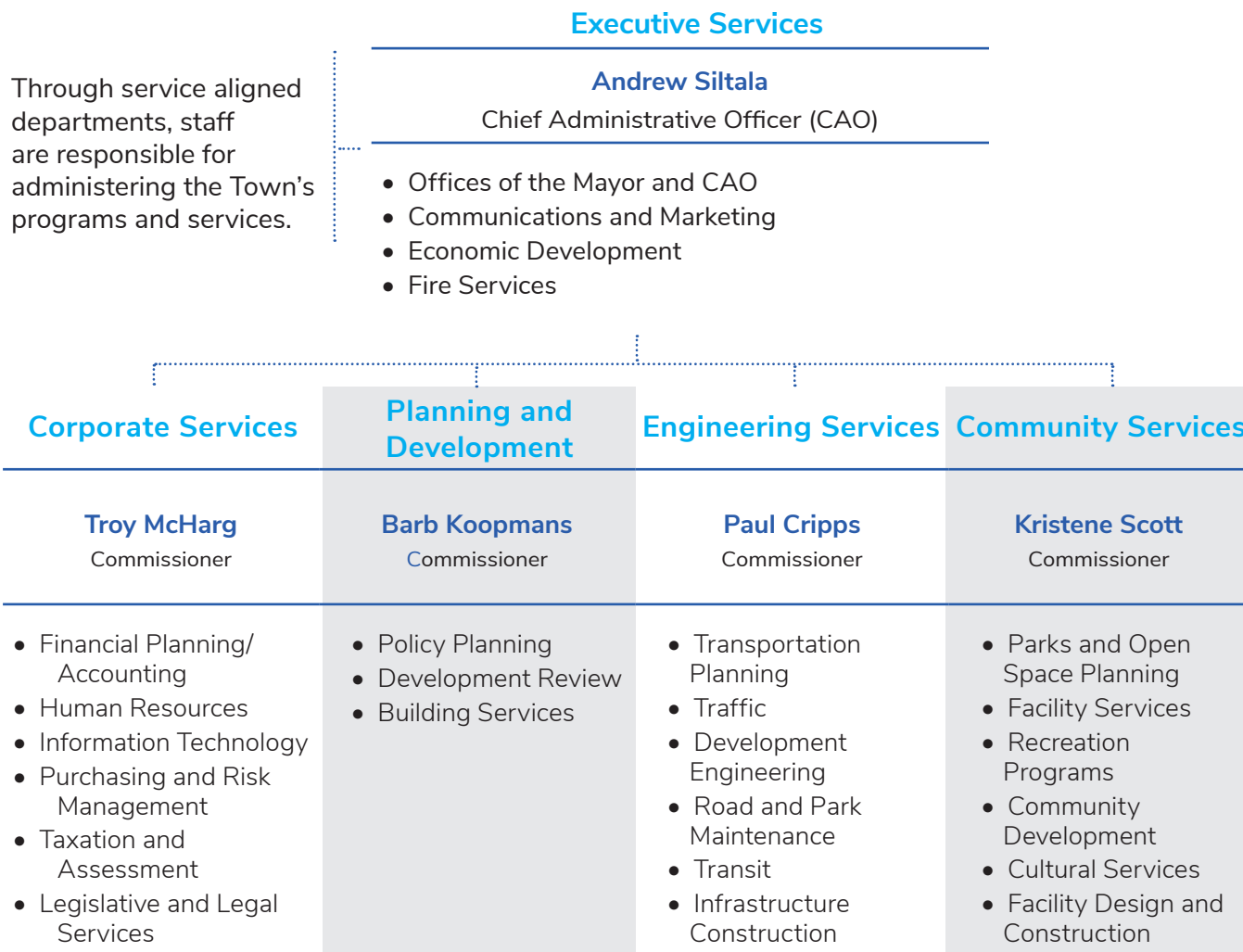


Rick Di Lorenzo
Town Councillor
Ward 3



Sameera Ali
Town Councillor
Ward 4

Organizational Structure



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.

Note: The above organizational structure shows individuals and departments as of December 31, 2019

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 2019. 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.

Managing growth continues to be a priority for the Town. In 2019 Council approved the secondary planning for the Agerton Employment and Trafalgar Corridor Secondary Plan Areas, while also progressing with respect to the Milton Education Village, the Major Transit Station Area Mobility Hub, and the Britannia East/West Secondary Plan Area. Town Council also launched a process to update the Town's Official Plan. With respect to infrastructure, the opening of the Sherwood Community Centre along with the continued construction of key roadways and fire stations highlight key investments from this past year.

The Town continues to implement the recommendations of the most recent Asset Management Plan and invest in the improvement of existing infrastructure. In addition to providing for incremental investments related to inflation and the growth in the Town's asset base, the 2019 Budget also included an additional \$1 million in funding to reduce the Town's annual infrastructure deficit. The Town also established its first Asset Management Policy to further guide investments and planning going forward, and finalized the most recent State of Road Infrastructure Report.

Milton completed the first phase of its Service Delivery Review process in 2019. This phase focused on the Community Services and Engineering Operations program areas, and resulted in the identification of 18 priority opportunities and 31 management opportunities for consideration. The Milton People Strategy was also presented to Council and outlined 10 initiatives that are intended to enhance the Town's strategic human resource management practices. Town Council also approved the Milton Transit Service Review and Master Plan update, as well as a Transit Operation Centre Feasibility and Functional Design Study. Combined, these documents articulate a detailed vision for transit service with Milton to 2023 and beyond.

Looking forward, growth, infrastructure renewal and a changing legislative landscape will continue to be common narratives in the Town's financial planning. As such, the continuation of long-term fiscal impact studies, service delivery reviews, and budget processes that are focused on balancing service levels, sustainability and affordability will be important towards ensuring informed decision making and the management of these pressures.

The accomplishments of 2019 are reflective of the collaborative and forward thinking approach that continues to shape a vibrant and connected community within Milton. The Town looks forward to further building on this foundation in the years to come.

Glen Cowan
Chief Financial Officer & Treasurer

August 24, 2020

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, 2019.

There are four required financial statements:

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

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

Town of Milton Mandate

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

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

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

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

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

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

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

Financial Statements Discussion and Analysis

Management Responsibility

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

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

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

The consolidated financial statements have been audited by KPMG LLP, an independent external auditor appointed by the Town. The Independent Auditor's Report, which is included in the statements, provides an unqualified "clean" opinion on the Town's consolidated financial statements for the year ended December 31, 2019. The report also outlines the auditor's responsibilities and the scope of their examination.

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

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

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

Financial Statements Discussion and Analysis

Risk Management and Significant Financial Management Policies

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

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

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

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

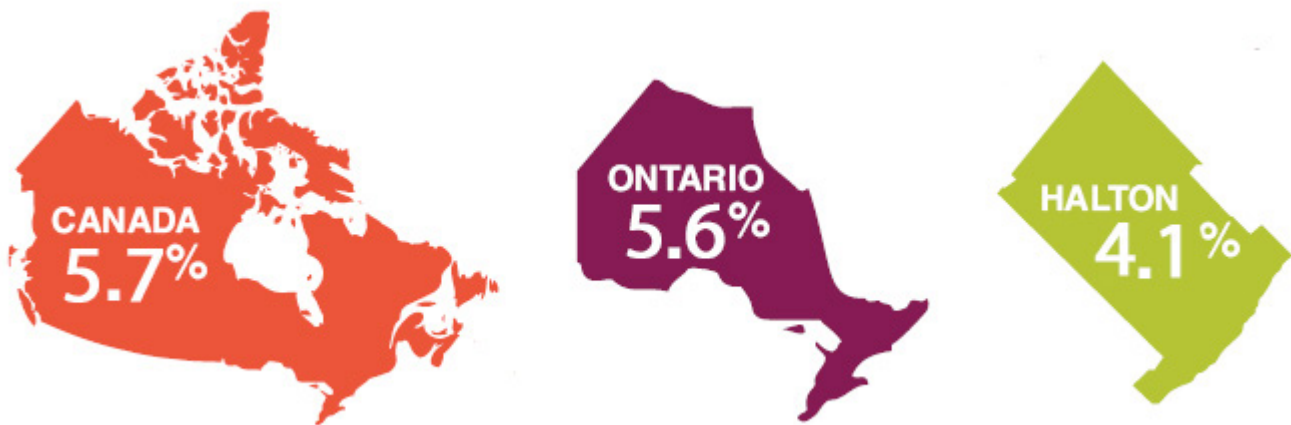
The Town's key financial policies establish guidelines for debt, revenue sources and utilization of reserves and reserve funds, budget variance reporting and include the procurement by-law that establishes authorization limits. Each of these policies is intended to mitigate risk, safeguard the Town's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

Financial Statements Discussion and Analysis

2019 Economic Update

Employment Growth

In 2019 the average Canadian unemployment rate was 5.7%, with the Ontario rate at 5.6%*. Halton Region performed even better than national and provincial rates, with an average regional unemployment rate of 4.1%**. A balance of residential and non-residential growth helps ensure a financially healthy community while providing employment opportunities to support growing and highly educated population.



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 2019 budget, the MPI for the Town of Milton includes a 2.30% change in expenditures and a total pressure of 2.87% when revenues are considered.

Interest Rates/Borrowing

Through 2019, the Bank of Canada held the overnight rate at 1.75%*** with the Canadian economy operating at close to potential and inflation on target. This affects the Town in two key ways:

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

*Ontario.ca. Labour market report, December 2019. <https://www.ontario.ca/page/labour-market-report-december-2019>. Accessed March 17, 2020

**Halton Region. LPS20-20 - Economic Development - Economic Review 2019. <https://edmweb.halton.ca/OnBaseAgendaOnline/Documents/DownloadFile/LPS20-20%20Economic%20Development%20-%20Economic%20Review%202019.docx.pdf?documentType=1&meetingId=4129&itemId=116513&publishId=63975&isSection=False&isAttachment=True>. Accessed March 17, 2020.

***Bank of Canada. Policy Interest Rate. <http://www.bankofcanada.ca/core-functions/monetary-policy/key-interest-rate/>. Accessed March 17, 2020.

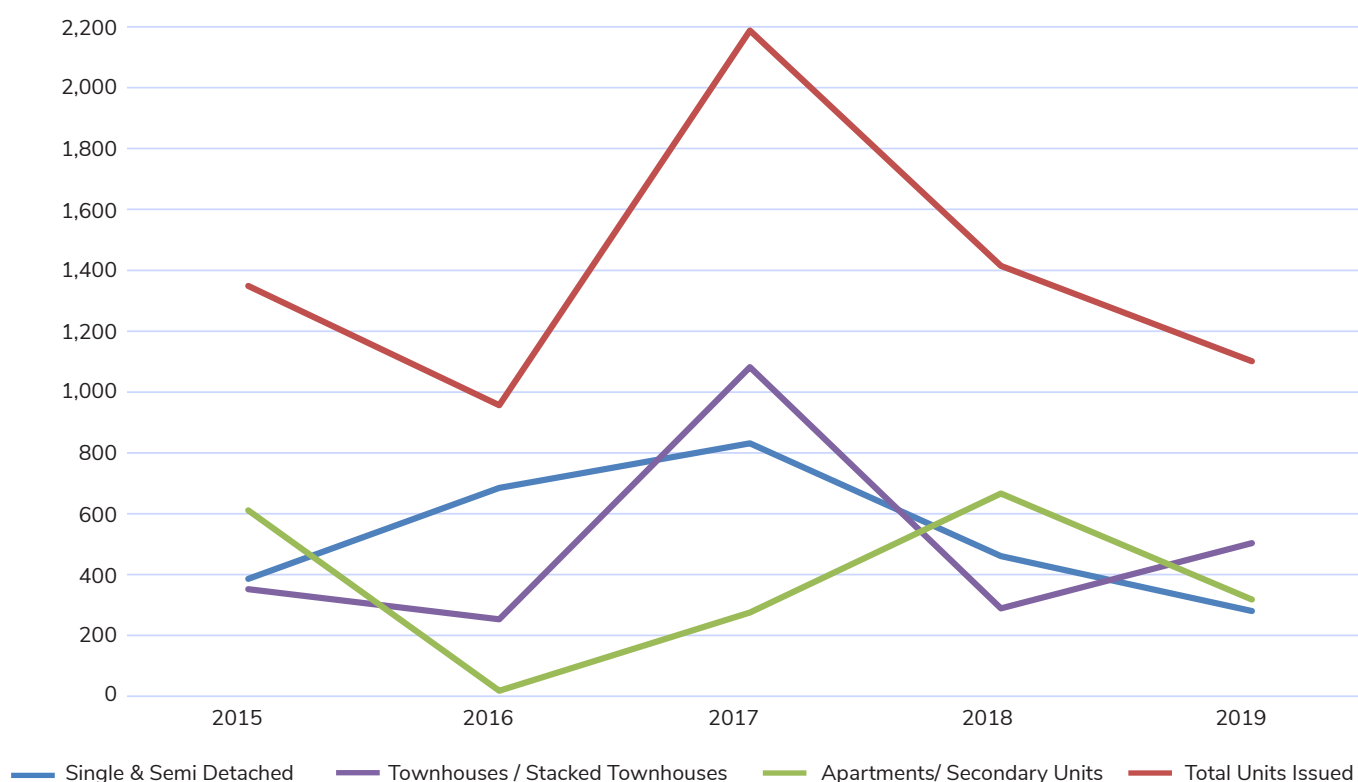
Financial Statements Discussion and Analysis

2019 Significant Events Affecting Financial Statements

Growth and Building Activity

The number of new residential units created through building permits issued in 2019 was lower than 2018. Building permits were issued for 1,101 dwelling units, a decrease of 22.2% from 2018. Decrease in construction activity of single family as well as apartment buildings was mitigated by an increase in construction activity of townhouses by 74.0% compared to 2018.

Residential Development
(in units)

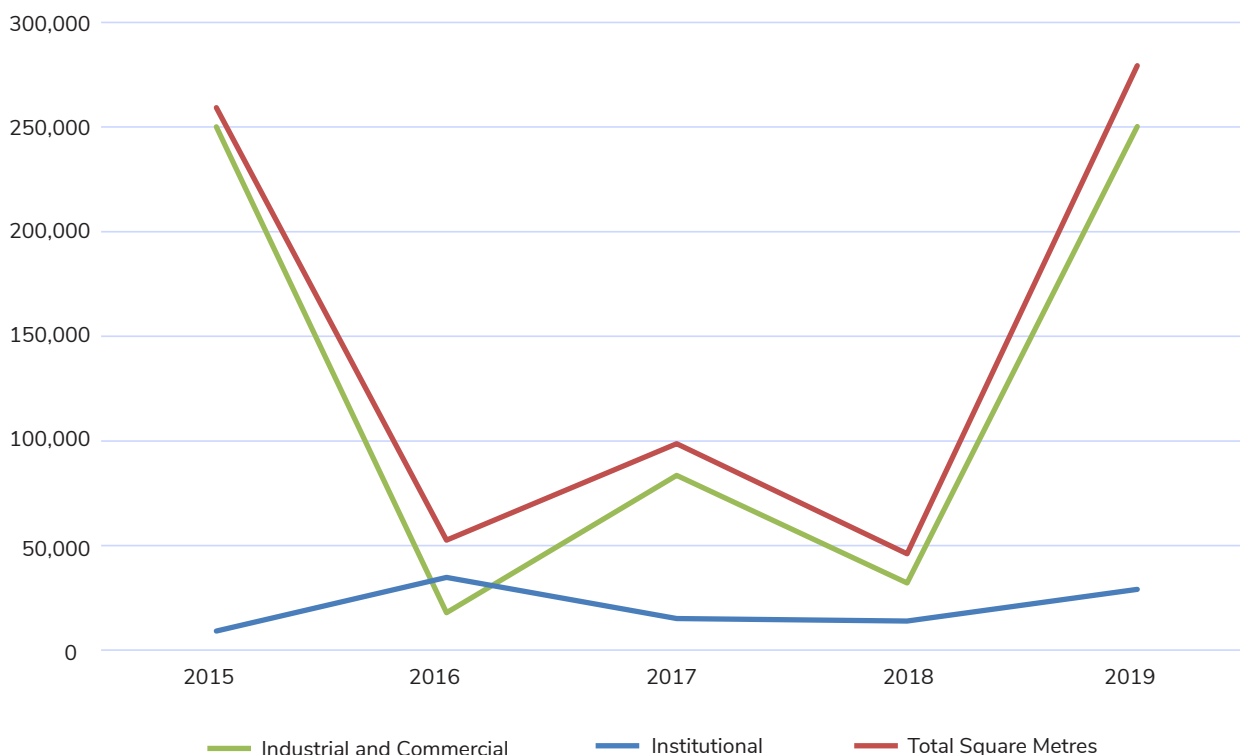


	2015	2016	2017	2018	2019
Single and Semi Detached	386	685	831	460	280
Townhouses / Stacked Townhouses	352	253	1,082	289	503
Apartments / Secondary Units	611	18	275	666	318
Total Units Issued	1,349	956	2,146	1,415	1,101

Financial Statements Discussion and Analysis

Industrial, Commercial and Institutional (“ICI”) development experienced a significant increase in 2019. Permits were issued for 279,293 square metres of newly constructed floor space, an increase of 506% from 2018. Non-residential construction activity is rising in 2019 due to development proceeding in the Derry Green Secondary Planning Area.

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



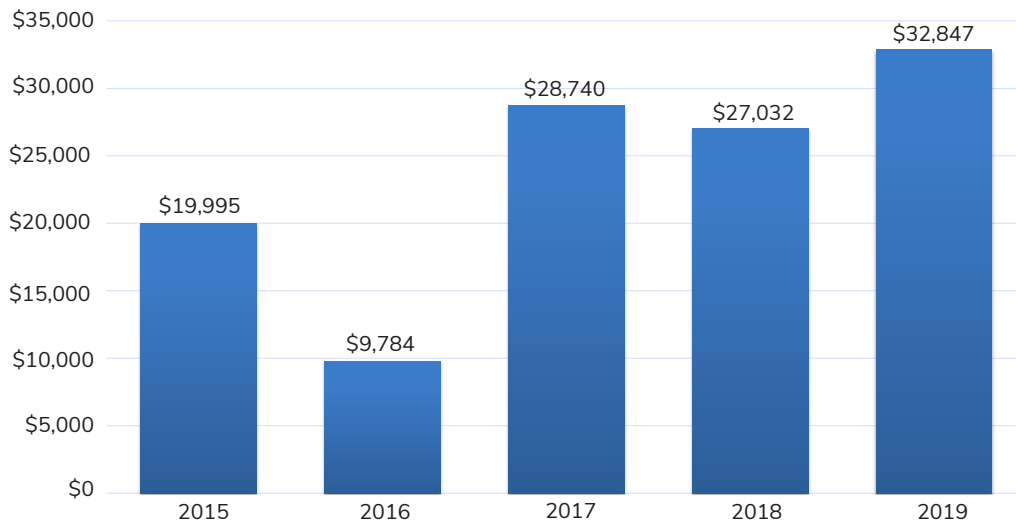
	2015	2016	2017	2018	2019
Industrial and Commercial	250,193	17,883	83,526	32,093	250,239
Institutional	9,144	34,740	15,166	13,982	29,054
Total Square Metres	259,337	52,623	98,692	46,075	279,293

Financial Statements Discussion and Analysis

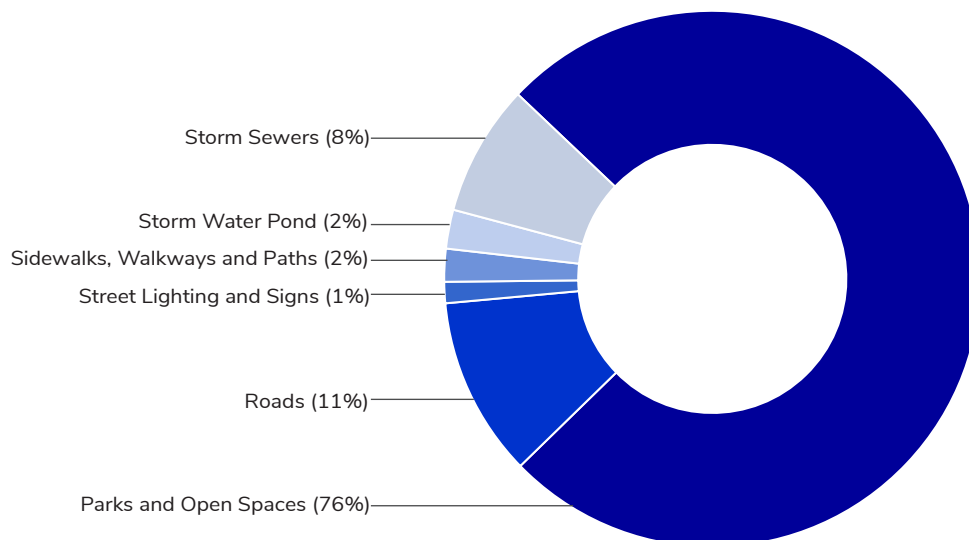
Developer Contributed Assets

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

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



Breakdown of Contributed Assets - 2019



Financial Statements Discussion and Analysis

Major Construction Projects in 2019

Sherwood Community Centre

Construction on the Sherwood Community Centre continued through 2019 and opened in September 2019. This new recreation facility features a multi-use design to accommodate a wide range of activities as well as multi-generational spaces and activities accessible to people of all ages and backgrounds. The facility includes a twin pad arena, an aquatic centre with a 25 metre pool and leisure/therapeutic pool, a branch library, older adult activity area, active living studio and multi-purpose space. The estimated total cost for the construction is \$51.8 million.



Louis St Laurent from Vickerman Way to 4th Line

Louis St. Laurent Avenue is the mid-block arterial roadway that provides east-west connection from Tremaine Road and James Snow Parkway. During 2019, construction took place on widening Louis St. Laurent Avenue between Vickerman Way and 4th Line to 4 lanes to accommodate traffic from new growth development. This project includes the installation of a landscaped center median east and west of the Thompson Road intersection to highlight the commercial mixed-use node. Construction on this segment is anticipated to be completed during 2020 with total project costs, once complete, estimated at \$10.2 million.

Financial Statements Discussion and Analysis

Fire Station No. 1

Fire Station No. 1, located at 405 Steeles Avenue East, was built in 1977 and until 2012 functioned as the main Fire Station Headquarters, at which time headquarters was relocated to Fire Station No. 3 and Fire Station No. 1 was designated as a fire station and training centre to meet the needs of the planned growth in the community. The rehabilitation project will include multiple training rooms, a simulation room and storage systems/space to support the Town's firefighter training needs along with staff living quarters to meet the Town's forecasted service level demands. Construction on the facility began in 2018 and continued into 2019 at a total estimated total cost of \$6.1 million.



Fire Station No. 5

Fire Station No. 5 is located just west of Regional Road 25 on the north-east corner of Louis St. Laurent Avenue and Diefenbaker Street. The Region of Halton and the Town are working as partners on this joint facility that will house the Milton Fire Department and Halton Emergency Medical Services (EMS). Construction continued through 2019 with substantial completion expected for fall 2020. The total estimated cost for construction is \$8.2 million.

Financial Statements Discussion and Analysis

2019 Financial Highlights

Growth in the community and the Town's infrastructure are primary contributors to the annual financial results for a municipality such as Milton. As such, the aforementioned development trends, contributed assets and capital projects influence the Town's 2019 statements in several respects.

Total revenue for 2019 is \$197.1 million compared to total expenses of \$128.9 million resulting in net revenue of \$68.2 million. This differential can be largely attributed to the developer contributed assets and development charges earned during the year, each of which results in growth in the Town's tangible capital asset base as well as future operating cost.

The audited consolidated financial statements indicate that the Town's net financial position at December 31, 2019, as represented by the accumulated surplus, equals \$1,217.6 million. This amount has grown by 6% relative to 2018 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 2019 with debt principal outstanding of \$42.5 million, a large portion of which relates to the Town's local contribution towards the hospital expansion. The Town's debt capacity ratio of 6.25% is well within the guidelines set by both the Province and Town Council. Reserve balances increased from \$75.3 million to \$85.3 million.

Financial Statements Discussion and Analysis

Consolidated Statement of Financial Position

Net Financial Assets

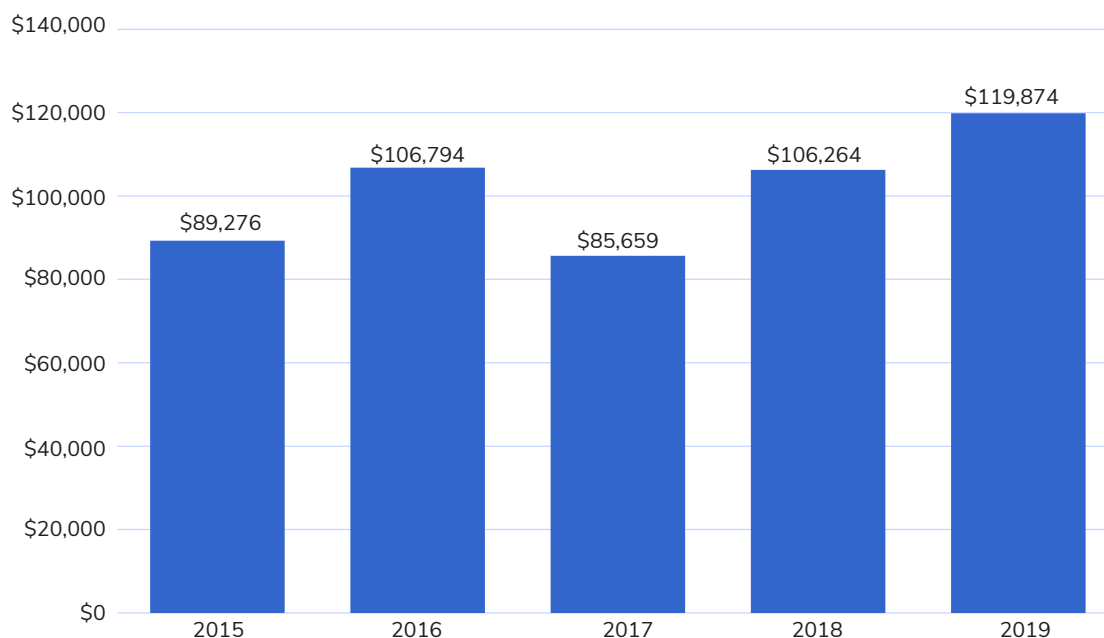
(in thousands of dollars)

	2019	2018	Variance	% Change
Financial assets	\$ 270,437	\$ 262,055	\$ 8,382	3.2%
Financial liabilities	150,563	155,791	(5,228)	(3.4%)
Net financial assets	\$ 119,874	\$ 106,264	\$ 13,610	12.8%

The Town ended the year with a net financial asset position (financial assets less financial liabilities) of \$119.9 million, a 12.8% increase of \$13.6 million from the prior year. The increase in financial assets of \$8.3 million was further amplified by a decrease in financial liabilities of \$5.2 million. The largest contributors to the change was the increase in the Town's investments of \$5.1 million, increase in Accounts Payable of \$6.1 million and a decrease in deferred revenue balances of \$11.1 million.

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

Net Financial Assets
(in thousands of dollars)



Financial Assets

In 2019, the Town's financial assets increased by \$8.3 million, mostly due to a \$5.1 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 Accounts Receivable of \$3.9 million and increase of \$1.0 million in investment in the Milton Hydro Holdings Inc., were offset by a \$1.6 million decrease in Taxes Receivable.

Financial Statements Discussion and Analysis

Cash and Short-Term Investments

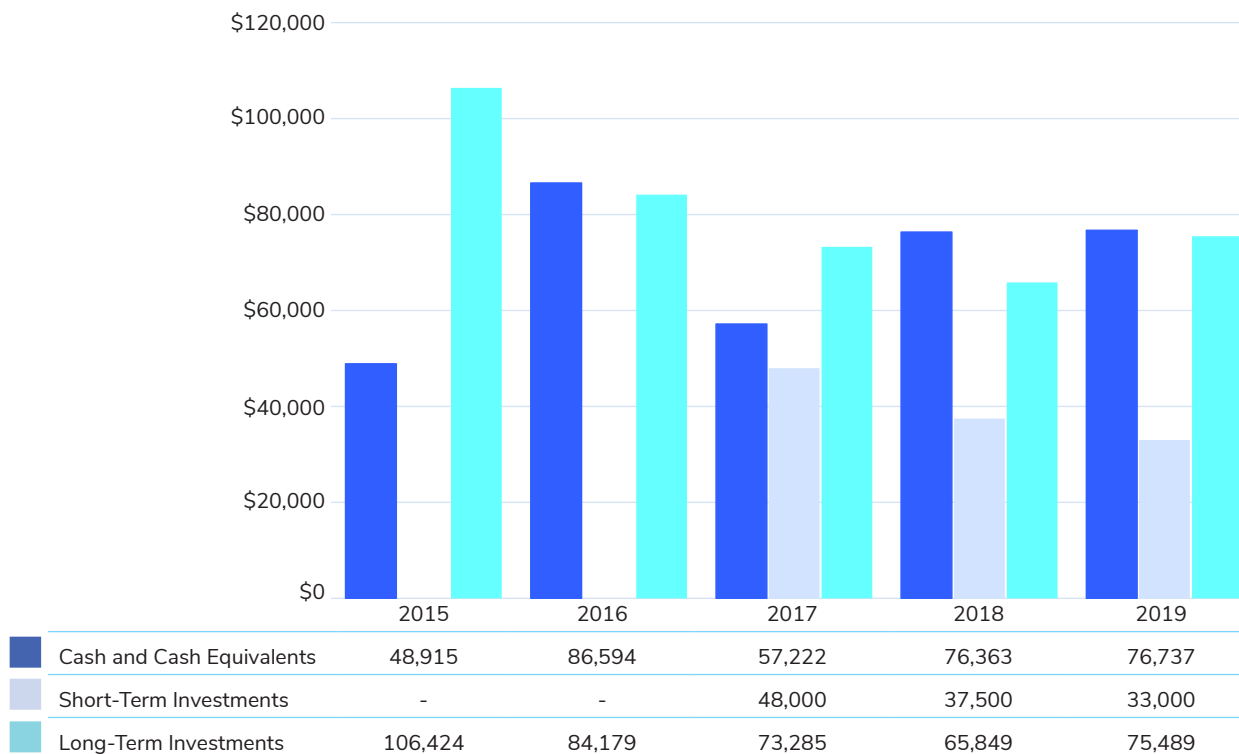
At the end of 2019 the year end cash and cash equivalents balance was \$76.7 million, with essentially no change over 2018. The cash balances remained high during 2019 due to market conditions, along with cash requirements for major capital projects including the Sherwood Community Centre and Fire Station No. 5. The average yield on cash balances for 2019 was 2.32%, generating \$2.0 million in interest income.

During 2019 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 2019 was 2.72%, generating \$1.0 million in investment earnings. At the end of 2019 the Town held \$33.0 million in short term securities.

Long-Term Investments

Long-term investments, securities with a term greater than one year, held by the Town at year end totaled \$75.5 million, an increase of \$9.6 million from the previous year. The increase was related to market opportunities where it was advantageous to lock in long term investments at favourable rates. In 2019 the long term investment average rate of return was 2.45%, generating \$1.9 million in investment earnings.

Cash and Investments
(in thousands of dollars)



Financial Statements Discussion and Analysis

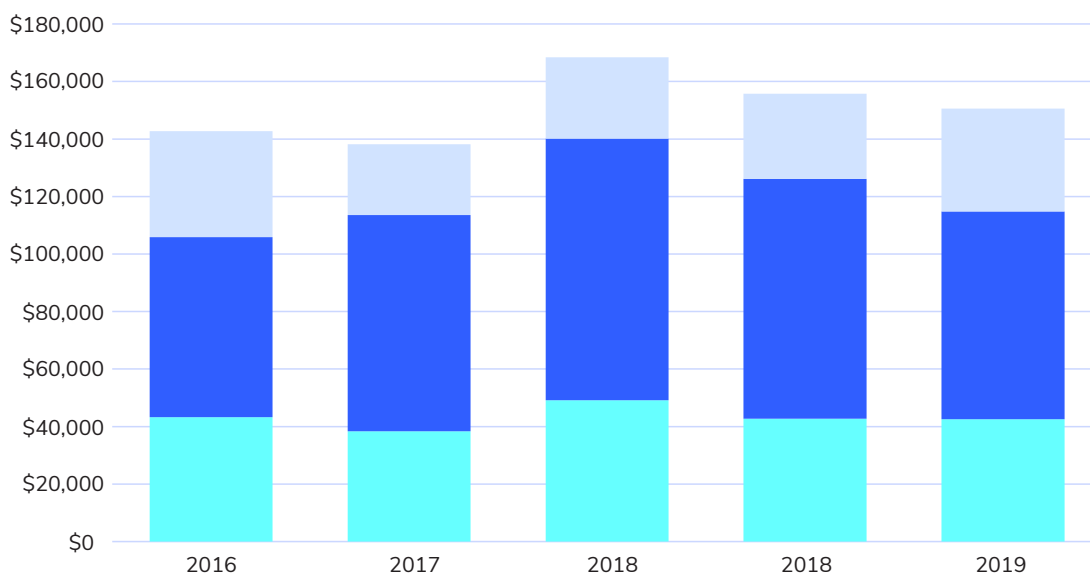
Financial Liabilities

The major contributors to the decrease of \$5.2 million in 2019 financial liabilities was decreased deferred revenue of \$11.1 million, offset by increase in accounts payable of \$6.1 million.

The decrease in deferred revenue was primarily attributable to the utilization of development charges for the construction of capital infrastructure. The increase in Accounts Payable is attributed to the timing of the progress payments to subcontractor on the capital construction projects.

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

Financial Liabilities
(in thousands of dollars)



	2016	2017	2018	2018	2019
Accounts Payable and Other	36,861	24,586	28,264	29,681	35,733
Deferred Revenue	62,643	75,215	90,953	83,399	72,298
Debt	43,257	38,348	49,188	42,711	42,532

Debt

During 2019 the debenture obligations decreased from \$42.7 million to \$42.5 million. In 2019 the Town issued \$5.5 million of previously approved debentures for various capital projects including Sherwood Community Centre, Fire Station No. 1, Wheelabrator Way and New Campbellville Park Redevelopment. 2019 also included \$5.7 million of scheduled principal payments.

Guidelines established through Ontario Regulation 403/02 allow for a maximum debt payment ratio of 25% of own source revenues, which in 2019 equaled \$20.7 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 6.25% is well within the guidelines set by both the Province and Town Council.

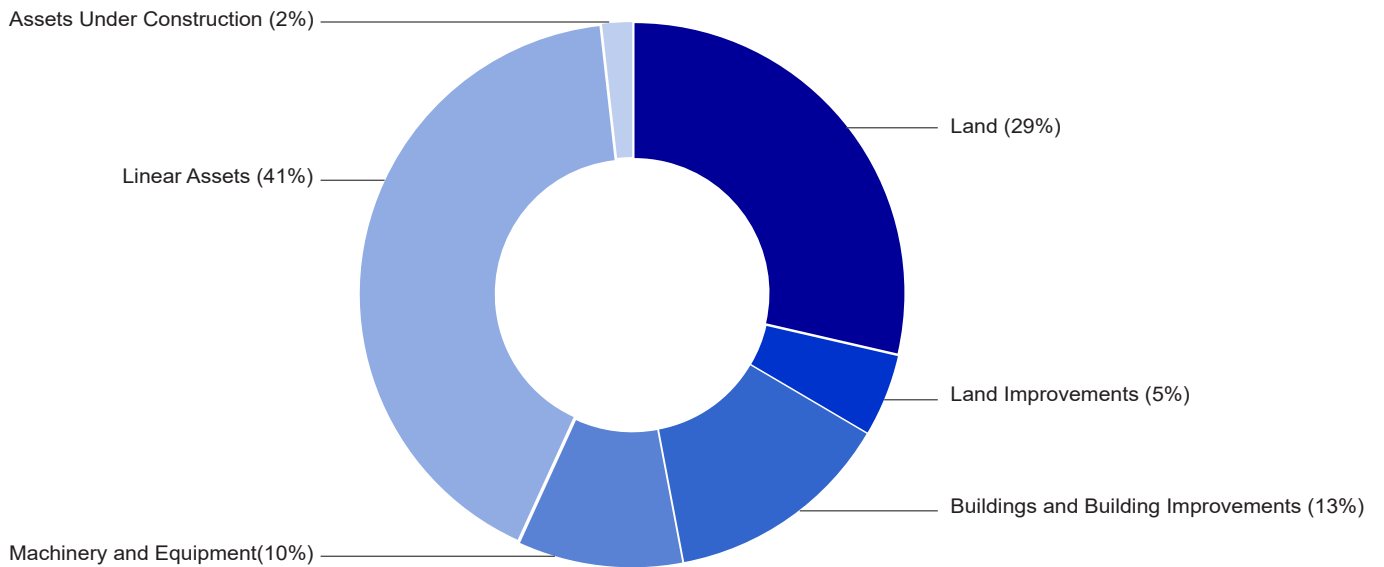
Financial Statements Discussion and Analysis

Non-Financial Assets

Non-financial assets, primarily consisting of tangible capital assets have continued to increase this year. The increase of \$54.3 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 the function they support.

2019 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	2019	%	2018	%	Change	% Change
Land	313,457	28.6%	288,834	27.7%	\$ 24,623	2.4%
Land improvements	53,336	4.9%	48,398	4.7%	4,938	0.5%
Buildings and building improvements	148,611	13.6%	123,423	11.9%	25,188	2.4%
Machinery and equipment	107,388	9.8%	93,914	9.0%	13,474	1.3%
Linear assets	453,762	41.4%	444,177	42.6%	9,585	0.9%
Assets under construction	19,615	1.8%	43,162	4.1%	(23,547)	(2.3%)
Total	\$ 1,096,169	100.0%	\$ 1,041,908	100.0%	\$ 54,261	5.2%

Accumulated Surplus

Overall, the Town ended the year with an accumulated surplus of \$1,217.6 million, an increase of 5.9% from the prior year balance of \$1,149.3 million. This change represents the annual excess of revenues over expenses for the year of \$68.2 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)

	2019	2018	Change
Reserves	\$ 63,871	\$ 55,658	\$ 8,213
Reserve funds	21,426	19,687	1,739
Investment in tangible capital assets	1,096,169	1,041,908	54,261
Unexpended capital	20,374	16,853	3,521
Investment in Milton Hydro	61,220	60,178	1,042
Endowment fund	2,043	2,035	8
Unfunded liabilities	(47,551)	(47,007)	(544)
Total accumulated surplus	\$ 1,217,552	\$ 1,149,312	\$ 68,240

Financial Statements Discussion and Analysis

The reserve balances have experienced an increase of \$8.2 million as contributions for future needs exceeded current year's withdrawals. The main driver of the increase are transfers to Capital Works, Infrastructure renewal and Tax rate stabilization reserves.

A \$2.2 million increase in Capital Works reserve is reflective of transfers of Supplementary taxes above \$0.98 as per the approved 2019 budget. In addition, funds received from higher than anticipated interest earned on unspent capital funds and debenture charge savings on previously approved, however not yet issued debt, were also transferred.

\$1.9 million increase in Tax Rate Stabilization reserve is a result of transferring 2019 year end operating surplus. The transfer of additional funds to Tax Stabilization reserve is prudent as pressures have been forecasted for the years 2020 and 2021 and the reserve balance may provide additional flexibility to the Town in managing the resulting impacts.

The discretionary reserve funds have increased by \$1.7 million from the \$19.7 million reported in 2019. This includes a \$1.9 million increase in Ontario Lottery Corporation proceeds reserve fund resulted from higher than budgeted revenues from the Ontario Lottery and Gaming Corporation in the amount of \$2.1 million which were transferred to reserve.

The unfunded liabilities balance is comprised of the principal outstanding on debentures 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 \$0.5 million increase in unfunded liabilities is related to the increase in the amounts owing to developers for studies under Sustainable Halton Plan conducted on behalf of the Town.

Consolidated Statement of Operations

The Consolidated Statement of Operations is the municipal equivalent of the private sector's income statement, providing a summary of revenues and expenses throughout the year. 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

2019 Budget to Actual Comparative Analysis

(in thousands of dollars)

Revenues	Budget	Actual	Variance	% Variance
Taxation	\$ 66,580	\$ 67,289	\$ 709	1.1%
User charges	19,661	19,347	(314)	(1.6%)
Government transfers:	-			
Federal	4,230	3,990	(240)	(5.7%)
Provincial	4,384	4,412	28	0.6%
Other municipalities	6,186	6,422	236	3.8%
Investment income	3,892	4,854	962	24.7%
Penalties and interest	2,437	3,105	668	27.4%
Developer contributions	27,229	36,328	9,099	33.4%
Developer contributed assets	-	32,847	32,847	100.0%
Proceeds from Ontario Lottery Corporation	5,850	7,984	2,134	36.5%
Licences, permits, rents etc.	7,469	6,415	(1,054)	(14.1%)
Equity in income of Milton Hydro	1,500	2,542	1,042	69.5%
Donations	330	893	563	170.6%
Other recoveries	1,240	347	(893)	100.0%
Miscellaneous	255	370	115	45.1%
Total revenues	\$ 151,243	\$ 197,145	\$ 45,902	30.3%

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 \$32.8 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 \$9.1 million.

Financial Statements Discussion and Analysis

Higher than budgeted revenues were also received from the Ontario Lottery and Gaming Corporation resulting in favourable variance of \$2.1 million.

Licences, permits and rents and building permit fee revenue, in particular, have realized an unfavourable variance of \$1.1 million compared to budget as building permit activity in 2019 was lower than expected due to market conditions.

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	2019	2018	Change	% Change
Taxation	\$ 67,289	\$ 60,976	\$ 6,313	10.4%
User charges	19,347	18,607	740	4.0%
Government transfers:				
Federal	3,990	5,126	(1,136)	(22.2%)
Provincial	4,412	2,899	1,513	52.2%
Other municipalities	6,422	4,385	2,037	46.5%
Investment income	4,854	3,959	895	22.6%
Penalties and interest	3,105	2,434	671	27.6%
Developer contributions	36,328	35,660	668	1.9%
Developer contributed assets	32,847	27,032	5,815	21.5%
Proceeds from Ontario Lottery Corporation	7,984	6,484	1,500	23.1%
Licences, permits, rents etc.	6,415	6,568	(153)	(2.3%)
Equity in income of Milton Hydro	2,542	4,457	(1,915)	(43.0%)
Donations	893	876	17	1.9%
Other recoveries	347	449	(102)	(22.7%)
Miscellaneous	370	7,328	(6,958)	(95.0%)
Total revenues	\$ 197,145	\$ 187,240	\$ 9,905	5.3%

Total revenue reported for the year 2019 was \$197.1 million, an increase of \$9.9 million from last year's amount of \$187.2 million.

The increase in taxation revenue of \$6.3 million is consistent with the increased 2019 levy requirement approved by Council. The decrease of \$6.9 million in miscellaneous revenue relates to the proceeds from the disposition of the Nipissing Operations Yard recorded in 2018.

Financial Statements Discussion and Analysis

The increase in developer contributed assets of \$ 5.8 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.

Town has recorded \$2.0 million more in transfers from other Municipalities, mostly due to the Region of Halton contributing their share to the joint capital projects, among which is Halton Emergency Medical Centre located in future Fire Station #5.

Milton Hydro recorded more modest net income in 2019, and as such change in Town's equity in income of Milton Hydro Holding Inc. was reduced by \$1.9 million compared to last year.

Expenses

2019 Budget to Actual Comparative Analysis

(in thousands of dollars)

Expenses	Budget	Actual	Variance	Less Amortization and Losses on TCA	Subtotal	Less Capital Expenses	Operating Expenses Variance
General government	\$ 15,950	\$ 19,900	\$ (3,950)	\$ 3,269	\$ (681)	\$ 269	\$ (412)
Protection services	15,457	16,230	(773)	1,452	679	(179)	500
Transportation services	22,711	42,043	(19,332)	16,879	(2,453)	2,411	(42)
Environmental services	659	3,418	(2,759)	2,466	(293)	350	56
Health Services	771	1,767	(996)	-	(996)	1,003	7
Recreational and cultural services	28,878	38,316	(9,438)	9,888	450	(457)	(7)
Planning and development	6,768	7,231	(463)	4	(459)	1,112	652
Total expenses	\$ 91,194	\$ 128,905	\$ (37,711)	\$ 33,957	\$ (3,754)	\$ 4,509	\$ 755

The 2019 financial position of the Town results in actual expenditures of \$128.9 million. The variance between the budget and actual columns is primarily related to tangible capital asset activity of \$33.9 million, which is comprised of amortization and losses on disposal that were not included in the budget column.

Financial Statements Discussion and Analysis

In addition, \$4.5 million of expenses 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. Once the methodology differences related to tangible capital amounts are accounted for, the remaining variance equals \$0.8 million in favourable variance.

Multiple staff vacancies are noted to be the biggest contributor the cost savings in various departments of the Town. The biggest impact of these savings could be seen in Planning and Development (\$0.7 million) and Protection Services (\$0.5 million) divisions.

Savings from staff vacancies in 2019 were budgeted at \$0.5 million within General Government. While the Town met and exceeded the budgeted staff vacancy savings, those savings are not reflected in General Government but rather in each specific department to which they relate. This results in an unfavourable variance of \$0.4 million: \$0.26 million related to staff gapping amplified by \$0.15 million in higher than expected insurance claims activity in 2019.

Year Over Year Comparative Analysis

(in thousands of dollars)

Expenses	2019	2018	Change	% Change
General government	\$ 19,900	\$ 18,045	\$ 1,855	10.3%
Protection services	16,230	15,672	558	3.6%
Transportation services	42,043	36,252	5,791	16.0%
Environmental services	3,418	3,232	186	5.8%
Health Services	1,767	812	955	117.6%
Recreational and cultural services	38,316	36,302	2,014	5.5%
Planning and development	7,231	7,778	(547)	(7.0%)
Total expenses	\$ 128,905	\$ 118,093	\$ 10,812	9.2%

The 2019 financial position of the Town results in a \$10.8 million or 9.2% increase in expenses over 2018.

Transportation services experienced an increase of \$5.8 million in expenses compared to last year, of which \$3.4 million is related to capital activity: \$1.9 million is related to loss of unamortized value of roads that were replaced to improve condition of the base and sewer lines underneath, and \$1.5 million is related to costs in capital projects that do not meet capital requirement and have to be expensed. Remaining unfavourable variance of \$2.4 million in operating costs is mainly attributable to:

- \$1.4 million increased Town's roads winter maintenance activities, as well the Regional Roads maintenance as the Town of Milton entered into Memorandum of Understanding with the Region of Halton;
- \$0.4 million increase in parking enforcement expenses— in addition to expenses incurred by outsourcing the overnight parking services, some parking enforcement positions were realigned from other departments.

Financial Statements Discussion and Analysis

- \$0.3 million resulted from further Transit service enhancements that took place in 2019 as well as increase in contract costs with service provider, facility rents and supplementary services implemented in Q4 to accommodate peak passenger load issue.
- \$0.4 million increase in parking enforcement expenses– in addition to expenses incurred by outsourcing the overnight parking services, some parking enforcement positions were realigned from other departments.

General Government expenses have increased by \$1.8 million compared to previous year, of which \$1.0 is related to staffing and related expenses; \$0.8 million is caused by disposal of unamortized historical cost of MEV Innovation Centre building at 555 Industrial Drive due to major rehabilitation.

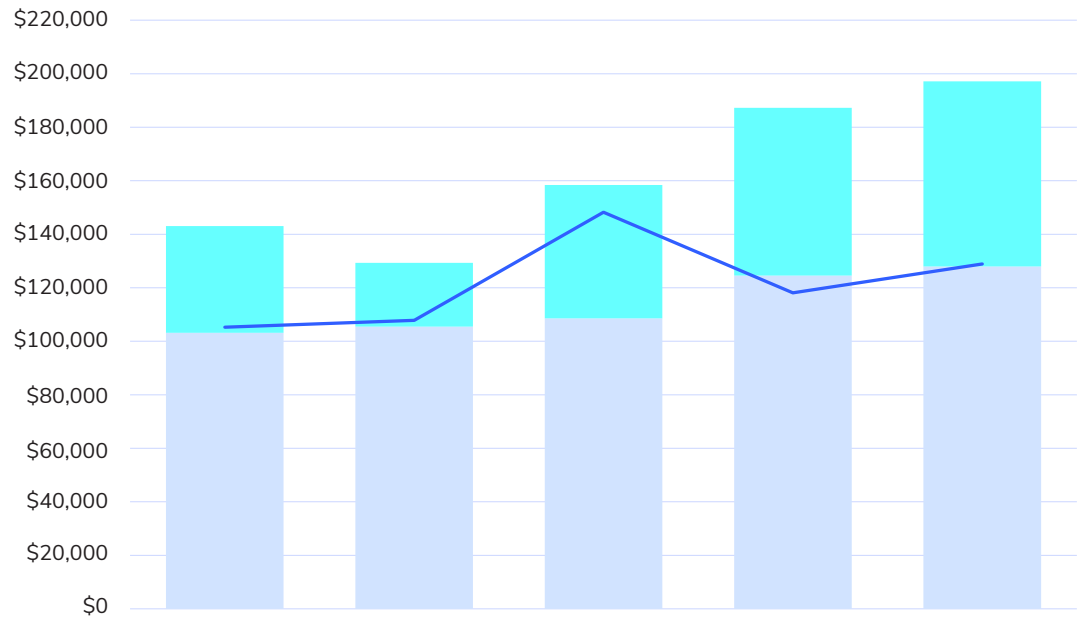
Recreational and Cultural Services costs increased by \$2.0 million, primarily due to opening of the new Sherwood Community Centre and Library in September 2019, for which the Town incurred \$1.4 million expenses in set-up, staffing, program, facility maintenance, and amortization expenses. The full fiscal impact of the operating a new centre will be better observed in 2020 as the centre will be operating at full capacity. Additionally, the Town has contributed to the community by \$0.9 million more in 2019 compared to previous year, due to timing of 2018 and 2019 Community Fund Grant payments, as well as increase in contributions to endowment fund that supports children's art programming. Capital project costs that were expensed were reduced in 2019 by \$0.3 million, which helped to mitigate the unfavourable variance in Recreational and Cultural services costs.

Health services experienced 118% or \$1.0 million increase in expenses in 2019 compared to 2018, which stems from capital expenses incurred for construction of the Halton Emergency Medical Centre in Fire Station #5, for which the Region of Halton contributed their share of funds.

The following graph provides a five-year continuity of revenue and expenses in order to add some context for the 2019 results. As shown, annual fluctuations in revenue are often related to the changes in developer contributions, which includes the value of infrastructure that is built by developers and assumed by the town (example: local roads, storm sewers, etc.). Expenses have gradually increased over the period, which includes both inflationary pressures as well as growth in the Town. The notable increase in 2017 relates to the Town's contribution towards the hospital.

Financial Statements Discussion and Analysis

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



	2015	2016	2017	2018	2019
Revenue: Developer Contributions	39,854	23,823	49,857	62,692	69,175
Revenue: Other	103,185	105,477	108,556	124,548	127,970
Expenses	105,291	107,837	148,239	118,093	128,905

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 \$13.6 million, compared to last year’s increase of \$20.6 million. This is primarily attributable to decreases in deferred revenue balances, amplified by an overall increase in financial assets, such as the investments and accounts receivable, as described in earlier sections.

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.

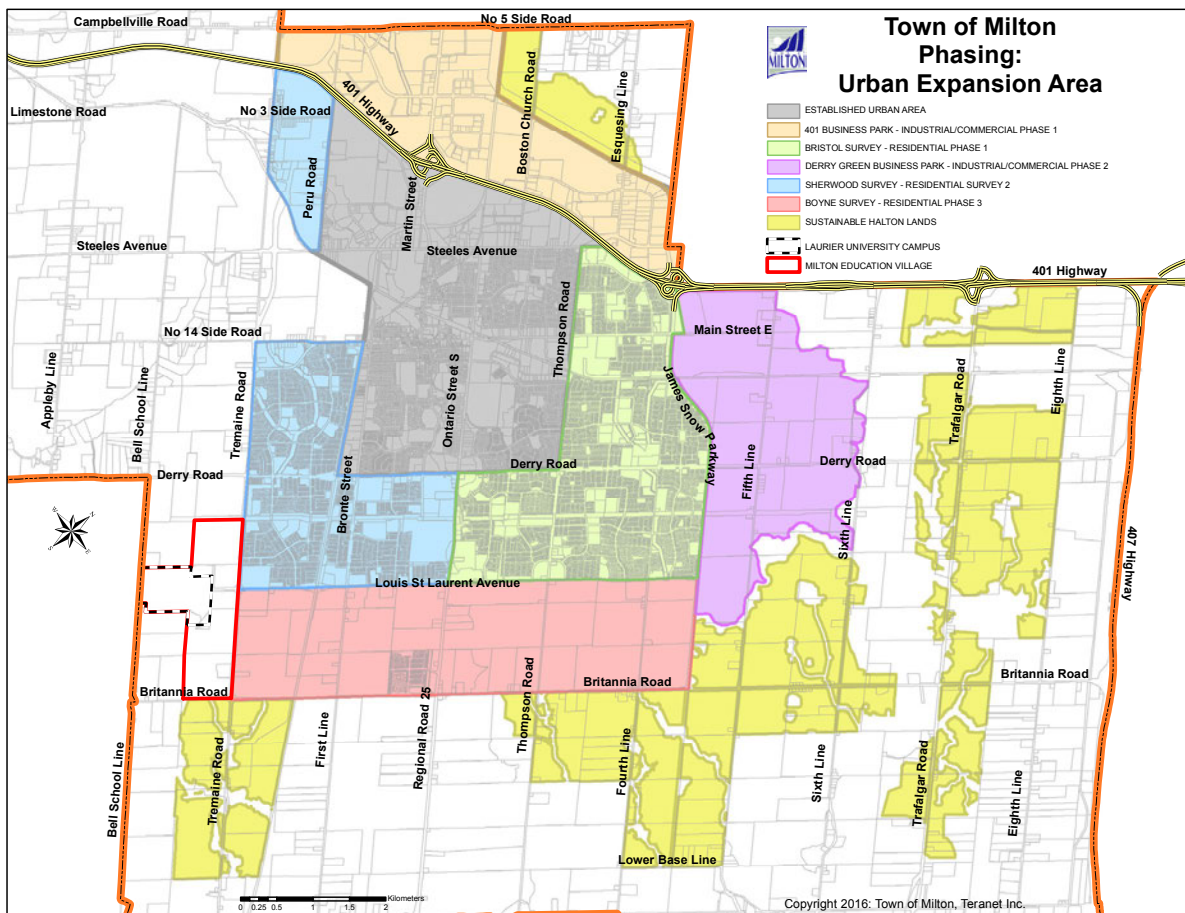
The consolidated cash position of the municipality increased slightly by \$0.3 million from \$76.4 million in 2018 to \$76.7 million in 2019. Various operating activities increased Towns cash position by \$59.4 million, which was offset by outflow of cash from capital activities \$55.2 million due to the acquisition of tangible capital assets. Investing activities, such as purchase of investments of \$5.1 million offset by Milton Hydro dividend of \$1.5 million further reduced cash position by 3.6 million in 2019.

All financial information contained within the 2019 Financial Report has been reviewed and approved by the Treasurer, with final approval of Council.

August 24, 2020

Looking Forward

The 2016 Census data confirmed that Milton continues to be one of the fastest growing communities in Ontario and Canada. With a projected population of 238,000 by 2031, 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 initiation 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 secondary plan for the Trafalgar Corridor Secondary Plan Area in March 2019 and the plan is currently pending approval from Halton Region. As a key component of the Secondary Plan, phasing and implementation policies will inform the Regional Allocation Program for area servicing and tertiary planning requirements. The Agerton Secondary Plan Concept Plan was also endorsed by Town Council in March 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.

Fieldwork for the Master Environmental Servicing Work (MESP) has been initiated for the Britannia East/West Secondary Plan Area. This work will expand on the Subwatershed Study and provide further details that will be required as this area progresses through the secondary planning process.

Milton Education Village

The MEV is Milton's vision for a comprehensively-planned neighbourhood, integrating post-secondary education, residential, commercial and recreational uses into a 400 acre area alongside the Niagara Escarpment. The Town has a memorandum of understanding in place with Wilfrid Laurier University, who continue to pursue the creation of a new university-led post-secondary site in Milton focused on science, technology, engineering, arts and mathematics (STEAM). Classes are expected to begin as early as 2020 at the Town's MEV Innovation Centre until a permanent facility can be established.

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 them and the development potential around them. It is identified as a strategic location for urban intensification and growth to promote a complete community, support transit and encourage active transportation. In 2018, Council awarded a Major Transit Station Area/Mobility Hub study that will consider the future vision and

Looking Forward

planning, conceptual transportation plans, and functional design for proposed infrastructure along with implementation plans.

Council also endorsed guidelines for the Mid-rise and Tall Buildings in 2018. Given the increasing interest in these forms of buildings, the guidelines will assist with the interpretation of Official Plan policies and provide a clear design direction for development proposals.

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. In 2018 Milton Town Council identified preferred growth options to be considered through the ROPR process and provided direction for continued Town involvement in the review process.

Providing for Growth

Fiscal Impact Study

In 2017 Council approved a Fiscal Impact Assessment which considered the financial impacts associated with Growth to the 2036 time horizon. The growth estimates captured the development of the Sustainable Halton lands as described above, as well as the intensification that is projected for the Town's existing urban areas.

Based on the Town's existing service levels, a capital investment over the period 2017 to 2036 of \$2.0 billion was projected, along with gross operating costs that were expected to grow to \$418 million per year. These capital and operating estimates are expected to translate to average tax increases of 5.26% annually to 2036, and pressure the Town's debt capacity limit. Further increases may also be required should non-residential growth not materialize as quickly as projected, or to incorporate any strategies to address the Town's existing infrastructure deficit. Several strategies to help mitigate the financial pressures were identified, and included focusing on non-residential growth, supporting mixed-use growth in the Agerton Employment Area, reviewing service levels, managing the pace of residential growth and capital investment, reviewing the service delivery model for transit, as well as continuing partnerships with other levels of government and the private sector.

Further detailed fiscal impact studies will proceed in alignment with the secondary and tertiary planning for the new growth areas within the Town in order to ensure that the resulting impacts are managed in a fiscally responsible manner.

Asset Management Planning

The Town's Asset Management Plan (AMP) was last updated in 2017. A lifecycle funding analysis that leveraged the Town's Public Sector Accounting Board (PSAB) data was undertaken and suggested that the Town has an annual infrastructure funding deficit of \$33.2 million. A capital funding strategy was introduced through the 2018 budget that including an additional \$1.0 million investment in infrastructure renewal to begin to address infrastructure funding deficit. Even with further additional incremental \$1.0 million investments over a 20 year period, a significant annual deficit is projected to remain. As such a variety of strategies, including service level review, identification of additional funding sources, as well as opportunities to extend the useful lives or reduce the costs of assets, will need to be explored and considered.

Looking Forward

The Infrastructure for Jobs and Prosperity Act, 2015 was proclaimed in May 2016 with the intent of establishing mechanisms for strategic long-term infrastructure planning and improving municipal asset management planning practices in Ontario. Regulation 588/17 was subsequently approved in December 2017 in order to articulate the requirements that will be rolled out in phases. These requirements will increase the amount of analysis, planning and reporting required as part of the asset management planning processes.

The first key action in the Regulation required the development and adoption of a strategic asset management policy which was approved by Council in June 2019 (see staff report CORS-032-19). This policy promotes best practices and links asset management planning with budgeting, operations, maintenance and associated other municipal planning activities. Through 2020 the Town will be updating its Asset Management Plan to ensure compliance with the next key milestone of July 2021.

Compliance with the legislation is especially important as it ensures that the Town continues to be eligible for grant funding programs such as the Federal Gas Tax or future provincial funding programs.

Annual Budget Process

The Town's 2020 budget and forecast is largely influenced by the financial pressures that are related to the extension of existing services into new growth areas within the community and infrastructure funding.

In 2020 specifically the capital budget includes 117 projects worth \$77.8 million with a significant focus on roads including the redevelopment and expansion of many roadways such as Thompspon Road (Britannia to Louis St. Laurent), Louis St. Laurent (4th Line to James Snow Parkway), Fifth Line (Hwy 401 to Derry) and Bronte (Main to Steeles). Of the total program, 53.9% is required for projects related to growth in the community, 40.9% 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 2020 Operating budget involves a gross expenditure of \$144.8 million for the programs and services provided to the community. Of the total, 50% is funded through property taxation with the remainder from other sources such as user fees, service charges and other transfers.

Looking beyond 2020, the 9-year forecast projects a capital investment of \$802.9 million with 64% of expenditures relating to growth. Similar to the year 2020, the largest areas of investment will remain the road and public facilities programs, accounting for 49% and 23% of the anticipated spend, respectively.

Service Delivery Review

Through the 2019 approved budget, Council has approved the initiation of a service delivery review process that is intended to provide information that will allow Council and staff to make informed strategic decisions regarding the programs offered by the Town. The review will be delivered in phases, will investigate current services and their delivery approach, identify potential changes to service delivery method or service levels, and will recommend changes that may improve efficiency or effectiveness. In 2019 the first phase of the review focusing on the Community Services Department as well as the Engineering – Operations division was completed. The second phase of this review is taking place in 2020 with a review of the Corporate Services Department.

Glen Cowan
Chief Financial Officer & Treasurer

August 24, 2020



2019 Town of Milton Financial Report

Consolidated Financial Statements

For the year ended December 31, 2019

Management Report

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of The Corporation of the Town of Milton (the "Town") are the responsibility of the Town's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements 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 KPMG LLP, independent external auditors appointed by the Town. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Town's consolidated financial statements.

All financial information contained within the 2019 Financial Report has been reviewed and approved by the Treasurer, with final approval of Council.

August 24, 2020

Independent Auditors' Report



KPMG LLP
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Hamilton Ontario L8P 4W7
Canada

Telephone (905) 523-8200
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www.kpmg.ca

To the Members of Council, Inhabitants and Ratepayers 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, 2019
- the consolidated statement of operations for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "consolidated financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2019 and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated 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. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' 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. Other information comprises:

- the information, other than the financial statements and the auditors' report thereon, included in 2019 Financial Report.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

Independent Auditors' Report

We obtained the information, other than the financial statements and the auditors' report thereon, included in 2019 Financial Report as at the date of this auditors' report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

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 auditors' 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 generally accepted auditing standards 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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.

Independent Auditors' Report

- 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 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 auditors' 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 auditors' 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity 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.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
August 24, 2020

The Corporation of the Town of Milton

Consolidated Statement of Financial Position

As at December 31, 2019 with comparative information for 2018
(in thousands of dollars)

	2019	2018
Financial assets:		
Cash and cash equivalents	\$ 76,737	\$ 76,363
Accounts receivable (note 2)		
Taxes receivable	6,523	8,136
Grants receivable	292	983
Other	14,441	10,570
Investments (note 3)	108,489	103,349
Investment in Milton Hydro Holdings Inc. (note 4)	61,220	60,178
Other assets	2,735	2,476
Total financial assets	270,437	262,055
Liabilities:		
Accounts payable and accrued liabilities	23,533	17,452
Other liabilities	6,419	7,324
Deferred revenue (note 5)	72,298	83,399
Long-term debentures (note 6)	42,532	42,711
Developer obligations (note 7)	2,613	2,046
WSIB, employee benefits and other liabilities (note 8)	3,168	2,859
Total liabilities	150,563	155,791
Net financial assets	119,874	106,264
Non-financial assets:		
Tangible capital assets (note 10)	1,096,169	1,041,908
Inventories of supplies	805	672
Prepaid expenses	704	468
Total non-financial assets	1,097,678	1,043,048
Commitments (note 16)		
Contingent liabilities and guarantees (note 17)		
Subsequent events (note 19)		
Accumulated surplus (note 11)	\$ 1,217,552	\$ 1,149,312

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, 2019 with comparative information for 2018
(in thousands of dollars)

	Budget (Note 15)	2019	2018
Revenues:			
Taxation (note 12)	\$ 66,580	\$ 67,289	\$ 60,976
User charges	19,661	19,347	18,607
Government transfers:			
Federal (note 13)	4,230	3,990	5,126
Provincial (note 13)	4,384	4,412	2,899
Other municipalities	6,186	6,422	4,385
Investment income	3,892	4,854	3,959
Penalties and interest	2,437	3,105	2,434
Developer contributions	27,229	36,328	35,660
Developer contributed assets	-	32,847	27,032
Proceeds from Ontario Lottery Corporation	5,850	7,984	6,484
Licenses, permits and rents	7,469	6,415	6,568
Equity in income of Milton Hydro Holding Inc. (note 4)	1,500	2,542	4,457
Donations	330	893	876
Other recoveries	1,240	347	449
Miscellaneous	255	370	7,328
Total revenues	151,243	197,145	187,240
Expenses:			
General government	15,950	19,900	18,045
Protection services	15,457	16,230	15,672
Transportation services	22,711	42,043	36,252
Environmental services	659	3,418	3,232
Health services	771	1,767	812
Recreation and cultural services	28,878	38,316	36,302
Planning and development	6,768	7,231	7,778
Total expenses	91,194	128,905	118,093
Annual surplus	60,049	68,240	69,147
Accumulated surplus, beginning of year	1,149,312	1,149,312	1,080,165
Accumulated surplus , end of year (note 11)	\$ 1,209,361	\$ 1,217,552	\$ 1,149,312

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, 2019 with comparative information for 2018
(in thousands of dollars)

	Budget (Note 15)	2019	2018
Annual surplus	\$ 60,049	\$ 68,240	\$ 69,147
Acquisition of tangible capital assets	(55,215)	(88,303)	(78,787)
Amortization	-	30,378	29,095
Loss (Gain) on disposal of tangible capital assets	-	3,445	(5,020)
Proceeds on sale of tangible capital assets	-	219	6,344
	4,834	13,979	20,779
Change in inventories of supplies	-	(133)	(216)
Change in prepaid expenses	-	(236)	42
Change in net financial assets	4,834	13,610	20,605
Net financial assets, beginning of year	106,264	106,264	85,659
Net financial assets, end of year	\$ 111,098	\$ 119,874	\$ 106,264

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, 2019 with comparative information for 2018
(in thousands of dollars)

	2019	2018
Operating Activities:		
Annual surplus	\$ 68,240	\$ 69,147
Items not involving cash:		
Amortization	30,378	29,095
Loss (gain) on disposal of tangible capital assets	3,445	(5,020)
Developer contributions of tangible capital assets	(32,847)	(27,032)
Change in employee benefits and other liabilities	309	446
Equity in income of Milton Hydro Holdings Inc.	(2,542)	(4,457)
Change in non-cash assets and liabilities:		
Accounts receivable	(1,567)	(1,923)
Other assets	(259)	(1,906)
Accounts payable and accrued liabilities	6,081	(1,408)
Other liabilities	(905)	2,093
Deferred revenue	(11,101)	(7,554)
Developer obligations	567	286
Inventories of supplies	(133)	(216)
Prepaid expenses	(236)	42
Net change in cash from operating activities	59,430	51,593
Capital Activities:		
Proceeds on sale of tangible capital assets	219	6,344
Cash used to acquire tangible capital assets	(55,456)	(51,755)
Net change in cash from capital activities	(55,237)	(45,411)
Investing Activities:		
Investments	(5,140)	17,936
Dividends from Milton Hydro Holdings Inc.	1,500	1,500
Net change in cash from investing activities	(3,640)	19,436
Financing Activities		
Debt issued and assumed	5,515	-
Debt principal repayment	(5,694)	(6,477)
Net change in cash from financing activities	(179)	(6,477)
Net change in cash	374	19,141
Cash and cash equivalents, beginning of year	76,363	57,222
Cash and cash equivalents, end of year	\$ 76,737	\$ 76,363
Cash paid for interest on long-term debt	(1,233)	(1,338)
Cash received from interest on investments	\$ 4,859	\$ 3,879

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, 2019
(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") is accounted for on a modified equity basis, consistent with Canadian public sector accounting standards. Under the modified equity basis, Milton Hydro's accounting policies are not adjusted to conform to those of the Town and inter-organizational transactions and balances are not eliminated. The Town recognizes its equity interest in the annual income or loss of Milton Hydro in its consolidated statement of operations with a corresponding increase or decrease in its investment asset account. Any dividends that the Town may receive from Milton Hydro are reflected as reductions in the investment asset account.

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

1. Significant accounting policies (continued):

(a) Basis of consolidation (continued):

(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.

(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.

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

1. Significant accounting policies (continued):

(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 on deferred revenue is added to the fund balance and forms part of the deferred revenue balance.

(h) Taxation revenue:

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

(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.

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

1. Significant accounting policies (continued):

(j) Employee future benefits (continued):

(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.

(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) 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:

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

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

1. Significant accounting policies (continued):

(l) Non-financial assets (continued):

(i) Tangible capital 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. 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.

(m) Use of estimates:

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

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

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

2. Accounts receivable:

Taxes receivable of \$6,523 (2018 - \$8,136) reported on the Consolidated Statement of Financial Position include supplementary taxes of \$300 (2018 - \$553) recorded in 2019 as earned, but not due until 2020. Other accounts receivable are reported net of a valuation allowance of \$109 (2018 - \$122).

3. Investments:

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

	2019	
	Cost	Market Value
Short-term notes and deposits	\$ 33,000	\$ 33,000
Government and government guaranteed bonds	26,622	26,592
Municipal bonds	8,488	8,647
Financial institutions	40,379	40,328
Total investments, year end	\$ 108,489	\$ 108,567

	2018	
	Cost	Market Value
Short-term notes and deposits	\$ 37,500	\$ 37,500
Government and government guaranteed bonds	26,162	25,743
Municipal bonds	10,687	10,565
Financial institutions	29,000	28,791
Total investments, year end	\$ 103,349	\$ 102,599

4. Investment in Milton Hydro Holdings Inc.:

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 Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

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

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

	2019	2018
Financial Position:		
Assets:		
Current	\$ 39,230	\$ 31,925
Capital	118,807	110,876
Other non-current assets	5,220	5,775
Regulatory balances	6,268	8,283
Total assets	169,525	156,859
Liabilities:		
Current	30,790	23,012
Long term debt	46,079	45,317
Long term note payable to Town of Milton	14,934	14,934
Other non-current liabilities	27,840	25,940
Regulatory balances	3,596	2,412
Total liabilities	123,239	111,615
Equity:		
Share capital	17,549	17,549
Retained earnings	28,737	27,695
Total equity	46,286	45,244
Total liabilities and equity	169,525	156,859
Operations:		
Revenue (including other comprehensive income)	133,740	122,486
Expenses (including income tax provision)	127,998	120,285
Income net of taxes	5,742	2,201
Net movement in regulatory balances, net of tax	(3,200)	2,256
Total comprehensive income	2,542	4,457
Dividend paid to Town of Milton	(1,500)	(1,500)
Change in equity	1,042	2,957
Town of Milton investment represented by:		
Promissory note receivable from Milton Hydro	14,934	14,934
2,000 Common shares	17,549	17,549
Retained earnings, end of year	28,737	27,695
Total investment in Milton Hydro	\$ 61,220	\$ 60,178

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

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

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

Gross revenue earned by Milton Hydro from the Town was \$3,506 (2018 - \$3,942). Property taxes paid to the Town by Milton Hydro was \$224 (2018 - \$202).

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 (2018 - \$1,083).

5. Deferred revenue:

(a) Deferred revenue continuity:

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

	2019	2018
Obligatory reserve funds (note 5.b)	\$ 53,529	\$ 63,511
Subdivision agreement fees	3,013	3,139
Property taxes prepaid	6,189	5,712
Development fees	1,004	1,673
Investment in the Arts Campaign naming rights	884	1,021
Naming Opportunities Deferred	6,248	6,559
Prepaid facility rentals and program registrations	766	925
Other	665	859
Total deferred revenue	\$ 72,298	\$ 83,399

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

5. Deferred revenue (continued):

(a) Deferred revenue continuity (continued):

	2019	2018
Balance, beginning of year:		
Obligatory reserve funds (note 5.b)	\$ 63,511	\$ 72,016
Subdivision agreement fees	3,139	3,087
Property taxes prepaid	5,712	5,239
Development fees	1,673	1,233
Investment in the Arts Campaign naming rights	1,021	1,158
Naming opportunities	6,559	6,537
Prepaid facility rentals and program registrations	925	930
Other	859	753
Total beginning balance	83,399	90,953
Receipts:		
Obligatory reserve funds	29,944	28,951
Interest earned on obligatory reserve funds	1,138	1,034
Subdivision agreement fees	1,519	1,806
Property taxes prepaid	6,189	5,712
Development fees	295	973
Naming opportunities	291	601
Prepaid facility rentals and program registrations	766	925
Other	611	789
Total receipts	40,753	40,791
Transfers to revenue:		
Obligatory reserve funds	(41,064)	(38,490)
Subdivision agreement fees	(1,645)	(1,754)
Property taxes prepaid	(5,712)	(5,239)
Development fees	(964)	(533)
Investment in the Arts Campaign naming rights	(137)	(137)
Naming opportunities	(602)	(579)
Prepaid facility rentals and program registrations	(925)	(930)
Other	(805)	(683)
Total transfers to revenue	(51,854)	(48,345)
Balance, end of year	\$ 72,298	\$ 83,399

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(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:

	2019	2018	Net Change
Building stabilization	\$ 3,493	\$ 3,997	\$ (504)
Cash in lieu of parking	323	315	8
Cash in lieu of parkland	9,178	7,047	2,131
Federal gas tax	7,337	3,868	3,469
Ontario community infrastructure fund	816	594	222
Provincial gas tax	266	356	(90)
Provincial government transfers	-	128	(128)
Arts programming	6	16	(10)
Development charges	32,110	47,190	(15,080)
	\$ 53,529	\$ 63,511	\$ (9,982)

6. Long-term debentures:

(a) Long-term debentures continuity:

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

	2019	2018
Serial debentures issued by Region of Halton, beginning of year	\$ 28,679	\$ 34,822
Less: Principal repayment	(5,349)	(6,143)
Add: New debt issued	5,515	-
Total serial debentures	28,845	28,679
Sinking fund debenture, beginning of year	15,000	15,000
Less: Sinking fund assets	(1,313)	(968)
Total sinking fund debenture	13,687	14,032
Net long-term debentures, end of year	\$ 42,532	\$ 42,711

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

6. Long-term debentures (continued):

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

(b) Future principal payments:

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

	Operating	Development Charges	Obligatory Reserve Funds	Discretionary Reserve Funds	Total
2020	\$ 2,336	\$ 1,385	\$ 279	\$ 1,755	\$ 5,755
2021	1,979	797	22	1,779	4,577
2022	1,956	196	23	1,806	3,981
2023	1,978	-	-	1,836	3,814
2024	1,288	-	-	1,870	3,158
2025 - 2029	4,127	-	-	6,461	10,588
2030 - onward	-	-	-	10,659	10,659
	\$ 13,664	\$ 2,378	\$ 324	\$ 26,166	\$ 42,532

Of the future principal repayment amounts presented from Discretionary Reserve Funds, approximately \$5,918 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 debenture 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 \$1,202 in 2019 (2018 - \$1,305). The long-term liabilities bear interest at rates ranging from 1.95% to 4.67%.

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

7. Developer obligations:

In addition to long-term debentures, the Town recognizes obligations for future payments to developers as per legal agreements. The balance of developer liabilities reported on the consolidated statement of financial position is made up of the following:

	2019	2018
Subdivision agreements - parks	\$ 19	\$ 19
Subdivision agreements - roads	13	-
Sustainable Halton Studies	2,581	2,027
Developer obligations, end of year	\$ 2,613	\$ 2,046

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 development charges by-law.

8. WSIB, employee benefits and other liabilities:

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

	2019	2018
Future payments to WSIB	\$ 1,578	\$ 1,528
Retiree benefits	828	722
Vacation pay and banked overtime	762	609
Total	\$ 3,168	\$ 2,859

(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

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

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

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

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, 2017. The actuarial update was prepared for three consecutive years. The Estimated Average Remaining Service Life (EARSL) is 13.68 years, which is calculated using the Mean Term of the unescalated future payments for existing WSIB claims.

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

Interest (discounted rate)	4.00% per annum
Administration costs	38.00% of compensation
Compensation costs (including loss of earning benefits, health care costs and non-economic loss awards)	Before allowance for mortality improvements 1.75% - 4.50% per annum After allowance for mortality improvements 3.50% - 6.25% per annum

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

	2019	2018
Accrued WSIB obligation, beginning of year	\$ 1,660	\$ 1,436
Benefit costs	139	135
Actuarial loss	-	169
Interest	66	64
Benefit payments	(156)	(144)
	1,709	1,660
Net unamortized actuarial loss	(131)	(132)
Accrued WSIB liability, end of year	\$ 1,578	\$ 1,528

The Town has established a WSIB reserve to mitigate the future impact of the WSIB obligations in the amount of \$1,212 (2018 - \$1,340).

In the current year, amortization of net actuarial loss of \$1 (2018 - \$14) 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, 2019
(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 for three **consecutive** years. An actuarial update was performed in 2019. The Estimated Average Remaining Service Life (EARSL) increases to 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	6.75% per annum in 2019 decreasing by 0.33% per year to 3.75% in 2028 and 3.75% per annum thereafter

	2019	2018
Accrued benefits obligation, beginning of year	\$ 711	\$ 406
Current benefit cost	111	319
Actuarial loss	-	10
Interest	26	14
Benefits paid	(50)	(38)
	798	711
Unamortized actuarial gain	30	11
Accrued benefits liability, end of year	\$ 828	\$ 722

In the current year amortization of the actuarial gains and losses of \$19 (2018 - \$19) has been included in benefit expense on the statement of operations.

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(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 490 (2018 – 485) 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 \$57.4 and at a rate of 14.6% for earnings greater than the yearly maximum pensionable earnings.

The Town’s contribution to OMERS for 2019 was \$3,883 (2018 - \$3,787) for current service and is included as an expense on the consolidated statement of operations. Employees’ contribution to OMERS in 2019 was \$3,883 (2018 - \$3,787).

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 pension plan has a deficit of \$3.4 billion as of December 31, 2019 (2017 - \$4.2 billion).

There was no change in contribution rates in 2019. 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, 2019
(in thousands of dollars)

10. Tangible Capital Assets:

Cost	Balance at, December 31, 2018	Additions	Disposals	Balance at, December 31, 2019
Land	\$ 288,834	\$ 24,623	\$ -	\$ 313,457
Land improvements	69,394	8,345	(1,353)	76,386
Buildings and building improvements	155,633	29,805	(1,380)	184,058
Machinery and equipment	160,646	23,842	(4,173)	180,315
Linear assets	740,027	25,235	(10,682)	754,580
Assets under construction	43,162	(23,547)	-	19,615
Total	\$ 1,457,696	\$ 88,303	\$ (17,588)	\$ 1,528,411

Accumulated amortization	Balance at, December 31, 2018	Amortization	Disposals	Balance at, December 31, 2019
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	20,996	3,112	(1,058)	23,050
Building and building improvements	32,210	3,862	(625)	35,447
Machinery and equipment	66,732	10,215	(4,020)	72,927
Linear assets	295,850	13,189	(8,221)	300,818
Assets under construction	-	-	-	-
Total	\$ 415,788	\$ 30,378	\$ (13,924)	\$ 432,242

Net book value	December 31, 2018	December 31, 2019
Land	\$ 288,834	\$ 313,457
Land improvements	48,398	53,336
Buildings and building improvements	123,423	148,611
Machinery and equipment	93,914	107,388
Linear assets	444,177	453,762
Assets under construction	43,162	19,615
Total	\$ 1,041,908	\$ 1,096,169

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

10. Tangible Capital Assets (continued):

Cost	Balance at, December 31, 2017	Additions	Disposals	Balance at, December 31, 2018
Land	\$ 286,806	\$ 2,058	\$ (30)	\$ 288,834
Land Improvements	60,838	9,238	(682)	69,394
Building and building improvements	155,565	381	(313)	155,633
Machinery and equipment	154,441	8,308	(2,103)	160,646
Linear assets	706,276	40,313	(6,562)	740,027
Assets under construction	24,673	18,489	-	43,162
Total	\$ 1,388,599	\$ 78,787	\$ (9,690)	\$ 1,457,696

Accumulated amortization	Balance at, December 31, 2017	Amortization	Disposals	Balance at, December 31, 2018
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	18,882	2,753	(639)	20,996
Buildings and building improvements	28,818	3,686	(294)	32,210
Machinery and equipment	58,769	10,059	(2,096)	66,732
Linear assets	288,590	12,597	(5,337)	295,850
Assets under construction	-	-	-	-
Total	\$ 395,059	\$ 29,095	\$ (8,366)	\$ 415,788

Net book value	Balance at, December 31, 2017	Balance at, December 31, 2018
Land	\$ 286,806	\$ 288,834
Land improvements	41,956	48,398
Buildings and building improvements	126,747	123,423
Machinery and equipment	95,672	93,914
Linear assets	417,686	444,177
Assets under construction	24,673	43,162
Total	\$ 993,540	\$ 1,041,908

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

10. Tangible Capital Assets (continued):

(a) Assets under construction:

Assets under construction, having a value of \$19,615 (2018 - \$43,162), have not been amortized. Amortization of these assets will commence when the asset is put into service.

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

(b) Contributed tangible capital assets:

Contributed capital assets have been recognized at fair value at the date of contribution. The value of contributed assets received during the year is \$32,847 (2018 - \$27,032) and is comprised of land and land improvements in the amount of \$25,610 (2018 - \$5,299) and linear assets in the amount of \$7,237 (2018 - \$21,733).

(c) Tangible capital assets recognized at nominal value:

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.

(e) Contingent transactions:

The Town is party to a Memorandum of Understanding ("MOU") that may require it to transfer a certain parcel of land to a post-secondary institution. This transfer is contingent upon the post-secondary institution meeting certain conditions. The net book value of the applicable parcel of land is approximately \$7,700 and is included in tangible capital assets at December 31, 2019.

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

11. Accumulated surplus:

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

	2019	2018
Reserves set aside by Council:		
Aggregate permit fees	\$ 483	\$ 452
Capital provision / growth	13,387	13,820
Capital works	7,703	5,492
Computer replacement	1,245	993
Downtown Business Improvement Area	107	87
Election	314	121
Equipment replacement	7,835	7,534
Growth related resources	2,068	2,130
Infrastructure renewal	4,964	2,999
Insurance	1,413	1,286
Legal action	1,341	1,048
Library services	2,204	2,187
Library capital	674	539
Municipal building component	7,973	6,986
Municipal building replacement	435	291
Per unit development processing fee	1,468	1,703
Seniors fundraising	76	76
Tax rate stabilization	4,190	2,285
Training	461	358
Transit and transportation	1,786	1,399
Winter control	1,468	1,468
Working funds	1,064	1,064
WSIB	1,212	1,340
Total reserves	63,871	55,658

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

11. Accumulated surplus (continued):

	2019	2018
Reserve funds set aside for specific purpose by Council:		
Cash in lieu of storm management	46	46
Investment in the Arts Campaign	(272)	(194)
Mayors legacy	91	88
Milton District Hospital	371	431
Ontario Lottery Corporation proceeds	9,045	7,108
Perpetual maintenance	605	591
Property transactions	11,496	11,583
Sports field development	44	34
Total reserve funds	21,426	19,687
Surplus:		
Invested in tangible capital assets	1,096,169	1,041,908
Unexpended Capital	20,374	16,853
Community Foundation of Halton North - Endowment fund	2,043	2,035
Investment in Milton Hydro Holdings Inc.	61,220	60,178
Unfunded:		
Long term debentures	(42,532)	(42,711)
Employee future benefits	(2,406)	(2,250)
Developer obligations	(2,613)	(2,046)
Total surplus	1,132,255	1,073,967
Total accumulated surplus	\$ 1,217,552	\$ 1,149,312

12. Taxation:

Taxation revenue reported on the consolidated statements of operations is made up of the following:

	2019	2018
Municipal and school property taxes	\$ 201,862	\$ 191,002
Payments-in-lieu of property and business taxes	1,630	1,493
Balance, end of year	203,492	192,495
Payments to Region and school boards	(136,203)	(131,519)
Net property taxes and payments in-lieu available for municipal purposes	\$ 67,289	\$ 60,976

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

13. Government transfers:

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

	2019	2018
Ontario grants:		
Association of Municipalities of Ontario	\$ 131	\$ -
Ontario's After School Program	48	49
Elderly Persons Centres Program	53	51
Gas Tax Program	1,069	1,069
Public Library Pay Equity Grant	3	3
Ministry of Transportation - fire calls on King's highways	86	96
Ministry of Transportation - Road safety challenge	-	1
Ontario Arts Council Programs	-	29
Ontario Community Infrastructure Fund	2,834	1,384
Ontario Libraries Capacity Fund	-	24
Ontario 150 Partnership Fund - Youth 360- A Voice for Youth project	-	13
Ontario Seniors Community Grant Program	-	6
Public Library Operating Grant	52	52
Summer Experience Program	-	4
TO2015 Sport Legacy Fund	57	57
Clean Water and Wastewater Fund (Ontario)	79	61
Subtotal Provincial grants	4,412	2,899
Federal grants:		
Clean Water and Wastewater Fund	158	122
Gas Tax Fund	2,746	3,483
Public Transit Infrastructure Fund	49	619
Municipalities for Climate Innovation Program (MCI)	237	125
Seniors for Seniors: Employment and Social Development Canada	25	4
Canada Summer Jobs	9	16
TO2015 Sport Legacy Fund	766	757
Subtotal Federal grants	3,990	5,126
Total transfers	\$ 8,402	\$ 8,025

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(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 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

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

14. Segmented information (continued):

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

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 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, 2019
(in thousands of dollars)

14. Segmented information (continued):

	2019							
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Recreation and cultural services	Planning and development	Total
Revenues:								
Taxation	\$ 11,865	\$ 10,819	\$ 16,482	\$ 454	\$ 553	\$ 22,636	\$ 4,480	\$ 67,289
User charges	1,151	54	2,057	12	-	13,425	2,648	19,347
Government transfers								
Federal	-	-	2,794	158	-	1,036	2	3,990
Provincial	99	86	3,903	79	-	213	32	4,412
Other municipalities	-	1,070	4,635	-	357	345	15	6,422
Investment income	4,796	-	-	-	42	16	-	4,854
Penalties and interest	1,527	-	1,472	-	-	106	-	3,105
Developer contributions	102	2,773	8,739	738	581	20,290	3,105	36,328
Developer contributed assets	-	-	4,940	3,375	-	24,532	-	32,847
Proceeds from Ontario Lottery Corporation	7,984	-	-	-	-	-	-	7,984
Licenses, permits and rents	522	5,303	129	-	-	411	50	6,415
Equity in income of Milton Hydro Holding Inc.	2,542	-	-	-	-	-	-	2,542
Donations	-	1	-	-	-	844	48	893
Other recoveries	-	14	266	-	-	66	1	347
Miscellaneous	101	61	190	-	-	18	-	370
Total revenues	30,689	20,181	45,607	4,816	1,533	83,938	10,381	197,145
Expenses:								
Salaries, wages and employee benefits	11,758	13,435	5,704	210	-	16,605	5,091	52,803
Purchased goods	2,389	564	3,596	49	-	5,323	161	12,082
Purchased services	2,306	707	15,614	686	1,003	4,859	1,959	27,134
Financial expenses / (recovery)	875	303	2,750	7	764	970	16	5,685
Transfers to others	-	15	-	-	-	808	-	823
Amortization expense	2,572	1,206	14,379	2,466	-	9,751	4	30,378
Total expenses	19,900	16,230	42,043	3,418	1,767	38,316	7,231	128,905
Annual surplus / (deficit)	\$ 10,789	\$ 3,951	\$ 3,564	\$ 1,398	\$ (234)	\$ 45,622	\$ 3,150	\$ 68,240

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

Year ended December 31, 2019
(in thousands of dollars)

14. Segmented information (continued):

	2018							
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Recreation and cultural services	Planning and development	Total
Revenues:								
Taxation	\$ 10,230	\$ 9,683	\$ 14,465	\$ 439	\$ 1	\$ 22,075	\$ 4,083	\$ 60,976
User charges	1,033	237	1,891	16	-	12,658	2,772	18,607
Government transfers								
Federal	-	-	4,108	126	-	888	4	5,126
Provincial	-	96	2,454	61	-	288	-	2,899
Other municipalities	4	666	3,139	-	1	249	326	4,385
Investment income	3,904	-	-	-	31	24	-	3,959
Penalties and interest	1,375	-	949	-	-	110	-	2,434
Developer contributions	720	2,227	8,132	305	20	20,061	4,195	35,660
Developer contributed assets	-	-	13,844	11,323	-	1,865	-	27,032
Proceeds from Ontario Lottery Corporation	6,484	-	-	-	-	-	-	6,484
Licenses, permits and rents	772	5,216	101	-	-	409	70	6,568
Equity in income of Milton Hydro Holding Inc.	4,457	-	-	-	-	-	-	4,457
Donations	-	2	-	-	-	819	55	876
Other recoveries	-	2	-	-	-	447	-	449
Miscellaneous	50	14	7,154	-	-	44	66	7,328
Total revenues	29,029	18,143	56,237	12,270	53	59,937	11,571	187,240
Expenses:								
Salaries, wages and employee benefits	11,346	12,803	4,955	182	-	16,193	4,893	50,372
Purchased goods	1,909	507	3,383	30	-	5,108	166	11,103
Purchased services	1,978	885	12,749	627	29	4,869	2,699	23,836
Financial expenses / (recovery)	304	55	1,377	140	783	955	16	3,630
Transfers to others	10	27	-	-	-	20	-	57
Amortization expense	2,498	1,395	13,788	2,253	-	9,157	4	29,095
Total expenses	18,045	15,672	36,252	3,232	812	36,302	7,778	118,093
Annual surplus / (deficit)	\$ 10,984	\$ 2,471	\$ 19,985	\$ 9,038	\$ (759)	\$ 23,635	\$ 3,793	\$ 69,147

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

15. Budget data:

The budget data presented in these consolidated financial statements is based upon the 2019 budget approved by Council on February 4, 2019. Amortization was not incorporated in the development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	Budget Amount
Revenue:	
Operating budget	\$ 137,064
Capital budget	55,215
Less:	
Interfund transfers	(31,792)
New debt financing	(1,450)
Reallocated revenues	(7,795)
Total revenue	151,242
Expenses:	
Operating budget	137,064
Capital budget	55,215
Less:	
Acquisition of tangible capital assets	(55,215)
Interfund transfers	(33,760)
Reallocated expenses	(7,795)
Debt principal payments	(4,315)
Total expenses	91,194
Annual surplus	\$ 60,048

16. Commitments:

The Town has outstanding contractual obligations of approximately \$33,262 for capital works and operating activities, out of which \$18,167 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, 2019
(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 (2018 - 5,100). The debt is in a current position and no claim has been made under the guarantee.

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 \$72,185 arise because of the various types of contracts entered into, among which are agreements for assumption of assets under subdivision agreements of \$66,982, cost recovery of \$644, lease agreements of \$3,509, services agreements of \$639 and \$411 from agreements with developers.

19. Subsequent events:

Subsequent to December 31, 2019, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian, Ontario and municipal 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. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

The Town declared a state of emergency under the Emergency Management Act Ontario, on March 24, 2020. The declaration of a state of emergency provides the Mayor with the ability to take action and make orders, as necessary, to protect the health, safety and welfare of residents. In addition, at the time of approval of these financial statements, the Town has experienced the following service and financial implications in relation to the COVID-19 pandemic:

- ◆ Closure of recreation, cultural, outdoor and administrative facilities based on public health recommendations
- ◆ Transition to alternative forms of delivery for a number of services that continued to be delivered through the pandemic
- ◆ Implementation of a number of health and safety measures for employees and the public
- ◆ Revenue reductions in a number of areas including transit fares, facility permit and lease revenues

The Corporation of the Town of Milton

Notes to Consolidated Financial Statements

Year ended December 31, 2019
(in thousands of dollars)

19. Subsequent events: (continued)

and program revenues

- ◆ Implementation of relief programs for property owners with respect to the timing of property tax collection in the year 2020

The Town continues to monitor the guidance from the Provincial government around opening of businesses and services. The current challenging economic climate may lead to adverse changes in cash flows, reduction of service levels and budgetary constraints, which may also have a direct impact on the Town's revenues, annual surplus or deficit and reserve and reserve funds in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the Town, surrounding economy and services are not known at this time.



2019 Town of Milton Financial Report

Milton Public Library Board

For the year ended December 31, 2019

Independent Auditors' Report



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

Opinion

We have audited the financial statements of the Milton Public Library Board (the "Library"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of change in net financial assets for the year then ended
- the statement of change in due from the Town of Milton for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter 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 as at December 31, 2019 and its results of operations, its changes in net financial assets and its changes in due from the Town of Milton 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. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the Library 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's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Library'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 auditors' report that includes our opinion.

Independent Auditors' Report

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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'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's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Library 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.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
August 24, 2020

Milton Public Library Board

Statement of Financial Position

As at December 31, 2019 with comparative information for 2018

	2019	2018
Financial assets:		
Due from the Town of Milton	\$ 3,203,623	\$ 3,115,493
Liabilities:		
Accounts payable and accrued liabilities	179,550	119,624
Net financial assets	3,024,073	2,995,869
Non-financial assets:		
Tangible capital assets (note 2)	3,645,109	2,806,021
Prepaid expenses	80,825	89,983
	3,725,934	2,896,004
Commitments (note 5)		
Subsequent events (note 8)		
Accumulated surplus (note 3)	\$ 6,750,007	\$ 5,891,873

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

Milton Public Library Board

Statement of Operations

Year ended December 31, 2019 with comparative information for 2018

	Budget (Note 6)	2019	2018
Revenues:			
Transfer from the Town of Milton	\$ 4,785,491	\$ 4,785,491	\$ 4,785,492
Fines and penalties	118,740	120,442	125,815
User charges	38,691	40,099	37,893
Federal government transfers:			
Summer career placement grant	1,850	1,960	1,680
Seniors for seniors: building technology skills	-	25,000	4,384
Provincial government transfers:			
Library pay equity program	3,275	3,275	3,275
Public library operating grant program	52,429	52,429	52,429
Ontario Arts Council programs	-	-	3,465
Ontario libraries capacity fund	-	-	24,075
Municipal government transfers	14,535	36,731	83,688
Milton contributions - development charges	-	865,071	10,450
Miscellaneous	7,330	33,311	23,263
Total revenues	5,022,341	5,963,809	5,155,909
Expenses:			
Salaries, wages and employee benefits	3,412,503	3,177,725	3,110,757
Administrative	31,695	59,506	51,119
Financial	3,577	6,415	3,859
Purchased goods	260,066	357,899	279,691
Purchased services	723,900	826,654	670,208
Amortization	-	677,476	592,578
Total expenses	4,431,741	5,105,675	4,708,212
Annual surplus	590,600	858,134	447,697
Accumulated surplus, beginning of year	5,891,873	5,891,873	5,444,176
Accumulated surplus , end of year (note 3)	\$ 6,482,473	\$ 6,750,007	\$ 5,891,873

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, 2019 with comparative information for 2018

	Budget (Note 6)	2019	2018
Annual surplus	\$ 590,600	\$ 858,134	\$ 447,697
Acquisition of tangible capital assets	(431,885)	(1,516,564)	(740,733)
Amortization of tangible capital assets	-	677,476	592,578
	158,715	19,046	299,542
Change in prepaid expenses	-	9,158	(23,907)
Change in net financial assets	158,715	28,204	275,635
Net financial assets, beginning of year	2,995,869	2,995,869	2,720,234
Net financial assets, end of year	\$ 3,154,584	\$ 3,024,073	\$ 2,995,869

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, 2019 with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating Activities:		
Annual surplus	\$ 858,134	\$ 447,697
Items not involving cash:		
Amortization	677,476	592,578
Change in non-cash assets and liabilities:		
Accounts payable and accrued liabilities	59,926	(1,503)
Deferred revenue	-	(16,899)
Prepaid expenses	9,158	(23,907)
Net change in due from the Town of Milton from operating activities	1,604,694	997,966
Capital Activities:		
Cash used to acquire tangible capital assets	(1,516,564)	(740,733)
Net change in due from the Town of Milton	88,130	257,233
Due from the Town of Milton, beginning of year	3,115,493	2,858,260
Due from the Town of Milton, end of year	\$ 3,203,623	\$ 3,115,493

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

Milton Public Library Board

Notes to Financial Statements

Year ended December 31, 2019

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) Development charges:

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, 2019

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. They 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.

Actual results could differ from these estimates.

Milton Public Library Board

Notes to Financial Statements

Year ended December 31, 2019

2. Tangible capital assets:

Cost	Balance at, December 31, 2018	Additions	Disposals	Balance at, December 31, 2019
IT equipment	\$ 552,972	\$ 341,883	\$ (16,902)	\$ 877,953
Office equipment	1,083,019	343,107	-	1,426,126
Collections	4,449,466	846,404	-	5,295,870
Assets under construction	14,830	(14,830)	-	-
Total	\$ 6,100,287	\$ 1,516,564	\$ (16,902)	\$ 7,599,949

Accumulated amortization	Balance at, December 31, 2018	Amortization	Disposals	Balance at, December 31, 2019
IT equipment	\$ 278,157	\$ 110,997	\$ (16,902)	\$ 372,252
Office equipment	347,405	77,300	-	424,705
Collections	2,668,704	489,179	-	3,157,883
Assets under construction	-	-	-	-
Total	\$ 3,294,266	\$ 677,476	\$ (16,902)	\$ 3,954,840

Net book value	Balance at, December 31, 2018	Balance at, December 31, 2019
IT equipment	\$ 274,815	\$ 505,701
Office equipment	735,614	1,001,421
Collections	1,780,762	2,137,987
Assets under construction	14,830	-
Total	\$ 2,806,021	\$ 3,645,109

Milton Public Library Board

Notes to Financial Statements

Year ended December 31, 2019

2. Tangible capital assets (continued):

Cost	Balance at, December 31, 2017	Additions	Disposals	Balance at, December 31, 2018
IT equipment	\$ 402,824	\$ 160,679	\$ (10,531)	\$ 552,972
Office equipment	868,402	214,617	-	1,083,019
Collections	4,095,070	354,396	-	4,449,466
Assets under construction	3,789	11,041	-	14,830
Total	\$ 5,370,085	\$ 740,733	\$ (10,531)	\$ 6,100,287

Accumulated amortization	Balance at, December 31, 2017	Amortization	Disposals	Balance at, December 31, 2018
IT equipment	\$ 186,503	\$ 102,185	\$ (10,531)	\$ 278,157
Office equipment	304,145	43,260	-	347,405
Collections	2,221,571	447,133	-	2,668,704
Assets under construction	-	-	-	-
Total	\$ 2,712,219	\$ 592,578	\$ (10,531)	\$ 3,294,266

Net book value	Balance at, December 31, 2017	Balance at, December 31, 2018
IT equipment	\$ 216,321	\$ 274,815
Office equipment	564,257	735,614
Collections	1,873,499	1,780,762
Assets under construction	3,789	14,830
Total	\$ 2,657,866	\$ 2,806,021

(a) Contributed capital assets:

The Library received no contributed tangible capital assets in 2019 or 2018.

Milton Public Library Board

Notes to Financial Statements

Year ended December 31, 2019

2. Tangible capital assets (continued):

(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 2019 or 2018 .

3. Accumulated surplus:

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

	2019	2018
Surplus:		
Invested in tangible capital assets	\$ 3,645,109	\$ 2,806,021
Reserves set aside by Library Board:		
Library Capital	674,222	539,138
Library Services	2,204,322	2,187,331
Library Other	226,354	359,383
Total reserves	3,104,898	3,085,852
Accumulated surplus	\$ 6,750,007	\$ 5,891,873

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.

4. Development charges:

The Town of Milton (the "Town") manages a development charge obligatory reserve fund for library services in the amount of \$5,666,319 (2018 - \$7,668,192) 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, 2019

5. Commitments:

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

2020	\$ 259,624
2021	268,555
2022	277,793
2023	287,349
2024	297,234
2025 and thereafter	466,477
	\$ 1,857,032

6. Budget data:

The budget data presented in these financial statements is based upon the 2019 operating and capital budgets approved by Council on February 4, 2019. Amortization was not incorporated into development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	Budget Amount
Revenue:	
Operating budget	\$ 5,031,041
Capital budget	431,885
Less:	
Interfund transfers	(431,885)
Other transfers	(8,700)
Total revenue	5,022,341
Expenses:	
Operating budget	5,031,041
Capital budget	431,885
Less:	
Interfund transfers	(590,600)
Other transfers	(8,700)
Acquisition of tangible capital assets	(431,885)

Milton Public Library Board

Notes to Financial Statements

Year ended December 31, 2019

6. Budget data (continued):

	Budget Amount
Total expenses	4,431,741
Annual surplus	\$ 590,600

7. Related party transactions:

In 2016 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.

8. Subsequent events:

Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments 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. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

The Corporation of the Town of Milton declared a state of emergency under the *Emergency Management Act Ontario*, on March 24, 2020. The declaration of a state of emergency provides the Mayor with the ability to take action and make orders, as necessary, to protect the health, safety and welfare of residents.

As a result of both the provincial and municipal government interventions, the Library is closed to the public. The current challenging economic climate may lead to adverse changes in cash flows, reduction of service levels and budgetary constraints, which may also have a direct impact on the Library's financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the Library, surrounding economy and services are not known at this time.



2019 Town of Milton Financial Report

Board of Management of the
Milton Downtown Business Improvement Area

For the year ended December 31, 2019

Independent Auditors' Report



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

Opinion

We have audited the financial statements of the Board of Management of the Milton Downtown Business Improvement Area, (the "BIA"), which comprise:

- the statement of financial position as at December 31, 2019
- the statement of operations for the year then ended
- the statement of change in net financial assets for the year then ended
- The statement of change in due from the Town of Milton for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter 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, 2019 and its results of operations, its changes in net financial assets and its changes in due from the Town of Milton 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. Our responsibilities under those standards are further described in the "Auditors' Responsibilities for the Audit of the Financial Statements" section of our auditors' report.

We are independent of the BIA in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

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

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

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 auditors' report that includes our opinion.

Independent Auditors' Report

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 auditors' 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 auditors' 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.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
August 24, 2020

Milton Downtown Business Improvement Area

Statement of Financial Position

As at December 31, 2019 with comparative information for 2018

	2019	2018
Financial assets:		
Due from the Town of Milton	\$ 132,342	\$ 93,002
Liabilities:		
Accounts payable and accrued liabilities	25,010	7,083
Net financial assets	107,332	85,919
Non-financial assets:		
Tangible capital assets (note 2)	47,491	19,021
Prepaid expenses	-	1,043
	47,491	20,064
Commitments (note 5)		
Subsequent events (note 8)		
Accumulated surplus (note 3)	\$ 154,823	\$ 105,983

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

Milton Downtown Business Improvement Area

Statement of Operations

Year ended December 31, 2019 with comparative information for 2018

	Budget (Note 6)	2019	2018
Revenues:			
Taxation levied by Town	\$ 219,141	\$ 215,029	\$ 208,170
User charges	22,000	29,311	22,642
Federal government transfers (note 4)	4,000	1,960	3,796
Municipal government transfers	-	32,034	-
Miscellaneous	20,000	20,679	29,014
Total revenues	265,141	299,013	263,622
Expenses:			
Beautification and planters	48,500	34,422	38,130
General administration	49,203	43,787	45,665
Salaries and benefits	113,200	108,921	114,729
Trade promotion and special events	54,238	59,479	41,033
Amortization	-	3,564	4,436
Total expenses	265,141	250,173	243,993
Annual surplus	-	48,840	19,629
Accumulated surplus, beginning of year	105,983	105,983	86,354
Accumulated surplus, end of year (note 3)	\$ 105,983	\$ 154,823	\$ 105,983

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, 2019 with comparative information for 2018

	Budget (Note 6)	2019	2018
Annual surplus	\$ -	\$ 48,840	\$ 19,629
Acquisition of tangible capital assets	-	(32,034)	(7,340)
Amortization of tangible capital assets	-	3,564	4,436
	-	20,370	16,725
Change in prepaid expenses	-	1,043	204
Change in net financial assets	-	21,413	16,929
Net financial assets, beginning of year	85,919	85,919	68,990
Net financial assets, end of year	\$ 85,919	\$ 107,332	\$ 85,919

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, 2019 with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operating Activities:		
Annual surplus	\$ 48,840	\$ 19,629
Items not involving cash:		
Amortization	3,564	4,436
Change in non-cash assets and other liabilities:		
Accounts payable and accrued liabilities	17,927	891
Prepaid expenses	1,043	204
Net change in cash from operating activities	71,374	25,160
Capital Activities:		
Cash used to acquire tangible capital assets	(32,034)	(7,340)
Net change in due from the Town of Milton	39,340	17,820
Due from the Town of Milton, beginning of year	93,002	75,182
Due from the Town of Milton, end of year	\$ 132,342	\$ 93,002

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

Milton Downtown Business Improvement Area

Notes to Financial Statements

Year ended December 31, 2019

Significant accounting policies:

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

Significant accounting policies adopted by the DBIA are as follows:

(a) Basis of accounting:

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

(b) Government transfers:

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

(c) Other income:

Other income is reported as revenue in the period earned.

(d) Non-financial assets:

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

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

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

Milton Downtown Business Improvement Area

Notes to Financial Statements

Year ended December 31, 2019

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:

	2019		
	Office Equipment	Other Equipment	Total
Cost			
Balance, beginning of year	\$ 9,924	\$ 26,394	\$ 36,318
Additions	-	32,034	32,034
Disposals	-	-	-
Balance, end of year	9,924	58,428	68,352
Accumulated amortization			
Balance, beginning of year	5,192	12,105	17,297
Disposals	-	-	-
Amortization	209	3,355	3,564
Balance, end of year	5,401	15,460	20,861
Net book value, end of year	\$ 4,523	\$ 42,968	\$ 47,491

Milton Downtown Business Improvement Area

Notes to Financial Statements

Year ended December 31, 2019

2. Tangible capital assets (continued):

	2018		
	Office Equipment	Other Equipment	Total
Cost			
Balance, beginning of year	\$ 6,615	\$ 22,363	\$ 28,978
Additions	3,309	4,031	7,340
Disposals	-	-	-
Balance, end of year	9,924	26,394	36,318
Accumulated amortization			
Balance, beginning of year	4,005	8,856	12,861
Disposals	-	-	-
Amortization	1,187	3,249	4,436
Balance, end of year	5,192	12,105	17,297
Net book value, end of year	\$ 4,732	\$ 14,289	\$ 19,021

(a) Contributed capital assets:

The DBIA received no contributed tangible capital assets in 2019 or 2018.

(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 2019 or 2018 .

3. Accumulated surplus:

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

	2019	2018
Surplus		
Invested in tangible capital assets	\$ 47,491	\$ 19,021
Reserves		

Milton Downtown Business Improvement Area

Notes to Financial Statements

Year ended December 31, 2019

3. Accumulated surplus (continued):

	2019	2018
Downtown Business Improvement Area	107,332	86,962
Accumulated surplus	\$ 154,823	\$ 105,983

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

The change in the reserve fund balance is as follows:

	2019	2018
Annual surplus	\$ 48,840	\$ 19,629
Less: Current year tangible capital assets additions	(32,034)	(7,340)
Add: Amortization expense	3,564	4,436
	20,370	16,725
Fund balance at beginning of year	86,962	70,237
Fund balance, end of year	\$ 107,332	\$ 86,962

4. Government transfers:

The Federal Government transfer reported on the Statement of Operations is the Summer Career Placement Grant in the amount of \$1,960 (2018 - \$3,796).

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:

2020	\$ 12,918
2021	13,392
2022	13,782
2023	10,566
Total 4 Year Commitments	\$ 50,658

Milton Downtown Business Improvement Area

Notes to Financial Statements

Year ended December 31, 2019

6. Budget data:

The budget data presented in these financial statements is based upon the 2019 budget approved by Council on February 4, 2019. Amortization was not incorporated in the development of the budget.

7. Related party transactions:

During the year the Town has provided DBIA ground maintenance services for \$61,094 of which \$3,000 were recovered from Milton Downtown Business Area. In 2019 the Town has contributed \$32,034 for capital improvements in 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.

8. Subsequent events

Subsequent to December 31, 2019 the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments 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. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

The Corporation of the Town of Milton declared a state of emergency under the *Emergency Management Act Ontario*, on March 24, 2020. The declaration of a state of emergency provides the Mayor with the ability to take action and make orders, as necessary, to protect the health, safety and welfare of residents. As a result of the government interventions, the events held by Milton Downtown Business Area are cancelled for an indeterminate period of time.

The current challenging economic climate may lead to adverse changes in cash flows, reduction of service levels and budgetary constraints, which may also have a direct impact on the DBIA's financial position in the future. The situation is dynamic and the ultimate duration and magnitude of the impact on the Milton DBIA, surrounding economy and services are not known at this time.



2019 Town of Milton Financial Report

Multi-Year Comparison of Financial Statements

For the Fiscal Year Ended December 31, 2019

Consolidated Statement of Financial Position

(in thousands of dollars)

	2019	2018	2017	2016	2015
Cash and cash equivalents	\$ 76,737	\$ 76,363	\$ 57,222	\$ 86,594	\$ 48,915
Accounts receivable					
Taxes receivable	6,523	8,136	6,412	5,922	5,319
Grants receivable	292	983	60	1,054	5,402
Other	14,441	10,570	11,294	10,436	10,712
Investments	108,489	103,349	121,285	84,179	106,424
Investment in Milton Hydro Holdings Inc.	61,220	60,178	57,221	55,906	54,427
Other Assets	2,735	2,476	570	852	838
Total financial assets	270,437	262,055	254,064	244,943	232,037
Non-financial assets	1,097,678	1,043,048	994,506	963,197	959,252
Total assets	1,368,115	1,305,103	1,248,570	1,208,140	1,191,289
Accounts payable and accrued liabilities	23,533	17,452	18,860	17,123	26,145
Other liabilities	6,419	7,324	5,231	4,189	7,929
Deferred revenue	72,298	83,399	90,953	75,215	62,643
Long-term debentures	42,532	42,711	49,188	38,348	43,257
Developer obligations	2,613	2,046	1,760	924	1,334
Employee benefits and other liabilities	3,168	2,859	2,413	2,350	1,453
Total liabilities	150,563	155,791	168,405	138,149	142,761
Accumulated surplus	\$ 1,217,552	\$ 1,149,312	\$ 1,080,165	\$ 1,069,991	\$ 1,048,528

Consolidated Statement of Operations

(in thousands of dollars)

	2019	2018	2017	2016	2015
Sources of revenue:					
Taxation	\$ 67,289	\$ 60,976	\$ 55,164	\$ 51,710	\$ 48,059
User charges	19,347	18,607	18,130	16,961	15,977
Government transfers:	-				
Federal	3,990	5,126	4,170	3,030	5,862
Provincial	4,412	2,899	3,202	1,696	1,781
Other municipalities	6,422	4,385	4,304	3,288	5,137
Investment income	4,854	3,959	3,761	3,368	3,439
Penalties and interest	3,105	2,434	2,248	2,306	2,415
Developer contributions	36,328	35,660	21,117	14,039	19,859
Developer contributed assets	32,847	27,032	28,740	9,784	19,995
Proceeds from Ontario Lottery Corporation	7,984	6,484	6,182	5,863	5,685
License, permits, rents etc.	6,415	6,568	6,298	6,149	5,595
Equity in income of Milton Hydro	2,542	4,457	2,815	2,979	2,882
Donations	893	876	1,197	1,124	1,504
Other Recoveries	347	449	263	483	898
Miscellaneous	370	7,328	822	6,520	3,951
Total revenue	197,145	187,240	158,413	129,300	143,039
Expenses by function:					
General government	19,900	18,045	15,970	15,578	14,366
Protection to persons and property	16,230	15,672	14,686	15,278	13,532
Transportation services	42,043	36,252	35,182	33,313	36,143
Environmental services	3,418	3,232	2,910	2,609	2,371
Health Services	1,767	812	35,866	479	505
Recreational and cultural services	38,316	36,302	37,312	34,128	32,377
Planning and development	7,231	7,778	6,313	6,452	5,997
Total expenses	128,905	118,093	148,239	107,837	105,291
Annual surplus	68,240	69,147	10,174	21,463	37,748
Accumulated surplus, beginning of year	1,149,312	1,080,165	1,069,991	1,048,528	1,010,780
Accumulated surplus, end of year	\$ 1,217,552	\$ 1,149,312	\$ 1,080,165	\$ 1,069,991	\$ 1,048,528

Consolidated Statement of Change in Net Financial Asset

(in thousands of dollars)

	2019	2018	2017	2016	2015
Annual surplus	\$ 68,240	\$ 69,147	\$ 10,174	\$ 21,463	\$ 37,748
Acquisition of tangible capital assets	(88,303)	(78,787)	(61,576)	(33,665)	(55,018)
Amortization of tangible capital assets	30,378	29,095	28,088	27,418	25,591
Loss on disposal of tangible capital assets	3,445	(5,020)	1,706	(5,626)	(1,060)
Proceeds on sale of tangible capital assets	219	6,344	624	7,490	4,433
	13,979	20,779	(20,984)	17,080	11,694
Change in supplies of inventory	(133)	(216)	116	158	(171)
Change in prepaid expenses	(236)	42	(267)	280	(245)
Change in net financial assets	13,610	20,605	(21,135)	17,518	11,278
Net financial assets, beginning of year	106,264	85,659	106,794	89,276	77,998
Net financial assets, end of year	\$ 119,874	\$ 106,264	\$ 85,659	\$ 106,794	\$ 89,276

Analysis of Expenses by Object

(in thousands of dollars)

	2019	2018	2017	2016	2015
Salaries, wages and employee benefits	\$ 52,803	\$ 50,372	\$ 46,272	\$ 44,910	\$ 41,203
Purchased goods	12,082	11,103	10,257	11,822	11,355
Purchased services	27,134	23,836	23,564	20,605	22,750
Financial expenses	5,685	3,630	4,735	2,830	4,065
External transfers	823	57	35,322	252	327
Amortization expense	30,378	29,095	28,089	27,418	25,591
Total expenses	\$ 128,905	\$ 118,093	\$ 148,239	\$ 107,837	\$ 105,291

Net Book Value of Tangible Capital Assets

(in thousands of dollars)

	2019	2018	2017	2016	2015
Land	\$ 313,457	\$ 288,834	\$ 286,806	\$ 275,091	\$ 276,381
Land improvements	53,336	48,398	41,956	41,578	42,451
Buildings and building improvements	148,611	123,423	126,747	129,502	132,944
Machinery and equipment	107,388	93,914	95,672	96,927	98,795
Linear assets	453,762	444,177	417,686	405,569	402,166
Assets under construction	19,615	43,162	24,673	13,715	5,262
Total assets	\$ 1,096,169	\$ 1,041,908	\$ 993,540	\$ 962,382	\$ 957,999

Accumulated Surplus

(in thousands of dollars)

	2019	2018	2017	2016	2015
Reserves set aside by Council:					
Aggregate permit fees	\$ 483	\$ 452	\$ 1,043	\$ 1,003	\$ 958
Capital provision/growth	13,387	13,820	14,727	14,328	12,196
Capital works	7,703	5,492	5,124	8,409	8,642
Computer replacement	1,245	993	782	643	1,191
Downtown Business Improvement Area	107	87	70	62	34
Election	314	121	254	184	91
Equipment replacement	7,835	7,534	6,980	5,750	4,245
Growth related resources	2,068	2,130	2,084	1,613	1,235
Infrastructure renewal reserve	4,964	2,999	913	579	305
Insurance	1,413	1,286	1,055	834	723
Legal action	1,341	1,048	800	557	317
Library services	2,204	2,187	1,698	1,203	721
Library capital	674	539	769	857	804
Municipal building component	7,973	6,986	6,089	4,587	3,717
Municipal building replacement	435	291	208	1,181	916
Per unit development processing fee	1,468	1,703	1,723	1,495	1,227
Seniors fundraising	76	76	78	87	103
Tax rate stabilization	4,190	2,285	2,048	2,103	2,636
Training	461	358	299	270	265
Transit and transportation	1,786	1,399	1,247	760	798
Winter control	1,468	1,468	1,109	976	848
Working funds	1,064	1,064	1,064	1,064	1,064
WSIB	1,212	1,340	813	423	870
Total reserves	\$ 63,871	\$ 55,658	\$ 50,977	\$ 48,968	\$ 43,908

Accumulated Surplus (Continued)

(in thousands of dollars)

	2019	2018	2017	2016	2015
Reserve funds set aside for specific purpose by Council:					
Cash in lieu of storm water management	\$ 46	\$ 46	\$ 45	\$ 143	\$ 141
Investment in the Arts Campaign	(272)	(194)	1,709	1,856	(913)
Mayor's legacy	91	88	87	85	83
Milton District Hospital	371	431	502	16,824	17,856
Ontario Lottery Corporation proceeds	9,045	7,108	7,814	10,915	11,386
Perpetual maintenance	605	591	485	472	463
Property transactions	11,496	11,583	6,930	8,856	3,928
Sports field development	44	34	123	112	101
Total reserve funds	\$ 21,426	\$ 19,687	\$ 17,695	\$ 39,263	\$ 33,045

	2019	2018	2017	2016	2015
Surplus:					
Invested in tangible capital assets	\$ 1,096,169	\$ 1,041,908	\$ 993,540	\$ 962,382	\$ 957,999
Unexpended capital	20,374	16,853	13,394	4,440	4,545
Operating surplus - Town	-	-	102	102	102
Operating surplus - Library	-	-	51	48	45
Investment in Milton Hydro	61,220	60,178	57,221	55,906	54,427
Endowment fund	2,043	2,035	-	-	-
Unfunded:					
Long term debentures	(42,532)	(42,711)	(49,188)	(38,348)	(43,257)
Employee future benefits	(2,406)	(2,250)	(1,867)	(1,846)	(952)
Developer obligations	(2,613)	(2,046)	(1,760)	(924)	(1,334)
Total surplus	1,132,255	1,073,967	1,011,493	981,760	971,575
Total accumulated surplus	\$ 1,217,552	\$ 1,149,312	\$ 1,080,165	\$ 1,069,991	\$ 1,048,528

Five-Year Financial Statistics

Property Taxation

	2019	2018	2017	2016	2015
Weighted assessment by property class					
Residential	\$ 19,533,502,089	\$ 17,936,196,098	\$ 16,288,907,316	\$ 14,963,918,236	\$ 13,854,910,617
Multi-residential	303,639,055	291,591,422	301,377,550	359,689,638	344,721,794
Farmland	77,347,560	77,438,903	71,916,100	68,464,860	62,094,855
Managed forests	9,740,845	8,746,165	7,476,881	6,537,050	6,000,395
Commercial	4,083,573,075	3,618,014,625	3,431,244,938	3,314,501,634	3,068,713,715
Industrial	1,521,036,477	1,527,625,084	1,346,475,183	1,228,583,605	1,223,745,647
Pipelines	111,211,653	109,736,713	82,078,434	79,065,861	77,121,121
Total weighted assessment	\$ 25,640,050,754	\$ 23,569,349,010	\$ 21,529,476,402	\$ 20,020,760,884	\$ 18,628,308,144
Commercial and industrial as % of total weighted assessment	22%	22%	22%	23%	23%
Total tax levied and collected					
Property tax levied	\$ 67,028,320	\$ 60,509,484	\$ 55,995,314	\$ 51,477,113	\$ 47,707,256
Taxes billed on behalf of Region of Halton	73,104,753	70,056,161	67,200,344	63,807,261	61,466,532
Taxes billed on behalf of school boards	64,425,243	62,700,613	60,251,235	57,647,928	55,707,819
Total tax levied	204,558,316	\$ 193,266,258	\$ 183,446,893	\$ 172,932,302	\$ 164,881,607
Total tax collected	\$ 206,171,100	\$ 191,543,039	\$ 182,956,470	\$ 172,329,872	\$ 166,661,078
Taxes Receivable as % of tax levied	3.19%	4.21%	3.50%	3.42%	3.23%

Five-Year Financial Statistics

Property Taxation

	2019	2018	2017	2016	2015
Taxation rates by property class – General and Urban Surcharge					
Residential					
Town of Milton	0.248082%	0.242228%	0.243461%	0.246050%	0.244207%
Region of Halton	0.276694%	0.287039%	0.299581%	0.310847%	0.318257%
School boards	0.161000%	0.170000%	0.179000%	0.188000%	0.195000%
	0.685776%	0.699267%	0.722042%	0.744897%	0.757464%
Multi-residential					
Town of Milton	0.496164%	0.484456%	0.486922%	0.556541%	0.552371%
Region of Halton	0.553388%	0.574078%	0.599162%	0.703103%	0.719865%
School boards	0.161000%	0.170000%	0.179000%	0.188000%	0.195000%
	1.210552%	1.228534%	1.265084%	1.447644%	1.467236%
Farmlands					
Town of Milton	0.049616%	0.048446%	0.048693%	0.049210%	0.048842%
Region of Halton	0.055338%	0.057408%	0.059917%	0.062169%	0.063652%
School boards	0.040250%	0.042500%	0.044750%	0.047000%	0.048750%
	0.145204%	0.148354%	0.153360%	0.158379%	0.161244%
Managed forests					
Town of Milton	0.062021%	0.060557%	0.060865%	0.061513%	0.061051%
Region of Halton	0.069174%	0.071762%	0.074896%	0.077711%	0.079565%
School boards	0.040250%	0.042500%	0.044750%	0.047000%	0.048750%
	0.171445%	0.174819%	0.180511%	0.186224%	0.189366%
Commercial					
Town of Milton	0.361331%	0.352805%	0.354601%	0.358373%	0.355387%
Region of Halton	0.403005%	0.418072%	0.436339%	0.452747%	0.463541%
School boards	0.804055%	0.838216%	0.860141%	0.869565%	0.882785%
	1.568391%	1.609093%	1.651081%	1.680685%	1.702013%
Commercial - vacant units/excess land					
Percentage of full rate	78%	70%	70%	70%	70%

Five-Year Financial Statistics

Property Taxation

	2019	2018	2017	2016	2015
Industrial					
Town of Milton	0.585449%	0.571634%	0.574544%	0.580653%	0.576304%
Region of Halton	0.652969%	0.677383%	0.706983%	0.733566%	0.751054%
School boards	1.167241%	1.244198%	1.335379%	1.433184%	1.474565%
	2.405659%	2.493215%	2.616906%	2.747403%	2.801923%
Industrial - vacant land/excess land					
Percentage of full rate	73%	65%	65%	65%	65%
Pipeline					
Town of Milton	0.263389%	0.257173%	0.258482%	0.261231%	0.259274%
Region of Halton	0.293767%	0.304749%	0.318066%	0.330025%	0.337893%
School boards	1.030000%	1.090000%	1.140000%	1.159033%	1.159033%
	1.587156%	1.651922%	1.716548%	1.750289%	1.756200%
* The Urban Surcharge was removed in 2017.					
Taxation rates by property class - General					
Residential					
Town of Milton	0.248082%	0.242228%	0.243461%	0.231579%	0.215969%
Region of Halton	0.276694%	0.287039%	0.299581%	0.309117%	0.316402%
School Boards	0.161000%	0.170000%	0.179000%	0.188000%	0.195000%
	0.685776%	0.699267%	0.722042%	0.728696%	0.727371%
Multi-residential					
Town of Milton	0.496164%	0.484456%	0.486922%	0.523808%	0.488500%
Region of Halton	0.553388%	0.574078%	0.599162%	0.699191%	0.715670%
School boards	0.161000%	0.170000%	0.179000%	0.188000%	0.195000%
	1.210552%	1.228534%	1.265084%	1.410999%	1.399170%
Farmlands					
Town of Milton	0.049616%	0.048446%	0.048693%	0.046316%	0.043194%
Region of Halton	0.055338%	0.057408%	0.059917%	0.061823%	0.063281%
School boards	0.040250%	0.042500%	0.044750%	0.047000%	0.048750%
	0.145204%	0.148354%	0.153360%	0.155139%	0.155225%

Five-Year Financial Statistics

Property Taxation

	2019	2018	2017	2016	2015
Managed Forests					
Town of Milton	0.062021%	0.060557%	0.060865%	0.057895%	0.053992%
Region of Halton	0.069174%	0.071762%	0.074896%	0.077279%	0.079101%
School boards	0.040250%	0.042500%	0.044750%	0.047000%	0.048750%
	0.171445%	0.174819%	0.180511%	0.182174%	0.181843%
Commercial					
Town of Milton	0.361331%	0.352805%	0.354601%	0.337295%	0.314558%
Region of Halton	0.403005%	0.418072%	0.436339%	0.450228%	0.460840%
School boards	0.804055%	0.838216%	0.860141%	0.869565%	0.882785%
	1.568391%	1.609093%	1.651081%	1.657088%	1.658183%
Commercial - vacant units/excess land					
Percentage of full rate	78%	70%	70%	70%	70%
Industrial					
Town of Milton	0.585449%	0.571634%	0.574544%	0.546502%	0.509665%
Region of Halton	0.652969%	0.677383%	0.706983%	0.729484%	0.746677%
School boards	1.167241%	1.244198%	1.335379%	1.433184%	1.474565%
	2.405659%	2.493215%	2.616906%	2.709170%	2.730907%
Industrial - vacant land/excess land					
Percentage of full rate	73%	65%	65%	65%	65%
Pipeline					
Town of Milton	0.263389%	0.257173%	0.258482%	0.245867%	0.229294%
Region of Halton	0.293767%	0.304749%	0.318066%	0.328189%	0.335924%
School boards	1.030000%	1.090000%	1.140000%	1.159033%	1.159033%
	1.587156%	1.651922%	1.716548%	1.733089%	1.724251%

Five-Year Financial Statistics

Long-Term Debt and Other Statistics

	2019	2018	2017	2016	2015
Transfers from other levels of government					
Federal	\$ 3,990,368	\$ 5,126,228	\$ 4,170,416	\$ 3,029,827	\$ 5,862,470
Provincial	4,412,448	2,899,019	3,201,679	1,695,799	1,780,105
Total transfers	\$ 8,402,817	\$ 8,025,247	\$ 7,372,095	\$ 4,725,625	\$ 7,642,575
Long-term debt:					
Debt supported by property taxes	\$ 13,664,487	\$ 10,437,376	\$ 13,346,672	\$ 14,381,885	\$ 17,291,121
Debt supported by development charges	2,378,415	3,713,650	5,001,513	6,244,655	7,446,026
Debt supported by reserves and reserve funds	26,489,369	28,619,337	30,839,578	17,721,587	18,519,738
Debt supported by user fees	-	-	-	-	-
Total long-term debt	\$ 42,532,271	\$ 42,770,363	\$ 49,187,763	\$ 38,348,126	\$ 43,256,885
Long-term debt by function:					
General government	\$ 1,364,736	\$ 2,085,811	\$ 3,261,134	\$ 4,916,526	\$ 6,004,117
Fire	2,422,612	1,305,367	1,676,245	2,035,739	2,384,369
Roadways	6,717,193	6,483,544	7,856,238	8,752,049	10,223,425
Parks	1,681,768	1,349,546	1,802,763	1,721,049	2,119,490
Storm water	348,359	403,109	456,938	509,879	561,965
Health services	26,165,924	28,004,433	29,695,766	14,688,578	15,000,000
Recreation facilities	3,356,468	2,561,878	3,577,468	4,589,572	5,565,271
Cultural services	280,210	548,885	806,887	1,055,074	1,294,408
Library	195,000	27,790	54,325	79,660	103,840
Total long-term debt	\$ 42,532,271	\$ 42,770,363	\$ 49,187,763	\$ 38,348,126	\$ 43,256,885
Total long-term debt per capita	345.23	354.94	418.03	345.48	417.13
Total long-term debt per household	1,124.48	1,170.03	1,395.32	1,108.23	1,288.10
Annual debt repayment limit*	20,681,378	26,359,885	25,086,769	23,456,559	22,680,285
Actual annual debt repayment	6,895,082	7,782,418	8,653,978	6,271,223	5,739,238
Actual debt repayment as % of own source revenues	6.25%	7.38%	8.62%	6.68%	6.33%

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

Five-Year Financial Statistics

Municipal Statistics

	2019	2018	2017	2016	2015
Population	123,200	120,500	117,667	111,000	103,700
Area	36,538	36,538	36,538	36,538	36,538
Households	37,824	36,555	35,252	34,603	33,582
Halton Region unemployment rate*	5.30%	4.0%	5.5%	5.5%	5.3%
Town of Milton budgeted labour force:					
Full time funded positions	424	428	408	381	365
Part time funded positions	764	750	744	695	668
Seasonal funded positions	296	290	274	282	270
Total funded positions	1,484	1,468	1,426	1,358	1,303
Infrastructure					
Lane kilometres of paved roads**	1,201	1,190	1,158	1,127	1,097
Total kilometres of stormwater (urban and rural)**	926	926	911	887	850
Recreation					
Total kilometres of trails	42	40	35	35	31
Total hours of recreations programs**	5,408,421	4,586,746	4,221,641	4,420,025	3,826,039

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

** 2015-2018 data has been revised.

Five-Year Financial Statistics

Municipal Statistics

	2019	2018	2017	2016	2015
New construction procurement:					
Number of new construction contracts awarded	19	19	29	30	15
Total value of new construction contracts awarded	\$ 24,575,275	\$ 15,046,989	\$ 56,294,609	\$ 17,688,557	\$ 10,328,793
Square metres of new construction:					
Residential properties	142,154	146,961	373,569	148,815	81,619
Multi-residential properties	18,534	54,714	17,746	39,257	106,793
All other property classes*	279,293	46,075	98,692	52,623	259,337
Total square metres	439,981	247,750	490,007	240,695	447,749
Residential units:					
Single and Semi Detached	280	460	831	685	386
Townhouses/ Stacked Townhouses	503	289	1,082	253	352
Apartments/ Secondary Units	318	666	233	18	578
Total building permits issued	1,101	1,415	2,146	956	1,316
Value of building permits issued:					
Residential properties	\$ 230,046,990	\$ 271,635,228	\$ 696,132,013	\$ 260,309,152	\$ 72,258,461
Multi-residential properties	48,860,400	129,200,000	37,352,401	63,113,273	108,565,913
All other property classes	234,384,094	76,107,851	205,423,411	272,949,679	153,916,140
Total value of building permits issued	\$ 513,291,484	\$ 476,943,079	\$ 938,907,825	\$ 596,372,104	\$ 334,740,514

* 2015-2017 data has been revised.

Five-Year Financial Statistics

List of 2019 Principal Corporate Tax Accounts

Business Name
Lowe's Companies Canada ULC
857529 Ontario Incorporated
690346 Ontario Incorporated
Hoop Realty Incorporated
DC Equities Incorporated
Milton Industrial Centre Incorporated
Milton Industrial Centre GP Incorporated
2701 High Point Drive Equities Incorporated
Cox Automotive Canada
SunLife Assurance Company of Canada

List of 2019 Principal Employers

Business Name	Industry Subsector
Gordon Food Service	General-line food merchant wholesalers, admin offices and distribution
Karmax Heavy Stamping	Motor vehicle metal stamping
Lowes	Distribution of home improvement products
Rockwool	Electrical wiring and construction supplies merchant wholesalers
Monaghan Mushrooms Ltd.	Mushroom production
Amazon Fulfillment	General warehousing and storage
Manheim Auto Auctions Company	New and used automobile and light-duty truck merchant wholesalers
EATON Industries (Canada) Company	Electric power distribution
RockTenn	Corrugated and solid fibre box manufacturing
Fresh Start Foods Canada Ltd.	Fresh fruit and vegetable merchant wholesalers



Information on the Town of Milton is available at:

www.milton.ca

Direct any inquiries regarding this document to:

The Corporation of the Town of Milton

Finance Division

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