

2012

# TOWN OF MILTON FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2012  
ONTARIO, CANADA





## TOWN OF MILTON FINANCIAL REPORT

For the fiscal year ending December 31, 2012

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

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

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# ABOUT MILTON



## MILTON: ENGAGING, BALANCED AND CONNECTED

### Engaging

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

### Balanced

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

### Connected

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

## OUR PLACE IN ONTARIO

# MILTON QUICK FACTS



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

## Land area:

378 square kilometers

Population (2012 estimate):

92,200

Population density per sq. km:

244.2

Population growth (2001-2012):

from 31,471 to 92,200 or 193% increase

Forecasted growth for (2012-2021):

71,554 or 78% increase

Total population forecast for 2021:

163,754

Number of households:

30,220

\*Distribution of population (by age groups):

0-19 – 30%

20-64 – 62%

65+ - 8%

\*\*Average household income:

\$117,840

\*\*Average value of dwelling:

\$378,896

Milton Capital Budget (2012):

\$36,188,822

Milton Operating Budget (2012):

\$85,530,223

- Tax Levy requirements: \$ 35,922,677

- User charges and other revenue: \$ 49,607,546

\*\*Milton has the lowest percentage of property taxes with relation to household income in GTA: 2.7%

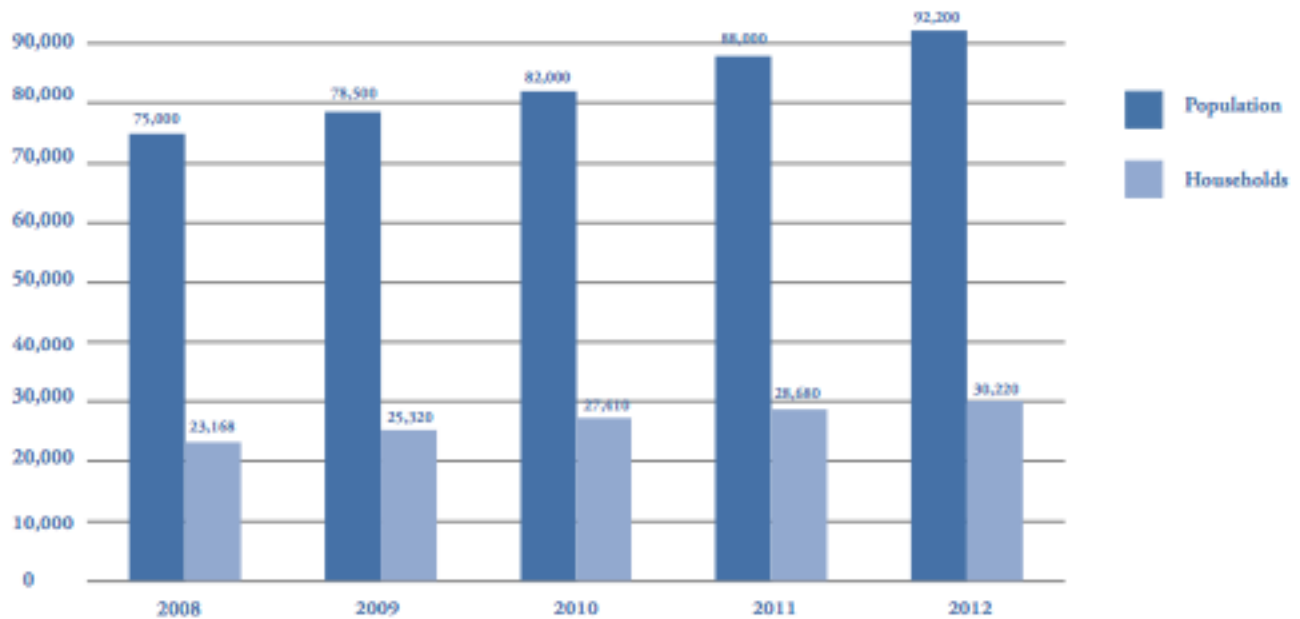
\* Milton is the fastest growing municipality in Canada: (56.5% growth from 2006-2012)

\*Source: Statistics Canada, 2012.

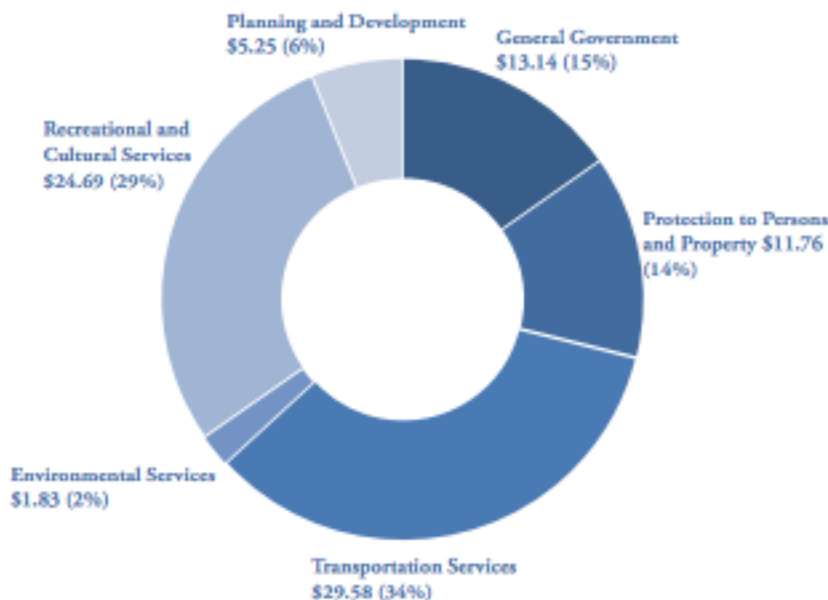
\*\*Source: BMA Management Consulting Inc. Municipal Study 2012; 86 Ontario municipalities included in the study.

# 2012 HIGHLIGHTS

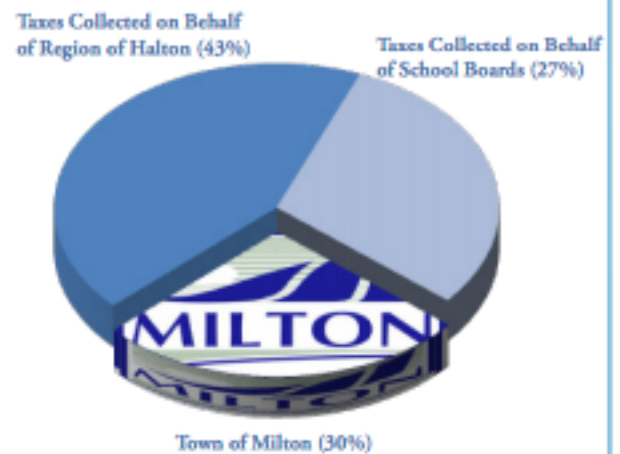
## POPULATION GROWTH AND HOUSEHOLD INCREASE OVER THE LAST 5 YEARS



## 2012 OPERATING EXPENDITURES: TOTAL \$86.25 MILLION



## 2012 RESIDENTIAL TAX BREAKDOWN



# GOVERNANCE AND ORGANIZATIONAL STRUCTURE

## MAYOR AND COUNCIL

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

The Council of the Town of Milton is responsible for:

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

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

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

**RESPONSIBLE – COST-EFFECTIVE – ACCOUNTABLE**

**TOP ROW** (left to right):

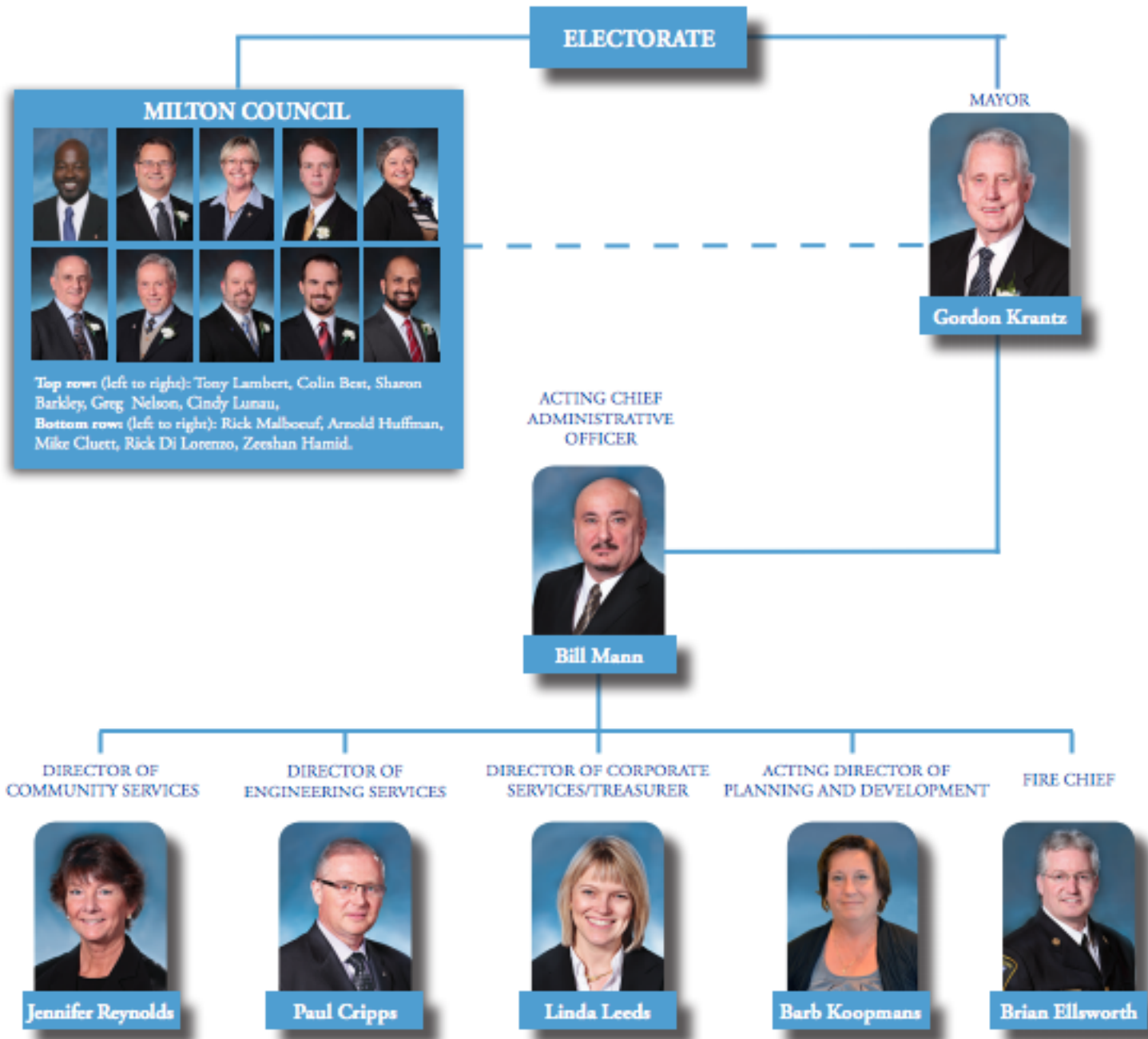
Rick Malboeuf, Greg Nelson, Rick Di Lorenzo, Zeeshan Hamid, Mike Cluett, Arnold Huffman

**BOTTOM ROW** (left to right):

Sharon Barkley, Tony Lambert, Gordon Krantz, Colin Best, Cindy Lunau



# ORGANIZATION STRUCTURE



## Chief Administrative Officer

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



Government Finance Officers Association

## Canadian Award for Financial Reporting

Presented to  
**Town of Milton**  
Ontario

For its Annual  
Financial Report  
for the Year Ended

December 31, 2011

Executive Director

## Canadian Award for Financial Reporting

The Government Finance Officers Association of the United States and Canada presented the Town of Milton with the Canadian Award for Financial Reporting for its 2011 Annual Financial Report in recognition of the Town's ability to present financial information in a clear, concise and informative manner. This award program encourages innovative financial reporting and maintains a high quality standard that is recognized amongst peers. The Town of Milton joined this program in 2010 receiving its first award in 2011 for the 2010 Financial Report.

The Town of Milton is continuing this standard of high quality reporting for the submission and evaluation for the 2012 award program.



Linda Leeds, CGA  
Director, Corporate Services  
and Treasurer

*Milton's Consolidated Financial Statements for 2012 confirm that the town continues to maintain a solid financial position. The Town experienced significant growth in 2012 as reflected through the increase in the value of tangible capital assets, total revenues and expenditures, and increase in the accumulated surplus.*

*Providing services to a growing community combined with the demand for new and enhanced services, asset replacements and renewals and global economic issues continue to place pressure on the town's finances while we strive to maintain reasonable and competitive tax rates.*



# FINANCIAL STATEMENTS DISCUSSION AND ANALYSIS

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

The Financial Discussion and Analysis and Financial Report is published to provide the Town's Council, staff, citizens and other readers with detailed information concerning the financial position and activities of the Corporation of the Town of Milton (the "Town") for the fiscal year ended December 31, 2012.

There are four required financial statements: statement of financial position, statement of operations, statement of change in net financial assets and statement of cash flows. These financial statements must provide information on the cost of all Town activities, how they were financed, investing activities, as well as the assets and liabilities of the Town.

## TOWN OF MILTON MANDATE

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

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

These entities and organizations include:

The Milton Public Library Board

The Board of Management of the Milton Downtown Business Improvement Area

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

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

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

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

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## 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, 2012. The report also outlines the auditor's responsibilities and the scope of their examination.

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

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

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

## RISK MANAGEMENT AND SIGNIFICANT FINANCIAL MANAGEMENT POLICIES

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

The operating budget is to be balanced with revenues equalling expenditures for the budget period. Any shortfall in the budgeted revenues in a budget period will be funded by tax levies equal to the shortfall, thereby resulting in a balanced budget.

Strong financial policies are key to ensuring that tax revenue does not become an increasing burden on the community. The Town is striving to look for other sources of revenue to sustain its level of services to its citizens. The Town looks to user fees to recover costs of services where it is appropriate to do so. Although a comprehensive review of the user fees is conducted every three to five years, there is also an annual update to ensure that the user fees are increasing at the appropriate yearly rate of inflation. The annual fee schedule is reviewed and approved by Town Council.

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

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

## 2012 ECONOMIC UPDATE

The Ontario economy continues to grow in a challenging global environment, although the pace of growth remains modest. At the same time, economic growth is becoming more balanced. Business investment and net exports will provide the primary foundation for growth over the next several years.

Since the end of the recession in the second quarter of 2009, Ontario's real GDP has increased by 8.1 per cent over the past three years. Solid increases in manufacturing output and international exports led to second-quarter growth. Ontario's auto, machinery, and primary and fabricated metal industries all posted healthy gains.

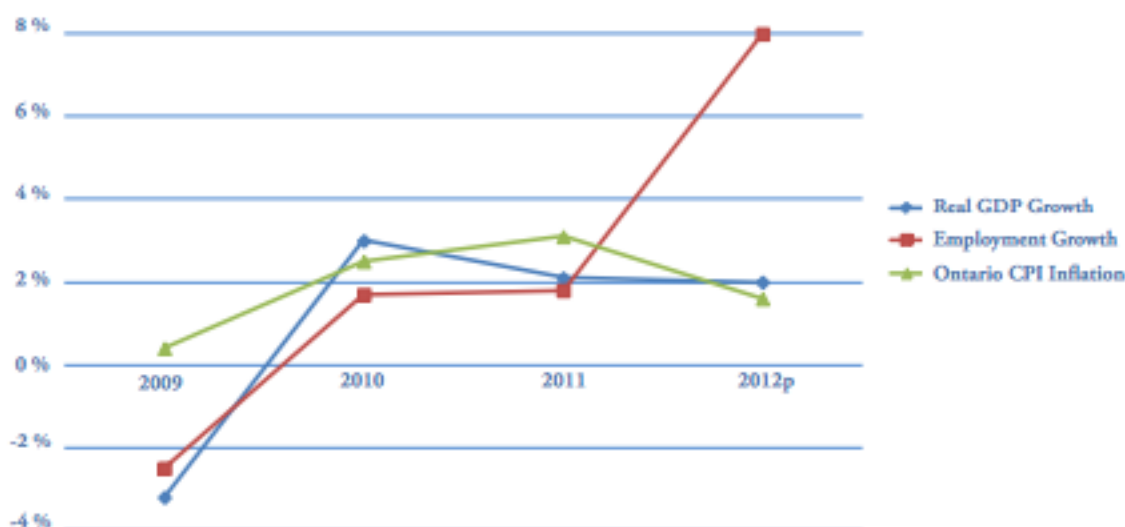
As of September 2012, Ontario employment was 356,000 net jobs above its recessionary low in June 2009. Ontario is expected to create nearly 350,000 net new jobs by 2015, reducing the unemployment rate to 6.8 per cent from a high of 9.4 per cent in June 2009.

The Tax Plan for Jobs and Growth, including the Harmonized Sales Tax (HST), has made Ontario one of the most attractive places in North America for businesses to invest. Business investment in machinery and equipment, which increased 18.7 per cent last year, is a key driver of Ontario's economic growth.

Continued consumer spending, robust business capital investment and a rebound in net trade were main contributors to growth in 2012.

Nonetheless Ontario is not immune to a changing global economy and the uncertainty that comes with change. Many Ontario families are still feeling the effects of the worldwide recession. Since the 2012 Budget, expectations for global economic growth have weakened. There are considerable risks to ponder as the economic conditions in Europe have worsened, the growth of emerging market economies has slowed and the U.S. economy remains tentative. However, recent actions by the European Central Bank and the U.S. Federal Reserve have boosted equity markets and reduced financial stress globally.

### ONTARIO ECONOMIC TRENDS



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



## INFLATION

Recent readings on inflation, as measured by the Ontario Consumer Price Index (CPI), indicate a low level of price increases on a variety of goods and services. Consumer prices in Ontario rose 1.4% in 2012. Higher food and energy prices were the main contributor to the increase.

## CURRENCY AND INTERNATIONAL TRADE

The sharp appreciation of the Canadian dollar from 62 cents U.S. in January 2002 to above parity by September 2012 has created a significant competitive challenge for Ontario's exporters.

The strength of the Canadian dollar reflects strong global demand for commodities, U.S. dollar weakness relative to most major currencies and international investor confidence in Canada as a financially secure and stable jurisdiction. Canada has experienced strong net inflows of capital, a reflection of its strong economic and fiscal position.

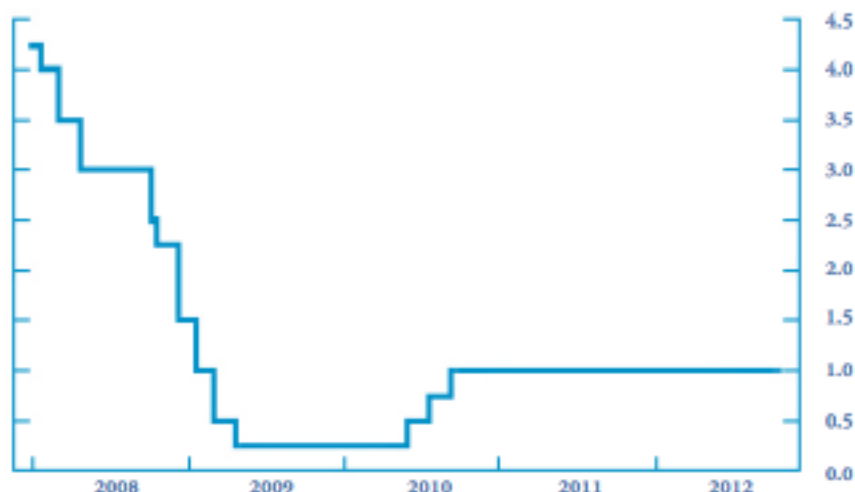
However, the high dollar has had an impact on Ontario's manufacturing and international trade sectors. Ontario's international trade balance has deteriorated from a \$24.6 billion surplus in current dollars in the third quarter of 2002 to a deficit of \$45.4 billion in the second quarter of 2012.

Although the exchange rate has been volatile in 2012, dipping to a low of 97.3 cents U.S. in June, as global uncertainty increased and commodity prices weakened, private-sector forecasters expect the dollar to remain close to parity over the medium term as commodity prices remain firm.

## INTEREST RATES

Interest rates remain very low as central banks around the world maintain accommodative policies to support economic recovery. Lower interest rates are beneficial to Milton as it makes debt more affordable to finance capital projects, however lower interest rates are detrimental to returns on Town's investments.

Since September 2010, the Bank of Canada has maintained its target for the overnight rate at one per cent. In addition, Canada's strong fiscal position compared to that of other countries, coupled with heightened global uncertainty and a weakening global economic outlook, has made Canadian bonds attractive to investors. The yield on the 10-year Government of Canada bond fell to a record low of 1.58 per cent in mid-July 2012. As economic growth strengthens over the medium term, private-sector forecasters expect interest rates to rise gradually to more normal levels.



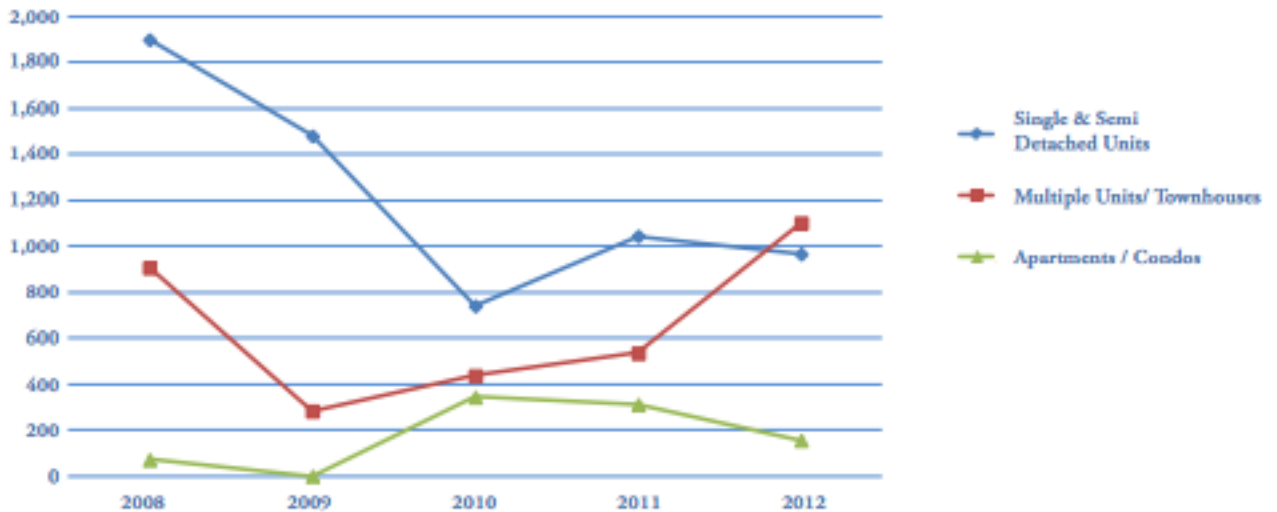
Source: Bank of Canada

## 2012 SIGNIFICANT EVENTS AFFECTING FINANCIAL STATEMENTS

### CONTINUING GROWTH AND BUILDING ACTIVITY

The Town of Milton is continuing to develop at a rapid rate. Identified in the Ontario Places to Grow Initiative, the Town of Milton has become a thriving center for both residential and non-residential development and maintains top spot for fastest growing community in Canada according to the 2011 Census data compiled by Statistics Canada. In 2012 building permit activity continues to expand, especially for residential development. The Town of Milton Building Division issued building permits for 2,225 dwelling units in 2012 representing an 18 per cent increase from the previous year. 2012 had especially remarkable growth in construction of townhouses triggered by demographic demands.

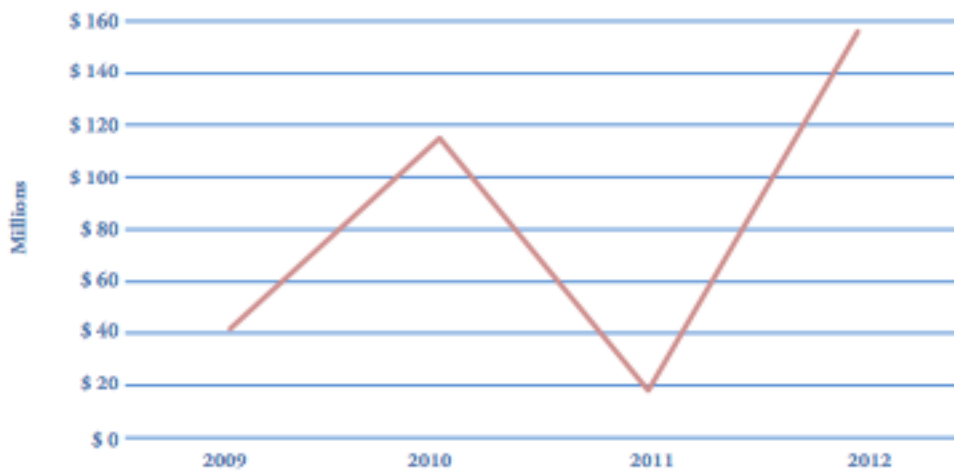
#### NUMBERS OF RESIDENTIAL PERMITS



	2008	2009	2010	2011	2012
Single & semi detached units	1,900	1,481	741	1,045	967
Multiple units / Townhouses	907	283	437	535	1,102
Apartments / Condos	71	-	344	312	156
<b>Total permits issued</b>	<b>2,878</b>	<b>1,764</b>	<b>1,522</b>	<b>1,892</b>	<b>2,225</b>

Non-residential permit activity has also experienced growth in 2012. Although number of permits in industrial and commercial construction has diminished compared to last year, the permits represent larger construction projects with higher value of construction.

### VALUE OF INDUSTRIAL & COMMERCIAL PERMITS

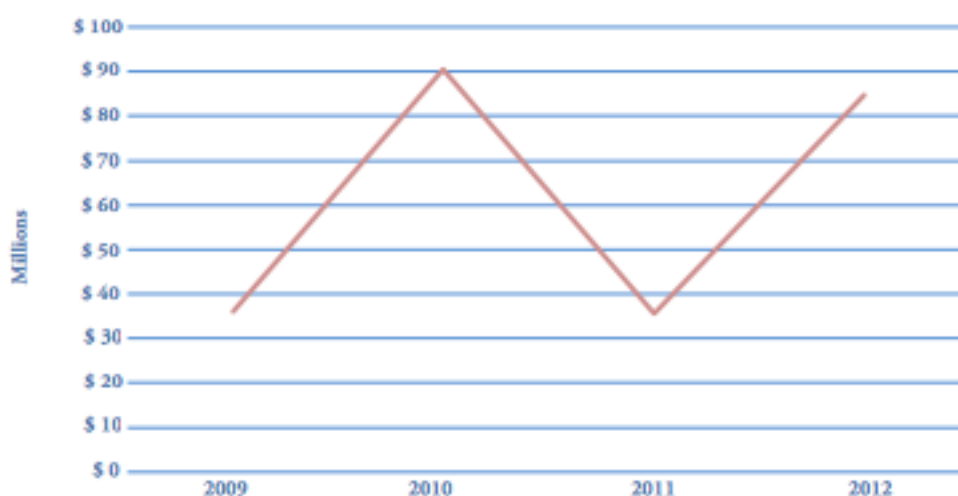


	2009	2010	2011	2012	4 YEAR AVERAGE*
Construction Value	41,784,120	115,083,280	18,083,000	156,071,129	\$ 82,755,382
Permits	127	124	103	92	112
Square Meters	24,031	70,791	7,760	223,137	81,430

\* 5 year data is not available under current methodology

Institutional permits represent construction activity undertaken by government agencies, such as the Town, Region of Halton and Halton School boards. There has been a 50% increase in construction of infrastructure and public facilities triggered by the demographic demands.

### VALUE OF INSTITUTIONAL PERMITS



	2009	2010	2011	2012	4 YEAR AVERAGE*
Construction Value	36,117,000	90,458,815	35,618,000	84,819,000	61,753,204
Permits	22	28	26	39	29
Square Meters	25,786	48,119	16,523	32,607	30,759

\* 5 year data is not available under current methodology

Permit activity is forecast to maintain high numbers in the coming years as the Town continues to recognize increased growth in residential and employment population.

## FACILITIES OPENED IN 2011

New facilities opened in 2011 have now been operating for a full fiscal year, thus making the financial statement impact more visible:

- operating expenses are increased due to amortization, facility maintenance, staffing and other administration costs,
- additional revenue is attracted in the form of facility rentals and program fees.

The following facilities were opened in 2011:

Fire Station No 4 – February 2011

Main library – June 2011

Milton Centre for the Arts – August 2011

Nassagaweya Tennis Centre and Community Hall –October 2011

Milton Sports Centre expansion – November 2011

### FIRE STATION NO. 4

Although Fire Station 4 has been completed in February 2011, the full operating impact is more evident in 2012, as more fire suppression staff was added.

This station is staffed by a full-time day crew serving the community seven days a week from 6:30 AM to 6:30 PM as well as by part-time firefighters who are on call 24 hours/day.



### FIRE STATION NO. 3 AND HEADQUARTERS

This newest fire department location, covering 15,000 square feet, was completed in October 2012. It is the new home of the Fire Administration, Fire Prevention/Public Education and Support Services divisions, including a new state of the art communications centre. Full-time and part-time suppression personnel also operate out of this location, having moved from the former Station No. 3 on Derry Road.



## MAJOR CONSTRUCTION PROJECTS IN 2012

### MAIN STREET GRADE SEPARATION AND CNR OVERPASS

In 2007, Milton Council identified the need to eliminate the level crossing of the Canadian Pacific Railway (CPR) tracks at Main Street East, just east of Ontario Street. The construction stage has commenced in late 2011 and will continue through fall of 2015.

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

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



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

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

## LOUIS ST. LAURENT AVENUE

In 2012 the construction of Louis St. Laurent Avenue has entered into its third phase – construction of CN Rail overpass west of Bronte Street consisting of 4-lane railway overpass including centre median, on-road bike lane, curbs, trail-way and sidewalks.

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

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



## TARGET - MAJOR REGIONAL DISTRIBUTION CENTRE

Target Corporation is a Minneapolis-based company that has a network of 1,764 stores across the United States. It is the second largest retailer in USA.

The company plans to open its first stores in Canada in early 2013. In order to support Target stores of Ontario, the corporation constructed a regional distribution centre in Milton.

The centre opened late 2012 and is a 1.3 million square foot facility that occupies a 75 acre site. The facility is operated by Eleven Points Logistics and provides employment to over 500 employees.



## MILTON EDUCATION VILLAGE

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

In 2012 the project has advanced further and Milton Education Village Secondary Plan, as well as related background documents have been drafted and presented at a public open house on September 25, 2012.

The plan formulates an approach to the future planning of the Milton Education Village Area and provides the basis for detailed technical evaluations of the concepts related to finance, servicing, natural systems impacts, retail market and transportation.





## 2012 FINANCIAL HIGHLIGHTS

The 2012 consolidated financial statements for the Town of Milton reflect the continued strong pace of population growth combined with modest economic growth in the community. As the fastest growing municipality in Canada, the rapid residential and non-residential growth continues to drive demand for Town infrastructure and services. Balancing these demands while maintaining one of the lowest tax rates in the Greater Toronto Area continues to be a priority for Council.

With the construction of a significant amount of new infrastructure in 2011 including roadways, fire and recreational facilities, parks and trails, the 2012 financial statements include a full year of costs and revenues associated with the operation and service delivery of the new infrastructure. The extensive construction program combined with the timely expansion of existing services to

meet the demands of the growing community is a driver to financial activities in the Town.

In 2012, an increasing trend in the growth of tangible capital assets continued as a result of the investment into new infrastructure by the Town and contributions from developers for infrastructure built within new subdivisions. In total, \$94.1 million worth of assets was added to the Town's inventory.

The Town continues to maintain its strong fiscal management as confirmed through a strong credit rating. The Town's current debt capacity ratio of 6.5% is well below the guidelines established by the Ontario Municipal Board of 25% of own source revenues or Council's more restrictive guidelines of 15% and up to 20% with the inclusion of growth related debt.

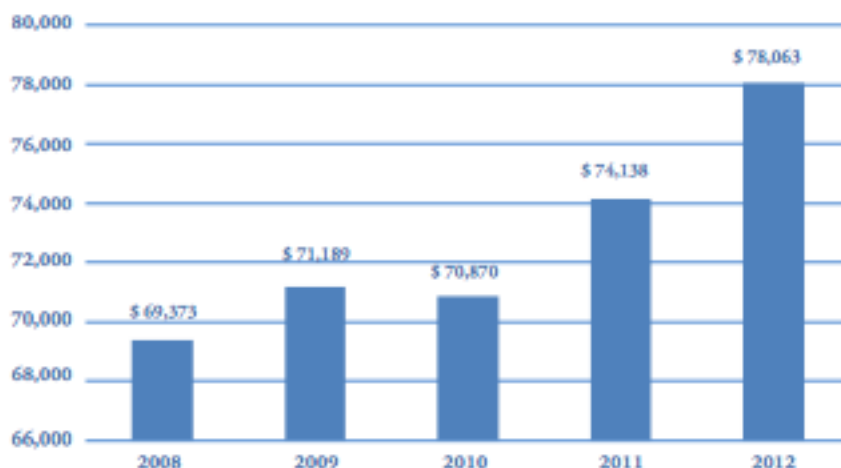
## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### NET FINANCIAL ASSETS

	2012	2011	Variance	% Change
Financial assets	231,520	197,148	34,372	17%
Less financial liabilities	153,457	123,010	30,447	25%
<b>Net financial assets</b>	<b>78,063</b>	<b>74,138</b>	<b>3,925</b>	<b>5%</b>

The Town ended the year with a net financial asset position (financial assets less financial liabilities) of \$78.1 million, a 5 per cent increase of \$3.9 million from the prior year. The following chart illustrates the four year trend in net financial assets. The increase in financial assets of \$34.4 million was offset by a slightly lesser increase in financial liabilities of \$ 30.4 million dollars.

### NET FINANCIAL ASSETS (IN THOUSAND DOLLARS)



## FINANCIAL ASSETS

In 2012 Town's financial assets have increased \$34.4 million mostly due to the \$45.8 million increase in cash and cash equivalents, partially offset by \$9.6 million decrease in investment balances. On December 31, 2012 the Town's cash and investments totalled \$164.9 million, compared to \$128.7 million on December 31, 2011. The 2012 annual rate of return on cash and investments was 2.37 per cent, compared to 2.49 per cent for 2011.

## CASH AND SHORT-TERM INVESTMENTS

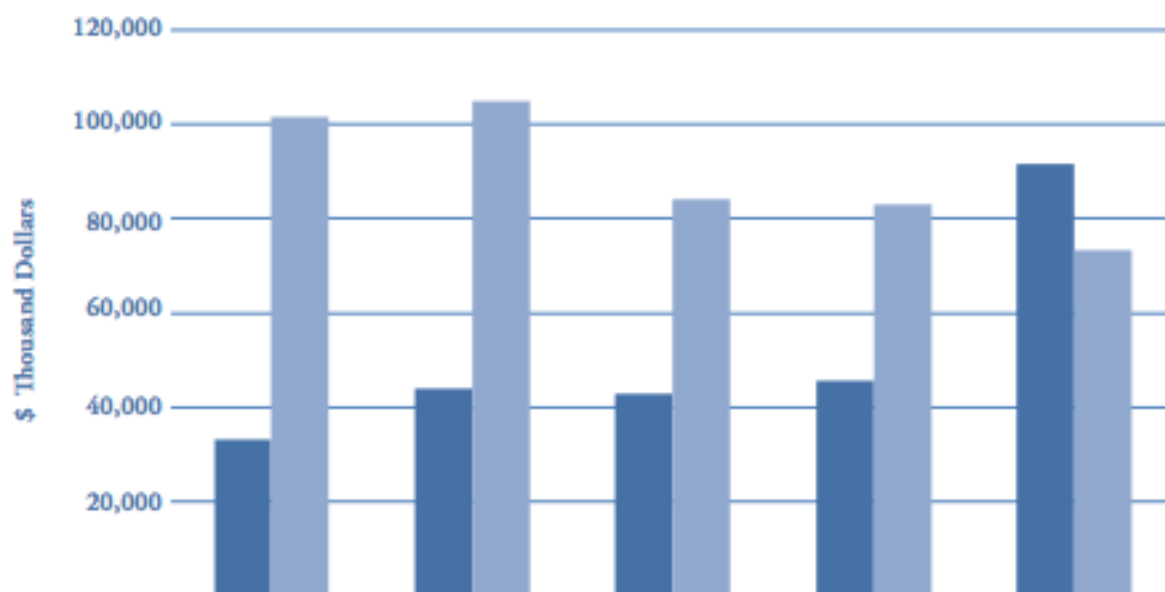
2012 year-end cash balance was \$38.1 million. Short-term investments - securities having a term of up to one year and held by the Town at year-end totalled \$53.9 million. This includes \$49.7 million of short-term investments under 90 days, classified as cash equivalents on the Statement of Financial Position. With an average rate of return of 1.53 per cent, all short term investments generated \$0.83 million in income.

On a year over year basis, the cash and short-term investment positions both increased as a result of the increased portfolio size and reduced opportunities for return on long-term investments.

## LONG-TERM INVESTMENTS

Long-term investments, securities with a term greater than one year, held by the Town at year end totalled \$69.2 million, a decrease of \$9.6 million from last year. The average rate of return for the year was 3.36 per cent, generating \$2.5 million in investment income. Investment holdings at year end are compared over the past five years in the following graph:

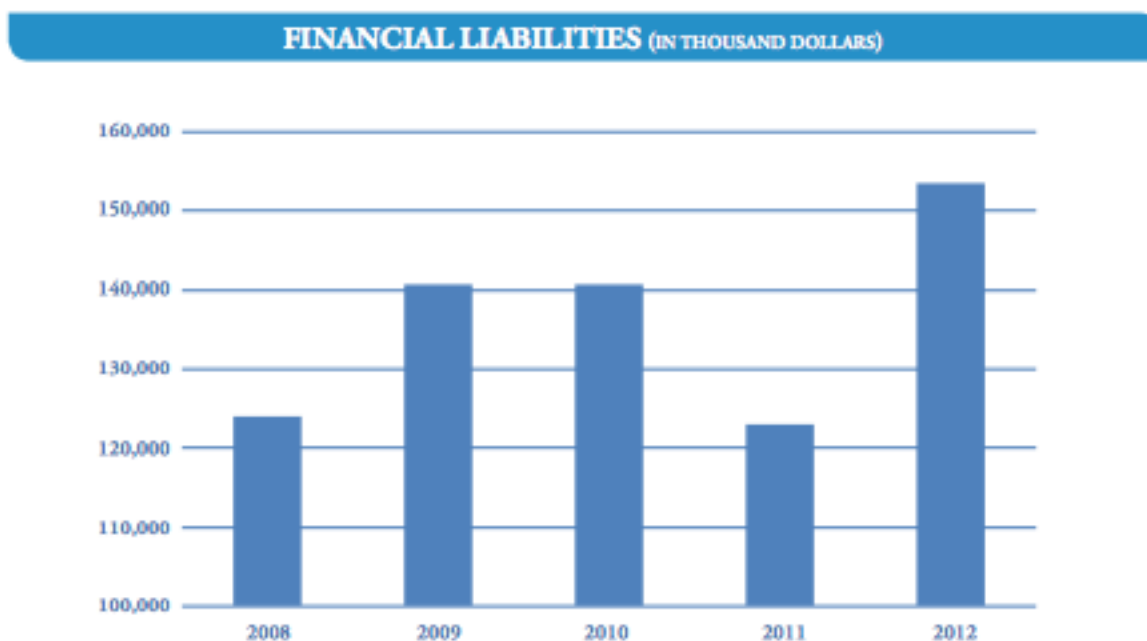
### CASH & INVESTMENT POSITIONS AT DECEMBER 31



	2008	2009	2010	2011	2012
Cash & Cash Equivalents	33,176	43,834	42,766	45,666	91,514
Investments	101,581	104,950	84,183	83,023	73,428

## FINANCIAL LIABILITIES

The major contributors to the increase of financial liabilities of \$30.4 million dollars are accounts payable and deferred revenue. Increase in accounts payable of \$13.8 million is mainly attributable to the timing of remitting development charges collected on behalf of the Region of Halton. Increase in deferred revenue of \$16.2 million dollars is primarily related to the accumulation of deferred development charges to be utilized to finance the future construction of tangible capital assets. Please see the chart below for financial liabilities trend over five years:



## DEBT

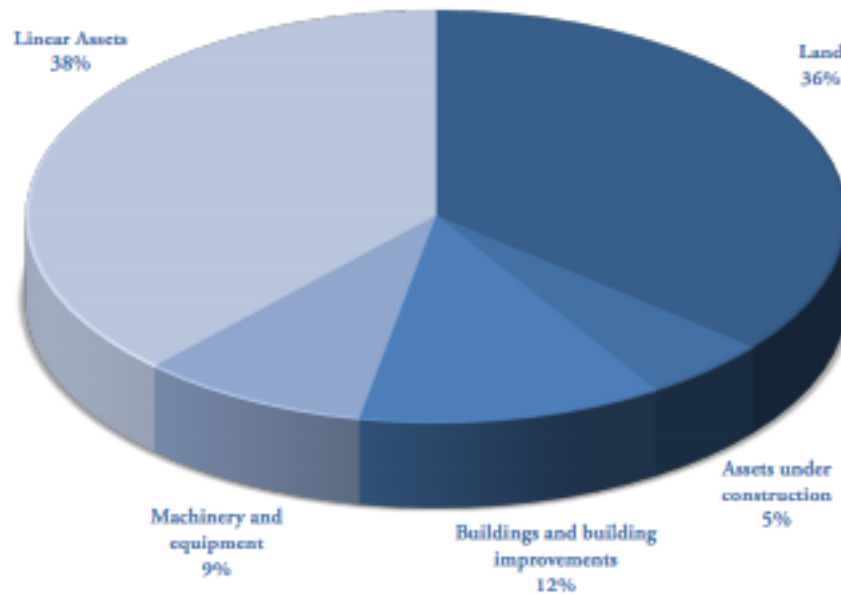
In 2012 the Town issued \$2.1 million in new debentures and paid off \$4.0 million which decreased the balance of net long-term debentures to \$31.3 million. The timing of the 2012 debt issue allowed the Town to take advantage of the favourable borrowing levels. The 1-10-year serial debenture issuance had an all-in average borrowing yield of 2.95 per cent. This compares to an average yield of 3.82 per cent when debt was issued in 2011 and 3.97 per cent for 2010. Guidelines established by the Ontario Municipal Board (OMB) allow for a maximum debt ratio of 25 per cent of total revenues exclusive of grant funding, which in 2012 equals to \$20.7 million. The Town Council has set further restrictive guidelines of 15 per cent and up to 20 per cent with the inclusion of growth related debt. The Town's current debt capacity ratio of 6.50 per cent is well within the guidelines set by both the OMB and Town Council.

## NON-FINANCIAL ASSETS

Non-financial assets, primarily consisting of tangible capital assets have continued to increase with a 10.0 per cent increase of \$ 73.1 million, which reflects the Town's investment into capital infrastructure and the value of new assets being added to the Town's inventory outpacing the annual amortization costs.

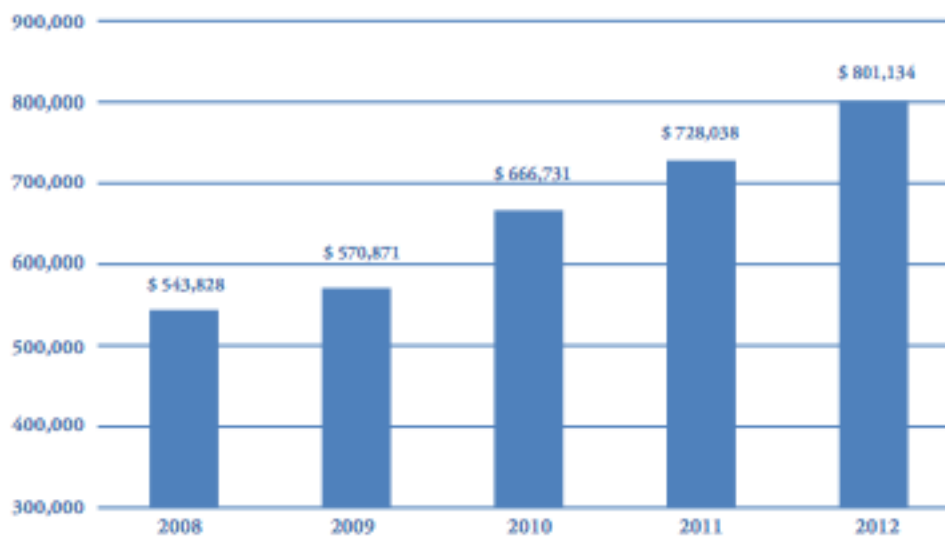
Please see the pie chart below for the breakdown of tangible capital assets by the function they support.

### 2012 TANGIBLE CAPITAL ASSETS BREAKDOWN



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

### TANGIBLE CAPITAL ASSETS (IN THOUSAND DOLLARS)



Asset Type	2012	%	2011	%	Change	% Change
Land	257,793	32%	234,645	32%	23,148	10%
Land improvements	30,097	4%	25,855	4%	4,242	16%
Buildings and building improvements	92,294	12%	90,826	12%	1,468	2%
Machinery and equipment	69,788	9%	68,107	9%	1,681	2%
Linear Assets	307,834	38%	283,019	39%	24,815	9%
Assets under construction	43,328	5%	25,586	4%	17,742	69%
<b>Total</b>	<b>801,134</b>	<b>100%</b>	<b>728,038</b>	<b>100%</b>	<b>73,096</b>	<b>10%</b>

## ACCUMULATED SURPLUS

Overall, the Town has maintained a strong accumulated surplus with a total of \$879.7 million, an increase of 10.0 per cent from the prior year balance of \$802.8 million. The change in the accumulated surplus arises from the annual excess of revenues over expenses for the year of \$76.9 million.

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

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

	2012	2011	Change
Reserves	35,563	30,668	4,895
Reserve funds	13,085	12,444	641
Investment in Tangible capital assets	801,134	728,038	73,096
Unexpended capital	13,837	18,500	(4,663)
Investment in Milton Hydro	49,760	48,927	833
Town surplus	150	150	-
Library surplus	38	38	-
Unfunded liabilities	(33,865)	(36,009)	2,144
<b>Total accumulated surplus</b>	<b>879,702</b>	<b>802,756</b>	<b>76,946</b>

The reserve balances have experienced an increase of \$4.8 million primarily due to contributions to growth related reserves. The discretionary reserve funds have increased by \$641 thousand dollars, mainly due to an increase in Milton District Hospital Reserve Fund of \$412 thousand and Property Transactions Reserve Fund of \$395 thousand dollars.

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

## CONSOLIDATED STATEMENT OF OPERATIONS

The Consolidated Statement of Operations is the municipal equivalent of the private sector's income statement, providing a summary of revenues and expenditures throughout the year. Annual surplus reported on this statement is the difference between the cost of providing the Town's services and the revenues recognized for the year on an accrual basis. Budget figures represent capital and operating budgets combined as outlined in Note 15 of the financial statements.

### REVENUES

#### 2012 BUDGET TO ACTUAL COMPARATIVE ANALYSIS

Revenues	Budget	Actual	Variance	% Variance
Taxation (note 13)	39,526	38,589	(937)	-2%
User charges	12,172	12,314	142	1%
Government transfers:				
Federal (note 14)	1,223	2,210	987	81%
Provincial (note 14)	1,734	687	(1,047)	-60%
Other municipalities	2,517	6,583	4,066	162%
Investment income	3,278	3,873	595	18%
Penalties and interest	1,533	2,380	847	55%
Developer contributions	18,179	28,082	9,903	54%
Developer contributed assets	-	48,010	48,010	100%
Proceeds from Ontario Lottery Corporation	5,600	5,505	(95)	-2%
Licences, permits, rents etc.	6,010	5,717	(293)	-5%
Equity in income of Milton Hydro	1,500	2,333	833	56%
Donations	286	2,818	(2,532)	-885%
Other recoveries	-	2,677	(2,677)	-100%
Miscellaneous	1,971	1,415	556	28%
<b>Total revenues</b>	<b>95,529</b>	<b>163,193</b>	<b>67,664</b>	<b>71%</b>

The variations in budget and actual columns primarily relate to unbudgeted tangible capital asset activity such as developer contributed assets, which gave a positive variance of \$48.0 million dollars. Another contributing factor is timing of capital expenditures being incurred in a different year from the budget year. Developer contributions include development charges earned for the capital expenditures 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 \$9.9 million.

A favourable variance of \$2.6 million dollars of other recoveries relates to contractual obligations to third parties for which the Town receives full compensation. An additional favourable variance of \$2.5 million dollars in donations revenue is attributable to the Milton Velodrome initiative.

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

## YEAR OVER YEAR COMPARATIVE ANALYSIS

Revenues	2012	2011	Change	% Change
Taxation (note 13)	38,589	35,229	3,360	10%
User charges	12,314	10,355	1,959	19%
Government transfers:				
Federal (note 14)	2,210	7,192	(4,982)	-69%
Provincial (note 14)	687	6,206	(5,519)	-89%
Other municipalities	6,583	5,052	1,531	30%
Investment income	3,873	3,860	13	0%
Penalties and interest	2,380	1,764	616	35%
Developer contributions	28,082	38,089	(10,007)	-26%
Developer contributed assets	48,010	24,121	23,889	99%
Proceeds from Ontario Lottery Corporation	5,505	5,450	55	1%
Licences, permits, rents etc.	5,717	5,335	382	7%
Equity in income of Milton Hydro	2,333	2,415	(82)	-3%
Donations	2,818	390	2,428	622%
Other recoveries	2,677	181	2,496	1,379%
Miscellaneous	1,415	743	672	90%
<b>Total revenues</b>	<b>163,193</b>	<b>146,382</b>	<b>16,811</b>	<b>11%</b>

Total revenue reported for the year 2012 was \$163.2 million, an increase of \$16.8 million from last year's amount of \$146.4 million dollars. One of the main sources of favourable variance was the increase in developer contributed assets that brought \$23.9 million of additional revenue compared to 2011 amount of \$24.1 million. This was driven by an increase in the number of subdivision assumptions. The Town receives assets from developers as part of their obligation under subdivision agreements, which are deemed to be donated assets because no cash changed hands. These assets are transferred into the ownership of the Town and must be recorded on the Town's Statement of Financial Position as part of the tangible capital asset pool. At the same time, the value of the assets contributed must be recognized as revenue received by the Town on the Statement of Operations.

Partially offsetting this favourable revenue variance was developer contributions revenue, that experienced a reduction of \$10.0 million dollars. Developer contributions include development charges earned for the capital expenditures incurred within the calendar year and do not include the actual cash collected in that year. The decline in this revenue source was related to a reduction in capital work activity authorized to be funded through development charges.

Federal and provincial grant revenue decreased \$10.5 million from the 2011 amount of \$13.4 million dollars, primarily related to completion of the Infrastructure Stimulus and Building Canada Fund programs.

In 2012 donations revenue increased by \$2.4 with the Velodrome donations of \$2.6 million dollars being the main contributor.

## EXPENSES

### 2012 BUDGET TO ACTUAL COMPARATIVE ANALYSIS

Expenses	Actual	Budget	Variance	Amortization & Loss on TCA	Variance	% Variance
General government	13,136	9,992	3,144	2,106	1,038	10%
Protection services	11,759	11,034	722	918	(196)	-2%
Transportation services	29,583	14,658	14,925	10,292	4,633	32%
Environmental services	1,832	423	1,409	1,404	5	1%
Recreational and cultural services	24,687	19,945	4,742	5,982	(1,240)	-6%
Planning and development	5,253	4,304	949	5	944	22%
<b>Total expenses</b>	<b>86,247</b>	<b>60,356</b>	<b>25,891</b>	<b>20,707</b>	<b>5,184</b>	<b>9%</b>

The 2012 financial position of the Town results in an increase of expenses of \$25.9 million dollars over budgeted expenditures of \$60.4 million. The variance between budget and actual columns primarily relates to tangible capital asset activity not included in the budget, such as amortization and gain or loss on disposal. Amortization and loss on disposal of tangible capital assets amount to \$ 20.7 million dollars. In addition, expenditures included in capital budgets that cannot be capitalized and need to be expensed on Statement of Operations are predominantly project based and may not always align within the same calendar year. Some of the variances in expenses are attributable to the factors described below:

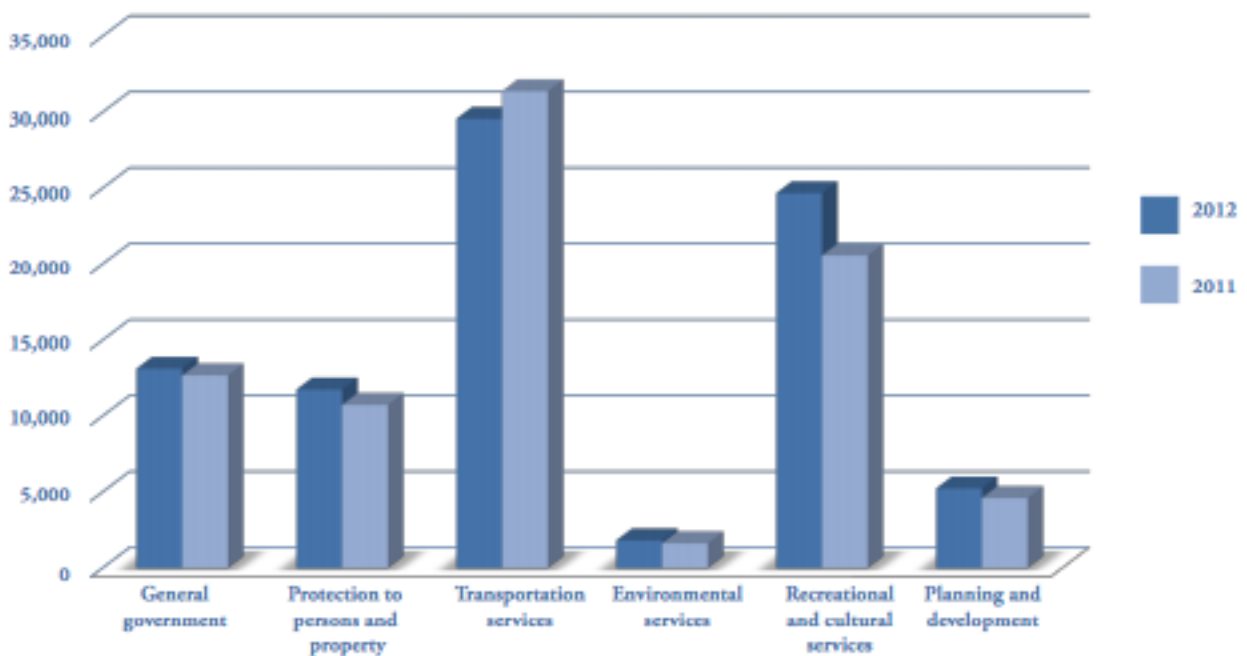
- o Excess expenditures over budget in general government is caused by the following:
  - As Town involvement with legal matters continues to increase, the legal costs exceeded the budgeted amount by \$340 thousand, which was partially offset by the positive variance of \$84 thousand in legal recoveries.
  - Contributing to the deficit in general government are higher than anticipated insurance costs which exceeded the budgeted amount by \$488 thousand. These include both claims paid out as well as accruals for claims submitted.
  - \$427 thousand dollars are attributable to expenditures included in capital budget that did not meet the definition of tangible capital assets or did not meet the capitalization threshold and needed to be expensed on the Statement of Operations, such as Development Charges Background Study.
- o Transportation services have recorded an excess of \$4.6 million dollars over budgeted expenses, of which \$6.3 million dollars of actual expenditures over budget is mostly attributable to expenditures from capital work on regional assets where the timing of expenses being incurred was in a different year than the budget year. This was offset by \$1.7 million dollars of lower than budgeted expenses for winter control on both Town and regional roads.
- o Recreation and cultural services realized savings of \$1.2 million due to several contributing factors:
  - Staff gapping from delayed hiring for new facilities and programs,
  - Reduction of maintenance costs over projected for both the Sports Centre and Milton Centre for the Arts, where many items are still under warranty,
  - First summer closure of the John Tonelli Sports Centre,
  - Reduction of parks maintenance costs due to less damage caused by the milder winter,
  - Rescheduling of planned fall soccer field and ball diamond maintenance to early 2013 due to unfavourable weather.
- o Planning and development services have experienced an excess of \$944 thousand dollars of actual expenditures over budgeted. The primary variance relates to \$1.0 million dollars of capital budget related expenses that could not be capitalized or the timing of expenses being incurred being in a different year from the budget year.



## YEAR OVER YEAR COMPARATIVE ANALYSIS

Expenses	2012	2011	Change	% Change
General government	13,136	12,688	448	4%
Protection services	11,756	10,755	1,001	9%
Transportation services	29,583	31,390	(1,807)	-6%
Environmental services	1,832	1,638	194	12%
Recreational and cultural services	24,687	20,578	4,109	20%
Planning and development	5,253	4,614	639	14%
	<b>86,247</b>	<b>81,663</b>	<b>4,584</b>	<b>6%</b>

### YEAR OVER YEAR COMPARATIVE ANALYSIS OF EXPENSES



The 2012 financial position of the Town results in an increase of expenditures of \$4.6 million dollars over 2011. This is mostly attributable to increased costs of operating newly added facilities for recreation and fire protection services and continued investment in new infrastructure and rehabilitation of existing infrastructure.

Decreases in transportation services of \$1.8 million are attributable to a reduction of amortization expense resulting from a change of estimated useful life of roads.

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## 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 \$3.9 million dollars, compared to last year's increase of \$3.3 million dollars.

## CONSOLIDATED STATEMENT OF CASH FLOWS

Consolidated Statement of Cash Flows explains how the Town financed its activities and met its cash requirements. It also details items not involving cash such as annual amortization and developer contributed assets. This schedule reconciles the change in cash and cash equivalents from one year to another. The consolidated cash position of the municipality increased by \$45.8 million to \$91.5 million. The most significant cash outflow was the acquisition of tangible capital assets of \$46.1 million dollars, which was \$16.1 million dollars less than that last year. In addition to \$82.1 million dollars of cash inflow from operating activities, the Town of Milton increased cash and short-term investments by \$11.1 million dollars through the maturing of investments held in long-term portfolio and the dividends received from Milton Hydro.

## LOOKING FORWARD

For several years in a row, the Town of Milton has been recognized as the fastest growing municipality in Canada. With a projected population increase of 71,554 over the next nine years, the Town of Milton has to carefully plan its growth strategies. The Town believes it is essential to have a guiding vision that is embraced by its residents and will set standards for Milton's lifestyle for the future years of growth and development. The Town's strategic plan, *Destiny Milton 2*, is the broad vision for Milton, setting priorities for Milton's quality of life and service delivery. It will guide and provide context for all short and long-term planning for the Town through the Service Area Master Plans to ensure that the right services are being delivered to Milton's growing population.

## PLANNING FOR GROWTH

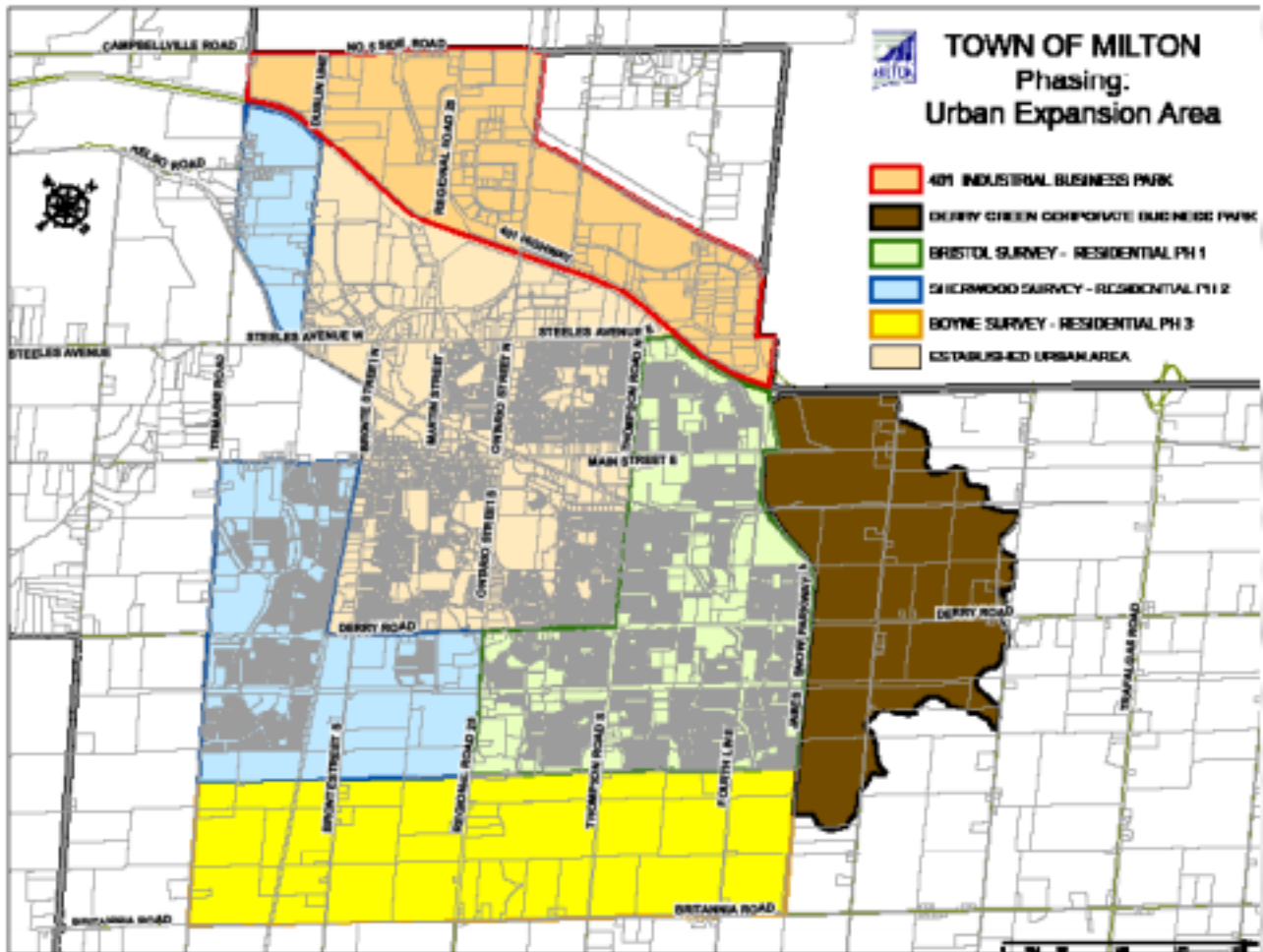
The Halton Urban Structure Plan (HUSP) adopted by Regional Council in June 1994, has outlined and planned for development activities to accommodate growth of the Town of Milton in the following phases:

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

**Phase 2 (Sherwood Survey)** – area generally to the west and south of the pre-HUSP urban boundary extending from Tremaine Rd. in the west and midway between Derry Rd. and Britannia to the south (now Louis St. Laurent Blvd). Considerable housing growth potential still remains within the Phase 2 area, with approximately 28 per cent of forecast total Town-wide housing growth between 2012 and 2021;

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

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



## PROVIDING FOR GROWTH

The annual capital budget provides for the infrastructure required to support the continued development of the Bristol and Sherwood Survey Secondary Plan Areas as well as the development of the Boyne Survey Secondary Plan Area and the Derry Green Corporate Business Park as approved by Council through the Town's Development Charges Background Study.

The approved 2013 capital budget represents a significant investment in new infrastructure as well as the rehabilitation of existing assets to support the provision of services to the current and future residents and business of the Town of Milton. The 2013 capital budget provides for such things as facilities, roads, bridges, parks, trails and equipment with a total investment of \$65.1 million. Of this amount, \$53.7 million is required for projects related to growth in the community while the remaining balance of \$11.4 million is required for the rehabilitation or replacement of existing assets.

## TORONTO 2015 PAN/PARAPAN AMERICAN GAMES VELODROME

The Toronto 2015 Pan Am and Para-Pan Am Games committee approached the Town of Milton with the possibility to bid for a permanent velodrome, and Milton Council officially committed to the Velodrome Project in January 2012. The forthcoming Velodrome will be located within the Milton Education Village, adjacent to the proposed location for the Wilfrid Laurier University campus. Construction is expected to occur in the first quarter of 2013 and continue throughout the year. Substantial completion is scheduled for 2014, followed by a test cycling event hosted in the Velodrome in advance of the Pan/Para-Pan American Games to be held in 2015.

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



## IMPLEMENTATION OF ASSET MANAGEMENT SYSTEM

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

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



**2012** CONSOLIDATED  
FINANCIAL STATEMENTS

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**TOWN OF MILTON FINANCIAL REPORT**





# MANAGEMENT REPORT

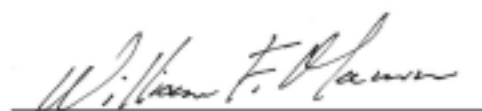
## Management's Responsibility for the Consolidated Financial Statements

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

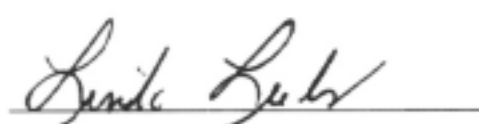
The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely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

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

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



William F. Mann  
Acting Chief Administrative Officer



Linda Leeds, CGA  
Treasurer

May 27, 2013



**KPMG LLP**  
**Chartered Accountants**  
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Hamilton ON L8N 3R1

Telephone (905) 523-8200  
Telefax (905) 523-2222  
[www.kpmg.ca](http://www.kpmg.ca)

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying consolidated financial statements of the Corporation of the Town of Milton, which comprise the consolidated statement of financial position as at December 31, 2012, the consolidated statements of operations, change in net financial assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

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

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

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



*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation of the Town of Milton as at December 31, 2012, and its consolidated results of operations and 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.

*KPMG LLP*

Chartered Accountants, Licensed Public Accountants  
May 27, 2013  
Hamilton, Canada

# THE CORPORATION OF THE TOWN OF MILTON

## Consolidated Statement of Financial Position

December 31, 2012, with comparative figures for 2011

(in thousands of dollars)

	2012	2011
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 91,514	\$ 45,666
Accounts receivable (note 2)		
Taxes receivable	6,529	10,578
Grants receivable	196	229
Other	9,533	8,174
Investments (note 3)	73,428	83,023
Investment in Milton Hydro Holdings Inc. (note 4)	49,760	48,927
Other assets	560	552
<b>Total financial assets</b>	<b>231,520</b>	<b>197,149</b>
<b>Financial Liabilities:</b>		
Accounts payable and accrued liabilities	35,877	22,021
Other liabilities	9,397	6,980
Deferred revenue (note 5)	73,892	57,622
Long-term debentures (note 6)	31,300	33,282
Developer obligations (note 7)	1,808	1,988
Employee benefits and other liabilities (note 8)	1,183	1,118
<b>Total financial liabilities</b>	<b>153,457</b>	<b>123,011</b>
<b>Net financial assets</b>	<b>78,063</b>	<b>74,138</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 10)	801,134	728,038
Inventories of supplies	293	430
Prepaid expenses	212	150
<b>Total non-financial assets</b>	<b>801,639</b>	<b>728,618</b>
<b>Accumulated surplus (note 11)</b>	<b>\$ 879,702</b>	<b>\$ 802,756</b>

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

# THE CORPORATION OF THE TOWN OF MILTON

## Consolidated Statement of Operations

Year ended December 31, 2012, with comparative figures for 2011  
(in thousands of dollars)

	BUDGET	2012	2011
	(Unaudited- note 15)		
<b>Revenue:</b>			
Taxation (note 12)	\$ 39,526	\$ 38,589	\$ 35,229
User charges	12,172	12,314	10,355
Government transfers:			
Federal (note 13)	1,223	2,210	7,192
Provincial (note 13)	1,734	687	6,206
Other municipalities	2,517	6,583	5,052
Investment income	3,278	3,873	3,860
Penalties and interest	1,533	2,380	1,764
Developer contributions	18,179	28,082	38,089
Developer contributed assets	-	48,010	24,121
Proceeds from Ontario Lottery Corporation	5,600	5,505	5,450
Licenses, permits, rents, etc	6,010	5,717	5,335
Equity in income of Milton Hydro (note 4)	1,500	2,333	2,415
Donations	286	2,818	390
Other recoveries	-	2,677	181
Miscellaneous	1,971	1,415	743
<b>Total Revenue</b>	<b>95,529</b>	<b>163,193</b>	<b>146,382</b>
<b>Expenses:</b>			
General government	9,992	13,136	12,688
Protection to persons and property	11,034	11,756	10,755
Transportation services	14,658	29,583	31,390
Environmental services	423	1,832	1,638
Recreational and cultural services	19,945	24,687	20,578
Planning and development	4,304	5,253	4,614
<b>Total expenses</b>	<b>60,356</b>	<b>86,247</b>	<b>81,663</b>
Annual surplus	35,173	76,946	64,719
Accumulated surplus, beginning of year	802,756	802,756	738,037
<b>Accumulated surplus (note 11), end of year</b>	<b>\$ 837,929</b>	<b>\$ 879,702</b>	<b>\$ 802,756</b>

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

# THE CORPORATION OF THE TOWN OF MILTON

## Consolidated Statement of Change in Net Financial Assets

December 31, 2012, with comparative figures for 2011

(in thousands of dollars)

	BUDGET	2012	2011
	(Unaudited- note 15)		
Annual surplus	\$ 35,173	\$ 76,946	\$ 64,719
Acquisition of tangible capital assets	(37,052)	(94,126)	(86,335)
Amortization of tangible capital assets	-	20,321	24,605
(Gain)/loss on disposal of tangible capital assets	-	(71)	353
Proceeds on sale of tangible capital assets	-	780	70
	<b>(1,879)</b>	<b>3,850</b>	<b>3,412</b>
Change in inventories of supplies	-	137	(71)
Change in prepaid expenses	-	(62)	(73)
<b>Change in net financial assets</b>	<b>(1,879)</b>	<b>3,925</b>	<b>3,268</b>
Net financial assets, beginning of year	74,138	74,138	70,870
<b>Net financial assets, end of year</b>	<b>\$ 72,259</b>	<b>\$ 78,063</b>	<b>\$ 74,138</b>

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

# THE CORPORATION OF THE TOWN OF MILTON

## Consolidated Statement of Cash Flows

December 31, 2012, with comparative figures for 2011

(in thousands of dollars)

	2012	2011
<b>Operating Activities:</b>		
Annual surplus	\$ 76,946	\$ 64,719
Items not involving cash:		
Amortization	20,321	24,605
(Gain)/loss on disposal of tangible capital assets	(71)	353
Developer contributions of tangible capital assets	(48,010)	(24,121)
Change in employee benefits and other liabilities	65	157
Equity in income of Milton Hydro	(2,333)	(2,415)
Change in non-cash assets and liabilities		
Accounts receivable	2,723	17,217
Other assets	(8)	(213)
Accounts payable and accrued liabilities	13,856	(2,686)
Other liabilities	2,417	(532)
Deferred revenue	16,270	(12,183)
Developer obligations	(180)	(4,637)
Inventories of supplies	137	(71)
Prepaid expenses	(62)	(73)
<b>Net change in cash from operating activities</b>	<b>82,071</b>	<b>60,120</b>
<b>Capital Activities:</b>		
Proceeds on sale of tangible capital assets	780	70
Cash used to acquire tangible capital assets	(46,116)	(62,214)
<b>Net change in cash from capital activities</b>	<b>(45,336)</b>	<b>(62,144)</b>
<b>Investing Activities:</b>		
Investments	9,595	1,160
Dividends from Milton Hydro Holdings Inc.	1,500	1,500
<b>Net change in cash from investing activities</b>	<b>11,095</b>	<b>2,660</b>
<b>Financing Activities:</b>		
Debt issued and assumed	2,108	5,744
Debt principal repayment	(4,090)	(3,480)
<b>Net change in cash from financing activities</b>	<b>(1,982)</b>	<b>2,264</b>
<b>Net change in cash</b>	<b>\$ 45,848</b>	<b>\$ 2,900</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Consolidated Statement of Cash Flows (continued)

December 31, 2012, with comparative figures for 2011  
(in thousands of dollars)

	2012	2011
Cash and cash equivalents, beginning of year	\$ 45,666	\$ 42,766
<b>Cash and cash equivalents, end of year</b>	<b>\$ 91,514</b>	<b>\$ 45,666</b>
Cash paid for interest on long-term debt	\$ 1,299	\$ 1,295
Cash received from interest on investments	3,876	3,903

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



# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

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

### 1. Significant accounting policies:

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

Significant accounting policies adopted by the Town are as follows:

(a) Basis of consolidation:

(i) Consolidated entities

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

These entities and organizations include:

The Milton Public Library Board

The Board of Management of the Milton Downtown Business Improvement Area

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

(ii) Investment in Milton Hydro Holdings Inc.

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

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

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

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

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

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the Region of Halton and the school boards are not reflected in these consolidated financial statements.

#### (b) Basis of accounting:

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

#### (c) Government transfers:

Transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

#### (d) Deferred revenue:

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

#### (e) Investments:

Investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments.

#### (f) Investment income:

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

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

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

#### h) Employee future benefits:

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

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

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

#### (h) Employee future benefits (continued):

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

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

#### (i) 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.

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

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

#### (i) Tangible capital assets

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

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

Amortization is charged in the year of acquisition and in the year of disposal. Amortization of the asset begins in the month of acquisition. Assets under construction are not amortized until the asset is available for productive use.

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

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

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

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

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

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

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

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

##### (iv) Inventories of supplies

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

#### (k) 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 statement, and the reported amounts of revenues and expenses during the period. Significant estimates include assumptions used in estimating provisions for accrued liabilities and in performing actuarial valuations of employee future benefits.

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

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 2. Accounts receivable

Taxes receivable of \$6,529 (2011 - \$10,578) reported on the Consolidated Statement of Financial Position include supplementary taxes of \$1,377 (2011 - \$1,113) recorded in 2012 but not collectible until 2013. Other accounts receivable are reported net of a valuation allowance of \$687 (2011 - \$243).

### 3. Investments:

Investments reported on the consolidated statement of financial position have cost and market values as follows:

	2012	
	Cost	Market Value
Short-term notes and deposits	\$ 4,206	\$ 4,216
Government and government guaranteed bonds	17,194	18,172
Municipal bonds	15,725	17,170
Financial institutions	36,303	36,438
<b>Total investments, year end</b>	<b>\$ 73,428</b>	<b>\$ 75,996</b>

	2011	
	Cost	Market Value
Short-term notes and deposits	\$ 2,537	\$ 2,541
Government and government guaranteed bonds	22,159	23,623
Municipal bonds	17,345	19,000
Financial institutions	40,982	40,903
<b>Total investments, year end</b>	<b>\$ 83,023</b>	<b>\$ 86,067</b>

### 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, 2012

(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:

	2012	2011
<b>Financial Position:</b>		
<b>Assets:</b>		
Current	\$ 22,207	\$ 21,364
Capital	59,261	53,961
Other	1,236	303
<b>Total assets</b>	<b>82,704</b>	<b>75,628</b>
<b>Liabilities:</b>		
Current	13,150	12,633
Long term debt	14,460	9,904
Long term note payable to Town of Milton	14,934	14,934
Other	5,334	4,164
<b>Total liabilities</b>	<b>47,878</b>	<b>41,635</b>
<b>Equity:</b>		
Share capital	17,549	17,549
Retained earnings	17,277	16,444
<b>Total equity</b>	<b>34,826</b>	<b>33,993</b>
<b>Total liabilities and equity</b>	<b>\$ 82,704</b>	<b>\$ 75,628</b>
<b>Operations:</b>		
Revenue	\$ 89,617	\$ 80,624
Expenses (including income tax provision)	87,284	78,209
Income net of taxes	2,333	2,415
Dividend paid to Town of Milton	(1,500)	(1,500)
<b>Change in equity</b>	<b>\$ 833</b>	<b>\$ 915</b>
<b>Town of Milton investment represented by:</b>		
Promissory note receivable from Milton Hydro	\$ 14,934	\$ 14,934
2,000 Common shares	17,549	17,549
Retained earnings, end of year	17,277	16,444
<b>Total investment in Milton Hydro</b>	<b>\$ 49,760</b>	<b>\$ 48,927</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(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 of \$2,039 (2011 - \$2,138). Property taxes paid to the Town by Milton Hydro of \$41 (2011 - \$36).

Promissory note receivable from Milton Hydro to the Town has a 7.25% interest payable in quarterly installments of \$271, with no fixed principal repayment date. Interest expense on the note payable recorded by Milton Hydro for the year was \$1,083 (2011 - \$1,083).

### 5. Deferred revenue:

(a) The deferred revenues, reported on the consolidated statement of financial position, are made up of the following:

	2012	2011
Obligatory reserve funds (note 5 (b))	\$ 62,917	\$ 46,346
Subdivision agreement fees	3,723	3,935
Property taxes prepaid	3,520	3,239
Development fees	806	1,748
Investment in the Arts Campaign	1,214	925
Velodrome	667	-
Prepaid facility rentals and program registrations	625	691
Government capital grants	-	15
Other	420	723
<b>Total deferred revenue</b>	<b>\$ 73,892</b>	<b>\$ 57,622</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 5. Deferred revenue (continued):

Continuity of deferred revenue is as follows:

	2012	2011
Balance, beginning of year:		
Obligatory reserve funds (note 5 (b))	\$ 46,346	\$ 59,919
Subdivision agreement fees	3,935	3,923
Property taxes prepaid	3,239	2,829
Development fees	1,748	336
Investment in the Arts Campaign	925	460
Velodrome	-	-
Prepaid facility rentals and program registrations	691	494
Government capital grants	15	1,193
Other	723	651
Total beginning balance:	57,622	69,805
Revenues:		
Obligatory reserve funds	39,157	21,451
Interest earned on obligatory reserves	830	719
Subdivision agreement fees	11,407	11,173
Property taxes prepaid	3,520	3,239
Development fees	806	4,439
Investment in the Arts Campaign	342	720
Velodrome	667	-
Prepaid facility rentals and program registrations	625	688
Government capital grants	-	15
Other	396	1,360
Total revenues	\$ 57,750	\$ 43,804



# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 5. Deferred revenue (continued):

	2012	2011
<b>Transfers:</b>		
Obligatory reserve funds	(23,416)	(35,743)
Subdivision agreement fees	(11,619)	(11,161)
Property taxes prepaid	(3,239)	(2,829)
Development fees	(1,748)	(3,027)
Investment in the Arts Campaign	(53)	(255)
Velodrome	-	-
Prepaid facility rentals and program registrations	(691)	(491)
Government capital grants	(15)	(1,193)
Other	(699)	(1,288)
<b>Total transfers</b>	<b>(41,480)</b>	<b>(55,987)</b>
<b>Balance, end of year</b>	<b>\$ 73,892</b>	<b>\$ 57,622</b>

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

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

	2012	2011	Net Change
Building stabilization	\$ 5,970	\$ 5,605	\$ 365
Cash in lieu of parking	108	105	3
Cash in lieu of parkland	979	125	854
MetroLinx program	17	17	-
Federal gas tax	1,809	1,156	653
Gas tax for transit	398	359	39
Development charges	53,636	38,979	14,657
<b>Total</b>	<b>\$ 62,917</b>	<b>\$ 46,346</b>	<b>\$ 16,571</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 6. Long-term debentures

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

	2012	2011
Total long-term debentures issued by Region of Halton	\$ 33,282	\$ 31,018
Less: Principal repayment	(4,090)	(3,480)
Add: New debt issued	2,108	5,744
<b>Net long-term debentures at the end of year</b>	<b>\$ 31,300</b>	<b>\$ 33,282</b>

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

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

	Operating	Development Charges	Obligatory Reserve Fund	Reserves	Total
2013	\$ 2,589	\$ 1,408	\$ 194	\$ 237	\$ 4,428
2014	2,691	1,456	202	246	4,595
2015	2,045	1,162	211	256	3,674
2016	1,885	1,201	220	267	3,573
2017	2,629	1,243	230	1,659	5,761
2018 - 2024	3,123	5,002	241	903	9,269
	<b>\$ 14,962</b>	<b>\$ 11,472</b>	<b>\$ 1,298</b>	<b>\$ 3,568</b>	<b>\$ 31,300</b>

(c) Total interest on long-term liabilities which are reported on the consolidated statement of operations amounted to \$ 1,279 in 2012 (2011 - \$1,327). The long-term liabilities bear interest at rates ranging from 2.41% to 4.81%.

### 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:

	2012	2011
Accelerated roads program	\$ 1,066	\$ 1,003
Subdivision agreements - parks	742	985
<b>Developer obligations, end of year</b>	<b>\$ 1,808</b>	<b>\$ 1,988</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 7. Developer obligations (continued):

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

Through subdivision agreements, developers have constructed roads and parks infrastructure on behalf of the Town that is directly attributable to their particular developments. The infrastructure was constructed sooner than planned in the Town's capital forecast in order to facilitate the development of the subdivision. Reimbursements to the developers are in accordance with the Town's capital budget approvals for the various projects.

### 8. 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:

	2012	2011
Future payments to WSIB	\$ 456	\$ 431
Retiree benefits	301	308
Vacation pay and banked overtime	426	379
<b>Total</b>	<b>\$ 1,183</b>	<b>\$ 1,118</b>

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

In common with other Schedule 2 employers, the Town funds its obligations to the Workplace Safety and Insurance Board on a "pay-as-you-go" basis for employees under Schedule 2. An independent actuarial study of the workplace safety and insurance liabilities for future payments on WSIB claims has been undertaken. The most recent valuation of the workplace safety and insurance liabilities was completed as of December 31, 2011. The actuarial update was prepared for consecutive years.

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

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

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 8. Employee benefits and other liabilities (continued):

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

	2012	2011
Accrued WSIB obligation, beginning of year	\$ 519	\$ 459
Current benefit cost	72	136
Actuarial gain	(155)	-
Interest	17	22
Benefits paid	(60)	(98)
	393	519
Unamortized actuarial gain / (loss)	63	(88)
<b>Accrued WSIB liability, end of year</b>	<b>\$ 456</b>	<b>\$ 431</b>

The Town has established a WSIB reserve and reserve fund to mitigate the future impact of the WSIB obligations in the amount of \$529 (2011 - \$549).

In the current year benefit costs are (\$4) (2011 - \$12) for the net amortization of the actuarial gain/(loss). The net unamortized actuarial gain on future payments required to WSIB is amortized over the expected period of the liability which is 9 years.

#### (b) Retiree benefits

The Town provides dental and health care benefits between the time an employee retires under OMERS, and the normal retirement age of 65 for employees hired prior to July 1, 1996. An independent actuarial study of the post-employment benefits has been undertaken. The most recent valuation of the employee future benefits was completed as of December 31, 2009. The actuarial update was prepared for consecutive years.

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

Interest (discount rate)	5.0% per annum
Dental benefits escalation	same as health care
Health benefits escalation	5.25% per annum decreasing to 4.0% per annum over 5 years

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 8. Employee benefits and other liabilities (continued):

#### (b) Retiree benefits (continued)

	2012	2011
Accrued benefits obligation, beginning of year	\$ 369	\$ 412
Current benefit cost	10	9
Interest	17	20
Benefits paid	(47)	(72)
	349	369
Unamortized actuarial loss	(48)	(61)
<b>Accrued benefits liability, end of year</b>	<b>\$ 301</b>	<b>\$ 308</b>

In the current year amortization of the actuarial loss of \$13 (2011 - \$13) has been included in benefit expense on the statement of operations. The unamortized actuarial loss is amortized over the expected average remaining service life which is 5 years.

### 9. Pension agreements:

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 382 (2011 - 363) 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 8.3% for earnings up to the yearly maximum pensionable earnings of \$50.1 and at a rate of 12.8% for earnings greater than the yearly maximum pensionable earnings.

The Town's contribution to OMERS for 2012 was \$2,247 (2011 - \$1,825) for current service and is included as an expense on the consolidated statement of operations. Employees' contribution to OMERS in 2012 was \$2,247 (2011 - \$1,825).

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

However, the OMERS pension plan is reporting an actuarial deficit of \$9.9 billion in 2012 (2011 - \$7.3 billion). In response, OMERS has increased contributions for both employees and employers by 1% for 2012 and an additional 0.9% for 2013, made benefit reductions to plan members who leave their employment prior to retirement, and implemented a revised investment strategy. OMERS expects these contribution and policy changes should return the plan to a surplus position within 10 to 15 years.

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 10. Tangible Capital Assets:

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

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

	Net book value December 31, 2011	Net book value December 31, 2012
Land	\$ 234,645	\$ 257,793
Land improvements	25,855	30,097
Buildings and building improvements	90,826	92,294
Machinery and equipment	68,107	69,788
Linear assets	283,019	307,834
Assets under construction	25,586	43,328
<b>Total</b>	<b>\$ 728,038</b>	<b>\$ 801,134</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

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

Cost	Balance at December 31, 2010	Additions	Disposals	Balance at December 31, 2011
Land	\$ 216,466	\$ 18,187	\$ (8)	\$ 234,645
Land improvements	25,664	7,199	-	32,863
Buildings and building improvements	50,771	50,682	-	101,453
Machinery and equipment	73,593	27,239	(3,546)	97,286
Linear assets	493,316	35,939	(2,147)	527,108
Assets under construction	78,497	(52,911)	-	25,586
<b>Total</b>	<b>\$ 938,307</b>	<b>\$ 86,335</b>	<b>\$ (5,701)</b>	<b>\$ 1,018,941</b>

Accumulated amortization	Balance at December 31, 2010	Amortization expense	Disposals	Balance at December 31, 2011
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	5,837	1,171	-	7,008
Buildings and building improvements	8,804	1,823	-	10,627
Machinery and equipment	26,927	5,754	(3,502)	29,179
Linear assets	230,008	15,857	(1,776)	244,089
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 271,576</b>	<b>\$ 24,605</b>	<b>\$ (5,278)</b>	<b>\$ 290,903</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

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

#### a) Assets under construction

Assets under construction having a value of \$43,328 (2011 - \$25,586) have not been amortized. Amortization of these assets will commence when the asset is put into service.

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

#### b) Contributed Tangible Capital Assets

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is \$48,010 (2011 - \$24,121) comprised of land and land improvements in the amount of \$24,246 (2011 - \$16,255) and linear assets in the amount of \$23,764 (2011 - \$7,866).

#### c) Tangible Capital Assets recognized at nominal value

The Town has not recorded any tangible capital assets at nominal value.

#### d) Works of Art and Historical Assets

The Town manages and controls various works of art and non-operational historical cultural assets located at Town sites and public display areas. These assets are not recorded as tangible capital assets and are not amortized.

#### e) Contingent transaction

The Town is party to a Memorandum of Understanding that may require it to transfer a certain parcel of land to a post-secondary institution. This transfer is contingent upon the post-secondary institution meeting certain conditions. The net book value of the applicable parcel of land is approximately \$7,700,000 and is included in tangible capital assets at December 31, 2012.



# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 11. Accumulated surplus:

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

	2012	2011
Reserves set aside by Council:		
Aggregate permit fees	\$ 244	\$ 154
Capital provision/growth	8,461	4,020
Capital works	9,996	10,619
Computer replacement	693	475
Downtown Business Improvement Area	24	26
Election	90	45
Equipment replacement	2,343	2,208
Growth related resources	1,901	2,089
Insurance	703	694
Legal action	465	560
Library services	320	203
Library capital	301	272
Municipal building component	1,382	992
Municipal building replacement	361	46
Per unit development processing fee	1,574	1,224
Seniors fundraising	122	113
Tax rate stabilization	2,917	3,918
Training	201	185
Transit and transportation	741	195
Winter control	1,136	1,026
Working funds	1,064	1,064
WSIB	524	540
<b>Total reserves</b>	<b>35,563</b>	<b>30,668</b>
Reserve funds set aside for specific purpose by Council:		
Cash in lieu of storm water management	132	129
Investment in the Arts Campaign	(330)	37
Mayor's legacy	78	77
Milton District Hospital	1,192	780
Ontario Lottery Corporation proceeds	8,762	8,599
Perpetual maintenance	417	389
Property transactions	2,759	2,363
Sports field development	70	61
WSIB settlement	5	9
<b>Total reserve funds</b>	<b>\$ 13,085</b>	<b>\$ 12,444</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 11. Accumulated surplus (continued):

	2012	2011
Surplus:		
Invested in tangible capital assets	\$ 801,134	\$ 728,038
Unexpended capital	13,837	18,500
Operating surplus - Town	150	150
Operating surplus - Library	38	38
Investment in Milton Hydro	49,760	48,927
Unfunded:		
Long term debentures	(31,300)	(33,282)
Employee future benefits	(757)	(739)
Developer obligations	(1,808)	(1,988)
<b>Total surplus</b>	<b>831,054</b>	<b>759,644</b>
<b>Total accumulated surplus</b>	<b>\$ 879,702</b>	<b>\$ 802,756</b>

### 12. Taxation:

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

	2012	2011
Municipal and school property taxes	\$ 139,610	\$ 131,699
Payments-in-lieu of property and business taxes	869	767
Balance, end of year	140,479	132,466
Payments to Region and school boards	(101,890)	(97,237)
<b>Net property taxes and payment-in-lieu available for municipal purposes</b>	<b>\$ 38,589</b>	<b>\$ 35,229</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 13. Government transfers:

The Town recognizes the transfer of government funding as expenses or revenues in the period that the events giving rise to the transfer occurred. The Government transfers reported on the Consolidated Statement of Operations are:

	2012	2011
<b>Revenue:</b>		
<b>Ontario grants:</b>		
Building Canada Fund	\$ -	\$ 2,175
Elderly persons	45	40
Elderly persons centre	15	-
Gas tax	525	525
Infrastructure Stimulus Fund	-	1,746
Library Pay Equity Program	3	3
MTO - fire calls	44	33
Municipal Road and Bridge Infrastructure Investment	-	1,193
Public Library Operating Grant Program	52	52
Recreational Infrastructure Canada Program	-	423
Summer experience grant	3	-
Youth In Motion	-	16
<b>Subtotal Provincial grants</b>	<b>687</b>	<b>6,206</b>
<b>Federal grants:</b>		
Building Canada Fund	-	2,175
Gas tax	1,458	2,845
Infrastructure Stimulus Fund	-	1,746
Joint Emergency Preparedness Program	10	-
Recreational Infrastructure Canada Program	-	423
Summer Career Placement Grant	4	3
TO2015 Sports Canada federal funding	738	-
<b>Subtotal Federal grants</b>	<b>2,210</b>	<b>7,192</b>
<b>Total transfers</b>	<b>\$ 2,897</b>	<b>\$ 13,398</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 14. Segmented Information:

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

(i) General Government – Mayor and Council, Executive Services, Corporate Services:

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

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

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

(iii) Transportation Services – Engineering Services, Milton Transit:

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

(iv) Environmental Services – Storm Water Management:

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

(v) Recreation and Cultural Services – Community Services, Library:

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

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 14. Segmented Information (continued):

(vi) Planning and Development – Planning and Development, Economic Development, Downtown Business Improvement Area (“DBIA”):

The Planning and Development Department provides direction to Council and the community through land use policy formulation and implementation. The Economic Development Department assists businesses through technical processes associated with the relocation or set up of business. With the support of the Town, the DBIA board of management provides business promotion and improvement functions in downtown Milton.

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

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

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

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 14. Segmented Information (continued):

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

2012

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

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 14. Segmented Information (continued):

	General Government	Protection to Persons and Property
<b>Revenues:</b>		
Taxation	\$ 7,390	\$ 6,941
User charges	768	90
Government transfers		
Federal	-	-
Provincial	-	33
Other municipalities	-	265
Investment income	3,830	-
Penalties and interest	1,414	-
Developer contributions	1,441	2,919
Developer contributed assets	-	-
Proceeds from Ontario Lottery Corporation	5,450	-
Licenses, permits, rents, etc.	12	4,754
Equity in income of Milton Hydro	2,415	-
Donations	1	-
Other recoveries	12	10
Miscellaneous	472	-
<b>Total revenues</b>	<b>23,205</b>	<b>15,012</b>
<b>Expenses:</b>		
Salaries, wages and employee benefits	4,956	8,603
Purchased goods	2,064	442
Purchased services	2,886	551
Financial expenses	643	53
Transfers to others	-	251
Amortization expense	2,139	855
<b>Total expenses</b>	<b>12,688</b>	<b>10,755</b>
<b>Annual surplus</b>	<b>\$ 10,517</b>	<b>\$ 4,257</b>



2011

Transportation Services	Environmental Services	Health Services	Recreational and Cultural Services	Planning and Development	Total
\$ 9,164	\$ 343	\$ 273	\$ 9,551	\$ 1,567	\$ 35,229
1,381	-	-	6,327	1,789	10,355
2,846	-	-	4,343	3	7,192
1,718	-	-	4,455	-	6,206
4,764	-	-	23	-	5,052
-	-	-	30	-	3,860
254	-	-	96	-	1,764
17,406	119	-	12,777	3,427	38,089
5,614	3,082	-	15,425	-	24,121
-	-	-	-	-	5,450
7	-	-	560	2	5,335
-	-	-	-	-	2,415
10	-	-	378	1	390
15	-	-	144	-	181
229	-	-	41	1	743
<b>43,408</b>	<b>3,544</b>	<b>273</b>	<b>54,150</b>	<b>6,790</b>	<b>146,382</b>
3,980	188	-	10,158	3,380	31,265
2,505	41	-	2,527	96	7,675
8,239	274	-	2,506	1,123	15,579
437	-	-	798	10	1,941
3	-	-	343	-	597
16,226	1,135	-	4,246	5	24,606
<b>31,390</b>	<b>1,638</b>	<b>-</b>	<b>20,578</b>	<b>4,614</b>	<b>81,663</b>
<b>\$ 12,018</b>	<b>\$ 1,906</b>	<b>\$ 273</b>	<b>\$ 33,572</b>	<b>\$ 2,176</b>	<b>\$ 64,719</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2012

(in thousands of dollars)

### 15. Budget data:

The unaudited budget data presented in these consolidated financial statements is based upon the 2012 budget approved by Council on December 19, 2011. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these consolidated financial statements.

	BUDGET AMOUNT
<b>Revenues:</b>	
Operating budget	\$ 83,226
Capital budget	37,052
<b>Less:</b>	
Interfund transfers	(15,504)
New debt financing	(4,407)
Debt principal payment	(2,878)
Reallocated revenues	(1,772)
Contribution from surplus	(188)
<b>Total Revenue</b>	<b>95,529</b>
<b>Expenses:</b>	
Operating budget	83,226
Capital budget	37,052
<b>Less:</b>	
Acquisition of tangible capital assets	(37,052)
Interfund transfers	(18,220)
Reallocated expenses	(1,772)
Debt principal payments	(2,878)
<b>Total expenses</b>	<b>60,356</b>
<b>Annual surplus</b>	<b>\$ 35,173</b>

### 16. Comparative Figures:

Certain 2011 comparative figures have been reclassified to conform to the consolidated financial statement presentation adopted for the current year.

### 17. Commitments:

The Town has outstanding contractual obligations of approximately \$49,947 (2011 - \$49,756) for capital works and transit services. The Town council has authorized financing of these obligations.



# MILTON PUBLIC LIBRARY



# 2012 FINANCIAL STATEMENTS

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MILTON PUBLIC LIBRARY BOARD



**KPMG LLP**  
**Chartered Accountants**  
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Hamilton ON L8N 3R1

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Milton Public Library Board, which comprise the statement of financial position as at December 31, 2012, the statements of operations, change in net financial assets and changes in due from the Town of Milton for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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



*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Milton Public Library Board as at December 31, 2012, 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.

*KPMG LLP*

Chartered Accountants, Licensed Public Accountants  
May 27, 2013  
Hamilton, Canada

# MILTON PUBLIC LIBRARY BOARD

## Statement of Financial Position

December 31, 2012, with comparative figures for 2011

	2012	2011
<b>Financial assets:</b>		
Due from the Town of Milton	\$ 890,080	\$ 738,451
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	135,885	136,375
Net financial assets	754,195	602,076
<b>Non-financial assets:</b>		
Tangible capital assets (note 2)	3,319,296	3,742,981
Prepaid expenses	39,414	28,279
	3,358,710	3,771,260
<b>Accumulated surplus (note 3)</b>	<b>\$ 4,112,905</b>	<b>\$ 4,373,336</b>

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



# MILTON PUBLIC LIBRARY BOARD

## Statement of Operations

Year ended December 31, 2012, with comparative figures for 2011

	BUDGET	2012	2011
	(Unaudited - note 4)		
<b>Revenue:</b>			
Tax levy	\$ 3,525,480	\$ 3,525,480	\$ 3,207,988
Statutory revenue	96,448	122,383	105,750
User charges	10,210	13,437	10,241
Federal government transfers:			
Building Canada Fund	-	-	37,676
Summer career placement grant	1,900	1,888	1,888
Provincial government transfers:			
Building Canada Fund	-	-	37,676
Library pay equity program	3,275	3,275	3,275
Public library operating grant program	52,429	52,429	52,429
Municipal government transfers	1,137	994	101,146
Development charges earned	20,473	36,392	895,383
Miscellaneous	11,336	13,604	28,643
Total revenue	3,722,688	3,769,882	4,482,095
<b>Expenses:</b>			
Salaries, wages and employee benefits	2,630,729	2,479,812	2,261,338
Administrative	21,234	21,088	18,601
Financial	2,194	1,932	2,001
Purchased goods	105,019	101,281	92,417
Purchased services	576,962	613,837	503,523
Amortization	-	812,363	596,231
Total expenses	3,336,138	4,030,313	3,474,111
Annual (deficit) / surplus	386,550	(260,431)	1,007,984
Accumulated surplus, beginning of year	4,373,336	4,373,336	3,365,352
<b>Accumulated surplus (note 3), end of year</b>	<b>\$ 4,759,886</b>	<b>\$ 4,112,905</b>	<b>\$ 4,373,336</b>

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

# MILTON PUBLIC LIBRARY BOARD

## Statement of Change in Net Financial Assets

Year ended December 31, 2012, with comparative figures for 2011

	BUDGET	2012	2011
	(Unaudited - note 4)		
Annual (deficit) / surplus	\$ 386,550	\$ (260,431)	\$ 1,007,984
Acquisition of tangible capital assets	(408,626)	(388,678)	(1,364,317)
Amortization of tangible capital assets	-	812,363	596,231
(Gain) on disposal of tangible capital assets	-	-	(556)
Proceeds on sale of tangible capital assets	-	-	5,940
	(22,076)	163,254	245,282
Change in prepaid expenses	-	(11,135)	(1,628)
Change in net financial assets	(22,076)	152,119	243,654
Net financial assets, beginning of year	602,076	602,076	358,422
<b>Net financial assets, end of year</b>	<b>\$ 580,000</b>	<b>\$ 754,195</b>	<b>\$ 602,076</b>

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

# MILTON PUBLIC LIBRARY BOARD

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

Year ended December 31, 2012, with comparative figures for 2011

	2012	2011
<b>Cash provided by (used in):</b>		
<b>Operating activities:</b>		
Annual (deficit) / surplus	\$ (260,431)	\$ 1,007,984
Items not involving cash:		
Amortization	812,363	596,231
Gain on disposal of tangible capital assets	-	(556)
Change in non-cash assets and other liabilities:		
Accounts payable and accrued liabilities	(490)	(16,376)
Prepaid expenses	(11,135)	(1,628)
Net change in cash from operating activities	540,307	1,585,655
<b>Capital activities:</b>		
Proceeds on sale of tangible capital assets	-	5,940
Cash used to acquire tangible capital assets	(388,678)	(1,364,317)
Net change in cash from capital activities	(388,678)	(1,358,377)
Net change in Due from the Town of Milton	151,629	227,278
Due from the Town of Milton, beginning of year	738,451	511,173
<b>Due from the Town of Milton, end of year</b>	<b>\$ 890,080</b>	<b>\$ 738,451</b>

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

# MILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2012

### 1. Significant accounting policies:

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

Significant accounting policies adopted by the Library are as follows:

(a) Basis of accounting:

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

(b) Government transfers:

Transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(c) Development charges:

The Town of Milton (the "Town") manages a development charge obligatory reserve fund for library services in the amount of \$5,330,856 (2011 - \$4,102,745) that is funded by contributions received from developers as stipulated by the development charges by-law and identified in the development charges background study.

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

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

(d) Non-financial assets:

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

# MILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2012

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

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

##### (i) Tangible capital assets

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

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

Asset	Useful Life - Years
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.

##### (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.

#### (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. 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, 2012

### 2. Tangible Capital Assets:

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

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

	Net book value December 31, 2011	Net book value December 31, 2012
IT equipment	\$ 237,143	\$ 167,046
Office equipment	705,297	667,908
Collections	2,800,541	2,458,203
Collections not yet in circulation	-	-
Assets under construction	-	26,139
<b>Total</b>	<b>\$ 3,742,981</b>	<b>\$ 3,319,296</b>

# MILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2012

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

Cost	Balance at December 31, 2010	Additions	Disposals	Balance at December 31, 2011
IT equipment	\$ 200,210	\$ 151,852	\$ (12,866)	\$ 339,196
Office equipment	317,483	558,151	-	875,634
Collections	4,878,216	1,250,225	(193,030)	5,935,411
Collections not yet in circulation	595,911	(595,911)	-	-
<b>Total</b>	<b>\$ 5,991,820</b>	<b>\$ 1,364,317</b>	<b>\$ (205,896)</b>	<b>\$ 7,150,241</b>

Accumulated amortization	Balance at December 31, 2010	Disposals	Amortization Expense	Balance at December 31, 2011
IT equipment	\$ 56,098	\$ (7,482)	\$ 53,437	\$ 102,053
Office equipment	142,592	-	27,745	170,337
Collections	2,812,851	(193,030)	515,049	3,134,870
Collections not yet in circulation	-	-	-	-
<b>Total</b>	<b>\$ 3,011,541</b>	<b>\$ (200,512)</b>	<b>\$ 596,231</b>	<b>\$ 3,407,260</b>

Collections not yet in circulation for 2010 are the Library collections. These Library collections, having value of \$595,911 were put into circulation with the opening of the new library in July 2011.

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

# MILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2012

### 3. Accumulated surplus:

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

	2012	2011
Surplus:		
Invested in tangible capital assets	\$ 3,319,296	\$ 3,742,981
General	38,456	37,736
Total surplus	3,357,752	3,780,717
Reserves set aside by Library Board:		
Library capital	435,275	389,573
Library services	319,878	203,046
Total reserves	755,153	592,619
<b>Total accumulated surplus</b>	<b>\$ 4,112,905</b>	<b>\$ 4,373,336</b>

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



# MILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2012

### 4. Budget data:

The unaudited budget data presented in these financial statements is based upon the 2012 operating and capital budgets approved by Council on December 19, 2011. Amortization was not contemplated on development of the budget and, as such, has not been included. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	BUDGET AMOUNT
<b>Revenues:</b>	
Operating budget	\$ 3,763,669
Capital budget	408,626
<b>Less:</b>	
Contributed from surplus	(37,736)
Interfund transfers	(408,135)
Other transfer	(3,736)
<b>Total revenue</b>	<b>3,722,688</b>
<b>Expenses:</b>	
Operating budget	3,763,669
Capital budget	408,626
<b>Less:</b>	
Interfund transfers	(423,795)
Other transfer	(3,736)
Capital expenses	(408,626)
<b>Total expenses</b>	<b>3,336,138</b>
<b>Annual surplus</b>	<b>\$ 386,550</b>



# **2012** FINANCIAL STATEMENTS

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**BOARD OF MANAGEMENT OF THE  
MILTON DOWNTOWN BUSINESS  
IMPROVEMENT AREA**



**KPMG LLP**  
**Chartered Accountants**  
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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Board of Management of the Milton Downtown Business Improvement Area, which comprise the statement of financial position as at December 31, 2012, the statements of operations, change in net financial assets and changes in due from the Town of Milton for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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



## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Board of Management of the Milton Downtown Business Improvement Area as at December 31, 2012, 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Accountants, Licensed Public Accountants  
May 27, 2013  
Hamilton, Canada

**BOARD OF MANAGEMENT OF THE MILTON DOWNTOWN BUSINESS IMPROVEMENT AREA**  
**Statement of Financial Position**

December 31, 2012, with comparative figures for 2011

	2012	2011
<b>Financial assets:</b>		
Due from the Town of Milton	\$ 32,959	\$ 30,418
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	9,747	5,796
Net financial assets	23,212	24,622
<b>Non-financial assets:</b>		
Tangible capital assets (note 2)	7,718	12,828
Prepaid expenses	865	992
	8,583	13,820
<b>Accumulated surplus (note 3)</b>	<b>\$ 31,795</b>	<b>\$ 38,442</b>

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

## BOARD OF MANAGEMENT OF THE MILTON DOWNTOWN BUSINESS IMPROVEMENT AREA

### Statement of Operations

Year ended December 31, 2012, with comparative figures for 2011

	BUDGET	2012	2011
	(Unaudited - note 6)		
<b>Revenue:</b>			
Taxation	\$ 172,400	\$ 172,360	\$ 172,100
User charges	9,000	10,208	14,521
Federal government transfers (note 4)	3,300	1,845	3,388
Miscellaneous	8,500	3,587	1,290
<b>Total revenue</b>	<b>193,200</b>	<b>188,000</b>	<b>191,299</b>
<b>Expenses:</b>			
Beautification and planters	33,998	35,007	29,257
General administration	21,801	24,048	18,648
Salaries and benefits	63,000	59,615	61,501
Taxes written off	1,000	1,603	1,125
Trade promotion and special events	76,801	69,264	62,383
Amortization	-	5,110	4,953
<b>Total expenses</b>	<b>196,600</b>	<b>194,647</b>	<b>177,867</b>
Annual surplus/(deficit)	(3,400)	(6,647)	13,432
Accumulated surplus, beginning of year	38,442	38,442	25,010
<b>Accumulated surplus (note 3), end of year</b>	<b>\$ 35,042</b>	<b>\$ 31,795</b>	<b>\$ 38,442</b>

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

## BOARD OF MANAGEMENT OF THE MILTON DOWNTOWN BUSINESS IMPROVEMENT AREA

### Statement of Change in Net Financial Assets

Year ended December 31, 2012, with comparative figures for 2011

	BUDGET	2012	2011
	(Unaudited - note 6)		
Annual surplus/(deficit)	\$ (3,400)	\$ (6,647)	\$ 13,432
Acquisition of tangible capital assets	-	-	(1,314)
Amortization of tangible capital assets	-	5,110	4,953
	(3,400)	(1,537)	17,071
Change in prepaid expenses	-	127	(615)
Change in net financial assets	(3,400)	(1,410)	16,456
Net financial assets, beginning of year	24,622	24,622	8,166
<b>Net financial assets, end of year</b>	<b>\$ 21,222</b>	<b>\$ 23,212</b>	<b>\$ 24,622</b>

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



**BOARD OF MANAGEMENT OF THE MILTON DOWNTOWN BUSINESS IMPROVEMENT AREA**  
**Statement of Change in Due from the Town of Milton**

Year ended December 31, 2012, with comparative figures for 2011

	2012	2011
<b>Cash provided by (used in):</b>		
<i>Operating Activities:</i>		
Annual surplus/(deficit)	\$ (6,647)	\$ 13,432
<i>Items not involving cash:</i>		
Amortization	5,110	4,953
<i>Change in non-cash assets and other liabilities:</i>		
Accounts payable and accrued liabilities	3,951	(5,812)
Prepaid expenses	127	(615)
<b>Net change in due from the Town of Milton from operating activities</b>	<b>2,541</b>	<b>11,958</b>
<i>Capital Activities:</i>		
Cash used to acquire tangible capital assets	-	(1,314)
<b>Net change in due from the Town of Milton from capital activities</b>	<b>-</b>	<b>(1,314)</b>
<b>Net change in due from the Town of Milton</b>	<b>2,541</b>	<b>10,644</b>
Due from the Town of Milton, beginning of year	30,418	19,774
<b>Due from the Town of Milton, end of year</b>	<b>\$ 32,959</b>	<b>\$ 30,418</b>

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

# BOARD OF MANAGEMENT OF THE MILTON DOWNTOWN BUSINESS IMPROVEMENT AREA

## Notes to Financial Statements

Year ended December 31, 2012

### 1. Significant accounting policies:

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

Significant accounting policies adopted by the Town are as follows:

(a) Basis of accounting:

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

(b) Government transfers:

Transfers are recognized in the financial statements as revenues in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

(c) Non-financial assets:

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

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

Asset	Useful Life - years
Office Equipment	3 - 15
Other Equipment	10

# BOARD OF MANAGEMENT OF THE MILTON DOWNTOWN BUSINESS IMPROVEMENT AREA

## Notes to Financial Statements

Year ended December 31, 2012

### 1. Significant accounting policies (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.

(d) Use of estimates:

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

### 2. Tangible Capital Assets:

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

**BOARD OF MANAGEMENT OF THE MILTON DOWNTOWN BUSINESS IMPROVEMENT AREA**  
**Notes to Financial Statements**

Year ended December 31, 2012

**2. Tangible Capital Assets (continued):**

2011			
	Office Equipment	Other Equipment	Total
<b>Cost</b>			
Balance, beginning of year	\$ 6,903	\$ 42,387	\$ 49,290
Additions	1,314	-	1,314
Disposals	(1,987)	-	(1,987)
Balance, end of year	6,230	42,387	48,617
<b>Accumulated amortization:</b>			
Balance, beginning of year	4,477	28,346	32,823
Disposals	(1,987)	-	(1,987)
Amortization expense	715	4,238	4,953
Balance, end of year	3,205	32,584	35,789
<b>Net book value, end of year</b>	<b>\$ 3,025</b>	<b>\$ 9,803</b>	<b>\$ 12,828</b>

**3. Accumulated surplus:**

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

	2012	2011
<b>Surplus</b>		
Invested in tangible capital assets	\$ 7,718	\$ 12,828
<b>Reserves:</b>		
Downtown Business Improvement Area	24,077	25,614
<b>Accumulated surplus</b>	<b>\$ 31,795</b>	<b>\$ 38,442</b>

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

## BOARD OF MANAGEMENT OF THE MILTON DOWNTOWN BUSINESS IMPROVEMENT AREA

### Notes to Financial Statements

Year ended December 31, 2012

#### 4. Government transfers:

The Board of Management for the Milton Downtown Business Improvement Area recognizes the transfer of government funding as expenses or revenues in the period that the events giving rise to the transfer occurred. The Federal Government transfer reported on the Statement of Operations is Summer Career Placement Grant in the amount of \$1,845 (2011 - \$3,388).

#### 5. Commitments:

The Board of Management of the Milton Downtown Business Improvement Area has entered into a lease agreement with a minimum payment due in 2013 of \$7,785 (2012 - \$10,151).

#### 6. Budget data:

The unaudited budget data presented in these financial statements is based upon the 2012 budget approved by Council on December 19, 2011. Amortization was not contemplated on development of the budget and, as such, has not been included.



# 2012 FINANCIAL STATISTICS

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## MULTI-YEAR COMPARISON OF FINANCIAL STATEMENTS & FIVE-YEAR FINANCIAL STATISTICS

# MULTI-YEAR COMPARISON OF FINANCIAL STATEMENTS

## Consolidated Statement of Financial Position

(in thousands of dollars)

	2012	2011	2010	2009	2008
Financial assets	\$ 231,520	\$ 197,149	\$ 211,498	\$ 211,968	\$ 193,351
Non-financial assets	801,639	728,618	667,167	571,259	544,196
<b>Total assets</b>	<b>1,033,159</b>	<b>925,767</b>	<b>878,665</b>	<b>783,227</b>	<b>737,547</b>
Accounts payable and accrued liabilities	35,877	22,021	24,707	14,279	11,352
Other liabilities	9,397	6,980	7,512	1,949	3,177
Deferred revenue	73,892	57,622	69,805	90,171	75,602
Long-term debentures	31,300	33,282	31,018	25,010	23,058
Developer obligations	1,808	1,988	6,625	8,454	9,951
Employee benefits and other liabilities	1,183	1,118	961	917	836
<b>Total liabilities</b>	<b>153,457</b>	<b>123,011</b>	<b>140,628</b>	<b>140,780</b>	<b>123,978</b>
<b>Accumulated surplus</b>	<b>\$ 879,702</b>	<b>\$ 802,756</b>	<b>\$ 738,037</b>	<b>\$ 642,447</b>	<b>\$ 613,569</b>



# MULTI-YEAR COMPARISON OF FINANCIAL STATEMENTS

## Consolidated Statement of Operations

(in thousands of dollars)

	2012	2011	2010	2009	2008
<b>Sources of revenue:</b>					
Taxation	\$ 38,589	\$ 35,229	\$ 33,434	\$ 29,140	\$ 25,490
User charges	12,314	10,355	9,380	8,088	8,306
Government transfers:					
Federal	2,210	7,192	13,328	428	753
Provincial	687	6,206	12,874	2,137	6,648
Other municipalities	6,583	5,052	2,559	1,939	2,386
Investment income	3,873	3,860	3,918	4,168	4,480
Penalties and interest	2,380	1,764	1,792	1,525	1,221
Developer contributions	28,082	38,089	39,483	13,539	10,982
Developer contributed assets	48,010	24,121	38,959	23,474	55,516
Proceeds from Ontario Lottery Corporation	5,505	5,450	5,521	5,526	5,768
License, permits, rents etc.	5,717	5,335	4,929	5,305	4,750
Equity in income of Milton Hydro	2,333	2,415	3,707	2,419	5,374
Boundary realignment	-	-	2,000	-	-
Donations	2,818	390	87	124	35
Other Recoveries	2,677	181	373	2,199	302
Miscellaneous	1,415	743	624	125	367
<b>Total revenue</b>	<b>163,193</b>	<b>146,382</b>	<b>172,968</b>	<b>100,136</b>	<b>132,378</b>
<b>Expenses by function:</b>					
General government	13,136	12,688	10,972	10,899	8,063
Protection to persons and property	11,756	10,755	9,880	9,205	8,787
Transportation services	29,583	31,390	33,268	30,001	31,434
Environmental services	1,833	1,638	1,928	1,303	603
Recreational and cultural services	24,687	20,578	16,611	14,613	13,724
Planning and development	5,253	4,614	4,719	4,080	3,987
<b>Total expenses</b>	<b>86,247</b>	<b>81,663</b>	<b>77,378</b>	<b>70,101</b>	<b>66,598</b>
<b>Annual surplus</b>	<b>76,946</b>	<b>64,719</b>	<b>95,590</b>	<b>30,035</b>	<b>65,780</b>
<b>Accumulated surplus, beginning of year</b>	<b>802,756</b>	<b>738,037</b>	<b>642,447</b>	<b>612,412 *</b>	<b>547,789</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 879,702</b>	<b>\$ 802,756</b>	<b>\$ 738,037</b>	<b>\$ 642,447</b>	<b>\$ 613,569</b>

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

# MULTI-YEAR COMPARISON OF FINANCIAL STATEMENTS

## Consolidated Statement of Change in Net Financial Asset

(in thousands of dollars)

	2012	2011	2010	2009	2008
Annual surplus	\$ 76,946	\$ 64,719	\$ 95,590	\$ 30,035	\$ 65,780
Acquisition of tangible capital assets	(94,126)	(86,335)	(122,543)	(52,549)	(98,157)
Amortization of tangible capital assets	20,321	24,605	24,982	24,215	22,088
Loss on disposal of tangible capital assets	(71)	353	1,667	315	1,932
Proceeds on sale of tangible capital assets	780	70	34	976	272
	3,850	3,412	(270)	2,992	(8,085)
Milton Hydro: change in accounting policy -Future income taxes	-	-	-	(1,157)	-
Change in supplies of inventory	137	(71)	(18)	(95)	1
Change in prepaid expenses	(62)	(73)	(30)	75	(58)
Change in net financial assets	3,925	3,268	(318)	1,815	(8,142)
Net financial assets, beginning of year	74,138	70,870	71,188	69,373	77,515
<b>Net financial assets, end of year</b>	<b>\$ 78,063</b>	<b>\$ 74,138</b>	<b>\$ 70,870</b>	<b>\$ 71,188</b>	<b>\$ 69,373</b>

## Analysis of Expenses by Object

(in thousands of dollars)

	2012	2011	2010	2009	2008
Salaries, wages and employee benefits	\$ 34,449	\$ 31,265	\$ 28,679	\$ 29,857	\$ 26,260
Purchased goods	7,730	7,675	7,514	3,280	3,124
Purchased services	20,593	15,579	13,504	10,225	12,839
Financial expenses	2,574	1,941	2,156	1,948	1,671
External transfers	580	597	543	575	616
Amortization expense	20,321	24,606	24,982	24,216	22,088
<b>Total expenses</b>	<b>\$ 86,247</b>	<b>\$ 81,663</b>	<b>\$ 77,378</b>	<b>\$ 70,101</b>	<b>\$ 66,598</b>

## MULTI-YEAR COMPARISON OF FINANCIAL STATEMENTS

### Net Book Value of Tangible Capital Assets

(in thousands of dollars)

	2012	2011	2010	2009	2008
Land	\$ 257,793	\$ 234,645	\$ 216,466	\$ 186,294	\$ 177,973
Land improvements	30,097	25,855	19,827	15,325	12,220
Buildings and building improvements	92,294	90,826	41,967	39,200	22,004
Machinery and equipment	69,788	68,107	46,666	42,454	33,267
Linear assets	307,834	283,019	263,308	271,429	267,887
Assets under construction	43,328	25,586	78,497	16,169	30,477
<b>Total assets</b>	<b>\$ 801,134</b>	<b>\$ 728,038</b>	<b>\$ 666,731</b>	<b>\$ 570,871</b>	<b>\$ 543,828</b>

# MULTI-YEAR COMPARISON OF FINANCIAL STATEMENTS

## Accumulated Surplus

(in thousands of dollars)

	2012	2011	2010	2009	2008
<b>Reserves set aside by Council:</b>					
Aggregate permit fees	\$ 244	\$ 154	\$ 711	\$ 504	\$ 195
Capital provision/growth	8,461	4,020	1,270	7,968	6,040
Capital works	9,996	10,619	9,449	8,237	11,163
Computer replacement	693	475	391	362	238
Downtown Business Improvement Area	24	26	9	15	26
Election	90	45	-	88	45
Equipment replacement	2,343	2,208	1,981	1,376	369
Growth related resources	1,901	2,089	2,174	1,794	1,039
Insurance	703	694	623	512	387
Legal action	465	560	500	670	285
Library books	-	-	-	-	24
Library services	320	203	300	352	208
Library capital	301	272	-	-	-
Municipal building component	1,382	992	428	386	420
Municipal building replacement	361	46	1,282	417	217
Per unit development processing fee	1,574	1,224	1,126	867	929
Seniors fundraising	122	113	115	109	90
Tax rate stabilization	2,917	3,918	3,375	3,030	2,076
Training	201	185	174	133	78
Transit and transportation	741	195	1,020	1,556	1,564
Winter control	1,136	1,026	683	683	369
Working funds	1,064	1,064	1,000	1,000	600
WSIB	524	540	573	585	578
<b>Total reserves</b>	<b>\$ 35,563</b>	<b>\$ 30,668</b>	<b>\$ 27,184</b>	<b>\$ 30,644</b>	<b>\$ 26,940</b>

# MULTI-YEAR COMPARISON OF FINANCIAL STATEMENTS

## Accumulated Surplus (continued)

(in thousands of dollars)

	2012	2011	2010	2009	2008
<b>Reserve funds set aside for specific purpose by Council:</b>					
Cash in lieu of storm water management	132	129	125	120	117
Investment in the Arts Campaign	(330)	37	-	-	-
Mayor's legacy	78	77	74	72	70
Milton District Hospital	1,192	780	-	-	-
Ontario Lottery Corporation proceeds	8,762	8,599	9,889	10,493	8,793
Perpetual maintenance	417	389	369	331	283
Property transactions	2,759	2,363	4,466	1,622	1,421
Sports field development	70	61	51	41	85
WSIB settlement	5	9	13	17	21
<b>Total reserve funds</b>	<b>\$ 13,085</b>	<b>\$ 12,444</b>	<b>\$ 14,987</b>	<b>\$ 12,696</b>	<b>\$ 10,790</b>

	2012	2011	2010	2009	2008
<b>Surplus:</b>					
Invested in tangible capital assets	\$ 801,134	\$ 728,038	\$ 666,731	\$ 570,871	\$ 543,828
Unexpended capital	13,837	18,500	19,282	16,365	19,023
Operating surplus - Town	150	150	150	150	-
Operating surplus - Library	38	38	31	30	28
Investment in Milton Hydro	49,760	48,927	48,012	45,805	46,543
<b>Unfunded:</b>					
Long term debentures	(31,300)	(33,282)	(31,018)	(25,010)	(23,058)
Employee future benefits	(757)	(739)	(697)	(650)	(574)
Developer obligations	(1,808)	(1,988)	(6,625)	(8,454)	(9,951)
<b>Total surplus</b>	<b>831,054</b>	<b>759,644</b>	<b>695,866</b>	<b>599,107</b>	<b>575,839</b>
<b>Total accumulated surplus</b>	<b>\$ 879,702</b>	<b>\$ 802,756</b>	<b>\$ 738,037</b>	<b>\$ 642,447</b>	<b>\$ 613,569</b>

# FIVE-YEAR FINANCIAL STATISTICS

## Property Taxation

	2012	2011	2010	2009	2008
<b>Weighted assessment by property class</b>					
Residential	\$ 10,632,801,134	\$ 9,668,060,350	\$ 8,414,257,663	\$ 7,295,247,448	\$ 6,401,509,557
Multi-residential	254,482,343	247,708,604	229,181,618	218,613,189	206,737,931
Farmland	43,711,292	40,507,095	36,669,983	33,289,296	32,510,501
Managed forests	4,470,705	3,867,960	3,466,930	3,183,069	2,843,103
Commercial	2,359,985,122	2,130,798,316	1,897,315,080	1,693,367,879	1,283,095,875
Industrial	1,165,356,098	1,114,079,712	1,054,354,687	925,549,035	860,354,730
Pipelines	70,792,033	68,483,351	63,844,978	60,240,858	57,056,820
<b>Total weighted assessment</b>	<b>\$ 14,531,598,727</b>	<b>\$ 13,273,505,388</b>	<b>\$ 11,699,090,939</b>	<b>\$ 10,229,490,774</b>	<b>\$ 8,844,108,517</b>
Commercial and industrial as % of total weighted assessment	24%	24%	25%	26%	24%
<b>Total tax levied and collected</b>					
Property tax levied	\$ 37,487,405	\$ 34,683,837	\$ 33,433,914	\$ 29,139,953	\$ 25,490,208
Taxes billed on behalf of Region of Halton	53,155,015	50,966,607	49,493,631	45,077,578	40,986,658
Taxes billed on behalf of school boards	49,881,259	48,866,802	46,406,994	43,273,183	41,044,606
<b>Total tax levied</b>	<b>\$ 140,523,679</b>	<b>\$ 134,517,246</b>	<b>\$ 129,334,539</b>	<b>\$ 117,490,714</b>	<b>\$ 107,521,472</b>
<b>Total tax collected</b>	<b>\$ 144,571,964</b>	<b>\$ 131,796,280</b>	<b>\$ 131,301,684</b>	<b>\$ 114,309,623</b>	<b>\$ 106,509,349</b>

# FIVE-YEAR FINANCIAL STATISTICS

## Property Taxation

	2012	2011	2010	2009	2008
<b>Taxation rates by property class - Urban</b>					
<b>Residential</b>					
Town of Milton	0.252354%	0.253545%	0.253929%	0.256855%	0.256811%
Region of Halton	0.354086%	0.367099%	0.383494%	0.407832%	0.422446%
School boards	0.221000%	0.231000%	0.241000%	0.252000%	0.264000%
	<b>0.827440%</b>	<b>0.851644%</b>	<b>0.878423%</b>	<b>0.916687%</b>	<b>0.943257%</b>
<b>Multi-residential</b>					
Town of Milton	0.570800%	0.573494%	0.574363%	0.580979%	0.580881%
Region of Halton	0.800905%	0.830341%	0.867424%	0.922476%	0.955530%
School boards	0.221000%	0.231000%	0.241000%	0.252000%	0.264000%
	<b>1.592705%</b>	<b>1.634835%</b>	<b>1.682787%</b>	<b>1.755455%</b>	<b>1.800411%</b>
<b>Farmlands</b>					
Town of Milton	0.050470%	0.050710%	0.050786%	0.051371%	0.051362%
Region of Halton	0.070817%	0.073421%	0.076698%	0.081567%	0.084488%
School boards	0.055250%	0.057750%	0.060250%	0.063000%	0.066000%
	<b>0.176537%</b>	<b>0.181881%</b>	<b>0.187734%</b>	<b>0.195938%</b>	<b>0.201850%</b>
<b>Managed forests</b>					
Town of Milton	0.063089%	0.063386%	0.063482%	0.064214%	0.064203%
Region of Halton	0.088521%	0.091775%	0.095873%	0.101958%	0.105612%
School boards	0.055250%	0.269982%	0.060250%	0.063000%	0.066000%
	<b>0.206860%</b>	<b>0.425143%</b>	<b>0.219605%</b>	<b>0.229172%</b>	<b>0.235815%</b>
<b>Commercial</b>					
Town of Milton	0.367554%	0.369288%	0.369847%	0.374108%	0.374046%
Region of Halton	0.515725%	0.534680%	0.558558%	0.594007%	0.615293%
School boards	1.007461%	1.079929%	1.165006%	1.264346%	1.374657%
	<b>1.890740%</b>	<b>1.983897%</b>	<b>2.093411%</b>	<b>2.232461%</b>	<b>2.363996%</b>
<b>Commercial - vacant units/excess land</b>					
Percentage of full rate	70%	70%	70%	70%	70%

# FIVE-YEAR FINANCIAL STATISTICS

## Property Taxation

	2012	2011	2010	2009	2008
<b>Industrial</b>					
Town of Milton	0.595532%	0.598341%	0.599247%	0.606151%	0.606049%
Region of Halton	0.835607%	0.866317%	0.905006%	0.962443%	0.996931%
School boards	1.576954%	1.660413%	1.754070%	1.859195%	1.923028%
	<b>3.008093%</b>	<b>3.125071%</b>	<b>3.258323%</b>	<b>3.427789%</b>	<b>3.526008%</b>

### Industrial - Vacant land/excess land

Percentage of full rate	65%	65%	65%	65%	65%
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<b>Pipeline</b>					
Town of Milton	0.267924%	0.269189%	0.269597%	0.272703%	0.272657%
Region of Halton	0.375933%	0.389749%	0.407156%	0.432995%	0.448512%
School boards	1.227780%	1.266862%	1.308523%	1.353050%	1.402694%
	<b>1.871637%</b>	<b>1.925800%</b>	<b>1.985276%</b>	<b>2.058748%</b>	<b>2.123863%</b>

### Taxation rates by property class - General

#### Residential

Town of Milton	0.217304%	0.212707%	0.212393%	0.214340%	0.213731%
Region of Halton	0.352164%	0.365036%	0.381453%	0.405889%	0.420619%
School Boards	0.221000%	0.231000%	0.241000%	0.252000%	0.264000%
	<b>0.790467%</b>	<b>0.808743%</b>	<b>0.834846%</b>	<b>0.872229%</b>	<b>0.898350%</b>

#### Multi-residential

Town of Milton	0.491519%	0.481122%	0.480412%	0.484815%	0.483437%
Region of Halton	0.796558%	0.825675%	0.862808%	0.918081%	0.951398%
School boards	0.221000%	0.231000%	0.241000%	0.252000%	0.264000%
	<b>1.509077%</b>	<b>1.537797%</b>	<b>1.584220%</b>	<b>1.654896%</b>	<b>1.698835%</b>

#### Farmlands

Town of Milton	0.043460%	0.042542%	0.042479%	0.042868%	0.042746%
Region of Halton	0.070433%	0.073008%	0.076290%	0.081178%	0.084123%
School boards	0.055250%	0.057750%	0.060250%	0.063000%	0.066000%
	<b>0.169143%</b>	<b>0.173300%</b>	<b>0.179019%</b>	<b>0.187046%</b>	<b>0.192869%</b>



# FIVE-YEAR FINANCIAL STATISTICS

## Property Taxation

	2012	2011	2010	2009	2008
<b>Managed Forests</b>					
Town of Milton	0.054326%	0.053176%	0.053098%	0.053585%	0.053433%
Region of Halton	0.088041%	0.091259%	0.095363%	0.101472%	0.105155%
School boards	0.055250%	0.269982%	0.060250%	0.063000%	0.066000%
	<b>0.197617%</b>	<b>0.414417%</b>	<b>0.208711%</b>	<b>0.218057%</b>	<b>0.224588%</b>
<b>Commercial</b>					
Town of Milton	0.316503%	0.309807%	0.309350%	0.312186%	0.311299%
Region of Halton	0.512926%	0.531675%	0.555586%	0.591177%	0.612632%
School boards	1.007461%	1.079929%	1.165006%	1.264346%	1.374657%
	<b>1.836890%</b>	<b>1.921411%</b>	<b>2.029942%</b>	<b>2.167709%</b>	<b>2.298588%</b>
<b>Commercial - Vacant units/excess land</b>					
Percentage of full rate	70%	70%	70%	70%	70%
<b>Industrial</b>					
Town of Milton	0.512816%	0.501967%	0.501226%	0.505821%	0.504383%
Region of Halton	0.831071%	0.861449%	0.900190%	0.957858%	0.992619%
School boards	1.576954%	1.660413%	1.754070%	1.859195%	1.923028%
	<b>2.920841%</b>	<b>3.023829%</b>	<b>3.155486%</b>	<b>3.322874%</b>	<b>3.420030%</b>
<b>Industrial - Vacant land/excess land</b>					
Percentage of full rate	65%	65%	65%	65%	65%
<b>Pipeline</b>					
Town of Milton	0.230711%	0.225831%	0.225498%	0.227565%	0.226918%
Region of Halton	0.373892%	0.387559%	0.404989%	0.430932%	0.446572%
School boards	1.227780%	1.266862%	1.308523%	1.353050%	1.402694%
	<b>1.832383%</b>	<b>1.880252%</b>	<b>1.939010%</b>	<b>2.011547%</b>	<b>2.076184%</b>

# FIVE-YEAR FINANCIAL STATISTICS

## Long-Term Debt and Other Statistics

	2012	2011	2010	2009	2008
<b>Transfers from other levels of government</b>					
Federal	\$ 2,209,449	\$ 7,191,800	\$ 13,327,946	\$ 428,171	\$ 752,936
Provincial	687,443	6,205,602	12,874,332	2,137,240	6,647,749
<b>Total transfers</b>	<b>2,896,892</b>	<b>13,397,402</b>	<b>26,202,278</b>	<b>2,565,410</b>	<b>7,400,684</b>
<b>Long-term debt:</b>					
Debt supported by property taxes	14,683,574	16,879,757	18,566,946	17,036,946	14,565,798
Debt supported by development charges	11,472,493	10,933,828	6,475,473	1,508,871	1,771,496
Debt supported by reserves and reserve funds	4,865,643	5,060,021	5,442,816	5,811,950	5,953,315
Debt supported by user fees	278,136	408,098	532,643	652,161	767,306
<b>Total long-term debt</b>	<b>\$ 31,299,846</b>	<b>\$ 33,281,705</b>	<b>\$ 31,017,878</b>	<b>\$ 25,009,928</b>	<b>\$ 23,057,914</b>
<b>Long-term debt by function:</b>					
General government	\$ 6,732,358	\$ 10,909,744	\$ 8,002,048	\$ 8,657,623	\$ 7,018,795
Fire	3,369,904	1,777,690	626,146	-	-
Roadways	8,443,537	8,466,809	10,750,964	11,038,485	11,080,608
Parks	1,392,713	1,596,010	1,791,622	1,980,164	2,162,378
Recreation facilities	9,222,691	7,948,544	7,245,018	3,106,113	2,796,133
Cultural services	1,968,651	2,392,836	2,392,837	-	-
Library	169,991	190,072	209,243	227,543	-
<b>Total long-term debt</b>	<b>\$ 31,299,846</b>	<b>\$ 33,281,705</b>	<b>\$ 31,017,878</b>	<b>\$ 25,009,928</b>	<b>\$ 23,057,914</b>
Total long-term debt per capita	339.48	378.20	378.27	318.6	307.44
Total long-term debt per household	1,035.73	1,160.45	1,131.63	987.75	995.25
Annual debt repayment limit*	20,723,283	17,302,886	17,531,596	14,998,783	13,421,681
Actual annual debt repayment	5,389,525	3,479,713	3,752,705	3,318,070	2,453,040
<b>Actual debt repayment as % of own source revenues</b>	<b>7%</b>	<b>5%</b>	<b>5%</b>	<b>6%</b>	<b>5%</b>

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

# FIVE-YEAR FINANCIAL STATISTICS

## Municipal Statistics

	2012	2011	2010	2009	2008
Population	92,200	88,000	82,000	78,500	75,000
Area	37,754	37,754	37,754 *	38,100	38,100
Households	30,220	28,680	27,410	25,320	23,168
Full time employees	316	302	284	256	257
Part time	128	142	141	141	127
Seasonal	270	243	246	235	235
<b>Total employees</b>	<b>714</b>	<b>687</b>	<b>671</b>	<b>632</b>	<b>619</b>
Roads infrastructure					
Paved roads	1,029	963	945	911	855
Unpaved roads	0	0	0	4	18
Recreation					
Total kilometres of trails	21.76	19.53	14.97	14.03	11.63
Total hours of recreations programs	4,494,229	4,377,511	4,219,789	3,082,402	2,638,363

Source: Financial Information Return and Municipal Performance Measurement Program

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

# FIVE-YEAR FINANCIAL STATISTICS

## Municipal Statistics

	2012	2011	2010	2009	2008
<b>New construction procurement:</b>					
Number of new construction contracts awarded	16	16	23	26	14
<b>Total value of new construction contracts awarded</b>	<b>\$ 21,066,613</b>	<b>\$ 50,460,861</b>	<b>\$ 81,350,778</b>	<b>\$ 19,312,723</b>	<b>\$ 9,116,806</b>

<b>Square metres of new construction:</b>					
Residential properties	204,193	232,707	360,976	316,718	413,889
Multi-residential properties	151,999	103,341	88,269	40,910	137,406
All other property classes	255,744	325,711	106,014	46,982	174,797
<b>Total square metres</b>	<b>611,936</b>	<b>661,759</b>	<b>555,259</b>	<b>404,610</b>	<b>726,092</b>

<b>Building permits issued:</b>					
Residential properties	967	1,045	741	14,83	1,900
Multi-residential properties	1,258	848	677	283	978
All other property classes	131	129	152	147	173
<b>Total building permits issued</b>	<b>2,356</b>	<b>2,022</b>	<b>1,570</b>	<b>1,913</b>	<b>3,051</b>

<b>Value of building permits issued:</b>					
Residential properties	\$ 174,694,261	\$ 189,546,097	\$ 132,155,417	\$ 281,328,300	\$ 335,515,487
Multi-residential properties	145,488,443	83,361,716	88,038,423	40,250,992	112,284,041
All other property classes	240,890,129	53,701,000	205,542,095	75,001,120	167,156,470
<b>Total value of building permits issued</b>	<b>\$ 561,072,833</b>	<b>\$ 326,608,813</b>	<b>\$ 425,735,935</b>	<b>\$ 396,580,412</b>	<b>\$ 614,955,998</b>

## LIST OF 2012 PRINCIPAL CORPORATE TAX ACCOUNTS

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



Information on the Town of Milton is available at

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

Direct any inquiries regarding this document to:

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