



# CORPORATION OF THE TOWN OF MILTON FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

# 2010



# 2010 FINANCIAL REPORT

Town of Milton,  
Ontario, Canada

For the fiscal period ended December 31, 2010

## OUR GOALS:

- A responsible, cost effective and accountable local government;
- Well managed growth, well planned spaces;
- A safe, liveable and healthy community;
- A diverse and sustainable economy; and,
- A thriving natural environment.

The consolidated financial statements have been prepared by the Corporate Services Department of The Corporation of the Town of Milton.







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# MILTON: ENGAGING, BALANCED, 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, generous, respectful nature.
- A place with a desirable personality that can attract and hold one's attention - a Town that is charming, appealing and a model of civility.
- 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.

Tradition-based, but not tradition bound.

A variety of cultures and backgrounds blended together to create a rainbow of exquisite beauty.

## CONNECTED

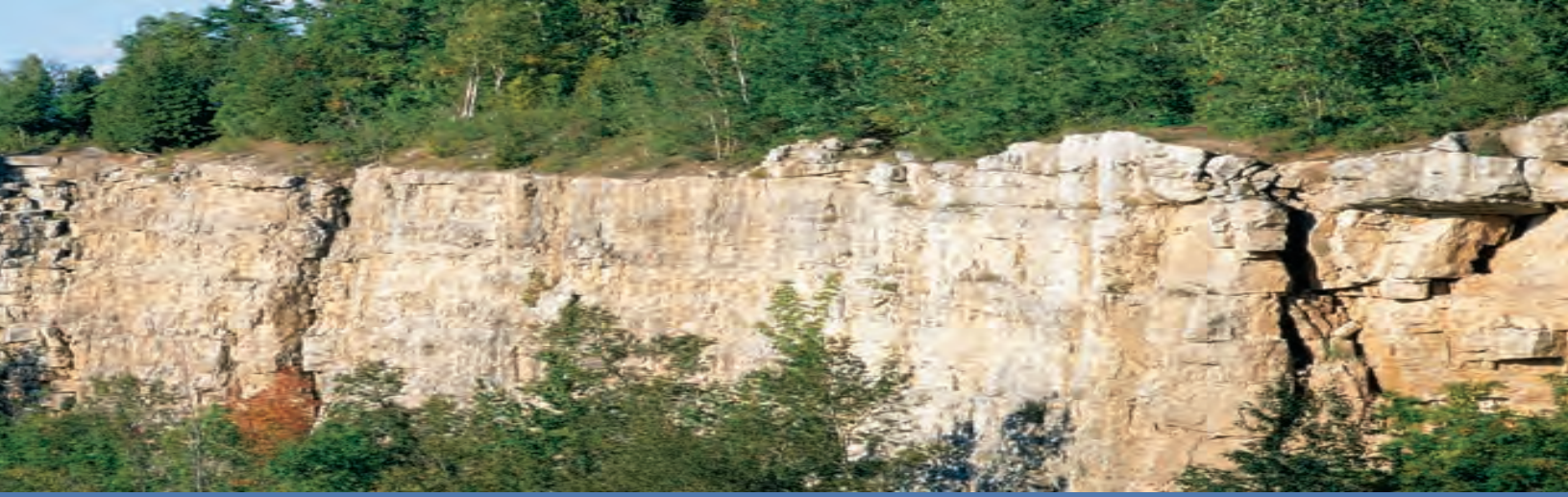
Safely, effectively and efficiently moving people and goods.

Well prepared for the 21st century - fully embracing and maximizing the use of information technology and electronic communication to serve residential and commercial interest.

Community that joins together in common cause to constantly enrich the lives of one another.







# A FEW THINGS THAT MAKE US SPECIAL

Milton has evolved into one of the most educated and diverse communities in Canada. Young, Educated and Growing - Milton is the only municipality in Ontario with top ten standing in five distinctive categories: Growth, Median Age, Median Age of Labour Force, Education Attainment and Income.

**Land area:** 378 square kilometres

**Municipally owned land:** 39 square kilometres

**Population (2010 estimate):** 82,000

**Population density per sq. km:** 217

**Population growth (2001 - 2010):** from 31,471 to 82,000, 161% increase

**Forecasted growth for (2010 - 2021):** 81,754 or 99.7%

**Total population forecast for 2021:** 163,754

**Number of households:** 27,410

**Age of population (by age groups):** 0-19 - 25% \*  
20-64 - 66%  
65+ - 9%

**Average household income:** \$ 110,597 \*

**Average value of dwelling:** \$ 364,417 \*

**Milton capital budget (2010):** \$ 78,253,166

**Milton operating budget (2010):** \$70,819,044

- Tax levy requirement: \$ 28,930,536
- User charges and other revenue: \$ 41,888,508

Milton has the third lowest percentage of property taxes in Ontario in relation to household income: 2.9% \*

Milton is the #1 fastest growing municipality in Ontario - (37% growth from 2006 to 2010) \*

## OUR PLACE IN ONTARIO



\* Source: BMA Management Consulting Inc. Municipal Study 2010



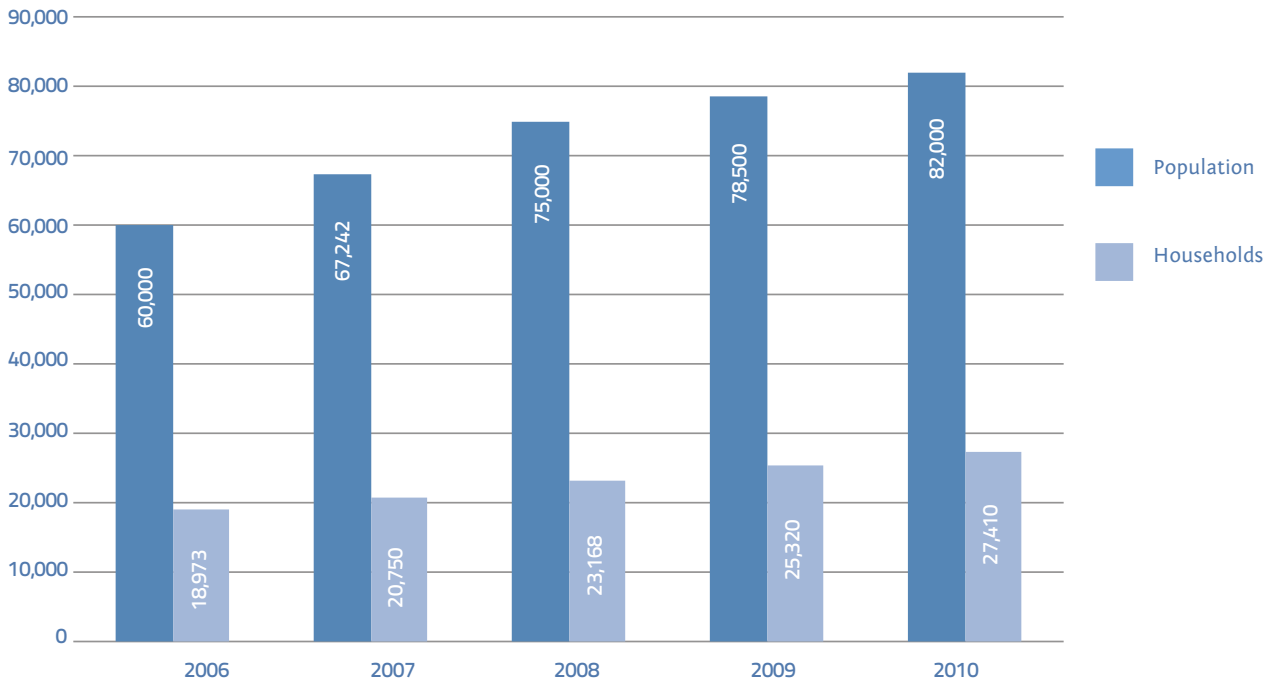
TOWN OF MILTON



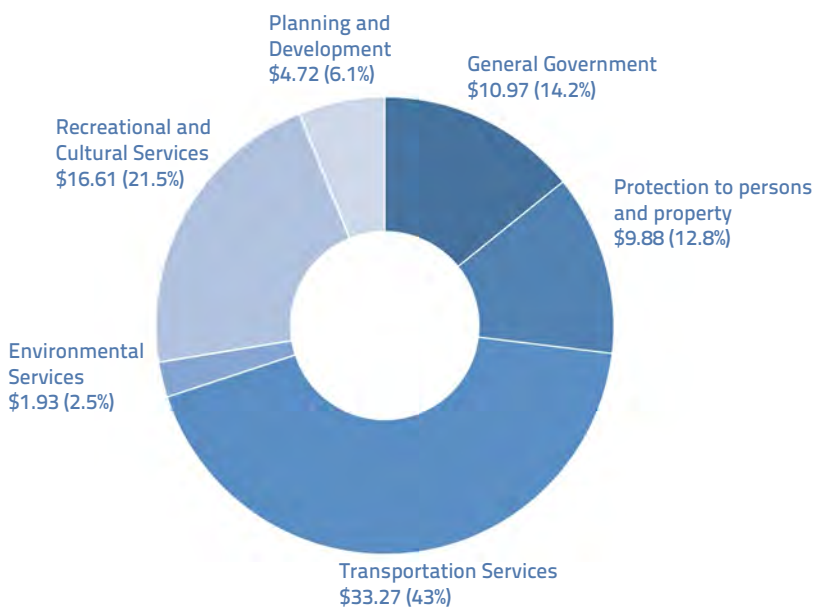


# TOWN OF MILTON 2010 HIGHLIGHTS

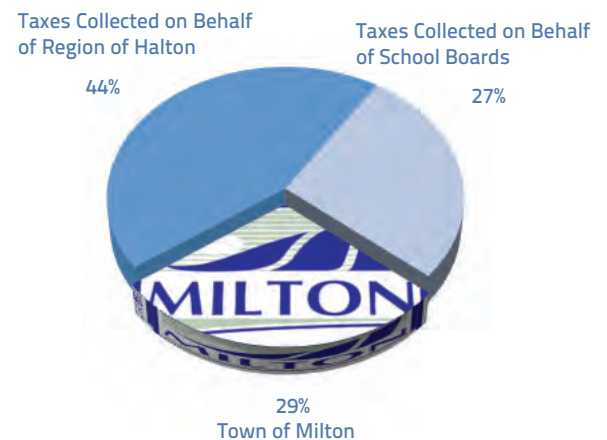
## POPULATION GROWTH AND HOUSEHOLD INCREASE OVER THE LAST 5 YEARS



## TOWN OF MILTON 2010 OPERATING EXPENDITURES: TOTAL \$77.38 MILLION



## RESIDENTIAL TAX BREAKDOWN



# GOVERNANCE AND ORGANIZATIONAL STRUCTURE

## MAYOR AND COUNCIL

The governing body of the Town of Milton is Town Council consisting of the Mayor and ten Councillors who represent Milton's eight wards for a four year term. The current four year term commenced in December 2010.

The Council of the Town of Milton is responsible for:

- Matters requiring policy direction
- By-laws and/or by-law amendments
- Establishing long term vision and priorities

Council also makes decisions on the recommendations of Milton's two Standing Committees, namely the Administration and Planning Committee and the Community Services Committee.

**RESPONSIBLE – COST-EFFECTIVE – ACCOUNTABLE**



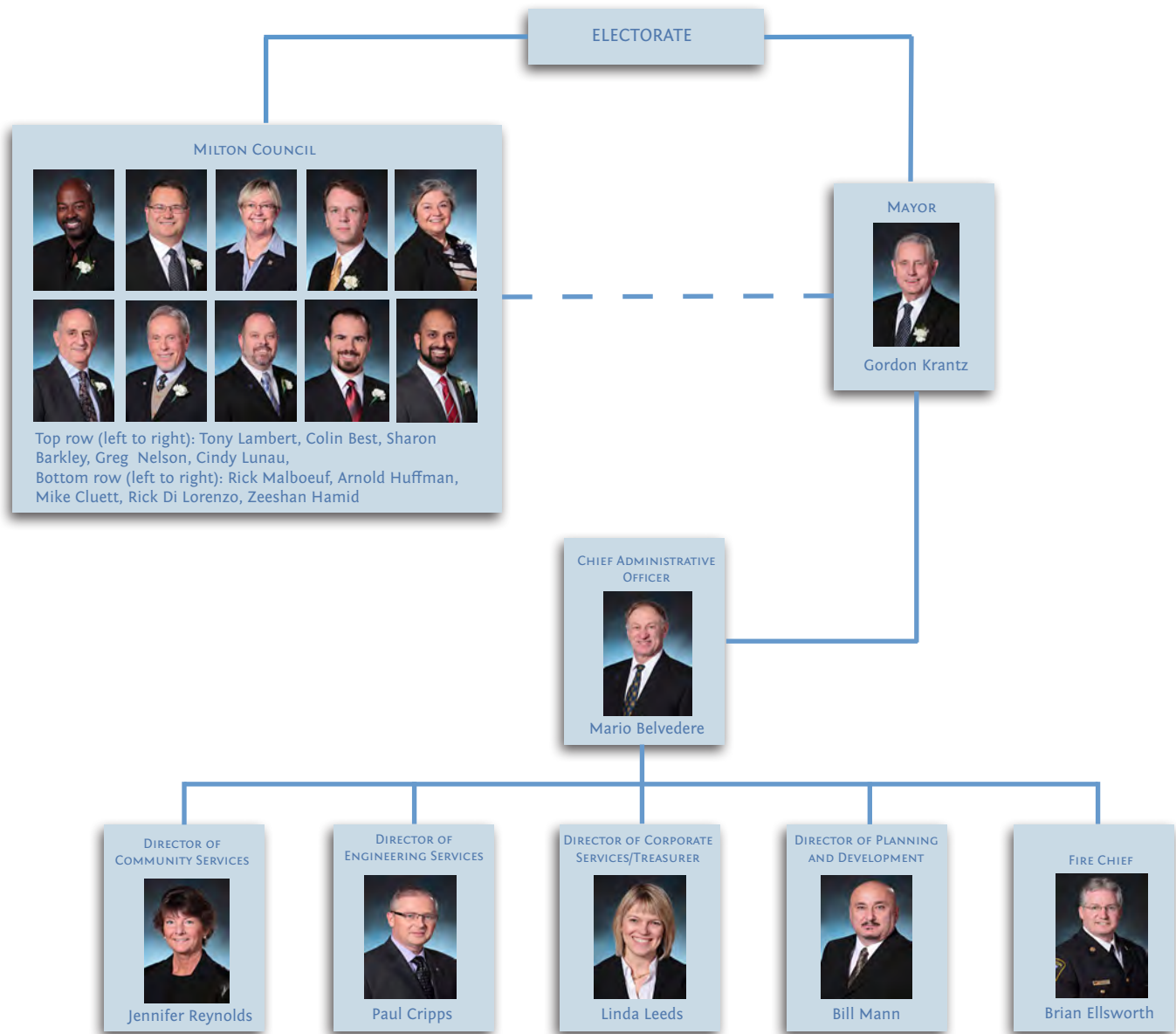
**MILTON TOWN COUNCIL**

BACK ROW - FROM LEFT TO RIGHT: Rick Malboeuf (Local Councillor - Ward 4), Greg Nelson (Local Councillor - Ward 2), Rick Di Lorenzo (Local Councillor - Ward 7), Zeeshan Hamid (Local Councillor - Ward 8), Mike Cluett (Local Councillor - Ward 6), Arnold Huffman (Local Councillor - Ward 5)

FRONT ROW - FROM LEFT TO RIGHT: Sharon Barkley (Local Councillor - Ward 1), Tony Lambert (Local & Regional Councillor - Wards 1,6,7,8), Gordon Krantz (Mayor & Regional Councillor), Colin Best (Local & Regional Councillor - Wards 2,3,4,5), Cindy Lunau (Local Councillor - Ward 3)



# ORGANIZATIONAL 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.





Linda Leeds, CGA  
DIRECTOR, CORPORATE SERVICES  
AND TREASURER



*“2010 was an important year for advancing capital projects. The Town leveraged provincial and federal investments to deliver key infrastructure projects to the community. Milton Council continues to demonstrate strong financial stewardship while balancing expenditures related to growth with service levels and local tax rates.”*

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## LETTER OF TRANSMITTAL

April 18, 2011

Honourable Mayor, Honourable Members of the Governing Council and  
Citizens of Town of Milton, Ontario

The accompanying 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, 2010.

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

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, Municipal Affairs Act and related legislation.

The reporting entity is comprised of all 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 Town of Milton relies 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, IT, 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.



## FINANCIAL MANAGEMENT

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, 2010. 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 289 and 290 of the Municipal Act, 2001 requires a municipality to adopt a budget including estimates of all sums required during the year for the purpose of the municipality. The process of budget compilation commences early in the year in an effort to ensure that the Town has an approved budget in place for the start of the new fiscal year. The Town's management prepares a proposed budget which is submitted to the Town Council in December for review and approval. Citizens are involved in the budget process through surveys, forums and public hearings.

## 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's 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 with targeted recovery levels defined by user groups. Though a comprehensive review of the user fees is conducted every 3 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 includes 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 proper internal controls are in place.

## OPERATING RESULTS

In accordance with Canadian public sector accounting standards, the attached Consolidated Financial Statements must contain the following sections:

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The Consolidated Statement of Financial Position shows the accumulated surplus for the year ended December 31, 2010, which represents assets minus liabilities plus non financial assets. Below is a summarized breakdown of accumulated surplus (in thousands of dollars):

	2010	2009
Reserves	\$ 27,184	\$ 30,644
Reserve funds	14,987	12,696
Investment in tangible capital assets	666,731	570,871
Unexpended capital	19,282	16,365
Investment in Milton Hydro	48,012	45,805
Town surplus	150	150
Library surplus	31	30
Unfunded liabilities	(38,340)	(34,114)
<b>Total accumulated surplus</b>	<b>\$ 738,037</b>	<b>\$ 642,447</b>

The Town's accumulated surplus balances are \$738.0 million, up from \$642.4 million in 2009. The investment in capital assets has increased by \$95.9 million, due to the growth in the volume and value of new assets being added to the Town inventory outpacing the annual amortization costs. The reserve balances are down \$3.5 million. The discretionary reserve funds have increased by \$2.3 million, mainly due to a \$2.8 million increase in Property Transactions Reserve Fund partially offset by a \$600 thousand decrease in the Ontario Lottery Corporation Proceeds reserve fund.



## CONSOLIDATED STATEMENT OF OPERATIONS

The Consolidated Statement of Operations provides a summary of revenues and expenses throughout the fiscal year. The annual surplus reported on this statement is the difference between revenues and expenses for the year. For the year ended December 31, 2010 the annual surplus increased to \$95.6 million from \$30.0 million in 2009.

On the revenue side, developer contributions and developer contributed assets are reported separately. The Town receives assets from developers as part of their obligations under subdivision agreements, which are deemed to be donated assets because no cash changed hands. The value of the assets must be shown on the balance sheet and be reflected as contributions from developers under the revenue section, as the funding source for these assets. For 2010, the value of developer contributed assets was \$39.0 million compared to \$23.5 million in 2009.

It is critical for readers of the Financial Statements to understand that the term “Accumulated Surplus” on the Consolidated Statement of Operations, cannot be misconstrued 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 the programs and services. They are not assets which are surplus to the operations or available to be liquidated.

## CONSOLIDATED STATEMENT OF CHANGE IN NET FINANCIAL ASSETS

The purpose of 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).

## CONSOLIDATED STATEMENT OF CASH FLOWS

This statement explains how the Town financed its activities and met its cash requirements, and groups the items into cash and non-cash related. Items, such as the annual amortization and developer contributed assets are identified as non-cash. This schedule reconciles the change in cash and cash equivalents from one year to another. The consolidated cash position of the municipality decreased by \$1.1 million to \$42.8 million.

## MAJOR CAPITAL UNDERTAKINGS IN 2010

Through the government funding and grant programs, the Town of Milton has been able to accelerate the start dates of several exciting infrastructure projects. During 2010 a number of capital projects have been approved by council to continue to invest in required infrastructure for the Town.

The following are highlights of a few of the major capital projects that were built in 2010 in order to meet the infrastructure and service needs of the growing community.

### **Milton Centre for the Arts/Main Library.**

The Milton Centre for the Arts and Main Library, located on the former Milton Hydro site, includes construction of a 24,000-square-foot Visual Arts Centre, a 30,000-square-foot library, and a 500-seat performing arts theatre. Construction is scheduled for completion in March 2011.

### **Milton Sports Centre Expansion.**

Milton Sports Centre expansion includes two new ice rinks and seating, an elevated walking track, a double gymnasium, an aquatic facility, multi-purpose space, and an expanded concession area. Construction is scheduled for completion in October 2011.

### **John Tonelli Sports Centre Rehabilitation.**

A number of improvements and upgrades are being made at the John Tonelli Sports Centre to extend the useful life of the facility and to meet the growing needs of user groups. Construction commenced in spring 2010.

### **Nassagaweya Tennis Courts Redevelopment.**

This project included the replacement, expansion, and improvement of the existing tennis court facilities at the Campbellville Community Centre. The tennis court reconstruction is scheduled for completion in October 2011.

### **16 Hugh Lane Restoration.**

Renovation of this Town-owned property within the downtown commercial area will restore this vacant property. Construction was completed in June 2010.

### **Milton Education Village.**

As a planned dynamic neighborhood, the Milton Education Village will incorporate key design elements that foster a culture of innovation and ultimately produce long-term economic benefits to the community. Among these key elements are a variety of housing types, a research park with a technology incubator, a retail support services, and a university campus. Initiatives taken in 2010 included:

- Release of the Design Charette Summary Report, which will serve as a basis for future discussion and the development of future plans
- Identification of a potential development partner for the research park
- Development of a business plan for technology incubator
- Search for available government and private sector funding

The Town Council approved *Destiny Milton II: Shaping Our Future* on June 26, 2006. This strategic plan is the broad vision for Milton for the next ten years, setting priorities for Milton's quality of life and service delivery. Guided by goals of *Destiny Milton 2 Strategic Plan*, the Town continues to aggressively market the potential that Milton offers investors in terms of its convenient location, availability of employment lands and buildings, and a young, educated workforce. Building on its established strong economic base, Milton is confidently moving forward with economic development strategies that respond to the changing economic climate.

## **LOOKING FORWARD**

### **GENERAL ECONOMIC OUTLOOK**

The Canadian economy continues to recover from the recent global recession. The economy expanded at a rate of 1.4 per cent, as measured by real gross domestic product (GDP), in the first quarter of 2010, followed by an increase of 0.6 per cent in the second quarter. Growth slowed to 0.3 per cent in the third quarter, which is attributable to lower exports and decreased investment in housing. In its December interest rate announcement, the Bank stated that the global economic recovery is proceeding largely as expected, however risks have increased, including sovereign debt concerns. In its October Monetary Policy Report, the Bank projected the Canadian economy will experience modest growth in 2011, with real GDP projected at 2.3 per cent. Growth is expected to continue in 2012 at a rate of 2.6 per cent.



After declining by a total 4.9 per cent over four quarters, from the second quarter of 2008 through the second quarter of 2009, real GDP in Ontario increased in the following four consecutive quarters by a total of 3.7 per cent. At the end of the second quarter 2010, real GDP in Ontario was 1.4 per cent below the pre-recession level. The Economic Outlook and Fiscal Review 2010, prepared by the Ontario Ministry of Finance, includes projections for real GDP growth for the Province of 2.2 per cent in 2011, followed by growth of 2.5 per cent in 2012. Key risks to the forecast include trade imbalances, uncertainty surrounding the U.S. economy and sovereign debt concerns.

On a year to year basis, the Consumer Price Index (CPI) rose by 2.1 since 2008 according to Statistics Canada. The main contributors to the increase of CPI are increased prices for gasoline, electricity and passenger vehicles. The Bank of Canada estimates that the CPI will average about 2.0 percent in 2011, followed by 2.0 percent in 2012. These inflation indicators are considered when budgeting for inflation prone services.

Interest rates have increased from historically low levels experienced through 2009 and early 2010. Interest rates are expected to continue increasing through 2011.

At the end of November, Canada's unemployment rate was 7.6 per cent, its lowest level since January 2009. Over past 12 months, part-time employment and full-time employment grew by 4.0 per cent and 1.4 per cent respectively. The Ontario Ministry of Finance has estimated employment growth of 1.7 per cent in 2011 and 1.8 per cent in 2012.

The total annual income earned by residents of Milton was estimated at \$2,544,715,715 in 2010 according to FPmarkets – Canadian Demographics 2010, published by the Financial Post. Milton's population represented 0.20 per cent of the Canadian population; however their income represented 0.23 per cent of total Canadian income earned in 2010. The average household income in the Town was projected to be \$110,597 for 2010, with 39.56 per cent of Milton households earning greater than \$100,000. Total income for Milton residents is projected to increase to \$3,226,564,168 for 2012 and to \$4,406,383,737 for 2015.

According to the Canada Mortgage and Housing Corporation ("CMHC"), housing starts were expected to be in the range of 176,700 to 194,700 units in 2010. For 2011 housing starts will likely be between 148,000 to 202,300 units, with a point forecast of 174,800. Low mortgage rates and high employment will support the demand for new homes. In Milton for 2010, 1,232 new home permits were issued through the end of October. The 2011 Operating Budget includes an estimate of 1,500 new units.

## STRATEGIC PLAN AND CAPITAL BUDGET

The strategic plan Destiny Milton 2 guides and provides context for all short and long-term planning for the Town to ensure that the right services are being delivered to Milton's growing population.

The Destiny Milton 2 Strategic Plan directly influences the financial management of the Town and the budget process as a tool that allows the delivery of programs needed to support all of the goals within the strategic plan.

The proposed 2011 Capital Budget and 2012-2020 Capital Forecast represents the capital expenditure requirements to support the provision of services to the citizens of Milton. The proposed budget and forecast is a multi-year financial plan for the construction and/or acquisition of capital works and provides the basis for the implementation of Destiny Milton 2, departmental service plans and also provides the financial mechanism to implement Council's planning and fiscal policies.

The recommended capital program for 2011 includes 76 projects that have a gross value of \$84.7M. Of this amount, \$45.4M is for multi-year infrastructure projects whose original budgets were pre-approved through prior budgets and/or Council reports, many of which were funded from infrastructure stimulus funding. In comparison to previous years' capital budgets, the proposed budget for 2011 is 11% larger than 2010 and 133% larger than 2009.

The Capital Budget in combination with the Operating Budget represents \$164.1M investment into the community.

The Town's Council approved guidelines for preparing the 2011 capital budget and forecast. It was decided that priority funding must be applied to large, multi-year infrastructure projects that have been previously approved and in which construction has already commenced. Many of these projects received infrastructure stimulus funding that is contingent upon project completion in March 2011.

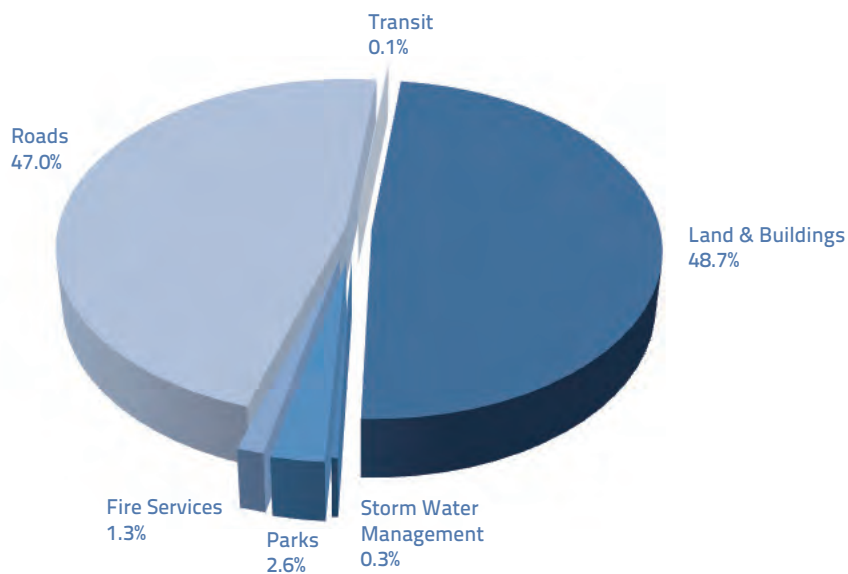
Significant projects for 2011 include:

- Milton Sports Centre Expansion to include a pool, two ice pads, gymnasium and multi-use space;
- Continued construction of the Milton Centre for the Arts;
- Completion of the new Central Library construction;
- Construction of a new Civic Operations Centre to replace the current undersized facility;
- Construction of the new Fire Headquarters/Station #3; and
- Minor upgrades and improvements to various other facilities.

The total budgeted capital expenditures for 2011 are broken down into the following categories:

- Land and Buildings \$40.7M (48.7%)
- Roads \$39.3M (47.0%)
- Parks \$2.2M (2.6%)
- Fire Services \$1.1M (1.3%)
- Storm Water Management \$0.2M (0.3%)
- Transit \$0.1M (0.1%)

CAPITAL EXPENDITURES BY FUNCTIONAL AREA





## PROSPECTS FOR THE FUTURE

Milton is one of the most unique communities in Ontario - if not Canada. Milton's recent growth and distinction as "Canada's Fastest Growing Community" are well known. With continuing pressure for affordable and accessible land on the western edge of the GTA, Milton has become the location of choice for a growing and diverse community of industrial and commercial investors.

Strategically located at the western edge of the GTA and within easy access to U.S. markets, the Town of Milton is poised for substantial expansion and growth. Milton's population is projected to triple and local employment is projected to double by 2021 from its 2001 levels.

Aside from the high quality of life, small town ambiance and beautiful natural setting, Milton is in a strong strategic position to attract and grow businesses. More than 155 million people – representing North America's fifth-largest market – are located within a single day's drive of Milton.

Milton also offers some of the most advantageous tax rates in the GTA. Comparing GTA communities, Milton's residential, industrial and commercial property tax rates are among the lowest. Every effort is made to maintain the stability of these rates in order to facilitate predictable long-term planning.

Milton's industrial/commercial space is expected to experience significant growth from just over 14.7 million square feet in 2008 to the projected 25 million square feet in 2021. Job opportunities are forecast to increase 92% from 36,867 to 71,000 over the same period.

The Town of Milton is exceptionally well positioned for continued growth and has set a deliberate course to:

- Attract and facilitate new industrial and commercial investment in well planned and phased business parks;
- Direct the phased development of new and innovative residential communities; and
- Enhance and expand related community infrastructure and facilities.

Respectfully submitted,



Linda Leeds, C.G.A.  
Director, Corporate Services and Treasurer



# FINANCIAL STATEMENTS

## THE CORPORATION OF THE TOWN OF MILTON

FOR THE YEAR ENDED DECEMBER 31, 2010





# 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.

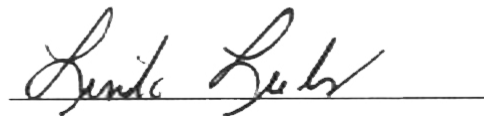
The Town's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely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



Mario Belvedere  
Chief Administrative Officer



Linda Leeds, CGA  
Treasurer

April 18, 2011





**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 consolidated financial statements of the Corporation of the Town of Milton, which comprise the consolidated statement of financial position as at December 31, 2010, 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, 2010, 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*

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Chartered Accountants, Licensed Public Accountants  
April 18, 2011  
Hamilton, Canada



# THE CORPORATION OF THE TOWN OF MILTON

## Consolidated Statement of Financial Position

December 31, 2010, with comparative figures for 2009

(in thousands of dollars)

	2010	2009
<b>Financial assets:</b>		
Cash and cash equivalents	\$ 42,766	\$ 43,834
Accounts receivable (note 2)		
Taxes receivable	7,857	9,824
Grants receivable	17,684	-
Other	10,657	7,251
Investments (note 3)	84,183	104,950
Investment in Milton Hydro Holdings Inc. (note 4)	48,012	45,805
Other assets	339	304
<b>Total financial assets</b>	<b>211,498</b>	<b>211,968</b>
<b>Financial Liabilities:</b>		
Accounts payable and accrued liabilities	24,707	14,279
Other liabilities	7,512	1,949
Deferred revenue (note 5)	69,805	90,171
Long-term debentures (note 6)	31,018	25,010
Developer obligations (note 7)	6,625	8,454
Employee benefits and other liabilities (note 8)	961	917
<b>Total financial liabilities</b>	<b>140,628</b>	<b>140,780</b>
<b>Net financial assets</b>	<b>70,870</b>	<b>71,188</b>
<b>Non-financial assets:</b>		
Tangible capital assets (note 10)	666,731	570,871
Inventories of supplies	359	341
Prepaid expenses	77	47
<b>Total non-financial assets</b>	<b>667,167</b>	<b>571,259</b>
<b>Accumulated surplus (note 11)</b>	<b>\$ 738,037</b>	<b>\$ 642,447</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, 2010, with comparative figures for 2009  
(in thousands of dollars)

	BUDGET	2010	2009
	(Unaudited- note 15)		
<b>Revenue:</b>			
Taxation (note 12)	\$ 31,454	\$ 33,434	\$ 29,140
User charges	8,303	9,380	8,088
Government transfers:			
Federal (note 13)	12,380	13,328	428
Provincial (note 13)	9,154	12,874	2,137
Other municipalities	2,669	2,559	1,939
Investment income	2,348	3,918	4,168
Penalties and interest	1,279	1,792	1,525
Developer contributions	34,223	39,483	13,539
Developer contributed assets	-	38,959	23,474
Proceeds from Ontario Lottery Corporation	5,774	5,521	5,526
Licenses, permits, rents, etc	4,007	4,929	5,305
Equity in income of Milton Hydro (note 4)	1,500	3,707	2,419
Boundary realignment	-	2,000	-
Miscellaneous	1,561	1,084	2,448
<b>Total Revenue</b>	<b>114,652</b>	<b>172,968</b>	<b>100,136</b>
<b>Expenses:</b>			
General government	9,698	10,972	10,899
Protection to persons and property	10,312	9,880	9,205
Transportation services	13,881	33,268	30,001
Environmental services	477	1,928	1,303
Recreational and cultural services	14,265	16,611	14,613
Planning and development	4,296	4,719	4,080
<b>Total expenses</b>	<b>52,929</b>	<b>77,378</b>	<b>70,101</b>
Annual surplus	61,723	95,590	30,035
Accumulated surplus, beginning of year	642,447	642,447	612,412
<b>Accumulated surplus (note 11), end of year</b>	<b>\$ 704,171</b>	<b>\$ 738,037</b>	<b>\$ 642,447</b>

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

**THE CORPORATION OF THE TOWN OF MILTON**  
**Consolidated Statement of Change in Net Financial Assets**  
Year ended December 31, 2010  
(in thousands of dollars)

	BUDGET	2010	2009
	(Unaudited- note 15)		
Annual surplus	\$ 61,723	\$ 95,590	\$ 30,035
Acquisition of tangible capital assets	(76,325)	(122,543)	(52,549)
Amortization of tangible capital assets	-	24,982	24,215
Loss on disposal of tangible capital assets	-	1,667	315
Proceeds on sale of tangible capital assets	-	34	976
	(14,602)	(270)	2,992
Milton Hydro: change in accounting policy - future income taxes (note 4)	-	-	(1,157)
Change in supplies of inventory	-	(18)	(95)
Change in prepaid expenses	-	(30)	75
Change in net financial assets	(14,602)	(318)	1,815
Net financial assets, beginning of year	71,188	71,188	69,373
Net financial assets, end of year	\$ 56,586	\$ 70,870	\$ 71,188

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, 2010, with comparative figures for 2009  
(in thousands of dollars)

	2010	2009
<b>Operating Activities:</b>		
Annual surplus	\$ 95,590	\$ 30,035
Items not involving cash:		
Amortization	24,982	24,215
Loss on disposal of tangible capital assets	1,667	315
Developer contributions of tangible capital assets	(38,959)	(23,474)
Change in employee benefits and other liabilities	44	81
Equity in income of Milton Hydro	(3,707)	(2,419)
Change in non-cash assets and liabilities		
Accounts receivable	(19,123)	(5,273)
Other assets	(35)	(55)
Accounts payable and accrued liabilities	10,428	2,925
Other liabilities	5,563	(1,228)
Deferred revenue	(20,366)	14,569
Developer obligations	(1,829)	(1,497)
Inventories of supplies	(18)	(95)
Prepaid expenses	(30)	75
<b>Net change in cash from operating activities</b>	<b>54,207</b>	<b>38,174</b>
<b>Capital Activities:</b>		
Proceeds on sale of tangible capital assets	34	976
Cash used to acquire tangible capital assets	(83,584)	(29,075)
<b>Net change in cash from capital activities</b>	<b>(83,550)</b>	<b>(28,099)</b>
<b>Investing Activities:</b>		
Investments	20,767	(3,369)
Dividends from Milton Hydro Holdings Inc.	1,500	2,000
<b>Net change in cash from investing activities</b>	<b>22,267</b>	<b>(1,369)</b>
<b>Financing Activities:</b>		
Debt issued and assumed	8,625	4,290
Debt principal repayment	(2,617)	(2,338)
<b>Net change in cash from financing activities</b>	<b>6,008</b>	<b>1,952</b>
<b>Net change in cash</b>	<b>\$ (1,068)</b>	<b>\$ 10,658</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Consolidated Statement of Cash Flows (continued)

December 31, 2010, with comparative figures for 2009  
(in thousands of dollars)

	2010	2009
Cash and cash equivalents, beginning of year	\$ 43,834	\$ 33,176
Cash and cash equivalents, end of year	\$ 42,766	\$ 43,834
Cash paid for interest on long-term debt	\$ 794	\$ 927
Cash received from interest on investments	4,404	5,499

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, 2010  
(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, Municipal Affairs Act and related legislation. The Town provides municipal services such as fire, public works, 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 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

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, 2010

(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.

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(in thousands of dollars)

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

(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.

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) 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.

(i) 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 CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(in thousands of dollars)

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

(i) 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.

(j) 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 has 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, 2010  
(in thousands of dollars)

### 2. Accounts receivable

Taxes receivable of \$7,857 (2009 - \$9,824) reported on the Consolidated Statement of Financial Position include supplementary taxes of \$1,841 (2009 - \$796) recorded in 2010 but not collectible until 2011. Other accounts receivable are reported net of a valuation allowance of \$59 (2009 - \$41).

### 3. Investments:

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

	2010	
	Cost	Market Value
Short-term notes and deposits	\$ 2,048	\$ 2,024
Government and government guaranteed bonds	24,349	25,675
Municipal bonds	19,775	20,911
Financial institutions	38,011	38,003
<b>Total investments, year end</b>	<b>\$ 84,183</b>	<b>\$ 86,613</b>

	2009	
	Cost	Market Value
Short-term notes and deposits	\$ 5,424	\$ 5,442
Government and government guaranteed bonds	33,849	35,103
Municipal bonds	29,494	30,618
Financial institutions	36,183	36,445
<b>Total investments, year end</b>	<b>\$ 104,950</b>	<b>\$ 107,608</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, 2010

(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:

	2010	2009
<b>Financial Position:</b>		
Assets:		
Current	\$ 22,572	\$ 17,771
Capital	49,988	42,919
Other	1,001	1,416
<b>Total assets</b>	<b>73,561</b>	<b>62,106</b>
Liabilities:		
Current	12,245	11,859
Long term debt	6,790	-
Long term note payable to Town of Milton	14,934	14,934
Other	6,515	4,443
<b>Total liabilities</b>	<b>40,484</b>	<b>31,236</b>
Equity:		
Share capital	17,548	17,548
Retained earnings	15,529	13,322
<b>Total equity</b>	<b>33,077</b>	<b>30,870</b>
<b>Total liabilities and equity</b>	<b>\$ 73,561</b>	<b>\$ 62,106</b>
Operations:		
Revenue	\$ 77,250	\$ 65,671
Expenses (including income tax provision)	73,543	63,252
Income net of taxes	3,707	2,419
Dividend paid to Town of Milton	(1,500)	(2,000)
Change in equity, before change in accounting policy	2,207	419
Change in accounting	-	(1,157)
<b>Change in equity</b>	<b>\$ 2,207</b>	<b>\$ (738)</b>
Town of Milton investment represented by:		
Promissory note receivable from Milton Hydro	\$ 14,934	\$ 14,934
2,000 Common shares	17,549	17,549
Retained earnings, end of year	15,529	13,322
<b>Total investment in Milton Hydro</b>	<b>\$ 48,012</b>	<b>\$ 45,805</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(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 \$1,465 (2009 - \$1,009). Payments in lieu of taxes paid to the Town by Milton Hydro of \$29 (2009 - \$87).

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 (2009 - \$1,083).

### 5. Deferred revenue:

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

	2010	2009
Obligatory reserve funds (note 5 (b))	\$ 59,919	\$ 78,512
Subdivision agreement fees	3,923	4,616
Property taxes prepaid	2,829	2,366
Government capital grants	1,652	2,203
Other	1,482	2,474
<b>Total deferred revenue</b>	<b>\$ 69,805</b>	<b>\$ 90,171</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(in thousands of dollars)

### 5. Deferred revenue (continued):

Continuity of deferred revenue is as follows:

	2010	2009
Balance, beginning of year:		
Obligatory reserve funds (note 5 (b))	\$ 78,512	\$ 68,455
Subdivision agreement fees	4,616	5,895
Property taxes prepaid	2,366	-
Government capital grants	2,203	-
Other	2,474	1,252
	90,171	75,602
Obligatory reserve funds	16,312	17,961
Interest earned on obligatory reserves	986	1,065
Subdivision agreement fees	4,119	589
Property taxes prepaid	2,829	2,366
Government capital grants	3,810	2,203
Other	8,889	7,632
Total revenue	36,945	31,816
Obligatory reserve funds	(35,891)	(8,969)
Subdivision agreement fees	(4,812)	(1,868)
Property taxes prepaid	(2,366)	-
Government capital grants	(4,361)	-
Other	(9,881)	(6,410)
Total transfers	(57,311)	(17,247)
Balance, end of year	\$ 69,805	\$ 90,171



# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010  
(in thousands of dollars)

### 5. Deferred revenue (continued):

(b) Deferred revenue – obligatory reserve funds:

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

	2010	2009	Net Change
Building stabilization	\$ 5,407	\$ 6,229	\$ (822)
Cash in lieu of parking	102	142	(40)
Cash in lieu of parkland	71	184	(113)
MetroLinx program	16	34	(18)
Federal gas tax	2,268	1,909	359
Gas tax for transit	347	87	260
Development charges	51,708	69,927	(18,219)
<b>Total</b>	<b>\$ 59,919</b>	<b>\$ 78,512</b>	<b>\$ (18,593)</b>

### 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:

	2010	2009
Total long-term debentures issued by Region of Halton	\$ 25,010	\$ 23,058
Less: Principal repayment	(2,617)	(2,338)
Add: New debt issued	8,625	4,290
<b>Net long-term debentures at the end of year</b>	<b>\$ 31,018</b>	<b>\$ 25,010</b>

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

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(in thousands of dollars)

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

(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
2011	\$ 2,349	\$ 748	\$ 180	\$ 203	\$ 3,480
2012	2,435	769	187	211	3,602
2013	2,528	794	194	219	3,735
2014	2,628	822	202	227	3,879
2015	1,980	507	211	237	2,935
2016 - 2022	7,180	2,835	690	2,682	13,387
	\$ 19,100	\$ 6,475	\$ 1,664	\$ 3,779	\$ 31,018

(c) Total interest on long-term liabilities which are reported on the consolidated statement of operations amounted to \$1,135 in 2010 (2009 - \$927). 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:

	2010	2009
Accelerated roads program	\$ 5,708	\$ 8,004
Subdivision agreements - roads	-	450
Subdivision agreements - parks	917	-
Developer obligations, end of year	\$ 6,625	\$ 8,454

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.

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010  
(in thousands of dollars)

### 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:

	2010	2009
Future payments to WSIB	\$ 359	\$ 285
Retiree benefits	338	365
Vacation pay and banked overtime	264	267
<b>Total</b>	<b>\$ 961</b>	<b>\$ 917</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, 2008.

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

Interest (discount rate)	5.0% per annum
Administration costs	25.0% of compensation
Compensation costs (including loss of earning benefits, health care costs and non-economic loss awards)	2.0% - 5.0% per annum

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(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:

	2010	2009
Accrued WSIB obligation, beginning of year	\$ 397	\$ 168
Current benefit cost	131	127
Actuarial loss	-	164
Interest	20	16
Benefits paid	(89)	(78)
	459	397
Unamortized actuarial loss	(100)	(112)
<b>Accrued WSIB liability, end of year</b>	<b>\$ 359</b>	<b>\$ 285</b>

The Town has established WSIB reserve and reserve fund to mitigate the future impact of the WSIB obligations in the amount of \$586 (2009 - \$602).

In the current year benefit costs are \$12 (2009 - \$12) for amortization of the actuarial loss. The unamortized actuarial loss on future payments required to WSIB is amortized over the expected period of the liability which is 8 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, 2010  
(in thousands of dollars)

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

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

	2010	2009
Accrued benefits obligation, beginning of year	\$ 384	\$ 417
Current benefit cost	9	10
Actuarial loss	68	-
Change in obligation from experience	14	-
Interest	21	20
Benefits paid	(84)	(63)
	412	384
Unamortized actuarial loss	(74)	(19)
Accrued benefits liability, end of year	\$ 338	\$ 365

Included in current benefit cost are \$13 (2009 - \$4) for amortization of the actuarial loss. The unamortized actuarial loss is amortized over the expected average remaining service life which is 7 years.

#### (c) Liability for vacation pay and banked overtime

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. In 2010 the liability is \$264 (2009 - \$267).

### 9. Pension agreements:

The Town makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 332 (2009 - 306) 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 6.4% for earnings up to the yearly maximum pensionable earnings of \$47.2 and at a rate of 9.7% for earnings greater than the yearly maximum pensionable earnings.

The amount contributed to OMERS for 2010 was \$1,472 (2009 - \$1,350).

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(in thousands of dollars)

### 10. Tangible Capital Assets:

Cost	Balance at December 31, 2009	Additions	Disposals	Balance at December 31, 2010
Land	\$ 186,294	\$ 30,283	\$ (111)	\$ 216,466
Land improvements	20,301	5,363	-	25,664
Buildings and building improvements	47,076	4,041	(346)	50,771
Machinery and equipment	64,968	9,331	(706)	73,593
Linear assets	488,678	11,197	(6,559)	493,316
Assets under construction	16,169	62,328	-	78,497
<b>Total</b>	<b>\$ 823,486</b>	<b>\$ 122,543</b>	<b>\$ (7,722)</b>	<b>\$ 938,307</b>

Accumulated amortization	Balance at December 31, 2009	Amortization expense	Disposals	Balance at December 31, 2010
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	4,976	861	-	5,837
Buildings and building improvements	7,876	1,196	(268)	8,804
Machinery and equipment	22,514	5,007	(594)	26,927
Linear assets	217,249	17,918	(5,159)	230,008
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 252,615</b>	<b>\$ 24,982</b>	<b>\$ (6,021)</b>	<b>\$ 271,576</b>

	Net book value December 31, 2009	Net book value December 31, 2010
Land	\$ 186,294	\$ 216,466
Land improvements	15,325	19,827
Buildings and building improvements	39,200	41,967
Machinery and equipment	42,454	46,666
Linear assets	271,429	263,308
Assets under construction	16,169	78,497
<b>Total</b>	<b>\$ 570,871</b>	<b>\$ 666,731</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(in thousands of dollars)

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

Cost	Balance at December 31, 2008	Additions	Disposals	Balance at December 31, 2009
Land	\$ 177,973	\$ 8,631	\$ (310)	\$ 186,294
Land improvements	16,475	3,844	(18)	20,301
Buildings and building improvements	29,508	18,747	(1,179)	47,076
Machinery and equipment	52,972	13,766	(1,770)	64,968
Linear assets	470,140	21,869	(3,331)	488,678
Assets under construction	30,477	(14,308)	-	16,169
<b>Total</b>	<b>\$ 777,545</b>	<b>\$ 52,549</b>	<b>\$ (6,608)</b>	<b>\$ 823,486</b>

Accumulated amortization	Balance at December 31, 2008	Amortization expense	Disposals	Balance at December 31, 2009
Land	\$ -	\$ -	\$ -	\$ -
Land improvements	4,255	727	(6)	4,976
Buildings and building improvements	7,504	1,083	(711)	7,876
Machinery and equipment	19,705	4,415	(1,606)	22,514
Linear assets	202,253	17,990	(2,994)	217,249
Assets under construction	-	-	-	-
<b>Total</b>	<b>\$ 233,717</b>	<b>\$ 24,215</b>	<b>\$ (5,317)</b>	<b>\$ 252,615</b>

	Net book value December 31, 2008	Net book value December 31, 2009
Land	\$ 177,973	\$ 186,294
Land improvements	12,220	15,325
Buildings and building improvements	22,004	39,200
Machinery and equipment	33,267	42,454
Linear assets	267,887	271,429
Assets under construction	30,477	16,169
<b>Total</b>	<b>\$ 543,828</b>	<b>\$ 570,871</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(in thousands of dollars)

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

#### a) Assets under construction

Assets under construction having a value of \$78,497 (2009 - \$16,169) 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 \$38,959 (2009 - \$23,474) comprised of land and land improvements in the amount of \$28,630 (2009 - \$6,906), linear assets in the amount of \$10,329 (2009 - \$16,508) and equipment in the amount of \$NIL (2009 - \$ 60).

#### c) 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.

#### d) 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, 2010.



# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010  
(in thousands of dollars)

### 11. Accumulated surplus:

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

	2010	2009
Reserves set aside by Council:		
Aggregate Permit Fees	\$ 711	\$ 504
Capital Provision/Growth	1,270	7,968
Capital Works	9,449	8,237
Computer replacement	391	362
Downtown Business Improvement Area	9	15
Election	-	88
Equipment replacement	1,981	1,376
Growth related resources	2,174	1,794
Insurance	623	512
Legal action	500	670
Library services	300	352
Municipal building component	428	386
Municipal building replacement	1,282	417
Per unit development processing fee	1,126	867
Seniors fundraising	115	109
Tax rate stabilization	3,375	3,030
Training	174	133
Transit and transportation	1,020	1,556
Winter control	683	683
Working funds	1,000	1,000
WSIB	573	585
<b>Total reserves</b>	<b>27,184</b>	<b>30,644</b>
Reserve funds set aside for specific purpose by Council:		
Cash in lieu of storm water management	125	120
Mayor's legacy	74	72
Ontario Lottery Corporation proceeds	9,889	10,493
Perpetual maintenance	369	331
Property transactions	4,466	1,622
Sports field development	51	41
WSIB settlement	13	17
<b>Total reserve funds</b>	<b>\$ 14,987</b>	<b>\$ 12,696</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(in thousands of dollars)

### 11. Accumulated surplus (continued):

	2010	2009
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 666,731	\$ 570,871
Unexpended capital	19,282	16,365
Operating surplus - Town	150	150
Operating surplus - Library	31	30
Investment in Milton Hydro	48,012	45,805
<b>Unfunded:</b>		
Long term debentures	(31,018)	(25,010)
Employee future benefits	(697)	(650)
Developer obligations	(6,625)	(8,454)
<b>Total surplus</b>	<b>695,866</b>	<b>599,107</b>
<b>Total Accumulated surplus</b>	<b>\$ 738,037</b>	<b>\$ 642,447</b>

### 12. Taxation:

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

	2010	2009
Municipal and school property taxes	\$ 128,566	\$ 116,712
Payments-in-lieu of property and business taxes	769	779
Balance, end of year	129,335	117,491
Payments to Region and school boards	(95,901)	(88,351)
<b>Net property taxes and payment-in-lieu available for municipal purposes</b>	<b>\$ 33,434</b>	<b>\$ 29,140</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010  
(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:

	2010	2009
<b>Revenue:</b>		
Ontario grants:		
Asset Management Grant	\$ -	\$ 8
Building Canada Fund	5,781	157
Elderly persons	67	47
Gas tax	316	316
Infrastructure Stimulus Fund	4,835	97
Joint Emergency Preparedness Program	-	23
Library Pay Equity Program	3	3
MTO - fire calls	23	21
MetroLinx - Bike Linx Program	18	-
Ontario Bus Replacement Program	302	-
Ontario Municipal Partnership Fund	-	1,372
Public Library Operating Grant Program	52	52
Public Transit	142	-
Recreational Infrastructure Canada Program	1,321	31
Transit Research Grant	-	10
Youth In Motion	14	-
<b>Subtotal Provincial grants</b>	<b>12,874</b>	<b>2,137</b>
<b>Federal grants:</b>		
Asset Management Grant	-	8
Building Canada Fund	5,781	157
Community Adjustment Fund	155	42
Gas tax	1,230	2
Infrastructure Stimulus Fund	4,835	97
National Trails Coalition	-	87
Recreational Infrastructure Canada Program	1,321	30
Summer Career Placement Grant	6	5
<b>Subtotal Federal grants</b>	<b>13,328</b>	<b>428</b>
<b>Total transfers</b>	<b>\$ 26,202</b>	<b>\$ 2,565</b>

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(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 are 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, 2010  
(in thousands of dollars)

### 14. Segmented Information (continued):

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

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, 2010  
(in thousands of dollars)

### 14. Segmented Information (continued):

	2010							Total
	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Recreational and Cultural Services	Planning and Development		
<b>Revenues:</b>								
Property taxation	\$ 12,915	\$ 5,862	\$ 7,840	\$ 343	\$ 4,968	\$ 1,506	\$ 33,434	
User charges	585	80	1,095	-	5,689	1,931	9,380	
Government transfers								
Federal	155	-	1,231	-	11,939	3	13,328	
Provincial	-	23	778	-	12,073	-	12,874	
Municipal	2	250	2,291	-	16	-	2,559	
Investment income	3,918	-	-	-	-	-	3,918	
Penalties and interest	1,387	-	328	-	77	-	1,792	
Developer contributions	1,367	1,592	15,019	35	17,134	4,336	39,483	
Developer contributed assets	-	-	5,217	5,266	28,476	-	38,959	
Proceeds from Ontario Lottery Corporation	5,521	-	-	-	-	-	5,521	
Licenses, permits, rents, etc.	316	4,435	6	-	167	5	4,929	
Equity in income of Milton Hydro	3,707	-	-	-	-	-	3,707	
Boundary realignment	2,000	-	-	-	-	-	2,000	
Assets under construction	370	2	528	3	174	7	1,084	
<b>Total Revenues</b>	<b>32,243</b>	<b>12,244</b>	<b>34,333</b>	<b>5,647</b>	<b>80,713</b>	<b>7,788</b>	<b>172,968</b>	
<b>Expenditures:</b>								
Salaries, wages and employee benefits	4,549	8,005	3,756	233	8,712	3,424	28,679	
Purchased goods	1,473	400	2,960	458	2,118	105	7,514	
Purchased services	1,850	449	7,935	243	1,852	1,175	13,504	
Financial expenses	1,051	94	452	-	548	11	2,156	
Transfers to others	-	253	-	-	290	-	543	
Amortization expense	2,047	680	18,165	994	3,091	5	24,982	
<b>Total expenses</b>	<b>10,970</b>	<b>9,881</b>	<b>33,268</b>	<b>1,928</b>	<b>16,611</b>	<b>4,720</b>	<b>77,378</b>	
<b>Net revenues</b>	<b>\$ 21,273</b>	<b>\$ 2,363</b>	<b>\$ 1,065</b>	<b>\$ 3,719</b>	<b>\$ 64,102</b>	<b>\$ 3,068</b>	<b>\$ 95,590</b>	

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010  
(in thousands of dollars)

### 14. Segmented Information (continued):

	2009							
	General Government	Protection to Persons and Property	Transportation Services	Environmental Services	Recreational and Cultural Services	Planning and Development	Total	
<b>Revenues:</b>								
Property taxation	\$ 8,489	\$ 5,412	\$ 6,383	\$ 343	\$ 7,142	\$ 1,371	\$ 29,140	
User charges	763	55	972	-	4,562	1,736	8,088	
Government transfers								
Federal	29	-	2	-	373	3	407	
Provincial	1,423	22	326	-	387	-	2,158	
Municipal	1	225	1,670	-	43	-	1,939	
Investment income	4,168	-	-	-	-	-	4,168	
Penalties and interest	1,187	-	276	-	62	-	1,525	
Developer contributions	2,540	1,161	3,165	3	6,325	345	13,539	
Developer contributed assets	-	-	10,452	7,563	5,459	-	23,474	
Proceeds from Ontario Lottery Corporation	5,526	-	-	-	-	-	5,526	
Licenses, permits, rents, etc.	512	4,655	4	-	130	4	5,305	
Equity in income of Milton Hydro	2,419	-	-	-	-	-	2,419	
Miscellaneous	943	-	1,403	-	98	4	2,448	
<b>Total Revenues</b>	<b>28,000</b>	<b>11,530</b>	<b>24,653</b>	<b>7,909</b>	<b>24,581</b>	<b>3,463</b>	<b>100,136</b>	
<b>Expenditures:</b>								
Salaries, wages and employee benefits	6,139	7,545	4,048	147	8,570	3,408	29,857	
Purchased goods	709	116	1,545	37	793	80	3,280	
Purchased services	1,713	624	5,330	209	1,778	571	10,225	
Financial expenses	695	56	873	-	308	16	1,948	
Transfers to others	-	262	2	-	311	-	575	
Amortization expense	1,644	602	18,202	909	2,854	5	24,216	
<b>Total expenses</b>	<b>10,900</b>	<b>9,205</b>	<b>30,000</b>	<b>1,302</b>	<b>14,614</b>	<b>4,080</b>	<b>70,101</b>	
<b>Net revenues (expenditures)</b>	<b>\$ 17,100</b>	<b>\$ 2,325</b>	<b>\$ (5,347)</b>	<b>\$ 6,607</b>	<b>\$ 9,967</b>	<b>\$ (617)</b>	<b>\$ 30,035</b>	

# THE CORPORATION OF THE TOWN OF MILTON

## Notes to Consolidated Financial Statements

Year ended December 31, 2010

(in thousands of dollars)

### 15. Budget data:

The unaudited budget data presented in these consolidated financial statements is based upon the 2010 budget approved by Council on December 7, 2009. 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	\$ 68,783
Capital budget	78,253
Less:	
Interfund transfers	(22,053)
New debt financing	(6,022)
Debt principal payment	(2,448)
Reallocation revenues	(1,681)
Contribution from surplus	(180)
Total Revenue	114,652
<b>Expenses:</b>	
Operating budget	68,783
Capital budget	78,253
Less:	
Acquisition of tangible capital assets	(76,325)
Interfund transfers	(13,653)
Reallocated expenses	(1,681)
Debt principal payments	(2,448)
Total expenses	52,929
Annual surplus	\$ 61,723

### 16. Comparative Figures:

Certain 2009 comparative figures have been reclassified to conform to the consolidated financial statement presentation adopted for the current year.





**MILTON PUBLIC LIBRARY**







# FINANCIAL STATEMENTS

## MILTON PUBLIC LIBRARY BOARD

FOR THE YEAR ENDED DECEMBER 31, 2010



**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 Milton Public Library Board, which comprise the statement of financial position as at December 31, 2010, the statements of operations, changes in net financial assets (debt) 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, 2010, and its results of operations, changes in net financial assets (debt) and changes in due from the Town of Milton for the year then ended in accordance with Canadian public sector accounting standards.

*KPMG LLP*

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Chartered Accountants, Licensed Public Accountants  
April 18, 2011  
Hamilton, Canada

**MILTON PUBLIC LIBRARY BOARD**  
**Statement of Financial Position**  
 December 31, 2010, with comparative figures for 2009

	2010	2009
<b>Financial assets:</b>		
Due from the Town of Milton	\$ 511,173	\$ 815,125
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	152,751	356,997
Net financial assets	358,422	458,128
<b>Non-financial assets:</b>		
Tangible capital assets (note 2)	2,980,279	2,630,187
Prepaid expenses	26,651	20,264
	3,006,930	2,650,451
Accumulated surplus (note 3)	\$ 3,365,352	\$ 3,108,579

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



# MILTON PUBLIC LIBRARY BOARD

## Statement of Operations

Year ended December 31, 2010, with comparative figures for 2009

	BUDGET	2010	2009
	(Unaudited - note 4)		
<b>Revenue:</b>			
Tax levy	\$ 2,772,819	\$ 2,772,819	\$ 2,486,194
Statutory revenue	89,691	86,148	71,049
User charges	10,833	10,030	8,005
Federal government transfers:			
Summer career placement grant	3,000	2,155	1,919
Provincial government transfers:			
Library pay equity program	3,275	3,275	3,275
Public library operating grant program	52,427	52,429	52,429
Municipal government transfers	75,826	33,057	28,712
Development charges earned	1,364,850	454,989	206,696
Miscellaneous	1,972	4,060	4,231
<b>Total revenue</b>	<b>4,374,693</b>	<b>3,418,962</b>	<b>2,862,510</b>
<b>Expenses:</b>			
Salaries, wages and employee benefits	2,159,265	2,092,445	1,842,433
Administrative	20,837	15,917	16,233
Financial	1,800	2,303	1,753
Purchased goods	75,384	105,676	83,947
Purchased services	427,165	407,110	311,111
Amortization	-	538,738	531,512
<b>Total expenses</b>	<b>2,684,451</b>	<b>3,162,189</b>	<b>2,786,989</b>
<b>Annual surplus</b>	<b>1,690,242</b>	<b>256,773</b>	<b>75,521</b>
<b>Accumulated surplus, beginning of year</b>	<b>3,108,579</b>	<b>3,108,579</b>	<b>3,033,058</b>
<b>Accumulated surplus (note 3), end of year</b>	<b>\$ 4,798,821</b>	<b>\$ 3,365,352</b>	<b>\$ 3,108,579</b>

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

**MILTON PUBLIC LIBRARY BOARD**  
**Statement of Changes in Net Financial Assets**  
 Year ended December 31, 2010, with comparative figures for 2009

	BUDGET	2010	2009
	(Unaudited - note 4)		
Annual surplus	\$ 1,690,242	\$ 256,773	\$ 75,521
Acquisition of tangible capital assets	(1,835,385)	(888,830)	(577,206)
Amortization of tangible capital assets	-	538,738	531,512
	(145,143)	(93,319)	29,827
Change in prepaid expense	-	(6,387)	(1,792)
Change in net financial assets	(145,143)	(99,706)	28,035
Net financial assets, beginning of year	458,128	458,128	430,093
<b>Net financial assets, end of year</b>	<b>\$ 312,985</b>	<b>\$ 358,422</b>	<b>\$ 458,128</b>

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

**MILTON PUBLIC LIBRARY BOARD**  
**Statement of Changes in Due from the Town of Milton**  
Year ended December 31, 2010, with comparative figures for 2009

	2010	2009
<b>Cash provided by (used in):</b>		
<b>Operating activities:</b>		
Annual surplus	\$ 256,773	\$ 75,521
Items not involving cash:		
Amortization	538,738	531,512
Change in non-cash assets and other liabilities:		
Accounts payable and accrued liabilities	(204,246)	156,897
Deferred revenue	-	(1,895)
Prepaid expenses	(6,387)	(1,792)
Net change in cash from operating activities	584,878	760,243
<b>Capital activities:</b>		
Cash used to acquire tangible capital assets	(888,830)	(577,206)
Net change in Due from the Town of Milton	(303,952)	183,037
Due from the Town of Milton, beginning of year	815,125	632,088
Due from the Town of Milton, end of year	\$ 511,173	\$ 815,125

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

# MILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2010

### 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 in the amount of \$3,900,829 (2009 - \$6,852,102) 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, 2010

### 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 - 5
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, 2010

### 2. Tangible Capital Assets:

Cost	Balance at December 31, 2009	Additions	Disposals	Balance at December 31, 2010
IT equipment	\$ 188,348	\$ 34,590	\$ (22,728)	\$ 200,210
Office equipment	312,378	5,105	-	317,483
Collections	4,624,992	253,224	-	4,878,216
Collections not yet in circulation	-	595,911	-	595,911
<b>Total</b>	<b>\$ 5,125,718</b>	<b>\$ 888,830</b>	<b>\$ (22,728)</b>	<b>\$ 5,991,820</b>

Accumulated amortization	Balance at December 31, 2009	Disposals	Amortization Expense	Balance at December 31, 2010
IT equipment	\$ 31,698	\$ (22,728)	\$ 47,128	\$ 56,098
Office equipment	128,822	-	13,770	142,592
Collections	2,335,011	-	477,840	2,812,851
Collections not yet in circulation	-	-	-	-
<b>Total</b>	<b>\$ 2,495,531</b>	<b>\$ (22,728)</b>	<b>\$ 538,738</b>	<b>\$ 3,011,541</b>

	Net book value December 31, 2009	Net book value December 31, 2010
IT equipment	\$ 156,650	\$ 144,112
Office equipment	183,556	174,891
Collections	2,289,981	2,065,365
Collections not yet in circulation	-	595,911
<b>Total</b>	<b>\$ 2,630,187</b>	<b>\$ 2,980,279</b>

# MILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2010

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

Cost	Balance at December 31, 2008	Additions	Disposals	Balance at December 31, 2009
IT equipment	\$ 297,512	\$ 145,134	\$ (254,298)	\$ 188,348
Office equipment	224,396	87,982	-	312,378
Collections	3,662,466	1,166,951	(204,425)	4,624,992
Collections not yet in circulation	822,861	(822,861)	-	-
<b>Total</b>	<b>\$ 5,007,235</b>	<b>\$ 577,206</b>	<b>\$ (458,723)</b>	<b>\$ 5,125,718</b>

Accumulated amortization	Balance at December 31, 2008	Disposals	Amortization Expense	Balance at December 31, 2009
IT equipment	\$ 191,750	\$ (254,298)	\$ 94,246	\$ 31,698
Office equipment	116,561	-	12,261	128,822
Collections	2,114,431	(204,425)	425,005	2,335,011
Collections not yet in circulation	-	-	-	-
<b>Total</b>	<b>\$ 2,422,742</b>	<b>\$ (458,723)</b>	<b>\$ 531,512</b>	<b>\$ 2,495,531</b>

	Net book value December 31, 2008	Net book value December 31, 2009
IT equipment	\$ 105,762	\$ 156,650
Office equipment	107,835	183,556
Collections	1,548,035	2,289,981
Collections not yet in circulation	822,861	-
<b>Total</b>	<b>\$ 2,584,493</b>	<b>\$ 2,630,187</b>

Collections not yet in circulation for 2010 are the Library collections. These Library collections, having value of \$595,911 will be put into circulation with the opening of the new library in 2011. Amortization of these assets will commence when the assets are put into circulation.

# MILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2010

### 3. Accumulated surplus:

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

	2010	2009
Surplus:		
Invested in tangible capital assets	\$ 2,980,279	\$ 2,630,187
General	31,055	29,844
Total surplus	3,011,334	2,660,031
Reserves set aside by Library Board:		
Library capital	53,945	96,447
Library services	300,073	352,101
Total reserves	354,018	448,548
<b>Total accumulated surplus</b>	<b>\$ 3,365,352</b>	<b>\$ 3,108,579</b>

The reserve fund 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.

In addition to the investment in the tangible capital assets of \$2,980,279, (2009 - \$2,630,187) the accumulated surplus consists of an operating surplus and reserve balances as follows:

	2010	2009
Annual surplus	\$ 256,773	\$ 75,521
Add: Amortization expense	538,738	531,512
Less: Current year tangible capital asset additions	(888,830)	(577,206)
Net revenue	(93,319)	29,827
Fund balance, beginning of year	478,392	448,565
Fund balance, end of year	\$ 385,073	\$ 478,392
Allocation of reserves:		
Library capital	\$ 53,945	\$ 96,447
Library services	300,073	352,101
	354,018	448,548
General	31,055	29,844
	<b>\$ 385,073</b>	<b>\$ 478,392</b>

# MILTON PUBLIC LIBRARY BOARD

## Notes to Financial Statements

Year ended December 31, 2010

### 4. Budget data:

The unaudited budget data presented in these financial statements is based upon the 2010 operating and capital budgets approved by Council on December 14, 2009. 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	\$ 3,057,598
Capital budget	3,200,235
Less:	
Contributed from surplus	(136,368)
Interfund transfers	(1,743,036)
Other transfer	(3,736)
Total revenue	4,374,693
<b>Expenses:</b>	
Operating budget	3,057,598
Capital budget	1,835,385
Less:	
Interfund transfers	(369,411)
Other transfer	(3,736)
Capital expenses	(1,835,385)
Total expenses	2,684,451
Annual surplus	\$ 1,690,242









**FINANCIAL STATEMENTS**  
**BOARD OF MANAGEMENT OF THE MILTON**  
**DOWNTOWN BUSINESS IMPROVEMENT AREA**  
**FOR THE YEAR ENDED DECEMBER 31, 2010**



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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, 2010, the statements of operations, changes 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, 2010, and its results of operations, changes in net financial assets and 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 single horizontal line that tapers at both ends, serving as a decorative underline.

Chartered Accountants, Licensed Public Accountants  
April 18, 2011  
Hamilton, Canada

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

December 31, 2010, with comparative figures for 2009

	2010	2009
<b>Financial assets:</b>		
Due from the Town of Milton	\$ 19,774	\$ 23,305
<b>Financial liabilities:</b>		
Accounts payable and accrued liabilities	11,608	8,516
Net financial assets	8,166	14,789
<b>Non-financial assets:</b>		
Tangible capital assets (note 2)	16,467	21,864
Prepaid expenses	377	45
	16,844	21,909
Accumulated surplus (note 3)	\$ 25,010	\$ 36,698

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, 2010, with comparative figures for 2009

	BUDGET	2010	2009
	(Unaudited - note 6)		
<b>Revenue:</b>			
Taxation	\$ 163,900	\$ 167,034	\$ 160,740
User charges	8,500	7,853	10,100
Federal government transfers (note 4)	-	3,478	3,175
Miscellaneous	9,500	7,465	3,947
<b>Total revenue</b>	<b>181,900</b>	<b>185,830</b>	<b>177,962</b>
<b>Expenses:</b>			
Beautification and planters	39,000	31,521	39,616
General administration	21,300	20,448	19,715
Salaries and benefits	59,700	62,683	56,456
Taxes written off	500	4,138	497
Trade promotion and special events	61,400	73,331	73,199
Amortization	-	5,397	5,397
<b>Total expenses</b>	<b>181,900</b>	<b>197,518</b>	<b>194,880</b>
Annual deficit	-	(11,688)	(16,918)
Accumulated surplus, beginning of year	36,698	36,698	53,616
<b>Accumulated surplus (note 3), end of year</b>	<b>\$ 36,698</b>	<b>\$ 25,010</b>	<b>\$ 36,698</b>

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



BOARD OF MANAGEMENT OF THE MILTON DOWNTOWN BUSINESS IMPROVEMENT AREA  
**Statement of Changes in Net Financial Assets**  
 Year ended December 31, 2010, with comparative figures for 2009

	BUDGET	2010	2009
	(Unaudited - note 6)		
Annual deficit	\$ -	\$ (11,688)	\$ (16,918)
Amortization of tangible capital assets	-	5,397	5,397
	-	(6,291)	(11,521)
Change in prepaid expense	-	(332)	304
Change in net financial assets	-	(6,623)	(11,217)
Net financial assets, beginning of year	14,789	14,789	26,006
<b>Net financial assets, end of year</b>	<b>\$ 14,789</b>	<b>\$ 8,166</b>	<b>\$ 14,789</b>

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

BOARD OF MANAGEMENT OF THE MILTON DOWNTOWN BUSINESS IMPROVEMENT AREA  
**Statement of Changes in Due from the Town of Milton**  
 Year ended December 31, 2010, with comparative figures for 2009

	2010	2009
<b>Cash provided by (used in):</b>		
Annual deficit	\$ (11,688)	\$ (16,918)
Items not involving cash:		
Amortization	5,397	5,397
Change in non-cash assets and other liabilities:		
Accounts payable and accrued liabilities	3,092	2,764
Prepaid expenses	(332)	304
Net change in due from the Town of Milton	(3,531)	(8,453)
Due from the Town of Milton, beginning of year	23,305	31,758
Due from the Town of Milton, end of year	\$ 19,774	\$ 23,305

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, 2010

### 1. Significant accounting policies:

The financial statements of the Board of Management for 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.

(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
Office Equipment	15 - 50
Other Equipment	7 - 25

# BOARD OF MANAGEMENT OF THE MILTON DOWNTOWN BUSINESS IMPROVEMENT AREA

## Notes to Financial Statements

Year ended December 31, 2010

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

#### (i) Tangible capital assets (continued)

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

#### (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:

2010			
	Office Equipment	Other Equipment	Total
Cost			
Balance, beginning of year	\$ 6,903	\$ 42,387	\$ 49,290
Balance, end of year	6,903	42,387	49,290
Accumulated amortization:			
Balance, beginning of year	3,318	24,108	27,426
Amortization expense	1,159	4,238	5,397
Balance, end of year	4,477	28,346	32,823
Net book value, end of year	\$ 2,426	\$ 14,041	\$ 16,467
2009			
	Office Equipment	Other Equipment	Total
Cost			
Balance, beginning of year	\$ 6,903	\$ 42,387	\$ 49,290
Balance, end of year	6,903	42,387	49,290
Accumulated amortization:			
Balance, beginning of year	2,159	19,870	22,029
Amortization expense	1,159	4,238	5,397
Balance, end of year	3,318	24,108	27,426
Net book value, end of year	\$ 3,585	\$ 18,279	\$ 21,864

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

Year ended December 31, 2010

**3. Accumulated surplus:**

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

	2010	2009
<b>Surplus:</b>		
Invested in tangible capital assets	\$ 16,467	\$ 21,864
<b>Reserves:</b>		
Downtown Business Improvement Area	8,543	14,834
<b>Accumulated surplus</b>	<b>\$ 25,010</b>	<b>\$ 36,698</b>

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

The change in the reserve fund balance is as follows:

	2010	2009
Annual deficit	\$ (11,688)	\$ (16,918)
Add: Amortization expense	5,397	5,397
	(6,291)	(11,521)
Fund balance, beginning of year	14,834	26,355
<b>Fund balance, end of year</b>	<b>\$ 8,543</b>	<b>\$ 14,834</b>



# BOARD OF MANAGEMENT OF THE MILTON DOWNTOWN BUSINESS IMPROVEMENT AREA

## Notes to Financial Statements

Year ended December 31, 2010

### 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 \$3,478 (2009 - \$3,175).

### 5. Commitments:

The Board of Management for the Milton Downtown Business Improvement Area has entered into a lease agreement with a minimum payment due in 2011 of \$9,845 (2010 - \$8,145).

### 6. Budget data:

The unaudited budget data presented in these financial statements is based upon the 2010 budget approved by Council on December 14, 2009. Amortization was not contemplated on development of the budget and, as such, has not been included. The Board of Management for the Milton Downtown Business Improvement Area did not budget or purchase tangible capital assets during 2010.





# FINANCIAL STATISTICS

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)

	2010	2009	2008
Financial assets	\$ 211,498	\$ 211,968	\$ 193,351
Non-financial assets	667,167	571,259	544,196
<b>Total assets</b>	<b>878,665</b>	<b>783,227</b>	<b>737,547</b>
Accounts payable and accrued liabilities	24,707	14,279	11,352
Other liabilities	7,512	1,949	3,177
Deferred revenue	69,805	90,171	75,602
Long-term debentures	31,018	25,010	23,058
Developer obligations	6,625	8,454	9,951
Employee benefits and other liabilities	961	917	836
<b>Total liabilities</b>	<b>140,628</b>	<b>140,780</b>	<b>123,978</b>
<b>Accumulated surplus</b>	<b>\$ 738,037</b>	<b>\$ 642,447</b>	<b>\$ 613,569</b>

Note: Financial data derived from statements in accordance with PS 1200 and PS 3150 in which five years of data is not currently available.

# MULTI-YEAR COMPARISON OF FINANCIAL STATEMENTS

## Consolidated Statement of Operations

(in thousands of dollars)

	2010	2009	2008
<b>Sources of revenue:</b>			
Taxation	\$ 33,434	\$ 29,140	\$ 25,490
User charges	9,380	8,088	8,306
Government transfers:			
Federal	13,328	428	753
Provincial	12,874	2,137	6,648
Other municipalities	2,559	1,939	2,386
Investment income	3,918	4,168	4,480
Penalties and interest	1,792	1,525	1,221
Developer contributions	39,483	13,539	10,982
Developer contributed assets	38,959	23,474	55,516
Proceeds from Ontario Lottery Corporation	5,521	5,526	5,768
License, permits, rents etc.	4,929	5,305	4,750
Equity in income of Milton Hydro	3,707	2,419	5,374
Boundary realignment	2,000	-	-
Miscellaneous	1,084	2,448	704
<b>Total revenue</b>	<b>172,968</b>	<b>100,136</b>	<b>132,378</b>
<b>Expenses by function:</b>			
General government	10,972	10,899	8,063
Protection to persons and property	9,880	9,205	8,787
Transportation services	33,268	30,001	31,434
Environmental services	1,928	1,303	603
Recreational and cultural services	16,611	14,613	13,724
Planning and development	4,719	4,080	3,987
<b>Total expenses</b>	<b>77,378</b>	<b>70,101</b>	<b>66,598</b>
<b>Annual surplus</b>	<b>95,590</b>	<b>30,035</b>	<b>65,780</b>
<b>Accumulated surplus, beginning of year</b>	<b>642,447</b>	<b>612,412 *</b>	<b>547,789</b>
<b>Accumulated surplus, end of year</b>	<b>\$ 738,037</b>	<b>\$ 642,447</b>	<b>\$ 613,569</b>

Note: Financial data derived from statements in accordance with PS 1200 and PS 3150 in which five years of data is not currently available.

\* 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.

# MULTI-YEAR COMPARISON OF FINANCIAL STATEMENTS

## Consolidated Statement of Change in Net Financial Asset

(in thousands of dollars)

	2010	2009	2008
Annual surplus	\$ 95,590	\$ 30,035	\$ 65,780
Acquisition of tangible capital assets	(122,543)	(52,549)	(98,157)
Amortization of tangible capital assets	24,982	24,215	22,088
Loss on disposal of tangible capital assets	1,667	315	1,932
Proceeds on sale of tangible capital assets	34	976	272
	(270)	2,992	(8,085)
Milton Hydro: change in accounting policy -Future income taxes	-	(1,157)	-
Change in supplies of inventory	(18)	(95)	1
Change in prepaid expenses	(30)	75	(58)
Change in net financial assets	(318)	1,815	(8,142)
Net financial assets, beginning of year	71,188	69,373	77,515
Net financial assets, end of year	\$ 70,870	\$ 71,188	\$ 69,373

Note: Financial data derived from statements in accordance with PS 1200 and PS 3150 in which five years of data is not currently available.

## Analysis of Expenses by Object

(in thousands of dollars)

	2010	2009	2008
Salaries, wages and employee benefits	\$ 28,679	\$ 29,857	\$ 26,260
Purchased goods	7,514	3,280	3,124
Purchased services	13,504	10,225	12,839
Financial expenses	2,156	1,948	1,671
External Transfers	543	575	616
Amortization Expense	24,982	24,216	22,088
Total expenditures	\$ 77,378	\$ 70,101	\$ 66,598

Note: Financial data derived from statements in accordance with PS 1200 and PS 3150 in which five years of data is not currently available.



# MULTI-YEAR COMPARISON OF FINANCIAL STATEMENTS

## Net Book Value of Tangible Assets

(in thousands of dollars)

	2010	2009	2008	2007
Land	\$ 216,466	\$ 186,294	\$ 177,973	\$ 139,760
Land improvements	19,827	15,325	12,220	11,471
Buildings and building improvements	41,967	39,200	22,004	22,681
Machinery and equipment	46,666	42,454	33,267	32,054
Linear assets	263,308	271,429	267,887	235,888
Assets under construction	78,497	16,169	30,477	28,109
<b>Total assets</b>	<b>\$ 666,731</b>	<b>\$ 570,871</b>	<b>\$ 543,828</b>	<b>\$ 469,963</b>

Note: Financial data derived from statements in accordance with PS 1200 and PS 3150 in which five years of data is not currently available.

# MULTI-YEAR COMPARISON OF FINANCIAL STATEMENTS

## Accumulated Surplus

(in thousands of dollars)

	2010	2009	2008
<b>Reserves set aside by Council:</b>			
Aggregate permit fees	\$ 711	\$ 504	\$ 195
Capital provision/growth	1,270	7,968	6,040
Capital works	9,449	8,237	11,163
Computer replacement	391	362	238
Downtown Business Improvement Area	9	15	26
Election	-	88	45
Equipment replacement	1,981	1,376	369
Growth related resources	2,174	1,794	1,039
Insurance	623	512	387
Legal action	500	670	285
Library books	-	-	24
Library services	300	352	208
Municipal building component	428	386	420
Municipal building replacement	1,282	417	217
Per unit development processing fee	1,126	867	929
Seniors fundraising	115	109	90
Tax rate stabilization	3,375	3,030	2,076
Training	174	133	78
Transit and transportation	1,020	1,556	1,564
Winter control	683	683	369
Working funds	1,000	1,000	600
WSIB	573	585	578
<b>Total reserves</b>	<b>27,184</b>	<b>30,644</b>	<b>26,940</b>

### Reserve funds set aside for specific purpose by Council:

Cash in lieu of storm water management	125	120	117
Mayor's legacy	74	72	70
Ontario Lottery Corporation proceeds	9,889	10,493	8,793
Perpetual maintenance	369	331	283
Property transactions	4,466	1,622	1,421
Sports field development	51	41	85
WSIB settlement	13	17	21
<b>Total reserve funds</b>	<b>\$ 14,987</b>	<b>\$ 12,696</b>	<b>\$ 10,790</b>

# MULTI-YEAR COMPARISON OF FINANCIAL STATEMENTS

## Accumulated Surplus (continued)

(in thousands of dollars)

	2010	2009	2008
Surplus:			
Invested in tangible capital assets	\$ 666,731	\$ 570,871	\$ 543,828
Unexpended capital	19,282	16,365	19,023
Operating surplus - Town	150	150	-
Operating surplus - Library	31	30	28
Investment in Milton Hydro	48,012	45,805	46,543
Unfunded:			
Long term debentures	(31,018)	(25,010)	(23,058)
Employee future benefits	(697)	(650)	(574)
Developer obligations	(6,625)	(8,454)	(9,951)
Total surplus	695,866	599,107	575,839
<b>Total accumulated surplus</b>	<b>\$ 738,037</b>	<b>\$ 642,447</b>	<b>\$ 613,569</b>

Note: Financial data derived from statements in accordance with PS 1200 and PS 3150 in which five years of data is not currently available

# FIVE-YEAR FINANCIAL STATISTICS

## Property Taxation

	2010	2009	2008	2007	2006
<b>Weighted assessment by property class</b>					
Residential	\$ 8,414,257,663	\$ 7,295,247,448	\$ 6,401,509,557	\$ 6,401,509,557	\$ 5,249,390,662
Multi-residential	229,181,618	218,613,189	206,737,931	206,737,931	209,007,635
Farmland	36,669,983	33,289,296	32,510,501	32,510,501	33,021,275
Managed Forests	3,466,930	3,183,069	2,843,103	2,843,103	2,594,701
Commercial	1,897,315,080	1,693,367,879	1,283,095,875	1,283,095,875	1,081,997,158
Industrial	1,054,354,687	925,549,035	860,354,730	859,098,030	877,052,935
Pipelines	63,844,978	60,240,858	57,056,820	57,056,820	51,005,130
<b>Total weighted assessment</b>	<b>\$ 11,699,090,939</b>	<b>\$ 10,229,490,774</b>	<b>\$ 8,844,108,517</b>	<b>\$ 8,842,851,817</b>	<b>\$ 7,504,069,496</b>
Commercial and industrial as % of total weighted assessment	25%	26%	24%	24%	26%
<b>Taxation: Total tax levied</b>					
Property tax levied	\$ 33,433,914	\$ 29,139,953	\$ 25,490,208	\$ 21,048,011	\$ 19,690,793
Taxes billed on behalf of Region of Halton	49,493,631	45,077,578	40,986,658	36,440,447	33,906,311
Taxes billed on behalf of school boards	46,406,994	43,273,183	41,044,606	35,946,511	34,358,528
<b>Total tax levied</b>	<b>\$ 129,334,539</b>	<b>\$ 117,490,714</b>	<b>\$ 107,521,472</b>	<b>\$ 93,434,969</b>	<b>\$ 87,955,632</b>

# FIVE-YEAR FINANCIAL STATISTICS

## Property Taxation

	2010	2009	2008	2007	2006
<b>Taxation rates by property class - Urban</b>					
<b>Residential</b>					
Town of Milton	0.253929%	0.256855%	0.256811%	0.231964%	0.226949%
Region of Halton	0.383494%	0.407832%	0.422446%	0.417620%	0.409210%
School boards	0.241000%	0.252000%	0.264000%	0.264000%	0.264000%
	0.878423%	0.916687%	0.943257%	0.913584%	0.900159%
<b>Multi-residential</b>					
Town of Milton	0.574363%	0.580979%	0.580881%	0.524679%	0.513337%
Region of Halton	0.867424%	0.922476%	0.955530%	0.944614%	0.925593%
School boards	0.241000%	0.252000%	0.264000%	0.264000%	0.264000%
	1.682787%	1.755455%	1.800411%	1.733293%	1.702930%
<b>Farmlands</b>					
Town of Milton	0.050786%	0.051371%	0.051362%	0.046393%	0.045390%
Region of Halton	0.076698%	0.081567%	0.084488%	0.083525%	0.081842%
School boards	0.060250%	0.063000%	0.066000%	0.066000%	0.066000%
	0.187734%	0.195938%	0.201850%	0.195918%	0.193232%
<b>Managed Forests</b>					
Town of Milton	0.063482%	0.064214%	0.064203%	0.057991%	0.056737%
Region of Halton	0.095873%	0.101958%	0.105612%	0.104405%	0.102303%
School boards	0.060250%	0.063000%	0.066000%	0.066000%	0.066000%
	0.219605%	0.229172%	0.235815%	0.228396%	0.225040%
<b>Commercial</b>					
Town of Milton	0.369847%	0.374108%	0.374046%	0.337855%	0.330552%
Region of Halton	0.558558%	0.594007%	0.615293%	0.608263%	0.596014%
School boards	1.165006%	1.264346%	1.374657%	1.374657%	1.374657%
	2.093411%	2.232461%	2.363996%	2.320775%	2.301223%
<b>Commercial - Vacant units/excess land</b>					
Percentage of full rate	70%	70%	70%	70%	70%



# FIVE-YEAR FINANCIAL STATISTICS

## Property Taxation

	2010	2009	2008	2007	2006
<b>Industrial</b>					
Town of Milton	0.599247%	0.606151%	0.606049%	0.547412%	0.535578%
Region of Halton	0.905006%	0.962443%	0.996931%	0.985540%	0.965696%
School boards	1.754070%	1.859195%	1.923028%	1.929620%	1.929620%
	3.258323%	3.427789%	3.526008%	3.462572%	3.430894%
<b>Industrial - Vacant land/excess land</b>					
Percentage of full rate	65%	65%	65%	65%	65%

<b>Pipeline</b>					
Town of Milton	0.269597%	0.272703%	0.272657%	0.246276%	0.240952%
Region of Halton	0.407156%	0.432995%	0.448512%	0.443386%	0.434459%
School boards	1.308528%	1.353050%	1.402694%	1.402694%	1.402694%
	1.985276%	2.058748%	2.123863%	2.092356%	2.078105%

### Taxation rates by property class - General

<b>Residential</b>					
Town of Milton	0.212393%	0.214340%	0.213731%	0.191544%	0.187401%
Region of Halton	0.381453%	0.405889%	0.420619%	0.412357%	0.404303%
School Boards	0.241000%	0.252000%	0.264000%	0.264000%	0.264000%
	0.834846%	0.872229%	0.898350%	0.867901%	0.855704%
<b>Multi-residential</b>					
Town of Milton	0.480412%	0.484815%	0.483437%	0.433252%	0.423883%
Region of Halton	0.862808%	0.918081%	0.951398%	0.932710%	0.914493%
School boards	0.241000%	0.252000%	0.264000%	0.264000%	0.264000%
	1.584220%	1.654896%	1.698835%	1.629962%	1.602376%
<b>Farmlands</b>					
Town of Milton	0.042479%	0.042868%	0.042746%	0.038309%	0.037480%
Region of Halton	0.076290%	0.081178%	0.084123%	0.082472%	0.080861%
School boards	0.060250%	0.063000%	0.066000%	0.066000%	0.066000%
	0.179019%	0.187046%	0.192869%	0.186781%	0.184341%

# FIVE-YEAR FINANCIAL STATISTICS

## Property Taxation

	2010	2009	2008	2007	2006
<b>Managed Forests</b>					
Town of Milton	0.053098%	0.053585%	0.053433%	0.047886%	0.046850%
Region of Halton	0.095363%	0.101472%	0.105155%	0.103089%	0.101076%
School boards	0.060250%	0.063000%	0.066000%	0.066000%	0.066000%
	0.208711%	0.218057%	0.224588%	0.216975%	0.213926%
<b>Commercial</b>					
Town of Milton	0.309350%	0.312186%	0.311299%	0.278983%	0.272950%
Region of Halton	0.555586%	0.591177%	0.612632%	0.600598%	0.588867%
School boards	1.165006%	1.264346%	1.374657%	1.374657%	1.374657%
	2.029942%	2.167709%	2.298588%	2.254238%	2.236474%
<b>Commercial - Vacant units/excess land</b>					
Percentage of full rate	70%	70%	70%	70%	70%
<b>Industrial</b>					
Town of Milton	0.501226%	0.505821%	0.504383%	0.452024%	0.442248%
Region of Halton	0.900190%	0.957858%	0.992619%	0.973121%	0.954115%
School boards	1.754070%	1.859195%	1.923028%	1.929620%	1.929620%
	3.155486%	3.322874%	3.420030%	3.354765%	3.325983%
<b>Industrial - Vacant land/excess land</b>					
Percentage of full rate	65%	65%	65%	65%	65%
<b>Pipeline</b>					
Town of Milton	0.225498%	0.227565%	0.226918%	0.203362%	0.198964%
Region of Halton	0.404989%	0.430932%	0.446572%	0.437799%	0.429249%
School boards	1.308523%	1.353050%	1.402694%	1.402694%	1.402694%
	1.939010%	2.011547%	2.076184%	2.043855%	2.030907%

# FIVE-YEAR FINANCIAL STATISTICS

## Long-Term Debt and Other Statistics

	2010	2009	2008	2007	2006
<b>Transfers from other levels of government</b>					
Federal	\$ 13,327,946	\$ 407,292	\$ 752,936	\$ 9,460	\$ 3,987
Provincial	12,874,332	2,158,118	6,647,749	2,338,188	1,851,455
<b>Long-term debt:</b>					
Debt supported by property taxes	18,566,946	17,036,946	14,565,798	10,730,620	6,463,563
Debt supported by development charges	6,475,473	1,508,871	1,771,496	2,023,409	2,259,545
Debt supported by reserves and reserve funds	5,442,816	5,811,950	5,953,315	3,180,901	2,813,019
Debt supported by user fees	532,643	652,161	767,306	878,040	991,200
<b>Total long-term debt</b>	<b>\$ 31,017,878</b>	<b>\$ 25,009,928</b>	<b>\$ 23,057,914</b>	<b>\$ 16,812,970</b>	<b>\$ 12,527,328</b>
<b>Long-term debt by function:</b>					
General government	\$ 8,002,048	\$ 8,657,623	\$ 7,018,795	\$ 4,037,701	\$ 2,813,020
Fire	626,146	-	-	-	-
Roadways	10,750,964	11,038,485	11,080,608	9,423,320	6,463,563
Parks	1,791,622	1,980,164	2,162,378	170,500	-
Recreation facilities	7,245,018	3,106,113	2,796,133	3,181,449	3,250,745
Cultural services	2,392,837	-	-	-	-
Library	209,243	227,543	-	-	-
<b>Total long-term debt</b>	<b>\$ 31,017,878</b>	<b>\$ 25,009,928</b>	<b>\$ 23,057,914</b>	<b>\$ 16,812,970</b>	<b>\$ 12,527,328</b>
Total long-term debt per capita	378.27	318.60	307.44	250.04	208.79
Total long-term debt per household	1,131.63	987.75	995.25	810.26	596.54
Annual debt repayment limit	17,531,596	14,998,783	13,421,681	12,067,939	10,816,117
Actual annual debt repayment	3,752,705	3,318,070	2,453,040	1,608,094	2,475,132
<b>Actual debt repayment as % of own source revenues</b>	<b>5%</b>	<b>6%</b>	<b>5%</b>	<b>3%</b>	<b>6%</b>

# FIVE-YEAR FINANCIAL STATISTICS

## Municipal Statistics

	2010	2009	2008	2007	2006
Population	82,000	78,500	75,000	67,242	60,000
Area	37,754 *	38,100	38,100	38,100	38,100
Households	27,410	25,320	23,168	20,750	21,000
Full time employees	284	256	257	218	216
Part time	141	141	127	122	118
Seasonal	246	235	235	205	191
<b>Total employees</b>	<b>671</b>	<b>632</b>	<b>619</b>	<b>545</b>	<b>525</b>
Roads infrastructure					
Paved roads	945	911	855	832	800
Unpaved roads	0	4	18	30	34
Recreation					
Total kilometres of trails	14.97	14.03	11.63	N/A	N/A
Total hours of recreations programs	4,219,789	3,082,402	2,638,363	2,463,741	2,269,146

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

	2010	2009	2008	2007	2006
<b>New construction procurement:</b>					
Number of new construction contracts awarded	23	26	14	12	10
Total value of new construction contracts awarded	\$ 81,350,778	\$ 19,312,723	\$ 9,116,806	\$ 35,733,665	\$ 9,445,722

<b>Square metres of new construction:</b>					
Residential Properties	360,976	316,718	413,889	185,188	30,401
Multi-Residential Properties	88,269	40,910	137,406	113,921	-
All other property classes	106,014	46,982	174,797	182,894	158,757
Total square metres	555,259	404,610	726,092	482,003	189,158

<b>Building permits issued:</b>					
Residential Properties	741	1,483	1,900	845	1,542
Multi-Residential properties	677	283	978	879	0
All other property classes	152	147	173	213	124
Total building permits issued	1,570	1,913	3,051	1,937	1,666

<b>Value of building permits issued:</b>					
Residential Properties	\$ 132,155,417	\$ 81,328,300	\$ 335,515,487	\$ 161,265,949	\$ 210,090,178
Multi-Residential Properties	88,038,423	40,250,992	112,284,041	22,323,300	-
All other property classes	205,542,095	75,001,120	167,156,470	167,755,557	103,114,200
Total value of building permits issued	\$ 425,735,935	\$ 396,580,412	\$ 614,955,998	\$ 351,344,806	\$ 313,204,378

## LIST OF 2010 PRINCIPAL CORPORATE TAX ACCOUNTS

- 857529 Ontario Incorporated/Karmax Heavy Stamping
- Dexus Milton Property Incorporated
- Sobeys Capital Incorporated
- AMB Ontario Nomco Incorporated
- Westpen Properties Limited
- AMB Milton Crossing 2 Canco Incorporated
- Manheim Auto Auctions
- 3242795 Nova Scotia Limited
- Wal-Mart Canada Corporation





Information on the Town of Milton is available

[WWW.MILTON.CA](http://WWW.MILTON.CA)

Direct any inquires regarding this document to:

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Corporate Services Department

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