

CORPORATION OF THE TOWNSHIP OF HAMILTON
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2014

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The Corporation of the Township of Hamilton

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CORPORATION OF THE TOWNSHIP OF HAMILTON

For The Year Ended December 31, 2014

MANAGEMENT REPORT

The accompanying consolidated financial statements of the Corporation of the Township of Hamilton are the responsibility of management and have been approved by Council.


The consolidated financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards. Financial statements are not precise since they include certain amounts based on estimates and judgements. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.


The Township maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Township's assets are appropriately accounted for and adequately safeguarded.

The Township's Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving financial statements.

Council reviews and approves the Township's financial statements for issuance to the members of Council, inhabitants and ratepayers of the Corporation of the Township of Hamilton. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities and to review the financial statements and the independent auditors' report.

The consolidated financial statements have been audited by Collins Barrow Kawarthas LLP in accordance with Canadian generally accepted auditing standards on behalf of the Township. Collins Barrow Kawarthas LLP has full and free access to Council.

Mayor  Date June 16/15th M.C.

Treasurer  Date June 16/15

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Hamilton

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the Corporation of the Township of Hamilton, which comprise the consolidated statement of financial position as at December 31, 2014, the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and 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 consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal controls as management determines are 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 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 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 the auditors' 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, the auditor considers internal controls 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 controls. 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, these consolidated financial statements present fairly, in all material respects, the financial position of the Township of Hamilton as at December 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Peterborough, Ontario
July 24, 2015

CORPORATION OF THE TOWNSHIP OF HAMILTON

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2014

	2014	2013
	\$	\$
FINANCIAL ASSETS		
Cash	3,100,059	2,667,039
Investments (note 4)	2,177,199	2,059,407
Accounts receivable	661,070	577,002
Taxes receivable	1,595,673	1,484,566
TOTAL FINANCIAL ASSETS	7,534,001	6,788,014
LIABILITIES		
Accounts payable and accrued liabilities	1,213,097	1,499,013
Deferred revenue - obligatory reserve fund (note 5)	1,168,465	682,927
Deferred revenue - other	24,482	-
Long term debt (note 6)	4,166	14,166
TOTAL LIABILITIES	2,410,210	2,196,106
NET FINANCIAL ASSETS	5,123,791	4,591,908
NON-FINANCIAL ASSETS		
Tangible capital assets (note 8)	51,372,336	52,994,550
ACCUMULATED SURPLUS (note 9)	56,496,127	57,586,458

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAMILTON

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the Year Ended December 31, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
REVENUES			
Property taxation	7,177,666	7,140,440	6,993,296
User charges	958,607	1,017,690	993,887
Province of Ontario	1,001,530	966,144	974,329
Other municipalities	201,685	204,585	185,815
Penalties and interest on taxes	190,000	205,192	223,690
Investment income	30,000	38,367	50,530
Donations	-	200,074	131,053
Sale of assets	-	25,461	-
Capital contributions	124,307	123,125	105,192
Federal gas tax earned	309,881	-	336,566
TOTAL REVENUES	9,993,676	9,921,078	9,994,358
EXPENSES			
General government	1,340,236	1,390,792	1,309,657
Protection services	3,172,938	3,246,707	3,003,006
Transportation services	4,067,247	4,059,271	4,154,180
Environmental services	377,597	409,056	427,901
Recreation and cultural services	1,738,955	1,764,706	1,657,819
Planning and development	130,318	140,877	113,584
TOTAL EXPENSES	10,827,291	11,011,409	10,666,147
ANNUAL DEFICIT	(833,615)	(1,090,331)	(671,789)
ACCUMULATED SURPLUS - beginning of year	57,586,458	57,586,458	58,258,247
ACCUMULATED SURPLUS - end of year	56,752,843	56,496,127	57,586,458

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAMILTON

CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS For the Year Ended December 31, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
ANNUAL DEFICIT	(833,615)	(1,090,331)	(671,789)
Amortization of tangible capital assets	2,644,992	2,734,715	2,644,995
Acquisition of tangible capital assets	(3,097,060)	(1,115,642)	(1,815,484)
Loss on disposal of tangible capital assets	-	3,141	76,731
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(1,285,683)	531,883	234,453
NET FINANCIAL ASSETS - beginning of year	4,591,908	4,591,908	4,357,455
NET FINANCIAL ASSETS - end of year	3,306,225	5,123,791	4,591,908

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAMILTON

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2014

	2014	2013
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual deficit	(1,090,331)	(671,789)
Increase in accounts receivable	(84,068)	(235,298)
(Increase)/decrease in taxes receivable	(111,107)	206,517
Increase/(decrease) in accounts payable and accrued liabilities	(285,916)	246,928
Increase in deferred revenue - obligatory reserve fund	485,538	90,160
Increase in deferred revenue - other	24,482	-
Non-cash charges to operations		
Amortization of tangible capital assets	2,734,715	2,644,995
Loss on disposal of tangible capital assets	3,141	76,731
Net increase in cash from operating transactions	1,676,454	2,358,244
CAPITAL		
Acquisition of tangible capital assets	(1,115,642)	(1,815,484)
INVESTING		
Increase in investments	(117,792)	(19,451)
FINANCING		
Debt principal repayments	(10,000)	(10,000)
INCREASE IN CASH	433,020	513,309
CASH - beginning of year	2,667,039	2,153,730
CASH - end of year	3,100,059	2,667,039

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

The Township of Hamilton is a lower tier 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.

1. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies are as follows:

(a) Reporting Entity

These consolidated financial statements reflect the assets, liabilities, revenues and expenses and accumulated surplus of the reporting entity.

The reporting entity is comprised of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the Township and which are owned and controlled by the Township. These financial statements include:

- Joint Animal Control Municipal Services Board

All interfund assets and liabilities and revenues and expenses are eliminated.

(b) Trust Funds

Trust funds and their related operations administered by the Township are not included in these consolidated financial statements but are reported on separately on the Trust Funds Statement of Continuity and Statement of Financial Position.

(c) Tangible Capital Assets

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

Land improvements	25 years
Buildings and facilities	40 years
Building components	15-40 years
Water systems	75 years
Roadways and bridges	7-40 years
Vehicles	7-25 years
Machinery and equipment	5-10 years

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

Tangible capital assets categorized as assets under construction are not amortized until they are put into service.

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) Recognition of Revenues and Expenses

Revenues and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues in the period in which the transactions or events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(e) Non-financial Assets

Tangible capital and other non-financial assets are accounted for as assets by the Township because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Township unless they are sold.

(f) Deferred Revenue

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

(g) Taxation

Property tax billings are prepared by the Township based on assessment rolls issued by the Municipal Property Assessment Corporation (MPAC) and in accordance with the provisions of the Municipal Act, 2001. The Township's Council establishes the tax rates annually, incorporating amounts to be raised for local services, and amounts the Township is required to collect on behalf of the County and School Boards. From time to time property assessments are adjusted by MPAC through the reconsideration process or by the Assessment Review Board through the appeal process. Additional assessments, referred to as supplementary and omitted assessment can also be issued by MPAC in accordance with the Assessment Act. These adjustments and additional assessments are reported in the financial statements when amounts can be reasonably determined.

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

(h) Government Funding

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

(i) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Township's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Township's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(j) Financial Instruments

The Township's financial instruments consist of cash, investment, accounts receivable, taxes receivable, accounts payable and accrued liabilities and long term debt. Unless otherwise noted, it is management's opinion that the carrying value of the financial instruments approximates their fair values and that the Township does not have any significant concentration of currency or credit risk.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2014, requisitions were made by the County of Northumberland and School Boards requiring the Township to collect property taxes and payments in lieu of property taxes on their behalf. The amounts collected and remitted are as follows:

	School Boards \$	County \$
Amounts requisitioned and remitted	3,092,958	6,127,939

These amounts have not been included in the Consolidated Statement of Operations and Accumulated Surplus.

3. BUDGET FIGURES

The budget, approved by the Township, for 2014 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Changes in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

4. INVESTMENTS

Investment consists of the following recorded at the lower of cost or market value.

	2014 \$	2013 \$
Money Market Fund with The One Investment Program	2,077,149	2,059,407
High interest savings account with BMO Nesbitt Burns	100,050	-
	2,177,199	2,059,407

The Township is exposed to interest rate risk as the market value of the fund will generally rise if interest rates fall and conversely fall if interest rates rise.

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

5. DEFERRED REVENUE - OBLIGATORY RESERVE FUNDS

A requirement of the Chartered Professional Accountants Canada Public Sector Accounting Handbook, is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation and external agreements restrict how these funds may be used and under certain circumstances these funds may possibly be refunded. The balances in the obligatory reserve funds of the Township are summarized below:

	2014	2013
	\$	\$
Development charges	791,081	642,848
Parkland	58,511	40,079
Federal gas tax	318,873	-
	<u>1,168,465</u>	<u>682,927</u>

The continuity of deferred revenue - obligatory reserve funds is as follows:

	2014	2013
	\$	\$
Balance - beginning of year	682,927	592,767
Add amounts received:		
Development charges received	142,867	77,156
Parkland fees received	18,000	8,000
Federal gas tax received	318,873	336,566
Interest	5,798	5,004
	<u>485,538</u>	<u>426,726</u>
Less transfer to operations:		
Federal gas tax earned	-	336,566
Balance - end of year	<u>1,168,465</u>	<u>682,927</u>

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2014

6. LONG TERM DEBT

- (a) The balance of long term debt reported on the Consolidated Statement of Financial Position is made up of the following:

	2014	2013
	\$	\$
Northumberland Community Futures Development Corporation maturing May 1, 2015, repayable in monthly instalments of \$833 with interest at 0%.	4,166	14,166

- (b) The long term debt in (a) issued in the name of the Township has been approved by by-law. The annual principal and interest payments required to service these liabilities are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.
- (c) Interest paid during the year on long term debt amounted to \$Nil (2013 - \$Nil).
- (d) The long term debt reported in (a) of this note is repayable as follows:

	Principal	Interest	Total
	\$	\$	\$
2015	4,166	-	4,166
	4,166	-	4,166

7. LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

The Township does not have any obligations for landfill sites since the County of Northumberland assumed waste management responsibilities for the County in 1990. The Township has completed settlements with the County for its landfill sites in prior years.

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2014

8. TANGIBLE CAPITAL ASSETS

The net book value of the Township's tangible capital assets are:

	2014	2013
	\$	\$
General		
Land	2,243,005	2,243,005
Land improvements	1,053,178	1,114,350
Buildings	9,682,551	9,455,077
Vehicles and equipment	2,681,981	2,315,229
Infrastructure		
Roads and bridges	29,545,182	31,098,948
Waterworks systems	6,138,753	6,285,719
	51,344,650	52,512,328
Assets under construction	27,686	482,222
	51,372,336	52,994,550

For additional information, see the Consolidated Schedule of Tangible Capital Assets.

During the year there were no write-downs of assets (2013 - \$Nil) and no interest capitalized (2013 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2014	2013
	\$	\$
General government	1,524,274	1,384,890
Protection services	1,961,214	1,745,808
Transportation services	31,807,506	33,493,257
Environmental services	6,551,129	6,679,018
Health services	12,634	12,634
Recreation and cultural services	9,515,579	9,678,943
	51,372,336	52,994,550

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2014

9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2014	2013
	\$	\$
Surplus/(Deficit)		
Hydrant area charges	57,335	50,348
Waterworks operations	(173,388)	(152,159)
Township	59,302	80,000
	(56,751)	(21,811)
Invested In Capital Assets		
Tangible capital assets - net book value	51,372,336	52,994,550
Long term debt	(4,166)	(14,166)
Unfunded capital	(760,488)	(488,218)
	50,607,682	52,492,166
Surplus	50,550,931	52,470,355
Reserves		
Future capital acquisitions	3,865,394	3,197,149
Future operating costs	177,501	188,757
Joint Animal Control Municipal Services Board	52,426	37,426
Total Reserves	4,095,321	3,423,332
Reserve Funds		
Working funds	1,327,186	1,327,186
Future capital acquisitions	204,037	200,713
Joint Animal Control Municipal Services Board	318,652	164,872
Total Reserve Funds	1,849,875	1,692,771
	56,496,127	57,586,458

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2014

10. EXPENSES BY OBJECT

The expenses for the year reported on the Consolidated Statement of Operations and Accumulated Surplus by object are as follows:

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
Salaries and benefits	3,671,392	3,752,829	3,398,596
Interest charges	31,685	-	-
Materials	2,316,265	2,382,023	2,433,773
Contracted services	1,692,668	1,682,634	1,683,347
External transfers	470,289	456,067	428,705
Amortization	2,644,992	2,734,715	2,644,995
Loss on disposal of tangible capital assets	-	3,141	76,731
	10,827,291	11,011,409	10,666,147

11. PENSION AGREEMENTS

The Township makes contributions to the Ontario Municipal Employees Retirement System ("OMERS"), which is a multi-employer plan, on behalf of all permanent, full-time 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 required on account of current service in 2014 were \$216,699 (2013 - \$188,694).

12. TRUST FUNDS

Trust funds administered by the Township amounting to \$263,195 (2013 - \$251,265) have not been included in the Consolidated Statement of Financial Position nor have their operations been included in the Consolidated Statement of Operations and Accumulated Surplus. As such balances are held in trust by the Township for the benefit of others, they are not presented as part of the Township's financial position or operations.

13. CREDIT FACILITY AGREEMENT

The Township has a revolving credit facility agreement with its main financial institution. The amount available at any time is limited to \$1,200,000 via an overdraft or demand loan. Any balance borrowed will accrue interest at the bank's prime lending rate less .25% per annum. Council authorized the temporary borrowing limit by By-law 2014-01. At December 31, 2014 there was no balance outstanding (2013 - \$Nil).

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2014

14. SEGMENTED INFORMATION

The Township of Hamilton is a municipal government organization that provides a range of services to its residents. Township services are reported by function and their activities are separately disclosed in the segmented information.

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, payments-in-lieu of taxes and certain unconditional government transfers are apportioned based on each segment's net requirements.

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. For additional information see the Consolidated Schedule of Segment Disclosure.

General Government

General government consists of the activities of Council and general financial and administrative management of the Township and its programs and services.

Protection Services

Protection services include police, fire, conservation authority and protective inspection and control.

Transportation Services

The activities of the transportation function include construction and maintenance of the Township's roads and bridges, winter control and street lighting.

Environmental Services

The environmental function is responsible for providing water services to certain areas of the Township.

Recreation and Cultural Services

The recreation and cultural services function provides indoor and outdoor recreational facilities and programs and library services.

Planning and Development

The planning and development services function manages commercial, industrial and residential development within the Township.

15. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

CORPORATION OF THE TOWNSHIP OF HAMILTON

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS For the Year Ended December 31, 2014

	General			Infrastructure			Assets Under Construction \$	Totals \$
	Land \$	Land Improvements \$	Buildings \$	Vehicles and Equipment \$	Roads and Bridges \$	Waterworks Systems \$		
COST								
Balance, beginning of year	2,243,005	1,706,532	13,355,765	5,339,450	69,541,513	7,681,122	482,222	100,349,609
Add: additions during the year	-	-	181,346	524,029	253,338	-	156,929	1,115,642
Less: disposals during the year	-	-	-	19,301	-	-	-	19,301
Internal transfers	-	-	433,147	178,318	-	-	(611,465)	-
Balance, end of year	2,243,005	1,706,532	13,970,258	6,022,496	69,794,851	7,681,122	27,686	101,445,950
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	592,182	3,900,688	3,024,221	38,442,565	1,395,403	-	47,355,059
Add: additions during the year	-	61,172	387,019	332,454	1,807,104	146,966	-	2,734,715
Less: disposals during the year	-	-	-	16,160	-	-	-	16,160
Balance, end of year	-	653,354	4,287,707	3,340,515	40,249,669	1,542,369	-	50,073,614
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	2,243,005	1,053,178	9,682,551	2,681,981	29,545,182	6,138,753	27,686	51,372,336

CORPORATION OF THE TOWNSHIP OF HAMILTON

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2014

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues							
Property taxation	118,357	2,689,098	3,326,998	-	912,669	93,318	7,140,440
User charges	45,719	252,983	9,738	252,043	416,794	40,413	1,017,690
Government transfers - operating	917,561	-	12,903	12,500	23,180	-	966,144
Other municipalities	-	204,585	-	-	-	-	204,585
Penalties and interest on taxes	205,192	-	-	-	-	-	205,192
Investment income	38,367	-	-	-	-	-	38,367
Donations	-	190,402	-	-	9,672	-	200,074
Sale of assets	-	7,751	17,710	-	-	-	25,461
Capital contributions	-	-	-	123,125	-	-	123,125
Total revenues	1,325,196	3,344,819	3,367,349	387,668	1,362,315	133,731	9,921,078
Expenses							
Salaries and benefits	948,736	936,529	1,092,723	90,038	615,709	69,094	3,752,829
Materials	383,738	335,221	981,816	142,205	483,627	55,416	2,382,023
Contracted services	6,247	1,650,096	-	21,239	5,052	-	1,682,634
External transfers	-	147,113	-	-	292,587	16,367	456,067
Amortization	52,071	174,607	1,984,732	155,574	367,731	-	2,734,715
Loss on disposal of tangible capital assets	-	3,141	-	-	-	-	3,141
Total expenses	1,390,792	3,246,707	4,059,271	409,056	1,764,706	140,877	11,011,409
Net surplus/(deficit)	(65,596)	98,112	(691,922)	(21,388)	(402,391)	(7,146)	(1,090,331)

CORPORATION OF THE TOWNSHIP OF HAMILTON

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE For the Year Ended December 31, 2013

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues							
Property taxation	56,085	2,647,438	3,312,404	-	877,994	99,375	6,993,296
User charges	22,560	198,247	10,338	229,068	491,974	41,700	993,887
Government transfers - operating	937,743	1,230	14,944	-	20,412	-	974,329
Other municipalities	-	185,815	-	-	-	-	185,815
Penalties and interest on taxes	223,690	-	-	-	-	-	223,690
Investment income	50,530	-	-	-	-	-	50,530
Donations	-	122,821	-	-	8,232	-	131,053
Capital contributions	-	-	-	105,192	-	-	105,192
Federal gas tax earned	-	-	336,566	-	-	-	336,566
Total revenues	1,290,608	3,155,551	3,674,252	334,260	1,398,612	141,075	9,994,358
Expenses							
Salaries and benefits	807,791	697,361	1,140,152	157,344	529,104	66,844	3,398,596
Materials	454,934	383,404	926,493	145,398	498,840	24,704	2,433,773
Contracted services	25,775	1,637,745	-	14,136	5,691	-	1,683,347
External transfers	-	149,842	-	-	256,827	22,036	428,705
Amortization	21,157	134,654	2,010,804	111,023	367,357	-	2,644,995
Loss on disposal of tangible capital assets	-	-	76,731	-	-	-	76,731
Total expenses	1,309,657	3,003,006	4,154,180	427,901	1,657,819	113,584	10,666,147
Net surplus/(deficit)	(19,049)	152,545	(479,928)	(93,641)	(259,207)	27,491	(671,789)

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Hamilton

Report on the Financial Statements

We have audited the accompanying financial statements of the Trust Funds of the Corporation of the Township of Hamilton, which comprise the statement of financial position as at December 31, 2014, the statement of continuity for the year then ended, and 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 controls as management determines are 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 the auditors' 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, the auditor considers internal controls 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 controls. 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, these financial statements present fairly, in all material respects, the financial position of the Trust Funds of the Corporation of the Township of Hamilton as at December 31, 2014 and the continuity of the Trust Funds for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Peterborough, Ontario
July 24, 2015

CORPORATION OF THE TOWNSHIP OF HAMILTON

**TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2014**

	Hydro Easment \$	Subdividers Trust \$	2014 Total \$	2013 Total \$
FINANCIAL ASSETS				
Cash	-	243,141	243,141	231,778
Investment (note 2)	20,054	-	20,054	19,487
	20,054	243,141	263,195	251,265
FUND BALANCES	20,054	243,141	263,195	251,265

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAMILTON

**TRUST FUNDS
STATEMENT OF CONTINUITY
For the Year Ended December 31, 2014**

	Hydro Easment \$	Subdividers Trust \$	2014 Total \$	2013 Total \$
BALANCES - beginning of year	19,487	231,778	251,265	433,307
RECEIPTS				
Investment income	567	11,363	11,930	219
EXPENSES				
Returned to developer	-	-	-	182,261
BALANCES - end of year	20,054	243,141	263,195	251,265

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAMILTON

TRUST FUNDS NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook.

(a) Basis of Accounting

Revenue and expenses are reported on the accrual basis of accounting which recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Financial Instruments

The Trust Funds financial instruments consist of cash and investment. It is management's opinion that the fair value of the financial instruments are not materially different from their carrying value unless otherwise noted. The Trust Funds do not have any significant concentration of credit, currency or interest rate risk.

(c) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions 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 revenue and expenses during the period and are based on the Township's best information and judgment. Actual results could differ from these estimates.

2. INVESTMENT

The One Fund Investment is recorded at the lower of cost or market value. The Trust is exposed to interest rate risk as the market value of the fund will generally rise if interest rates fall and conversely fall if interest rates rise.

CORPORATION OF THE TOWNSHIP OF HAMILTON
JOINT ANIMAL CONTROL MUNICIPAL SERVICES BOARD
FINANCIAL STATEMENTS
DECEMBER 31, 2014

INDEPENDENT AUDITORS' REPORT

T. 705.742.3418
F. 705.742.9775

To the Members of the Joint Animal Control Municipal Services Board, the Members of Council, Inhabitants and Ratepayers of the Corporation of the Township of Hamilton

www.collinsbarrowkawarthas.com

Report on the Financial Statements

We have audited the accompanying financial statements of the Joint Animal Control Municipal Services Board of the Corporation of the Township of Hamilton, which comprise the statement of financial position as at December 31, 2014, the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and 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 controls as management determines are 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 the auditors' 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, the auditor considers internal controls 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 controls. 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 qualified audit opinion.

Basis for Qualified Opinion

The Board derives revenue from fees and donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Board and we were not able to determine whether any adjustments might be necessary to fees and donations and fundraising revenue, assets and accumulated surplus.

Qualified Opinion

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the Joint Animal Control Municipal Services Board as at December 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Collins Barrow Kawarthas LLP

Chartered Professional Accountants
Peterborough, Ontario
July 24, 2015

CORPORATION OF THE TOWNSHIP OF HAMILTON

JOINT ANIMAL CONTROL MUNICIPAL SERVICES BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2014

	2014	2013
	\$	\$
FINANCIAL ASSETS		
Cash	-	164,872
Investment (note 2)	100,050	-
Due from Hamilton Township	271,028	37,426
NET FINANCIAL ASSETS	371,078	202,298
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	246,046	266,332
ACCUMULATED SURPLUS (note 5)	617,124	468,630

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAMILTON

JOINT ANIMAL CONTROL MUNICIPAL SERVICES BOARD STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS For the Year Ended December 31, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
REVENUES			
Partner funding	243,905	247,576	224,766
Other municipal contributions	9,000	9,000	8,250
Adoption fees	23,000	23,048	22,220
Boarding and surrender fees	9,500	7,624	9,548
Dog tag fees	3,000	3,246	3,140
Other	250	22	505
Donations and fundraising	-	181,484	121,976
TOTAL REVENUES	288,655	472,000	390,405
EXPENSES			
Salaries and benefits	198,253	192,049	185,625
Communications	4,120	5,759	2,331
Veterinary fees	11,900	12,459	12,906
Vehicle and insurance	16,400	16,167	16,189
Emergency costs	-	21,705	20,816
Building and maintenance	4,000	3,813	4,056
Hydro	8,500	12,126	8,852
Training	8,182	5,925	2,442
Operating costs	16,700	10,313	17,061
Office	5,600	6,176	5,837
Professional fees	-	9,412	4,966
Fundraising	-	7,315	7,400
Amortization	16,382	17,145	16,382
Loss on disposal of tangible capital assets	-	3,142	-
TOTAL EXPENSES	290,037	323,506	304,863
ANNUAL SURPLUS/(DEFICIT)	(1,382)	148,494	85,542
ACCUMULATED SURPLUS - beginning of year	468,630	468,630	383,088
ACCUMULATED SURPLUS - end of year	467,248	617,124	468,630

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAMILTON

JOINT ANIMAL CONTROL MUNICIPAL SERVICES BOARD STATEMENT OF CHANGE IN NET FINANCIAL ASSETS For the Year Ended December 31, 2014

	Budget 2014 \$ (Unaudited)	Actual 2014 \$	Actual 2013 \$
ANNUAL SURPLUS/(DEFICIT)	(1,382)	148,494	85,542
Amortization of tangible capital assets	16,382	17,145	16,382
Acquisition of tangible capital assets	(75,000)	-	(33,165)
Loss on disposal of tangible capital assets	-	3,141	-
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	(60,000)	168,780	68,759
NET FINANCIAL ASSETS - beginning of year	202,298	202,298	133,539
NET FINANCIAL ASSETS - end of year	142,298	371,078	202,298

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAMILTON

**JOINT ANIMAL CONTROL MUNICIPAL SERVICES BOARD
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2014**

	2014	2013
	\$	\$
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Annual surplus/(deficit)	148,494	85,542
(Increase)/decrease in due from Hamilton Township	(233,602)	25,000
Non-cash charges to operations		
Amortization of tangible capital assets	17,145	16,382
Loss on disposal of tangible capital assets	3,141	-
Net increase/(decrease) in cash from operating transactions	(64,822)	126,924
CAPITAL		
Acquisition of tangible capital assets	-	(33,165)
INVESTING		
Increase in investment	(100,050)	-
INCREASE/(DECREASE) IN CASH	(164,872)	93,759
CASH - beginning of year	164,872	71,113
CASH - end of year	-	164,872

The accompanying notes are an integral part of these financial statements

CORPORATION OF THE TOWNSHIP OF HAMILTON

JOINT ANIMAL CONTROL MUNICIPAL SERVICES BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the standards in the Chartered Professional Accountants Canada Public Sector Accounting (PSA) Handbook. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Nature of Entity

The Joint Animal Control Municipal Services Board was formally established in 2013 pursuant to Section 202 of the Municipal Act by the Municipality of Port Hope, the Town of Cobourg, the Township of Hamilton and the Township of Alnwick/Haldimand.

Previously, the operations of the animal control services were reported as a department of the Township of Hamilton. The opening balances for cash, tangible capital assets, accumulated surplus and net financial assets represent the amounts recorded in the accounts of the Township of Hamilton at December 31, 2012 related to the operations of the animal control services.

(b) Recognition of Revenue and Expenses

Revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenue in the period in which the transactions of events occurred that give rise to the revenue; expenses are recognized in the period the goods or services are acquired and a legal liability is incurred or transfers are due.

(c) Use of Estimates

Certain items recognized in the financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Board's best information and judgment. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant. The Board's significant estimates include:

- The amounts recorded for amortization and opening costs of tangible capital assets are based on estimates of useful life, residual values and valuation rates.

(d) Financial Instruments

The Board's financial instruments consist of cash, investment and due from Hamilton Township. Unless otherwise noted, it is management's opinion that the carrying value of the financial instruments approximates their fair values and that the Board does not have any significant concentration of credit, currency or interest rate risk.

CORPORATION OF THE TOWNSHIP OF HAMILTON

JOINT ANIMAL CONTROL MUNICIPAL SERVICES BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2014

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Tangible Capital Assets

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

Land improvements	25 years
Buildings and building improvements	15 - 40 years
Equipment	5 years
Vehicles	10 years

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

(f) Non-Financial Assets

Tangible capital assets and other non-financial assets are accounted for as assets by the Board because they can be used to provide services in future periods. These assets do not normally provide resources to discharge the liabilities of the Board unless they are sold.

(g) Reserves and Reserve Funds

Certain amounts, as approved by the Board, are set aside in reserves and reserve funds for future operating and capital purposes. Transfers to and/or from reserves and reserve funds are an adjustment to the respective fund when approved.

2. INVESTMENT

Investment consists of a high interest savings account with BMO Nesbitt Burns recorded at the lower of cost or market value.

3. BUDGET FIGURES

The operating budget, approved by the Board, for 2014 is reflected on the Statement of Operations and Accumulated Surplus and the Statement of Change in Net Financial Assets. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. Budget figures have been reclassified for the purposes of these financial statements to comply with PSA reporting requirements. Budget figures are not subject to audit.

CORPORATION OF THE TOWNSHIP OF HAMILTON

JOINT ANIMAL CONTROL MUNICIPAL SERVICES BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2014

4. TANGIBLE CAPITAL ASSETS

The net book value of the Board's tangible capital assets are:

	Land Improvements \$	Buildings \$	Vehicles and Equipment \$	2014 Totals \$	2013 Totals \$
COST					
Balance, beginning of year	128,466	212,863	51,001	392,330	359,165
Add: additions during the year	-	-	-	-	33,165
Less: disposals during the year	-	-	19,301	19,301	-
Balance, end of year	128,466	212,863	31,700	373,029	392,330
ACCUMULATED AMORTIZATION					
Balance, beginning of year	44,280	65,733	15,985	125,998	109,616
Add: additions during the year	5,138	6,031	5,976	17,145	16,382
Less: disposals during the year	-	-	16,160	16,160	-
Balance, end of year	49,418	71,764	5,801	126,983	125,998
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	79,048	141,099	25,899	246,046	266,332

5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2014 \$	2013 \$
Invested In Capital Assets		
Tangible capital assets - net book value	246,046	266,332
Reserves		
Operations	52,426	37,426
Reserve Funds		
Future capital	318,652	164,872
	617,124	468,630