

CORPORATION OF THE TOWNSHIP OF HAMILTON
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2016

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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, 2016

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 auditor, 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 auditor's 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

05/26/17

Treasurer



Date

05/17/2017

INDEPENDENT AUDITOR'S REPORT

**To the Members of Council, Inhabitants and Ratepayers 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, 2016, 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.

Auditor's 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 auditor's 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 Corporation of the Township of Hamilton as at December 31, 2016 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
Licensed Public Accountants

Peterborough, Ontario
May 26, 2017

CORPORATION OF THE TOWNSHIP OF HAMILTON

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At December 31, 2016

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Cash	3,675,541	2,796,877
Investments (note 4)	2,205,361	2,194,088
Accounts receivable	603,061	668,458
Taxes receivable	1,296,083	1,301,512
TOTAL FINANCIAL ASSETS	7,780,046	6,960,935
LIABILITIES		
Accounts payable and accrued liabilities	1,075,666	1,334,194
Deferred revenue - obligatory reserve funds (note 5)	1,533,691	1,113,050
Deferred revenue - other	5,098	21,982
Employee future amounts payable (note 8)	66,960	69,622
TOTAL LIABILITIES	2,681,415	2,538,848
NET FINANCIAL ASSETS	5,098,631	4,422,087
NON-FINANCIAL ASSETS		
Tangible capital assets (note 7)	51,561,572	53,219,528
Prepaid expenses	127,369	91,021
TOTAL NON-FINANCIAL ASSETS	51,688,941	53,310,549
ACCUMULATED SURPLUS (note 9)	56,787,572	57,732,636

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, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
REVENUES			
Property taxation	7,542,324	7,617,051	7,354,034
User charges	1,023,139	1,159,364	1,220,436
Government of Canada	-	33,129	-
Province of Ontario	875,756	844,124	851,829
Other municipalities	198,535	198,751	193,470
Penalties and interest on taxes	200,000	222,241	226,746
Investment income	32,000	24,792	32,502
Donations	43,000	35,961	43,064
Sales and recoveries	24,683	214,095	50,082
Capital contributions	110,714	108,426	109,926
Federal gas tax earned	325,375	-	627,881
Contributed capital assets	-	-	1,660,742
TOTAL REVENUES	10,375,526	10,457,934	12,370,712
EXPENSES			
General government	1,500,290	1,437,145	1,439,167
Protection services	3,243,223	3,269,507	3,138,707
Transportation services	4,528,059	4,293,822	4,291,829
Environmental services	449,561	448,225	422,335
Recreation and cultural services	1,884,159	1,851,849	1,737,385
Planning and development	125,723	102,450	104,780
TOTAL EXPENSES	11,731,015	11,402,998	11,134,203
ANNUAL SURPLUS/(DEFICIT)	<u>(1,355,489)</u>	(945,064)	1,236,509
ACCUMULATED SURPLUS - beginning of year		57,732,636	56,496,127
ACCUMULATED SURPLUS - end of year		56,787,572	57,732,636

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, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
ANNUAL SURPLUS/(DEFICIT)	(1,355,489)	(945,064)	1,236,509
Amortization of tangible capital assets	2,883,264	2,946,413	2,883,264
Purchase of tangible capital assets	(1,766,434)	(1,391,866)	(3,216,015)
Loss on disposal of tangible capital assets	-	-	94,936
Proceeds on sale of tangible capital assets	-	-	51,365
Write-downs of tangible capital assets	-	103,409	-
Contributed capital assets	-	-	(1,660,742)
Change in prepaid expenses	-	(36,348)	(91,021)
CHANGE IN NET FINANCIAL ASSETS	(238,659)	676,544	(701,704)
NET FINANCIAL ASSETS - beginning of year	4,422,087	4,422,087	5,123,791
NET FINANCIAL ASSETS - end of year	4,183,428	5,098,631	4,422,087

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, 2016

	2016	2015
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual surplus/(deficit)	(945,064)	1,236,509
Items not involving cash		
Amortization of tangible capital assets	2,946,413	2,883,264
Loss on disposal of tangible capital assets	-	94,936
Contributed capital assets	-	(1,660,742)
Write-downs of tangible capital assets	103,409	-
Employee future amounts payable	(2,662)	69,622
Change in non-cash assets and liabilities		
Accounts receivable	65,397	(7,388)
Taxes receivable	5,429	294,161
Prepaid expenses	(36,348)	(91,021)
Accounts payable and accrued liabilities	(258,528)	121,097
Deferred revenue - obligatory reserve funds	420,641	(55,415)
Deferred revenue - other	(16,884)	(2,500)
Net change in cash from operating activities	2,281,803	2,882,523
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(1,391,866)	(3,216,015)
Proceeds on disposal of tangible capital assets	-	51,365
Net change in cash from capital activities	(1,391,866)	(3,164,650)
INVESTING ACTIVITIES		
Change in investments	(11,273)	(16,889)
FINANCING ACTIVITIES		
Debt principal repayments	-	(4,166)
NET CHANGE IN CASH	878,664	(303,182)
CASH - beginning of year	2,796,877	3,100,059
CASH - end of year	3,675,541	2,796,877

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, 2016

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) 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.

(c) 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.

(d) 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, 2016

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) 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.

Property 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.

Government funding

Government funding is recognized in the financial statements as revenues 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.

Other revenue

User fees are recognized as revenue in the year the goods and services are provided, with the exception of building permits that are recognized when the permits are issued.

Investment income is recorded when earned.

Federal gas tax, development charges and parkland fees are recognized in the period in which the related expenditures are recorded.

(f) Reserves and Reserve Funds

Certain amounts, as approved by Council, 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.

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) 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; and
- The amounts recorded for employee future amounts payable are based on estimates of amounts that will be paid out to eligible employees.

(h) 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.

2. OPERATIONS OF SCHOOL BOARDS AND THE COUNTY OF NORTHUMBERLAND

During 2016, 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	3,085,793	6,633,232

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 2016 is reflected on the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Changes in Net Financial Assets. The budget 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.

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

4. INVESTMENTS

Investment consists of the following recorded at cost adjusted for changes in market value that are not short term fluctuations.

	2016	2015
	\$	\$
Money Market Fund with The One Investment Program	2,101,595	2,091,096
High interest savings account with BMO Nesbitt Burns	103,766	102,992
	2,205,361	2,194,088

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:

	2016	2015
	\$	\$
Development charges	1,081,582	986,535
Parkland	125,861	125,642
Federal gas tax	326,248	873
	1,533,691	1,113,050

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

	2016	2015
	\$	\$
Balance - beginning of year	1,113,050	1,168,465
Add amounts received:		
Development charges received	92,545	191,843
Parkland fees received	-	66,810
Federal gas tax received	325,375	309,881
Interest	2,721	3,932
	420,641	572,466
Less transfer to operations:		
Federal gas tax earned	-	627,881
Balance - end of year	1,533,691	1,113,050

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

6. 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.

7. TANGIBLE CAPITAL ASSETS

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

	2016	2015
	\$	\$
General		
Land	2,243,005	2,243,005
Land improvements	944,455	992,006
Buildings	9,107,055	9,443,372
Vehicles and equipment	3,175,064	3,152,153
Infrastructure		
Roads and bridges	29,030,675	30,147,325
Waterworks systems	7,043,415	7,138,258
	51,543,669	53,116,119
Assets under construction	17,903	103,409
	51,561,572	53,219,528

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

During the year there was a \$103,409 write-downs of assets (2015 - \$Nil) and no interest capitalized (2015 - \$Nil).

Tangible capital assets allocated by segment are as follows:

	2016	2015
	\$	\$
General government	1,433,753	1,472,203
Protection services	2,094,992	2,252,802
Transportation services	31,667,720	32,800,616
Environmental services	7,410,890	7,514,341
Health services	12,634	12,634
Recreation and cultural services	8,941,583	9,166,932
	51,561,572	53,219,528

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS For the Year Ended December 31, 2016

8. EMPLOYEE FUTURE AMOUNTS PAYABLE

The Township provides certain employee benefits which will require payment in future periods. The Township provides defined benefit plans to pay costs of certain health and other insurance benefits for eligible employees after they retire. The liability has been estimated based on employees currently eligible to receive these benefits as an actuarial valuation of this liability has not been prepared. The plans are not funded and are fully paid for by the Township.

9. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2016	2015
	\$	\$
Surplus/(Deficit)		
Hydrant area charges	82,488	69,725
Waterworks operations	(227,489)	(227,489)
Township	209,034	133,666
Unfunded employee future benefits	(66,960)	(69,622)
	(2,927)	(93,720)
Invested In Capital Assets		
Tangible capital assets - net book value	51,561,572	53,219,528
Unfunded capital	(430,901)	(544,091)
	51,130,671	52,675,437
Surplus	51,127,744	52,581,717
Reserves		
Future capital acquisitions	3,696,624	3,148,583
Future operating costs	262,301	210,151
Joint Animal Control Municipal Services Board	28,409	28,539
Total Reserves	3,987,334	3,387,273
Reserve Funds		
Working funds	1,252,134	1,327,186
Future capital acquisitions	292,802	227,683
Joint Animal Control Municipal Services Board	127,558	208,777
Total Reserve Funds	1,672,494	1,763,646
	56,787,572	57,732,636

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

10. 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 2016-02. At December 31, 2016 there was no balance outstanding (2015 - \$Nil).

11. EXPENSES BY OBJECT

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

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
Salaries and benefits	4,038,374	3,929,712	3,750,570
Materials	2,713,225	2,438,831	2,360,119
Contracted services	1,566,707	1,561,375	1,564,323
Rents and financial	9,000	3,843	4,529
External transfers	520,445	522,824	476,462
Amortization	2,883,264	2,946,413	2,883,264
Loss on disposal of tangible capital assets	-	-	94,936
	11,731,015	11,402,998	11,134,203

12. PENSION AGREEMENTS

Certain employees of the Township are eligible members of the Ontario Municipal Employees Retirement System (OMERS), a multi-employer pension plan.

The Actuarial Opinion contained in the 2016 Annual Report disclosed total actuarial liabilities of \$87,554 million in respect of benefits accrued for service with actuarial assets of \$81,834 million indicating an actuarial deficit of \$5,720 million. Because OMERS is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Township does not recognize any share of the OMERS pension surplus or deficit.

The Township's required contributions to OMERS in 2016 were \$213,857 (2015 - \$200,981).

13. TRUST FUNDS

Trust funds administered by the Township amounting to \$118,361 (2015 - \$129,584) 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.

CORPORATION OF THE TOWNSHIP OF HAMILTON

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year Ended December 31, 2016

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. CONTINGENT LIABILITIES

The Township, in the course of its operations, has been named in several lawsuits the outcomes of which are indeterminable at this time. No amounts in connection with these items have been reflected in these financial statements.

CORPORATION OF THE TOWNSHIP OF HAMILTON

CONSOLIDATED SCHEDULE OF TANGIBLE CAPITAL ASSETS

For the Year Ended December 31, 2016

	General			Infrastructure			Totals \$	
	Land Improvements \$	Land Improvements \$	Buildings \$	Vehicles and Equipment \$	Roads and Bridges \$	Waterworks Systems \$		Assets Under Construction \$
COST								
Balance, beginning of year	2,243,005	1,706,532	14,119,742	6,477,880	71,407,648	8,802,200	103,409	104,860,416
Add: additions during the year	-	14,188	53,923	383,845	922,007	-	17,903	1,391,866
Less: disposals/write-downs during the year	-	-	-	-	626,414	-	103,409	729,823
Balance, end of year	2,243,005	1,720,720	14,173,665	6,861,725	71,703,241	8,802,200	17,903	105,522,459
ACCUMULATED AMORTIZATION								
Balance, beginning of year	-	714,526	4,676,370	3,325,727	41,260,323	1,663,942	-	51,640,888
Add: additions during the year	-	61,739	390,240	360,934	2,038,657	94,843	-	2,946,413
Less: disposals during the year	-	-	-	-	626,414	-	-	626,414
Balance, end of year	-	776,265	5,066,610	3,686,661	42,672,566	1,758,785	-	53,960,887
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	2,243,005	944,455	9,107,055	3,175,064	29,030,675	7,043,415	17,903	51,561,572

CORPORATION OF THE TOWNSHIP OF HAMILTON

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2016

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues							
Property taxation	369,077	2,651,503	3,374,054	16,501	1,101,493	104,423	7,617,051
User charges	48,763	240,111	38,080	328,332	465,640	38,438	1,159,364
Government transfers - operating	744,200	-	10,131	-	19,180	-	773,511
Government transfers - capital	-	-	70,613	-	33,129	-	103,742
Other municipalities	-	198,751	-	-	-	-	198,751
Penalties and interest on taxes	222,241	-	-	-	-	-	222,241
Investment income	24,792	-	-	-	-	-	24,792
Donations	-	29,220	-	-	6,741	-	35,961
Sales and recoveries	-	21,982	180,941	2,870	8,302	-	214,095
Capital contributions	-	-	-	108,426	-	-	108,426
Total revenues	1,409,073	3,141,567	3,673,819	456,129	1,634,485	142,861	10,457,934
Expenses							
Salaries and benefits	982,435	1,015,636	1,165,391	49,760	645,219	71,271	3,929,712
Materials	391,413	397,058	966,464	170,022	504,491	9,383	2,438,831
Contracted services	6,816	1,502,880	6,781	33,092	11,806	-	1,561,375
Rents and financial	3,843	-	-	-	-	-	3,843
External transfers	-	176,430	-	-	324,598	21,796	522,824
Amortization	52,638	177,503	2,247,086	103,451	365,735	-	2,946,413
Internal transfers	-	-	(91,900)	91,900	-	-	-
Total expenses	1,437,145	3,269,507	4,293,822	448,225	1,851,849	102,450	11,402,998
Net surplus/(deficit)	(28,072)	(127,940)	(620,003)	7,904	(217,364)	40,411	(945,064)

CORPORATION OF THE TOWNSHIP OF HAMILTON

CONSOLIDATED SCHEDULE OF SEGMENT DISCLOSURE

For the Year Ended December 31, 2015

	General Government \$	Protection Services \$	Transportation Services \$	Environmental Services \$	Recreation and Cultural Services \$	Planning and Development \$	Consolidated \$
Revenues							
Property taxation	321,406	2,609,353	3,317,696	-	1,000,229	105,350	7,354,034
User charges	37,284	258,664	22,059	289,756	592,898	19,775	1,220,436
Government transfers - operating	733,200	17,500	11,336	-	19,180	-	781,216
Government transfers - capital	-	-	70,613	-	-	-	70,613
Other municipalities	-	193,470	-	-	-	-	193,470
Penalties and interest on taxes	226,746	-	-	-	-	-	226,746
Investment income	32,502	-	-	-	-	-	32,502
Donations	-	36,899	-	-	6,165	-	43,064
Sales and recoveries	18,386	-	25,919	-	5,777	-	50,082
Capital contributions	-	-	-	109,926	-	-	109,926
Federal gas tax earned	-	-	627,881	-	-	-	627,881
Contributed capital assets	-	-	624,649	1,036,093	-	-	1,660,742
Total revenues	1,369,524	3,115,886	4,700,153	1,435,775	1,624,249	125,125	12,370,712
Expenses							
Salaries and benefits	898,640	884,177	1,207,923	91,386	598,608	69,836	3,750,570
Materials	476,643	300,906	917,379	174,661	477,477	13,053	2,360,119
Contracted services	7,284	1,532,602	8,011	6,106	10,225	95	1,564,323
Rents and financial	4,529	-	-	-	-	-	4,529
External transfers	-	164,846	-	-	289,820	21,796	476,462
Amortization	52,071	209,509	2,130,247	130,182	361,255	-	2,883,264
Loss on disposal of tangible capital assets	-	46,667	48,269	-	-	-	94,936
Internal transfers	-	-	(20,000)	20,000	-	-	-
Total expenses	1,439,167	3,138,707	4,291,829	422,335	1,737,385	104,780	11,134,203
Net surplus/(deficit)	(69,643)	(22,821)	408,324	1,013,440	(113,136)	20,345	1,236,509

INDEPENDENT AUDITOR'S REPORT**To the Members of Council, Inhabitants and Ratepayers 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, 2016, 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.

Auditor's 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 auditor's 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, 2016 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
Licensed Public Accountants****Peterborough, Ontario
May 26, 2017**

CORPORATION OF THE TOWNSHIP OF HAMILTON

**TRUST FUNDS
STATEMENT OF FINANCIAL POSITION
At December 31, 2016**

	Hydro Easement \$	Subdividers Trust \$	2016 Total \$	2015 Total \$
FINANCIAL ASSETS				
Cash	-	97,778	97,778	109,141
One Fund investment (at cost)	20,583	-	20,583	20,443
	20,583	97,778	118,361	129,584
FUND BALANCES	20,583	97,778	118,361	129,584

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, 2016

	Hydro Easement \$	Subdividers Trust \$	2016 Total \$	2015 Total \$
BALANCES - beginning of year	20,443	109,141	129,584	263,195
RECEIPTS				
Investment income	140	-	140	389
EXPENSES				
Returned to developer	-	11,363	11,363	134,000
BALANCES - end of year	20,583	97,778	118,361	129,584

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, 2016

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) 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.

CORPORATION OF THE TOWNSHIP OF HAMILTON
JOINT ANIMAL CONTROL MUNICIPAL SERVICES BOARD
FINANCIAL STATEMENTS
DECEMBER 31, 2016

INDEPENDENT AUDITOR'S REPORT**To the Members of the Joint Animal Control Municipal Services Board, the Members of Council, Inhabitants and Ratepayers of the Township of Hamilton***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, 2016, 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.

Auditor's 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 auditor's 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, 2016 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
Licensed Public AccountantsPeterborough, Ontario
May 26, 2017

CORPORATION OF THE TOWNSHIP OF HAMILTON

JOINT ANIMAL CONTROL MUNICIPAL SERVICES BOARD STATEMENT OF FINANCIAL POSITION At December 31, 2016

	2016	2015
	\$	\$
FINANCIAL ASSETS		
Investment (note 2)	103,766	102,992
Due from Township of Hamilton	52,201	134,324
NET FINANCIAL ASSETS	155,967	237,316
NON-FINANCIAL ASSETS		
Tangible capital assets (note 4)	347,175	365,048
ACCUMULATED SURPLUS (note 5)	503,142	602,364

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, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
REVENUES			
Municipal partner funding	251,310	251,526	242,839
Other municipal contributions	8,250	8,250	8,250
Adoption fees	19,000	23,773	17,093
Boarding and surrender fees	6,000	5,620	5,349
Dog tag fees	3,000	1,830	2,295
Recoveries and other	18,700	9,464	4,557
Donations and fundraising	40,000	21,230	26,820
TOTAL REVENUES	346,260	321,693	307,203
EXPENSES			
Salaries and benefits	225,510	254,800	200,191
Communications	4,250	4,307	5,601
Veterinary fees	11,000	20,283	12,485
Vehicle	5,000	2,895	4,111
Emergency costs	40,000	53,413	38,159
Building and maintenance	18,500	25,862	14,130
Operating costs	25,300	31,403	19,221
Office	7,600	4,520	7,139
Professional fees	4,100	5,559	3,053
Amortization	17,873	17,873	17,873
TOTAL EXPENSES	359,133	420,915	321,963
ANNUAL DEFICIT	(12,873)	(99,222)	(14,760)
ACCUMULATED SURPLUS - beginning of year		602,364	617,124
ACCUMULATED SURPLUS - end of year		503,142	602,364

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, 2016

	Budget 2016 \$ (Unaudited)	Actual 2016 \$	Actual 2015 \$
ANNUAL DEFICIT	(12,873)	(99,222)	(14,760)
Amortization of tangible capital assets	17,873	17,873	17,873
Acquisition of tangible capital assets	-	-	(136,875)
INCREASE/(DECREASE) IN NET FINANCIAL ASSETS	5,000	(81,349)	(133,762)
NET FINANCIAL ASSETS - beginning of year	237,316	237,316	371,078
NET FINANCIAL ASSETS - end of year	242,316	155,967	237,316

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, 2016**

	2016	2015
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Annual deficit	(99,222)	(14,760)
Items not involving cash		
Amortization of tangible capital assets	17,873	17,873
Change in non-cash assets and liabilities		
Due from Township of Hamilton	82,123	136,704
Net change in cash from operating activities	774	139,817
CAPITAL ACTIVITIES		
Acquisition of tangible capital assets	-	(136,875)
INVESTING ACTIVITIES		
Increase in investment	(774)	(2,942)
NET CHANGE IN CASH	-	-
CASH - beginning of year	-	-
CASH - end of year	-	-

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, 2016

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) 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.

(b) 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.

(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 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.

(d) 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.

(e) 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.

CORPORATION OF THE TOWNSHIP OF HAMILTON

JOINT ANIMAL CONTROL MUNICIPAL SERVICES BOARD NOTES TO THE FINANCIAL STATEMENTS For the Year Ended December 31, 2016

2. INVESTMENT

Investment consists of a high interest savings account with BMO Nesbitt Burns recorded at cost.

3. BUDGET FIGURES

The operating budget, approved by the Board, for 2016 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.

4. TANGIBLE CAPITAL ASSETS

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

	Land Improvements \$	Buildings \$	Vehicles and Equipment \$	2016 Totals \$	2015 Totals \$
COST					
Balance, beginning of year	128,466	349,738	31,700	509,904	373,029
Add: additions during the year	-	-	-	-	136,875
Balance, end of year	128,466	349,738	31,700	509,904	509,904
ACCUMULATED AMORTIZATION					
Balance, beginning of year	54,556	81,217	9,083	144,856	126,983
Add: additions during the year	5,139	9,452	3,282	17,873	17,873
Balance, end of year	59,695	90,669	12,365	162,729	144,856
NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS	68,771	259,069	19,335	347,175	365,048

CORPORATION OF THE TOWNSHIP OF HAMILTON

**JOINT ANIMAL CONTROL MUNICIPAL SERVICES BOARD
 NOTES TO THE FINANCIAL STATEMENTS
 For the Year Ended December 31, 2016**

5. ACCUMULATED SURPLUS

Accumulated surplus consists of the following:

	2016	2015
	\$	\$
Invested In Capital Assets		
Tangible capital assets - net book value	347,175	365,048
Reserves		
Operations	28,409	28,539
Reserve Funds		
Emergency costs	127,558	208,777
	503,142	602,364

6. COMPARATIVE FIGURES

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