

FINANCIAL REPORT

2023

**City of Hamilton
71 Main Street West
Hamilton, Ontario
L8P 4Y5**

City of Hamilton
Financial Report
2023

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Section 1

City of Hamilton Five Year Financial and Statistical Statements 2023

City of Hamilton Five Year Financial and Statistical Review

(All amounts are reported in thousands of dollars except statistical information, ratios and per capita figures)

Operating Revenue	2023	2022	2021	2020	2019
Taxation	\$ 1,106,872	\$ 1,028,395	\$ 985,972	\$ 957,739	\$ 917,126
Government grants and contributions	617,399	511,692	536,264	521,305	447,833
User charges	424,757	389,639	344,086	329,316	372,145
Development charges and subdivider contributions	67,147	32,015	68,541	33,693	60,646
Donated tangible capital assets	13,725	18,990	28,812	8,494	21,715
Investment and dividend income	70,990	44,735	37,639	33,545	37,598
Net income (loss) from Government Business Enterprises	20,424	6,057	13,097	10,726	11,262
Other	142,838	169,002	131,674	120,526	128,764
Total	2,464,152	2,200,525	2,146,085	2,015,344	1,997,089
Operating Expenses by Function	2023	2022	2021	2020	2019
General government	\$ 101,261	\$ 84,262	\$ 95,277	\$ 68,079	\$ 66,626
Protection services	384,828	365,261	357,517	341,243	330,258
Transportation services	415,469	364,580	338,618	322,651	337,719
Environmental services	315,499	301,849	283,556	251,828	252,778
Health services	155,851	151,288	153,396	126,930	106,057
Social and family services	438,985	357,834	342,493	333,523	309,361
Social housing	125,494	134,490	124,830	110,063	97,131
Recreation and cultural services	211,867	189,040	164,238	149,932	176,949
Planning and development	75,227	75,171	63,316	56,382	52,263
Total	2,224,481	2,023,775	1,923,241	1,760,631	1,729,142
Net Operating Revenue or Annual Surplus from Operations	2023	2022	2021	2020	2019
Total	\$ 239,671	\$ 176,750	\$ 222,844	\$ 254,713	\$ 267,947

NOTE: Amounts reported may have been restated from previous amounts presented to conform to 2023 Public Sector Accounting Board (PSAB) standards.

City of Hamilton Five Year Financial and Statistical Review

(All amounts are reported in thousands of dollars except statistical information, ratios and per capita figures)

Taxation	2023	2022	2021	2020	2019
Taxation from real property	\$ 1,291,428	\$ 1,210,926	\$ 1,164,870	\$ 1,146,798	\$ 1,102,694
Taxation from other governments/payments in lieu of taxes	18,691	17,919	17,508	16,900	16,551
Taxation collected on behalf of school boards	(203,247)	(200,450)	(196,406)	(205,959)	(202,119)
Net taxes available for municipal purposes	1,106,872	1,028,395	985,972	957,739	917,126
Tax Levies	2023	2022	2021	2020	2019
City portion	\$ 1,069,608	\$ 993,537	\$ 954,419	\$ 924,159	\$ 886,787
School Board Portion	199,654	195,845	193,426	202,808	198,980
Total	1,269,262	1,189,382	1,147,845	1,126,967	1,085,767
Tax arrears	2023	2022	2021	2020	2019
Taxes receivable	\$ 89,125	\$ 86,145	\$ 81,750	\$ 85,023	\$ 86,309
Taxes receivable per capita	\$ 149	\$ 146	\$ 140	\$ 147	\$ 149
Taxes receivable as a percentage of current years' levies	7.0%	7.2%	7.1%	7.5%	7.9%
Unweighted Taxable Assessment	2023	2022	2021	2020	2019
Residential	\$ 73,722,463	\$ 72,726,255	\$ 71,929,405	\$ 70,762,154	\$ 66,000,132
Non-Residential	10,067,536	9,812,463	9,676,235	9,620,270	9,069,880
Total	83,790,000	82,538,718	81,605,640	80,382,424	75,070,012
Weighted Taxable Assessment	2023	2022	2021	2020	2019
Residential	\$ 75,899,285	\$ 75,263,939	\$ 74,704,344	\$ 73,713,509	\$ 69,119,831
Non-Residential	21,678,260	21,267,983	20,954,969	20,946,399	19,641,077
Total	97,577,546	96,531,922	95,659,313	94,659,908	88,760,908
Residential vs Non-Residential Percentage of Total Weighted Taxable Assessment	2023	2022	2021	2020	2019
Residential	78%	78%	78%	78%	78%
on-Residential	22%	22%	22%	22%	22%
Taxable Assessment Growth (weighted)	1.8%	1.6%	1.2%	1.2%	1.2%

NOTE: Amounts reported may have been restated from previous amounts presented to conform to 2023 Public Sector Accounting Board (PSAB) standards.

City of Hamilton Five Year Financial and Statistical Review

(All amounts are reported in thousands of dollars except statistical information, ratios and per capita figures)

Operating Expenses by Object	2023	2022	2021	2020	2019
Salaries, wages and employee benefits	\$ 970,735	\$ 902,088	\$ 862,369	\$ 819,188	\$ 797,631
Interest on long term liabilities	8,605	10,005	11,486	12,416	13,767
Materials	323,890	286,975	245,947	203,045	203,308
Contracted services	370,390	351,577	375,195	282,168	309,634
Rents and financial expenses	75,029	43,925	35,968	36,080	31,084
External transfers	237,407	195,999	176,015	193,667	168,471
Amortization of tangible capital assets	238,425	233,206	216,261	214,067	205,247
Total	2,224,481	2,023,775	1,923,241	1,760,631	1,729,142
Operating Expenses as Percentage of Total	2023	2022	2021	2020	2019
Salaries, wages and employee benefits	43.6%	44.6%	44.8%	46.5%	46.1%
Interest on long term liabilities	0.4%	0.5%	0.6%	0.7%	0.8%
Materials	14.5%	14.1%	12.8%	11.6%	11.8%
Contracted services	16.7%	17.4%	19.5%	16.0%	18.0%
Rents and financial expenses	3.4%	2.2%	1.9%	2.0%	1.8%
External transfers	10.7%	9.7%	9.2%	11.0%	9.7%
Amortization of tangible capital assets	10.7%	11.5%	11.2%	12.2%	11.8%
Total	100%	100%	100%	100%	100%
Long Term Liabilities	2023	2022	2021	2020	2019
Long Term Liabilities incurred by the City	\$ 309,304	\$ 353,317	\$ 401,143	\$ 436,289	\$ 432,709
Long Term Debt incurred by the City for which other entities have assumed responsibility	-	-	-	-	-
Total	309,304	353,317	401,143	436,289	432,709
Long Term Liabilities	2023	2022	2021	2020	2019
Housing operations	\$ 43,498	\$ 46,731	\$ 48,882	\$ 40,991	\$ 46,967
City operations	265,806	306,586	352,261	395,298	385,742
Total	309,304	353,317	401,143	436,289	432,709
Long term liabilities as a percentage of Reserves and Capital Surplus	34.80%	43.20%	46.80%	49.80%	51.60%

NOTE: Amounts reported may have been restated from previous amounts presented to conform to 2023 Public Sector Accounting Board (PSAB) standards.

City of Hamilton Five Year Financial and Statistical Review

(All amounts are reported in thousands of dollars except statistical information, ratios and per capita figures)

Tangible Capital Assets: General	2023	2022	2021	2020	2019
Land	\$ 449,975	\$ 448,607	\$ 442,267	\$ 403,879	\$ 387,321
Land improvements	257,085	258,146	202,950	181,506	167,237
Buildings	923,068	932,978	821,383	829,290	815,472
Vehicles	183,949	152,224	140,537	138,937	148,259
Computer hardware and software	11,640	15,689	17,694	18,698	19,499
Other	102,947	101,889	104,261	92,062	93,335
Tangible Capital Assets: Infrastructure	-	-	-	-	-
Roads	1,302,197	1,312,270	1,307,472	1,315,237	1,310,342
Bridges and structures	183,361	178,749	177,730	181,098	181,896
Water and wastewater facilities	652,172	493,680	448,041	416,470	395,495
Underground and other networks	2,113,074	2,092,702	2,066,026	2,021,641	1,986,865
Net Book Value	6,179,468	5,986,934	5,728,361	5,598,818	5,505,721
Assets under construction	689,959	697,751	720,255	604,146	425,067
Total	6,869,427	6,684,685	6,448,616	6,202,964	5,930,788
Accumulated Surplus or Municipal Financial Position	2023	2022	2021	2020	2019
Reserves and reserve funds	\$ 613,271	\$ 578,075	\$ 611,750	\$ 623,966	\$ 612,513
Hamilton Future Fund	70,730	65,328	63,848	58,466	52,963
Total	684,001	643,403	675,598	682,432	665,476
Accumulated Surplus Other Funds	2023	2022	2021	2020	2019
Capital surplus (deficit)	205,059	175,356	180,850	193,769	173,857
Operating surplus (deficit)	(66,182)	(49,793)	74,546	83,987	74,118
Investment in Government Business Enterprises	322,208	315,217	321,183	319,823	323,851
Investment in tangible capital assets	6,256,978	6,061,467	5,894,721	5,629,066	5,393,649
Unfunded liabilities - Employee future benefits	(408,533)	(387,179)	(372,130)	(363,419)	(348,328)
Unfunded liabilities - Solid waste landfill sites	-	-	(78,272)	(65,148)	(71,420)
Environmental Liability	(412)	(4,865)	(7,308)	(15,400)	-
Total	6,993,119	6,753,606	6,689,188	6,465,110	6,211,203

NOTE: Amounts reported may have been restated from previous amounts presented to conform to 2023 Public Sector Accounting Board (PSAB) standards

City of Hamilton Five Year Financial and Statistical Review

(All amounts are reported in thousands of dollars except statistical information, ratios and per capita figures)

Statistical Information	2023	2022	2021	2020	2019
Population	597,655	592,000	584,000	578,000	579,000
Households	245,542	245,175	242,185	237,420	237,200
Area in hectares	112,840	112,840	112,840	112,840	112,775
Building Permit Values	2,550,392,065	1,856,371,964	2,128,166,392	1,383,480,564	1,408,521,764
Housing Starts	1,892	1,753	1,564	1,406	1,438
Residential Units - Building Permits	4,087	5,046	5,494	4,507	5,012
Average Monthly Social Assistance					
Case Load	10,472	9,828	9,118	11,034	11,248
Continuous Full Time Employees	7,463	7,067	6,890	6,919	6,841

NOTE: Amounts reported may have been restated from previous amounts presented to conform to 2023 Public Sector Accounting Board (PSAB) standards.

Section 2

Consolidated Financial Statements of

CITY OF HAMILTON

2023

CITY OF HAMILTON

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the City of Hamilton

Opinion

We have audited the consolidated financial statements of the City of Hamilton ("the City"), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the City as at December 31, 2023, and its consolidated results of operations, its consolidated changes in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to

provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor's report thereon, included in the Financial Report 2023

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor's report thereon, included in the Financial Report 2023 as at the date of this auditor's report.

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

We have nothing to report in this regard.

Emphasis of Matter – Comparative Information

We draw attention to Note 2 in the financial statements which explains that certain comparative information presented for the year ended December 31, 2022 has been restated.

Note 2 explains the reason for the restatement and also explains the adjustments that were applied to restated certain comparative information.

Our opinion is not modified with respect to this matter.

Other Matter – Comparative Information

As part of our audit of the financial statements for the year ended December 31, 2023, we also audited the adjustments that were applied to restated certain comparative information presented for the year ended December 31, 2022. In our opinion, such adjustments are appropriate and have been properly applied.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design

audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

July 7, 2026

KPMG LLP, an Ontario limited liability partnership and member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. KPMG Canada provides services to KPMG LLP.

CITY OF HAMILTON

Consolidated Statement of Financial Position

For the year ended December 31, 2023, with comparative information for 2022

(all numbers are in thousands of dollars)

Description	2023	2022 Restated See Note 2
Financial assets:		
Cash and cash equivalents (note 3)	\$532,739	\$448,977
Taxes receivable	89,125	86,145
Accounts receivable	263,732	147,290
Other assets	1,067	1,476
Long-term receivables (note 4)	66,694	60,549
Portfolio investments (note 3)	1,339,345	1,337,671
Investment in Government Business Enterprises (note 5)	322,208	315,217
Total financial assets	\$2,614,910	\$2,397,325
Financial liabilities:		
Accounts payable and accrued liabilities	\$446,802	\$418,927
Deferred revenue - general	117,622	105,042
Deferred revenue - obligatory reserve funds (note 6 & 7)	871,070	725,530
Long-term liabilities - municipal operations (note 8)	265,806	306,586
Long-term liabilities - housing corporation (note 9)	43,498	46,731
Employee future benefits and other obligations (note 10 & 11)	433,665	411,543
ARO (Asset Retirement Obligation) (note 2)	343,119	341,344
Total financial liabilities	2,521,582	2,355,703
Net financial assets	\$93,328	\$41,622
Non-financial assets:		
Tangible capital assets (note 21)	6,869,427	6,684,685
Inventories	21,255	19,850
Prepaid expenses	9,109	7,449

CITY OF HAMILTON

Description	2023	2022 Restated See Note 2
Total non-financial assets	6,899,791	6,711,984
Accumulated surplus (note 12)	\$6,993,119	\$6,753,606
Contractual obligations (note 17)		
Contractual rights (note 18)		
Contingent liabilities (note 20)		
COVID-19 (note 25)		

See accompanying notes to consolidated financial statements.

CITY OF HAMILTON

Consolidated Statement of Operations and Accumulated Surplus

For the year ended December 31, 2023, with comparative information for 2022

(all numbers are in thousands of dollars)

Description	Budget 2023 (note 24)	Actual 2023	Actual 2022 (Restated - note 2)
Revenue (See Business Segments)			
Taxation (note 14)	\$1,100,956	\$1,106,872	\$1,028,395
Government grants and contributions (note 15)	530,174	617,399	511,692
User charges, licences and fines	407,370	424,757	389,639
Developer contributions earned	73,763	67,147	32,015
Donated tangible capital assets	13,725	13,725	18,990
Investment and dividend income	59,779	70,990	44,735
Net income from Government Business Enterprises (note 5)	0	20,424	6,057
Rents and other	121,420	142,838	169,002
Total revenue (see business segments)	2,307,187	2,464,152	2,200,525
Expenses (See Business Segments)			
General government	\$89,988	\$101,261	\$84,262
Protection services	384,297	384,828	365,261
Transportation services	411,520	415,469	364,580
Environmental services	311,481	315,499	301,849
Health services	160,958	155,851	151,288
Social and family services	463,820	438,985	357,834
Social housing	106,208	125,494	134,490
Recreation and cultural services	201,884	211,867	189,040
Planning and development	79,806	75,227	75,171
Total expenses (see business segments)	2,209,962	2,224,481	2,023,775
Annual Surplus	\$97,225	\$239,671	\$176,750

CITY OF HAMILTON

Description	Budget 2023 (note 24)	Actual 2023	Actual 2022 (Restated - note 2)
Accumulated surplus			
Beginning of year	6,753,606	6,753,606	6,572,444
Other comprehensive loss and other Government Business Enterprises (note 5)	0	(158)	4,412
End of year	\$6,850,831	\$6,993,119	\$6,753,606

See accompanying notes to consolidated financial statements.

CITY OF HAMILTON

Consolidated Statement of Changes in Net Financial Assets

For the year ended December 31, 2023, with comparative information for 2022

(all numbers are in thousands of dollars)

Description	Budget 2023 (note 24)	Actual 2023	Actual 2022 (Restated - note 2)
Operating activities			
Annual Surplus	\$97,225	\$239,671	\$176,750
Other comprehensive loss of Government Business Enterprises	0	(158)	4,412
Acquisition of tangible capital assets	(367,362)	(428,356)	(320,219)
Loss on disposition of tangible capital assets	18,914	18,914	9,922
Amortization of tangible capital assets	238,425	238,425	233,206
Donated tangible capital assets	(13,725)	(13,725)	(18,990)
Change in inventories	0	(1,405)	(322)
Change in prepaid expenses	0	(1,660)	2,166
Change in net financial assets	(26,523)	51,706	86,925
Beginning of year	41,622	41,622	(45,303)
End of year	\$15,099	\$93,328	\$41,622

See accompanying notes to consolidated financial statements.

CITY OF HAMILTON

Consolidated Statement of Cash Flows

For the year ended December 31, 2023, with comparative information for 2022

(all numbers are in thousands of dollars)

Description	2023	2022 (Restated - note 2)
Operating activities:		
Annual surplus	\$239,671	\$176,750
Increase in taxes receivable	(2,980)	(4,395)
Increase in accounts receivable	(116,442)	(2,900)
Decrease (increase) in other assets	409	(55)
Increase (decrease) in accounts payable and accrued liabilities	27,875	(17,715)
Increase (decrease) in deferred revenue - general	12,580	(671)
Increase in deferred revenue - obligatory reserve funds	145,540	107,612
Increase in inventories	(1,405)	(322)
(Increase) decrease in prepaid expenses	(1,660)	2,166
Non-cash activities		
Amortization of tangible assets	238,425	233,206
Donated tangible capital assets	(13,725)	(18,990)
Loss on disposition of tangible capital assets	18,914	9,922
Net income from Government Business Enterprises	(20,425)	(6,057)
Change in employee future benefits and other obligations	22,122	14,810
Change in ARO Liability	1,775	6,340
Subtotal operating activities	550,674	499,701
Investing activities:		
Increase in portfolio investments	(1,674)	(165,937)
Decrease in long-term receivables	(6,145)	(7,144)
Dividends received from Government Business Enterprises	13,276	16,435
Subtotal investing activities	5,457	(156,646)

CITY OF HAMILTON

Description	2023	2022 (Restated - note 2)
Financing activities:		
Long-term debt issued - housing corporation	0	3,909
Long-term liability - municipal operations	0	397
Debt principal repayment - municipal operations	(40,260)	(45,535)
Lease obligation payment - municipal operations	(520)	(537)
Debt principal repayment - housing corporation	(3,233)	(6,060)
Subtotal financing activities	(44,013)	(47,826)
Capital activities		
Purchase of tangible capital assets	(428,356)	(320,219)
Subtotal capital activities	(428,356)	(320,219)
Net increase (decrease) in cash and cash equivalents	83,762	(24,990)
Cash and cash equivalents	83,762	(24,990)
Beginning of year	448,977	473,967
End of year	\$532,739	\$448,977

See accompanying notes to consolidated financial statements.

CITY OF HAMILTON

Notes to Consolidated Financial Statements

For the year ended December 31, 2023 (all numbers are in thousands of dollars)

1. Significant accounting policies

The Consolidated Financial Statements of the City of Hamilton ("City") are prepared by management in accordance with Canadian public sector accounting standards, as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada.

(a) Reporting entity

- (i) The consolidated financial statements reflect the assets, liabilities, revenues, expenses, changes in accumulated surplus, changes in net financial assets of the reporting entity. The consolidated financial statements include the activities of all committees of Council and the following boards and enterprises which are under the control of and accountable to Council:

Hamilton Police Services Board

The Hamilton Public Library Board

The Hamilton Street Railway Company

CityHousing Hamilton Corporation

Hamilton Business Improvement Areas including Ancaster BIA, Barton Street Village BIA, Concession Street BIA, Downtown Hamilton BIA, Dundas BIA, International Village BIA, Locke Street BIA, Downtown Stoney Creek BIA, Ottawa Street BIA, Waterdown BIA, and Westdale BIA
Flamborough Recreation Sub-Committees

Confederation Park

Hamilton Farmers Market

Hamilton Tourism Development Corporation

Interdepartmental and organizational transactions and balances are eliminated.

CityHousing Hamilton Corporation was incorporated as Hamilton Housing Corporation on January 1, 2001 as a result of the provincial legislation, Social Housing Reform Act 2000, which transferred the operation of various local housing authorities to municipalities. The City of Hamilton assumed social housing responsibilities on December 1, 2001. The share

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capital of CityHousing Hamilton Corporation is 100% owned by the City of Hamilton and a separate Board of Directors has been established to provide oversight responsibilities for the Corporation.

CityHousing Hamilton Corporation has been consolidated on a line-by-line basis after conforming with the City's accounting principles after eliminating inter-organizational transactions and balances.

Hamilton Utilities Corporation ("H.U.C."), Hamilton Enterprises Holdings Corporation ("H.E.H.C.O.") and Hamilton Renewable Power Inc. ("HRP Inc.") are subsidiary corporations of the City and are accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises (Note 5). Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform to those of the City and inter-organizational transactions and balances are not eliminated.

City of Hamilton trust fund assets that are administered for the benefit of external parties are excluded from the consolidated financial statements. Separate financial statements have been prepared.

Cemetery trust, and general trust funds administered by the City amounting to \$23,115 (2022 -\$21,481-prior year comparatives have been adjusted due to a change in accounting policy) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations. Homes for the Aged trust funds administered by the City amounting to \$437 (2022 - \$427) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

- (ii) The financial activities of certain entities associated with the City of Hamilton are not consolidated as the City does not exercise control over them. The City's contributions to these entities are recorded in the Consolidated Statement of Operations. The entities that are not consolidated are as follows:

Hamilton Region Conservation Authority

Disabled and Aged Regional Transit System

The Hamilton Municipal Retirement Fund

The Hamilton-Wentworth Retirement Fund

The Pension Fund of the Employees of the Hamilton Street Railway
Township of Glanbrook Non-Profit Housing Corporation

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- (iii) The taxation, other revenues, expenses, assets and liabilities with respect to the operations of various school boards are not reflected in the consolidated financial statements.

(b) Basis of accounting

Revenues are recorded on the accrual basis of accounting, whereby revenues are recognized as they are earned and measurable. Expenses are recognized in the period goods and services are acquired and a liability is incurred. The City has not included a consolidated statement of remeasurement gains and losses under Canadian Public Sector Accounting Standards. This statement reports unrealized amounts reclassified to the consolidated statement of operations upon derecognition of an investment. There were no significant amounts to report on the consolidated statement of remeasurement gains and losses; and as a result, this statement has not been included.

(c) Use of estimates

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include assumptions used in estimating provisions for allowance for doubtful accounts, tangible capital assets, solid waste landfill liabilities, liabilities for contaminated sites, asset retirement obligations and in performing actuarial valuations of employee future benefit obligations.

Where estimation uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(d) Cash, cash equivalents

Cash and cash equivalents include cash on hand, cash held in financial institutions and temporary investments with maturities of 90 days or less. Investments are valued at cost and are written down when there is a decrease in value.

(e) Portfolio investments

Portfolio investments mainly comprise of One Investment Fund units, federal, provincial and municipal government bonds, deposit notes, and short-term instruments of financial institutions. Portfolio investments are valued at cost less any amounts written off to reflect an other than temporary decline in value.

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(f) **Deferred revenue – obligatory reserve funds**

Receipts which are restricted by legislation of senior governments or by agreement with external parties are in nature restricted revenues and are reported as deferred revenues. When qualifying expenses are incurred, deferred revenues are recognized into revenue in the fiscal period they are expended.

(g) **Employee future benefits and other obligations:**

Employee future benefits and other obligations for retirement, post-employment and pension benefits are reported in the Consolidated Statement of Financial Position. The accrued benefit obligations are determined using management's best estimates of expected investment yields, wage and salary escalation, mortality rates, termination and retirement ages. The actuarial gain or loss is amortized over the expected average remaining life expectancy of the members of the employee groups.

(h) **Tangible capital assets:**

Tangible capital assets are recorded at cost which includes all amounts directly attributable to acquisition, construction, development or betterment of the asset. Donated and/or contributed assets are capitalized and recorded at their estimated fair value upon acquisition and recognized in revenue. Leased tangible capital assets are valued at the present value of the future minimum lease payments. Certain tangible capital assets for which historical cost information is not available have been recorded at current replacement cost deflated by a relevant inflation factor.

Amortization for road linear assets is calculated on a consumption basis using road deterioration curves. All other tangible capital assets are amortized on a straight-line basis over their estimated useful lives. One half of the annual amortization is recorded as amortization expense in the year of acquisition or construction and in the year of disposal. Estimated useful lives range from 2 years to 100 years as follows:

Asset	Useful Life - Years
General - Land improvements	3 to 100 years
General - Building	20 to 50 years
General - Vehicles	2 to 20 years
General - Computer hardware and software	3 to 5 years
General - Other – Machinery and equipment	2 to 100 years
Infrastructure - Bridges and other structures	40 to 75 years

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Infrastructure - Water and wastewater facilities	20 to 40 years
Infrastructure - Water, wastewater, storm and road linear	18 to 100 years

The City has leased tangible capital assets which are amortized over the term of the lease, ranging from 5 to 50 years. The cost, accumulated amortization, net book value and amortization expense have been reported in these consolidated financial statements.

Assets under construction are not amortized until the asset is ready for use. All interest on debt incurred during construction of related tangible capital assets is expensed in operations in the year incurred. Works of art and historic treasures are not recorded as assets in these consolidated financial statements.

(i) Inventories

Inventories held for consumption or use are valued at the lower of cost and net realizable value.

(j) Government transfers

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

(k) Long-term receivables

Long-term receivables are valued at cost. Recoverability is assessed annually, and a valuation allowance is recorded when recoverability has been impaired. Long-term receivables are written off when they are no longer recoverable. Recoveries of long-term receivables previously written off are recognized in the year received. Interest revenue is recognized as it is earned. Long-term receivables with significant concessionary terms are reported as an expense on the Consolidated Statement of Operations. Long-term receivables are reported in Note 4.

(l) Tax revenue

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

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(m) Solid waste landfill liabilities

The Ontario Environmental Protection Act (the “Act”) sets out the regulatory requirements for the closure and maintenance of landfill sites. Under the Act, the City is required to provide for closure and post-closure care of solid waste landfill sites. The costs related to these obligations are provided for all inactive landfill sites and active landfill sites based on usage.

(n) Contaminated Sites

Contamination is a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- (i) an environmental standard exists
- (ii) contamination exceeds the environmental standard
- (iii) the City is directly responsible or accepts responsibility
- (iv) it is expected that future economic benefits will be given up; and
- (v) a reasonable estimate of the amount can be made.

The liability is estimated based upon information that is available when the financial statements are prepared. It is based upon the costs directly attributable to the remediation activities required using a present value measurement technique.

(o) Related parties' disclosure

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their close family members and the entities they control or have shared control over. Related party transactions are disclosed if they occurred at a value different from that which would have been arrived at if parties were unrelated and the transaction has a material effect on the consolidated financial statements. As at December 31, 2023, there are no such related party transactions to disclose.

(p) Contingent assets

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty which will be ultimately resolved when one or more future events occur that are not within the government's control. Disclosure of a contingent asset is required under this standard when the

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occurrence of a confirming future event is likely. As at December 31, 2023, there are no such contingent assets to disclose.

(q) Contractual rights

Contractual rights requires the disclosure of information in regards to future rights to economic resources arising from contracts or agreements that will result in a future economic benefit. Such disclosure includes the nature, extent and timing of contractual rights. The City is involved with various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources. Contractual rights are reported in Note 18.

(r) Assets

The assets standard provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events and from which future economic benefits are to be obtained. For the year ended December 31, 2023, all material assets have been disclosed and reported within this definition.

(s) Inter-Entity transactions

Inter-entity transactions standard provides guidance on how to account for and report transactions between public sector entities that comprise a governments reporting entity. This section provides guidance for the measurement of these transactions. All City transactions are recorded at the exchange amount, being the amount agreed to by both parties. For the year ended December 31, 2023, there were no material inter-entity transactions to disclose.

(t) Newly adopted accounting standards

(a) PS 1201 - Financial Statement Presentation

The City adopted PS 1201 Financial Statement Presentation, which replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The adoption of PS 1201 did not result in any financial statement measurement, presentation, or disclosure changes to the City's consolidated financial statements.

(b) PS 2601 - Foreign Currency Translation

The City adopted PS 2601 Foreign Currency Translation, which replaces PS 2600 Foreign Currency Translation. This standard establishes revised requirements for the recognition, measurement, presentation, and disclosure of

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foreign currency transactions and balances. The adoption of PS 2601 had no impact on the City's consolidated financial statements.

(c) PS 3041 - Portfolio Investments

The City adopted PS 3041 Portfolio Investments, a new standard that establishes guidance on the recognition, measurement, presentation, and disclosure of portfolio investments. Under this standard, portfolio investments are measured at either fair value or amortized cost, depending on the nature of the investment. The adoption of PS 3041 did not result in any financial or disclosure impact to the City's consolidated financial statements for the year ended December 31, 2023.

(d) Financial Instruments

The City's financial instruments include cash, accounts receivable, long-term receivables, portfolio investments, accounts payable and accrued liabilities, and long-term debt. The carrying value of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these financial assets and liabilities.

The following is a list of the City's financial instruments and their related measurement basis as at December 31, 2023.

Description	Measurement of Basis
Financial Assets	
Cash and cash equivalents	Cost
Accounts receivable	Cost/Amortized Cost
Long-term receivables	Cost/Amortized Cost
Portfolio investments	Amortized Cost
Financial Liabilities	
Accounts payable and accrued liabilities	Cost
Long-term liabilities - municipal operations	Cost/Amortized Cost
Long-term liabilities - housing corporation	Cost/Amortized Cost

All financial assets are tested annually for impairment. When financial assets are impaired, impairment losses are recorded in the Statement of Operations.

Transaction costs are incremental costs directly attributable to the acquisition or issue of a financial asset or a financial liability. For financial instruments measured at cost, transaction costs are added to the carrying value of the

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instruments and are expensed when the financial instruments are carried at fair value.

The City's financial instruments are accounted for in accordance with PS 3450 – Financial Instruments. Financial assets and liabilities are initially recognized at fair value and subsequently measured based on their classification as described below.

- Cash is recorded at cost and includes cash on hand and deposits with financial institutions.
- Accounts Receivable are measured at amortized cost. An allowance for impairment is recognized when there is objective evidence of credit loss, based on the City's assessment of collectability.
- Investments are recorded at amortized cost and consist of instruments that the City intends to hold to maturity or for which the contractual cash flows are solely payments of principal and interest. Premiums, discounts, and related transaction costs are amortized over the term of the investment using the effective interest rate method.
- Accounts Payable and Accrued Liabilities are measured at cost, representing obligations to vendors, employees, and other parties for goods and services received.
- Long-Term Debt is measured at amortized cost. Interest expense is recognized over the term of the debt based on the underlying contractual interest rates.

(e) Asset Retirement Obligations

An asset retirement obligation is recognized when, as at the financial reporting date, all the following criteria are met:

- i. There is a legal obligation to incur retirement costs in relation to a tangible capital asset.
- ii. The past transaction or event giving rise to the liability has occurred.
- iii. It is expected that future economic benefits will be given up.
- iv. A reasonable estimate of the amount can be made.

The following liabilities have been recognized based on estimated future expenses:

- i. Closure of operational landfill sites and post-closure care relating to current and previous landfill sites. The Ontario Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and

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inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of landfill sites.

- ii Removal of asbestos in various buildings owned by the City. The Occupational Health and Safety Act states the demolition of a building, all or in part, can be done only when asbestos-containing material that may be disturbed during the work, has been removed.
- iii Removal of underground fuel and oil storage tanks. The Technical Standards and Safety Authority (TSSA) states in both its Liquid Fuels Handling Code and the Fuel and Oil Code that an underground storage tank and its piping must be removed when it has been out of service for 2 years or more.
- iv Removal of leasehold improvements where stipulated by the landlord and a signed lease agreement. A lease may have a Base Building clause that states that leasehold improvements are to be removed at the end of a lease at the request of the landlord and at the expense of the City.
- v Ozone depleting substances in ice rink refrigeration equipment. The Federal Halocarbon Regulation sets out the regulatory requirements for the reduction and prevention of emissions of halocarbons into the environment from refrigeration, air-conditioning, and solvents.

The City's Asset Retirement liabilities are discounted using a present value calculation, where appropriate, and adjusted yearly for changes in circumstances. The recognition of a liability results in an accompanying increase to the respective tangible capital assets or an adjustment to the annual surplus when an asset was fully amortized. The increase to the tangible capital assets is being amortized in accordance with existing accounting policies. At each financial reporting date, the City reviews the carrying amount of the liability. The City recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The City continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

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(u) Future accounting pronouncements

(i) PS 3400 - Revenue

Establishes a framework for recognition, measurement and reporting revenues that arise from transactions that include performance obligations (revenue recognized as performance obligations are satisfied) and transactions that do not have performance obligations (revenue recognized at realizable value). This section is effective for fiscal years beginning on or after April 1, 2023 (The City's December 31, 2024 year-end).

(ii) PS 3160 - Public Private Partnerships

This Section establishes standards on accounting for public private partnerships between public and private sector entities where the public sector entity procures infrastructure using a private sector partner. This section is effective for fiscal years beginning on or after April 1, 2023 (the City's December 31, 2024 year-end).

(iii) Public Sector Guideline 8 - Purchased Intangibles

Allows public sector entities to recognize intangible purchased through an exchange transaction. This guideline is effective for fiscal years beginning on or after April 1, 2023 (the City's December 31, 2024 year-end).

2. Accounting changes

Asset Retirement Obligation

On January 1, 2023, the City adopted the Canadian Public Sector Accounting Standard PS 3280 Asset Retirement Obligations. The new accounting standard addresses the reporting of legal obligations associated with the retirement of certain tangible capital assets, such as asbestos removal in retired buildings by public sector entities. The new accounting standard has resulted in a withdrawal of the existing standard PS 3270 Solid Waste Landfill Closure and Post Closure Liability. The PS 3280 was adopted on the modified retroactive basis that requires restatement of 2022 comparative figures.

The buildings had an expected useful life of 40 years, and the estimate has not changed since purchase. As of the date of adoption of the standard, the relevant discount rate is 4.69% per annum.

On January 1, 2023, the City recognized an additional asset retirement obligation relating to several owned buildings containing asbestos, as well as landfill site closure and post-closure care obligations.

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In accordance with the modified retroactive provisions of this new standard, the City has reflected the following adjustments as at January 1, 2022:

December 31, 2022	As previously reported	Adjustments	As restated
Statement of Financial Position:			
Financial assets	\$2,397,325	\$0	2,397,325
Liabilities	2,097,870	257,833	2,355,703
Net financial assets	299,455	(257,833)	41,622
Non-financial assets	6,577,249	134,735	6,711,984
Accumulated surplus	6,876,704	(123,098)	6,753,606
Statement of operations and accumulated surplus:			
Revenues	2,200,525	0	2,200,525
Expenses	2,017,421	6,354	2,023,775
Annual surplus	183,104	(6,354)	176,750
Accumulated surplus - beginning of year	6,689,188	(116,744)	6,572,444
Government Business Enterprises	4,412	0	4,412
Accumulated surplus - end of year	6,876,704	(123,098)	6,753,606
Statement of change in net debt:			
Annual surplus	183,104	(6,354)	176,750
Government Business Enterprises	4,412	0	4,412
Acquisition of tangible capital assets	(320,219)	0	(320,219)
Loss on disposition of tangible capital assets	9,922	0	9,922
Donated tangible capital assets	(18,990)	0	(18,990)
Amortization of tangible capital assets	227,953	5,253	233,206
Other	1,844	0	1,844
Increase in net debt	88,026	(1,101)	86,925
Net financial assets (debt) - beginning of year	211,429	(256,732)	(45,303)
Net debt - end of year	\$299,455	\$(257,833)	\$41,622

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December 31, 2022	As previously reported	Adjustments	As restated
Statement of cash flows			
Annual surplus	\$183,104	\$(6,354)	\$176,750
Operating activities	83,720	0	83,720
Non-cash activities	232,877	6,354	239,231
Investing activities	(156,646)	0	(156,646)
Financing activities	(47,826)	0	(47,826)
Capital activities	(320,219)	0	(320,219)
Net increase in cash and cash equivalents	(24,990)	0	(24,990)
Cash and cash equivalents - beginning of year	473,967	0	473,967
Cash and cash equivalents - end of year	\$448,977	\$0	\$448,977

The City of Hamilton's asset retirement obligations consist of the following:

(a) Landfill obligations

The Environmental Protection Act sets out regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites.

Landfill closure and post-closure care are activities for landfill sites have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of groundwater and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance.

The City has twelve closed landfill sites and one open active landfill site. The Ministry requires a twenty-five-year post closure monitoring period after a landfill site stops accepting waste. The estimated of \$90,364 (2022 – \$89,897 included in the financial statements and shown below represents the sum of the discounted future cash flows for closure and post closure care activities discounted at a rate of 4.69%. As at December 31, 2023 the City maintained a reserve of \$1,352 (2022 – \$1,306), which will be used to fund expected future costs.

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(b) Asbestos obligations

The City owns and operates a large number of buildings that are known or suspected to have asbestos is a designated substance declared as a human carcinogen for which the removal and disposal are regulated through legislation. Following the adoption of PS 3280. Asset Retirement Obligations, the City has recognized an obligation relating to the removal of asbestos in these buildings.

Site assessment reports that include the type and quantity of contamination are used with experience and expert advice to determine the cost of retiring asbestos. The estimated asset retirement cost for asbestos remediation as at December 31, 2023 was \$246,683 (2022 – \$245,407).

(c) Other obligations

Other asset retirement obligations as at December 31, 2023 include \$4,304 (2022 - \$4,281) relating to existing leases with end of life clauses, retirement of underground fuel tanks \$434 (2022 - \$432) and ozone depleting substances \$1,334 (2022 - \$1,327).

3. Cash and cash equivalents and portfolio investments

Description	2023	2022
Cash and cash equivalents are comprised of:		
Cash on hand	\$126	\$128
Cash held in banks	525,262	441,973
Temporary investments	7,351	6,876
Subtotal	\$532,739	\$448,977
Portfolio investments are comprised of:		
Unrestricted investments	397,545	546,813
Designated investments (obligatory reserve funds)	871,070	725,530
Designated investments (Hamilton Future Fund)	70,730	65,328
Total	\$1,339,345	\$1,337,671

Portfolio investments have a market value of \$1,224,450 (2022 - \$1,163,964). The City has purchased \$3,446 (2022 - \$3,446) of its own debentures which have not been cancelled. This investment in its own debenture is included in portfolio investments on the consolidated statement of financial position. The gross amounts of these debentures is \$262,268 (2022 - \$302,528).

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4. Long-term receivables

The City has long-term receivables in the amount of \$66,694 (2022 - \$60,549). The long-term receivables are comprised of:

Description	2023	2022
Development charge deferral agreements	\$57,147	\$50,016
Mortgages receivables:		
Hamilton Enterprises Holding Corporation	5,184	5,508
Sheraton Hotel loan	154	311
Other City loan programs	2,159	2,387
Loans to other agencies and organizations	3,821	4,152
Less: Provision for loans with concessionary terms	(1,771)	(1,825)
Total	\$66,694	\$60,549

Development charge deferral agreements and mortgage receivables are loans which are secured by property, with interest rates varying from 0% to 11.05% and terms of one year to thirty years.

Loans to other agencies and organizations include loans to Catholic Children's Aid Society, Royal Yacht Club, Winona Peach Festival, the Bob Kemp Hospice, and Rosedale Tennis Club with interest rates varying from 0% to 4.92% for terms of up to thirty years.

5. Investment in Government Business Enterprises

Hamilton Utilities Corporation, Hamilton Enterprises Holdings Corporation and Hamilton Renewable Power Inc. are wholly-owned subsidiary corporations of the City and are accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government business enterprises.

In compliance with provincial legislation enacted to restructure the electrical industry in Ontario, the Hamilton Utilities Corporation ("H.U.C.") was incorporated on June 1, 2000. All of the assets and liabilities of the predecessor hydro-electric systems were transferred to H.U.C. During 2004, Hamilton Hydro Energy Inc. was established with the City's acceptance of a dividend in kind in the form of one common share from H.U.C. Effective June 1, 2005, the articles of incorporation reflected the amendment of a name change to Hamilton Renewable Power Inc. ("HRP Inc."). On December 18, 2017 Hamilton Enterprises Holdings Corporation ("H.E.H.C.O.") was incorporated.

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The amounts related to government business enterprises as reported in the Consolidated Statement of Operations for 2023 and 2022 is as reported by the Hamilton Utilities Corporation, Hamilton Enterprises Holdings Corporation and Hamilton Renewable Power Inc.

Description	2023	2022
Net income from H.U.C.	\$21,988	\$7,869
Net loss from H.E.H.C.O.	(1,108)	(1,337)
Net loss from HRP Inc.	(456)	(475)
Total	\$20,424	\$6,057

The City's investment in Government Business Enterprises is reported in the Consolidated Statement of Financial Position as:

Description	2023	2022
Net income from H.U.C.	\$296,915	\$288,376
Net loss from H.E.H.C.O.	26,927	28,020
Net loss from HRP Inc.	(1,634)	(1,179)
Total	\$322,208	\$315,217

The change in investment in Government Business Enterprises is allocated as follows:

Description	2023	2022
Investment in Government Business Enterprises at January 1	\$315,217	\$321,183
Net income during the year	20,425	6,057
Other comprehensive loss	(158)	4,412
Dividends	(13,276)	(16,435)
Investment in Government Business Enterprises at December 31	\$322,208	\$315,217

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The following table provides condensed supplementary financial information for Hamilton Utilities Corporation reported by H.U.C. at December 31, 2023 and December 31, 2022 respectively.

Description	2023	2022
Financial Position		
Current assets	\$2,924	\$73
Notes receivable from Corporation	16,212	16,212
Investment in Alectra Holdings Inc.	361,782	350,426
Total assets	\$380,918	\$366,711
Current liabilities	2,823	15
Non-current liabilities	70,401	67,541
Total liabilities	73,224	67,556
Change in equity on restructuring	10,779	10,779
Shareholder's equity	\$296,915	\$288,376
Results of operations		
Revenues	\$176	\$285
Operating expenses	(167)	(282)
Equity income in Alectra Holdings Inc.	24,805	6,427
Financing expenses	(6)	(6)
Other income	40	26
Equity earnings from operations	24,848	6,450
Recovery / (payment) of taxes	(2,860)	1,419
Net income before other comprehensive income	21,988	7,869
Other comprehensive income	(173)	4,327
Net income	\$21,815	\$12,196
Dividends paid	\$13,276	\$16,435

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H.U.C. transactions with corporations under common control

Amounts owing to and from corporations under common control are non-interest bearing with no fixed terms of repayment.

The following table provides condensed supplementary financial information for Hamilton Enterprises Holding Corporation reported by H.E.H.C.O. at December 31, 2023 and December 31, 2022 respectively.

Description	2023	2022
Financial Position		
Current assets	\$10,460	\$10,532
Capital assets	42,467	44,583
Other assets	4,393	4,783
Future payments in lieu of income taxes	6,262	5,999
Total assets	63,582	65,897
Current liabilities	20,599	20,664
Non-current liabilities	27,164	28,321
Total liabilities	47,763	48,985
Opening equity	(11,108)	(11,159)
Adjustment to equity for non-controlling interest	0	51
Total shareholder's deficit	\$26,927	\$28,020
Results of operations		
Revenues	\$19,665	\$19,743
Operating expenses	(19,862)	(20,382)
Financing expense	(1,131)	(667)
Other income	141	73
Equity earnings from operations	(1,187)	(1,233)
Payment / (recovery) of taxes	(79)	112
Loss for the year	(1,108)	(1,345)
Non-controlling interest of a subsidiary	0	8
Net loss before other comprehensive income	(1,108)	(1,337)
Other comprehensive income	15	85
Net loss	\$(1,093)	\$(1,252)

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H.E.H.C.O. transactions with corporations under common control

Amounts owing to and from corporations under common control are non-interest bearing and have no fixed terms of repayment.

H.E.H.C.O. amounts owing to corporations under common control

Amounts totaling \$5,184 (2022 - \$5,508) owing to the City of Hamilton (the "City") are due December 31, 2039, bearing interest as at fixed interest rate of 4.06% throughout the term of the loan. The loan is payable in annual principal repayments of \$324 plus interest. The amounts owing to the City relate to the Corporation's acquisition of the City of Hamilton's Central Utilities Plant ("CUP").

The borrowings are secured by the assets of the CUP with a net book value of \$8,533 (2022 -

\$8,702) with a cross-company guarantee provided by a corporation under common control.

Interest expense for the amounts owing to parent was \$174 (2022 - \$192). Principal payments on the amounts owing to parent are due as follows:

Year	Amount
2024	324
2025	324
2026	324
2027	324
2028	324
Thereafter	3,564
Total	5,184

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The following table provides condensed supplementary financial information for Hamilton Renewable Power Incorporated at December 31, 2023 and December 31, 2022 respectively.

Description	2023	2022
Financial Position		
Current assets	\$1,251	\$1,362
Capital assets	3,623	4,095
Other assets	32	32
Total assets	\$4,906	\$5,489
Current liabilities		
Future payment in lieu of taxes	520	537
Total liabilities	20	131
Total	540	668
Shareholder's equity		
Net deficit	6,000	6,000
Total	\$(1,634)	\$(1,179)
Results of operations		
Revenues	\$1,871	\$1,677
Expenses	(2,327)	(2,152)
Net Loss	\$(456)	\$(475)

Government Business Enterprises - related party transactions

The following summarizes the City's related party transactions with Government Business Enterprises for the year ended December 31.

Description	2023	2022
Revenue		
Dividend revenue from H.U.C.	\$13,276	16,435
Property and other taxes received by the City from H.U.C.	593	548
Sale of Methane to HRP Inc.	474	486
Expenditures		
Hydro purchased by the City from H.E.H.C.O.	38,784	37,223

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Thermal Energy purchased from HRP Inc.	243	171
Assets		
Accounts receivable from HRP Inc.	340	315
Long-term receivable from H.E.H.C.O.	4,860	5,184

6. Deferred revenue – obligatory reserve funds

The deferred revenue – obligatory reserve funds, reported on the consolidated statement of financial position, are made up of the following:

Description	2023	2022
Development charge reserve funds	\$548,334	\$467,128
Recreational land dedicated under the Planning Act	105,718	88,239
Community Benefits Charges Reserve	1,672	179
Community Benefit Charges (Transition Reserve)	16,166	15,423
Gasoline tax revenue: Provincial	12,300	11,765
Canada Community-Building Fund (Federal Gas Tax)	126,670	105,528
Building Permit Revenue	30,561	29,406
Other (Main Street Revitalization)	7	7
Safe Restart Agreement (SRA): Municipal & Transit Funding	6,119	7,855
Other Obligatory-Housing Accelerator Fund (HAF)	23,523	0
Total	\$871,070	\$725,530

7. Deferred revenue – obligatory reserve funds

The deferred revenue – obligatory reserve funds, reported on the consolidated statement of financial position, are made up of the following:

Description	2023	2022
Balance at January 1	\$725,530	\$617,918
Add:		
Developer and other contributions	153,832	154,595
Interest earned	26,552	15,046

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Provincial and Federal Funding	70,929	36,983
	251,313	206,624
Less:		
Contributions used in operating and capital funds	105,773	99,012
Balance at December 31	\$871,070	\$725,530

8. Long-term liabilities - municipal operations

- (a) The long-term liabilities – municipal operations consist of long-term debt for serial debentures and loans that mature in the years 2023 to 2044 with interest rates varying between 0.50% and 5.05% and obligations for leased tangible capital assets with payments from 2023 to 2051 at a discount rate of 5%. The balance of long-term liabilities consists of the following:

Description	2023	2022
Long-term liabilities incurred by the City	\$262,268	\$302,528
Long-term liabilities for leased tangible capital assets incurred by the City	3,538	4,058
Net Long-term liabilities	\$265,806	\$306,586

- (b) Of the \$262,268 long-term debt incurred by the City (2022 - \$302,528) certain principal payments do not represent a burden on general City revenue, as they are to be recovered in future years from other sources.

The total long-term debt is to be recovered from the following:

Description	2023	2022
General Revenue	\$172,093	\$199,325
Water & Wastewater user charges	90,175	103,203
Total	\$262,268	\$302,528

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(c) The total City principal repayments of Long-term debt in each of the next five years and thereafter are due as follows:

Year	General Revenues	Water & Wastewater User Charges	Total 2023
2024	\$25,070	\$12,971	\$38,041
2025	25,145	12,971	38,116
2026	20,024	12,971	32,995
2027	18,028	11,573	29,601
2028	16,358	9,305	25,663
2029 and thereafter	67,468	30,384	97,852
Total	\$172,093	\$90,175	\$262,268

(d) The total City principal repayments of leased tangible capital assets in each of the next five years and thereafter are due as follows:

Year	2023
2024	\$330
2025	330
2026	330
2027	330
2028	330
Thereafter	1,888
Total	\$3,538

(e) Total repayments and interest charges for the year for Long-term debt are as follows:

Description	2023	2022
Principal repayments	\$40,260	\$45,535
Interest expense	7,629	8,884
Total	\$47,889	\$54,419

(f) Total repayments and interest charges for the year for leased tangible capital

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assets are as follows:

Description	2023	2022
Principal repayments	\$520	\$537
Interest expense	181	203
Total	\$701	\$740

9. Long-term debt - housing corporation

- (a) The balance of long-term debt – Housing Corporation's reported on the Consolidated Statement of Financial Position represents capital assets of the CityHousing Hamilton that are financed by mortgages. The mortgages mature in the years 2024 to 2040 with interest rates varying between 0% and 5.83%. The mortgage obligations for CityHousing Hamilton are \$43,498 (2022 - \$46,731).
- (b) The principal repayments of these mortgages in each of the next five years and thereafter are as follows:

Year	2023
2024	\$5,597
2025	5,230
2026	4,746
2027	3,401
2028	4,921
2029 and thereafter	19,603
Total	\$43,498

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(c) Total repayments and interest charges for the year for long-term debt - housing corporations are as follows:

Description	2023	2022
Principal repayments	\$3,233	\$6,060
Interest expense	795	918
Total	4,028	6,978

(d) Other long-term debt incurred by the City of Hamilton's housing corporations, representing capital assets financed by debentures issued by the Ontario Housing Corporation of \$1,070 (2022 - \$1,804), is not included in the Consolidated Statement of Financial Position. The Social Housing Reform Act, 2000 transferred the ownership and responsibility for the administration of Province of Ontario public housing to the City of Hamilton as a local housing corporation. The transfer, effective January 1, 2001, included land and buildings at no cost. The servicing of Long-term debt remains the obligation of the Province of Ontario.

10. Employee future benefits and other obligations

The City provides certain employee benefits that require funding in future periods. An estimate of these liabilities has been recorded in the Consolidated Statement of Financial Position. These amounts are summarized as follows:

Accrued Benefit Obligation	2023	2022
Sick leave benefit plan (a)	\$41,050	\$65,388
Long-term disability (b)	49,351	46,742
Workplace safety and insurance board liabilities (WSIB) (c)	178,927	164,562
Retirement benefits (d)	141,678	172,675
Vacation benefits (e)	27,675	26,928
Pension benefit plans (f)	(33,284)	(18,338)
	405,397	457,957
Net unamortized actuarial loss	13,299	(59,699)
Valuation allowance	14,969	13,285
Accrued Liability	\$433,665	\$411,543

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The City has established reserves for some of these liabilities totaling \$102,724 (2022 - \$92,709) as described in the following notes.

The continuity of employee future benefits and other obligations are summarized as follows:

Description	2023	2022
Liability for Employee Future Benefits and Other Obligations balance at beginning of the year	\$411,543	\$396,733
Plan amendment per actuarial valuation	1,684	4,244
Benefit expense	48,054	50,578
Interest expense	19,407	13,235
Amortization of actuarial loss on accrued benefit obligations	4,420	8,284
Amortization of actuarial gain on earnings on pension assets	(1,333)	(11,775)
Benefit payments	(50,110)	(49,756)
Liability for Employee Future Benefits and Other Obligations balance at the end of the year	\$433,665	\$411,543

The expenses related to these employee benefits and other obligations are reported in the Consolidated Statement of Operations. These expenses are summarized as follows:

Description	2023	2022
Plan amendment per actuarial valuation	\$1,684	\$4,244
Benefit expense	48,054	50,578
Interest expense	19,407	13,235
Amortization of net actuarial gain (loss)	3,087	(3,491)
Total	\$72,232	\$64,566

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Actuarial valuations are performed on post-employment, retirement benefits and pension benefits to provide estimates of the accrued benefit obligations. These estimates are based on several assumptions about future events including interest rates, inflation rates, salary and wage increases, medical and dental cost increases and mortality. The assumptions are determined at the time of the actuarial valuations and are reviewed annually. Consequently, different assumptions may be used as follows:

Description	Discount Rate	Return on Assets	Inflation Rate	Payroll Increases	Dental Increases	Life Expectancy (Years)
Vested sick leave	4.50%	NA	2.0%	3.0%	NA	18.0
Long-term disability	4.20%	NA	2.0%	3.0%	NA	8.0
Workplace safety and insurance	4.20%	NA	2.0 to 6.5%	3.0%	NA	10.0
Retirement Benefits Health and Dental	4.50%	NA	2.0%	3.0%	4.0 to 6.0%	18.0
Pensions Benefits (non-OMERS)	5.20%	5.20%	2.0%	NA (1)	NA	6.0 to 10.5

Notes:

(1) There is no estimate for future salary and wage increases in the non-OMERS pension plans as the active employees have been transferred to OMERS.

(a) Liability for sick leave benefit plans

The City provides a sick leave benefit plan for certain employee groups. Under the sick leave benefit plan of the City, unused sick leave can accumulate, and employees may become entitled to a cash payment when they leave the City's employment. An actuarial valuation as at December 31, 2023 has estimated the accrued benefit obligation at \$41,050 (2022 – \$65,388). Changes in valuation assumptions have resulted in an decrease in the liability to \$41,050 from the expected liability of \$66,846. The actuarial gain as at December 31, 2023 of \$25,796 is being amortized over 18 years, which is the expected average remaining life expectancy of the members of the employee groups. Reserves

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established to provide for this liability are included on the Consolidated Statement of Financial Position in the amount of \$15,316 (2022 - \$13,588).

(b) Liability for Long-term disability

The City provides benefits in the event of total disability for certain employee groups. An actuarial valuation of the City's self-insured long-term disability program as at December 31, 2022 has estimated the accrued benefit obligation at \$49,351 (2022 - \$46,742). Changes in valuation assumptions have resulted in an increase in the liability of \$49,351 from the expected liability of \$40,628. The actuarial loss as at December 31, 2023 of \$8,723 is being amortized over 8.0 years, which is the expected average remaining life expectancy of the members of the employee groups. Reserves established to provide for this liability are included on the Consolidated Statement of Financial Position in the amount of \$21,497 (2022 - \$19,213).

(c) Liability for workplace safety and insurance

The City is liable for compensation related to workplace injuries as stipulated by the Workplace Safety & Insurance Act. An actuarial valuation as at December 31, 2022 estimated the accrued benefit obligation for workplace safety & insurance existing claims and future pension awards at \$178,927 (2022 - \$164,562). Changes in valuation assumptions have resulted in an increase in the liability to \$178,927 from the expected liability of \$142,313. The actuarial loss of \$36,614 is being amortized over 10.0 years, which is the expected average remaining life expectancy of the plan members in various groups. Reserves established to provide for this liability are included on the Consolidated Statement of Financial Position in the amount of \$41,947 (2022 - \$42,023).

(d) Liability for retirement benefits

The City provides certain health, dental and life insurance benefits between the time an employee retires under the Ontario Municipal Employees Retirement System (OMERS) or the normal retirement age and up to the age of 65 years. An actuarial valuation at December 31, 2023 estimated the accrued benefit obligation at \$141,678 (2022 - \$172,675). Changes in valuation assumptions have resulted in a decrease in liability to \$141,678 from the expected liability of \$157,583. The actuarial gain of \$15,905 is being amortized over 18 years, which is the expected average remaining life expectancy of the plan members in various groups. The City has \$8,538 (2022 - \$8,232) set aside in the Consolidated Statement of Financial Position to assist with this liability.

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(e) Liability for vacation benefits

The City is liable for vacation days earned by its employees as at December 31, 2023 but not taken until a later date. The liability as at December 31, 2023 has been estimated at \$27,675 (2022 - \$26,928), of which \$16,594 is funded by City departments' budgets (2022 - \$16,133). Reserves established to provide for this liability are included on the Consolidated Statement of Financial Position in the amount of \$679 (2022 - \$656), and the remaining liability of \$10,402 is unfunded (2022 - \$10,139).

(f) Liability for pensions benefit plans

In addition to the Ontario Municipal Employees Retirement System (OMERS) described in Note 11, the City also provides pension benefits under three other plans. The actuarial valuations for Hamilton-Wentworth Retirement Fund, Hamilton Street Railway Retirement Fund and Hamilton Municipal Retirement Fund at December 31, 2023 estimated the combined accrued benefit asset of the pension plans at \$33,284 from an asset of \$18,338 in 2022. Changes in valuation resulted in an asset of \$33,284 from an expected gain of \$1,379. The actuarial gain of \$31,905 is being amortized over 6.0 to 10.5 years, which is the expected average remaining life expectancy of the plan members.

Reserves established to provide for this liability are included on the Consolidated Statement of Financial Position in the amount of \$23,285 (2022 - \$17,229).

11. Pension agreements

(a) Ontario Municipal Employees Retirement System:

The City makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of approximately 8,159 members of City staff and councillors. The plan is a defined benefit plan, which specifies the amount of retirement benefit to be received by employees, based on the length of credited service and average earnings.

The latest actuarial valuation as at December 31, 2023 indicates a "going concern" Actuarial Deficit based on the plan's current member and employer contribution rates. Contributions were made in the 2023 calendar year at rates ranging from 9.0% to 15.8% depending on the member's designated retirement age and level of earnings. As a result \$68,470 (2022 - \$62,899) was contributed to the OMERS plan for current service.

As OMERS is a multi-employer pension plan, any pension plan surpluses or deficits are a joint responsibility of all Ontario municipalities and their employees.

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The OMERS primary pension plan has a deficit of \$4.2 billion as of December 31, 2023 (2022 - \$6.7 billion).

(b) Other pension plans – Hamilton-Wentworth Retirement Fund, Hamilton Municipal Retirement Fund, and Hamilton Street Railway Retirement Fund

Approximately 215 current employees and 876 former employees of the City are members of three defined benefit plans: Hamilton-Wentworth, Hamilton Municipal and the Hamilton Street Railway Retirement Funds and are current or future beneficiaries under their terms and conditions. Actuarial valuations of the pension plans for funding purposes are required under the Pension Benefits Act every three years. The actuarial valuations of the pension plans for accounting purposes provide different results than the valuations for funding purposes. For funding purposes, all three of the pension plans are in a surplus position.

The actuarial valuations for these pension plans are based on a number of assumptions about future events including mortality, inflation and interest rates.

The accrued pension liability reported in the Consolidated Statement of Financial Position is comprised as follows:

Description	2023	2022
Accrued pension benefit obligation	\$265,240	\$276,639
Pension plan assets	(298,524)	(294,977)
Other assets	(33,284)	(18,338)
Unamortized actuarial gain	16,936	12,096
Accrued pension liability	(16,348)	(6,242)
Valuation allowance	14,970	13,285
Adjusted accrued pension liability	\$(1,378)	\$7,043

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The actuarial gain or loss on pension fund assets and the actuarial gain or loss on accrued pension benefits obligations are comprised as follows:

Description	2023	2022
Expected pension fund assets at the end of year	\$288,206	\$355,306
Actual pension fund assets at end of year	298,524	294,977
Actuarial gain (loss) on pension fund assets	10,318	(60,329)
Expected accrued pension benefit obligation at end of year	270,888	307,713
Actual accrued pension benefit obligation at end of year	279,976	276,639
Actuarial (loss) gain on accrued pension benefit obligation	\$(9,088)	\$31,074

The expense related to the pension plans are comprised as follows:

Description	2023	2022
Amortization of net actuarial loss on accrued pension benefit obligation	\$(7,294)	\$(113)
Amortization of net actuarial loss on pension plan assets	(19)	(11,377)
Net amortization	\$(7,313)	\$(11,490)
Interest on average accrued pension benefit obligation	\$13,778	\$11,383
Expected return on average pension plan assets	(14,779)	(13,047)
Net interest	(1,001)	(1,664)
Change in valuation allowance	1,684	4,245
Total expenses	\$(6,630)	\$(8,909)

Payment of \$1,793 (2022 - \$1,889) has been applied to reduce the Hamilton Street Railway plan deficit as actuarially determined for funding purposes. The HSR pension plan as at December 31, 2023 is in a surplus on a going concern basis and above 85% funded on a solvency basis and no deficit payments are required.

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12. Accumulated Surplus

The accumulated surplus balance is comprised of balances in reserves and discretionary reserve funds, operating surplus, capital surplus, unfunded liabilities to be recovered in the future, investment in government business enterprises and investment in tangible capital assets.

Description	2023	2022
Reserves and discretionary reserve funds set aside for specific purposes by Council are comprised of the following:		
Working funds	\$117,422	\$136,301
Contingencies	1,100	1,062
Replacement of equipment	29,116	47,587
Sick leave (Note 10)	15,316	13,588
Workplace Safety and Insurance Board (WSIB) (Note 10)	41,947	42,023
Pension plans (Note 10)	23,285	17,229
Tax stabilization	34,596	19,792
General government	33,365	25,232
Protection services	1,839	1,675
Transportation services	24,224	24,240
Environmental services	126,119	110,077
Health and social services	17,694	13,921
Recreation and cultural services	31,690	31,408
Planning and development	6,774	6,660
Other unallocated	108,784	87,280
Hamilton Future Fund (Note 13)	70,730	65,328
Total reserves and discretionary reserve funds	\$684,001	\$643,403
Operating surplus (deficit) Flamborough recreation sub-committees	251	266
Business improvement areas	1,171	1,235
Housing operations	(68,482)	(51,742)
Confederation Park operations	(100)	448
Hamilton Tourism Development Corporation	978	0

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Total operating surplus (deficit)	\$(66,182)	\$(49,793)
Capital surplus Municipal operations	\$46,410	\$51,155
Housing operations	158,649	124,201
Total capital surplus	\$205,059	\$175,356
Unfunded liabilities	\$(408,533)	\$(387,179)
Employee benefit obligations		
Environmental liability	(412)	(4,865)
Total unfunded liabilities	\$(408,945)	\$(392,044)
Investment in Government Business Enterprises (note 5)	\$322,208	\$315,217
Investment in tangible capital assets	\$6,256,978	\$6,061,467
Accumulated surplus	\$6,993,119	\$6,753,606

13. Hamilton Future Fund

The Hamilton Future Fund was established by the Council of the City of Hamilton in 2002 from the proceeds from Hamilton Utilities Corporation of the net assets owed to the City upon restructuring of the electrical industry. The Hamilton Future Fund is used to create and protect a permanent legacy for current and future generations of Hamiltonians to enjoy economic prosperity and improved quality of life.

The continuity of the Hamilton Future Fund is as follows:

Description	2023	2022
Balance at the beginning of the year	\$65,328	\$63,848
Current operations		
Investment income	1,536	1,298
Repayment of Waste Management Projects	4,867	182
Subtotal	\$6,403	\$1,480
Tangible capital assets		
Other-CHH Vacant Units Capital Repairs	(1,001)	0
Balance at the end of the year	\$70,730	\$65,328

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14. Taxation

Description	Budget 2023	Actual 2023	Actual 2022
Taxation from real property	\$1,282,692	\$1,291,428	\$1,210,926
Taxation from other government payments in lieu of taxes	17,919	18,691	17,919
Subtotal	1,300,611	1,310,119	1,228,845
Less: Taxation collected on behalf of school boards	(199,655)	(203,247)	(200,450)
Net taxes available for municipal purposes	\$1,100,956	\$1,106,872	\$1,028,395

The City is required to levy and collect taxes on behalf of the school boards. The taxes levied over (under) the amounts requisitioned are recorded as accounts payable (receivable).

15. Government transfers

Description	2023	2022
Government transfers received:		
Policing	5,046	6,034
Court security	4,966	4,911
Transit	0	8,105
Waste diversion	7,898	7,032
Public Health	50,468	56,317
Ambulance services	39,176	37,671
Social assistance	164,564	150,461
Long-term care homes	34,156	34,275
Child care	143,440	96,201
Housing	32,793	27,716
Federal and provincial gas tax	30,536	47,219
Other	6,737	11,333
Infrastructure	97,619	24,417
Total	\$617,399	\$511,692

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Description	2023	2022
Government transfers paid:		
Social assistance	\$194,178	\$144,158
Social housing	22,374	33,460
Grants	21,163	20,418
Total	\$237,715	\$198,036

16. Financial Instruments

(a) Fair Value Measurement Hierarchy

All financial instruments must be classified in accordance with the significance of the inputs used in making fair value measurements. The fair value hierarchy prioritizes the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable:

- (i) Level 1 - Financial instruments are considered Level 1 when valuation can be based on quoted prices in active markets for identical assets and liabilities.
- (ii) Level 2 - Financial instruments are considered Level 2 when they are valued using quoted prices for similar assets and liabilities, quoted prices in markets that are not active, or models using inputs that are observable.
- (iii) Level 3 - Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value hierarchy for the City's financial instruments at December 31 is as follows:

2023	Level 1	Level 2	Level 3
Financial instruments:			
Cash and cash equivalents	\$532,739	\$0	\$0
Portfolio investments	1,309,361	29,984	0
Long-term liabilities - municipal operations	265,806	0	0
Long-term liabilities - housing corporation	43,498	0	0
Total	\$2,151,404	\$29,984	\$0

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2022	Level 1	Level 2	Level 3
Financial instruments:			
Cash and cash equivalents	448,977	0	\$0
Portfolio investments	1,310,925	26,746	0
Long-term liabilities - municipal operations	306,586	0	0
Long-term liabilities - housing corporation	46,731	0	0
Total	\$2,113,219	\$26,746	\$0

(b) Risk Management

The City's activities expose it to various financial risks, including credit risk, liquidity risk, and market risk, which encompasses interest rate risk and other price risk. The City's risk management practices are designed to address the uncertainties associated with financial markets and to mitigate potential adverse impacts on its financial position and operating results.

Credit Risk

Credit risk is the risk of a financial loss to the City if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the City consisting of cash, portfolio investments and accounts receivable.

Credit risk is mitigated through the City's practice of transacting with reputable financial institutions and by adhering to established investment credit quality requirements. The credit rating profile for the City's fixed income holdings is as follows:

Credit Rating	2023	2022
AAA	24.30%	23.20%
AA	66.80%	68.90%
A	8.90%	7.90%
BBB	0.00%	0.00%
Total	100.00%	100.00%

Accounts receivable are reported net of allowances for doubtful accounts, and the City does not have any significant overdue receivable balances. The receivables balance disclosed for credit risk purposes differs from the accounts receivable balance reported in the consolidated statement of financial position because certain receivables are excluded from the scope of PS 3450, Financial

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Instruments. Accordingly, only financial assets subject to credit risk under the standard are included in this disclosure.

Description	Total	Current	31-60 days	61-90 days	91-120 days	Over 121 days
Trade Receivable	\$115,027	\$89,178	\$1,383	\$1,579	\$3,986	\$18,901
Government Receivable	120,207	108,615	1,492	1,893	8,207	-
Allowance for doubtful accounts	(1,580)	(151)	(48)	(61)	(333)	(987)
Net Receivables	\$233,654	\$197,642	\$2,827	\$3,411	\$11,860	\$17,914

Credit risk associated with loans and long-term receivable arises from the possibility that borrowers may be unable to meet their repayment obligations in accordance with the terms of the agreements. The City manages this risk through ongoing monitoring of outstanding balances. The aging of loans and long-term receivables is as follows:

Description	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Loans and long-term receivable	\$2,705	\$629	\$1,799	\$61,562	\$66,695
Total	\$2,705	\$629	\$1,799	\$61,562	\$66,695

Liquidity Risk

Liquidity risk is the risk that the City will not be able to meet its financial obligations as they become due. The City's objective is to have sufficient liquidity to meet these liabilities when due. The City monitors its cash balance and cash flows generated from operations to meet its liquidity requirements.

Market Risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and other price risks, will affect the City's net results of operations or the fair value of its holdings of financial instruments.

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(i) Foreign Currency Risk

Currency risk is the risk that the value of financial assets and liabilities denominated in foreign currencies will fluctuate due to changes in their respective exchange rates.

The City is not exposed to any significant currency risk.

(ii) Interest Rate Risk

The City invests in fixed income debt instruments with varying terms to maturity, all of which are intended to be held to maturity and accounted for using the effective interest method. Interest income is recognized over the term of the investments using the effective interest rate, which incorporates the contractual interest rate, premiums, discounts, and transaction costs, where applicable. As these investments are held to maturity, temporary fluctuations in market interest rates do not have a significant impact on the amounts recognized in the financial statements.

(iii) Other price risk

Other price risk arises when the fair value of equity funds change due to a decrease market index.

The investment fund declined its year over year net growth in fair market value at December 31, 2023. The investments include \$87,217 in funds with underlying equity investments (2022 - \$76,547).

The sensitivity of the investment is calculated using a 1% decrease in the market prices. At December 31, 2023, if market prices had a 1% decrease with all other variables held constant, the decrease in remeasurement gains and losses for the year would have been \$12,244 due to the decrease in the fair value of financial assets (2022 - \$11,699).

17. Contractual obligations

(a) The City has outstanding contractual obligations of approximately \$872,256 at December 31, 2023 for capital works (2022 - \$578,518). City Council has authorized the financing of these obligations. The City's commitments over the next five years and thereafter are as follows: 2024 - \$864,072; 2025 - \$1,556; 2026 - \$1,656; 2027 - \$994, and 2028 and beyond - \$3,978.

(b) The City has agreements with the Ontario Realty Corporation, an agency of the Provincial Government of Ontario, for various capital projects. The outstanding future obligations at December 31, 2023 amounting to \$1,739 (2022 - \$2,210) are not reflected in the Consolidated Financial Statements. Payments made to

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the Ontario Realty Corporation amounting to \$471 in 2023 (2022 - \$287) are reported in the Consolidated Statement of Operations.

- (c) The City is legislated under the Development Charges Act to fund Government of Ontario ("GO") Transit's Growth and Capital Expansion Plan. The obligation at December 31, 2023 of \$3,460 (2022 - \$3,460) is reported in the Consolidated Statement of Financial Position. Payments are collected through development charges and remitted to Metrolinx, an agency of the Government of the Province of Ontario. Payments made to Metrolinx in the amount of \$375 in 2023 (2022 - \$453) are reported in the Consolidated Statement of Operations.
- (d) The City has a contract with Waste Connections (formerly known as Progressive Waste Services) for the transfer, hauling and disposal of the City's solid waste, including the operations of the City's Transfer Stations and Community Recycling Centre. The term of the agreement is ten years for the period of March 1, 2020 to February 28, 2030. The contract fees amounting to \$5,490 for 2023 (2022 - \$5,251) are reported in the Consolidated Statement of Operations.
- (e) The City has a contract with GFL Environmental Inc. for the provision of curbside/roadside collection of organics, garbage, leaf and yard, bulk waste for one-half of the City, including curbside/roadside recycling, automated recycling and bin waste collection for the entire City. The agreement ended on March 28, 2020 and the City exercised a one-year extension option. The new contract came into effect on March 29, 2021 and will end on April 2, 2028 (with a one-year extension option). Contract fees amounting to \$29,766 for 2023 (2022 - \$25,584) are reported in the Consolidated Statement of Operations.
- (f) The City has lease agreements with Disabled and Aged Regional Transit System (D.A.R.T.S.) for the delivery of specialized transportation services. The agreement is on a month-to-month basis until a new contract is signed or until cancelled on 120 calendar days' notice by either party. The annual contract fees amounting to \$20,238 for 2023 (2022 - \$17,571) are reported in the Consolidated Statement of Operations.
- (g) The City has executed lease agreements for administrative office space, parking lots and other land leases requiring annual payments in future years as they become due and payable in the amount of \$60,068 (2022 - \$54,632). The minimum lease payments for these leases over the next five years and thereafter are:

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Year	2023
2024	\$6,292
2025	6,232
2026	6,107
2027	6,171
2028	6,249
2029 and thereafter	29,017
Total	\$60,068

(h) The City has a Credit Facility Agreement dated March 14, 2012 with a Canadian chartered bank to borrow up to \$117,740, consisting of \$65,000 in a revolving demand facility, and two non revolving term facilities in the amounts of \$38,000 and \$14,740.

On May 8, 2012, the City took a drawdown of \$38,000 and \$14,740 from the two non revolving term facilities, by undertaking two term loans. No other amounts have been drawn from the Credit Facility Agreement and therefore, as at December 31, 2023, the City has \$65,000 in a revolving demand facility.

The first term loan of \$14,740 was paid in full on May 8, 2017. The second term loan has an original principal of \$38,000, a term of 15 years, and an annual principal repayment of \$2,533 in each of the years from 2013 to 2026, inclusive, with a final principal repayment of \$2,538 in 2027. As at December 31, 2023, the remaining principal balance for the second term loan is \$10,137 (2022 - \$12,670). These loans are included in Long-term liabilities – municipal operations on the Statement of Financial Position.

18. Contractual Rights

Contractual rights are rights to economic resources arising from contracts or agreements that will result in revenues and assets in the future. The City has entered into an agreement with the Ontario Lottery and Gaming Corporation (OLG) whereby quarterly contributions are received based on a percentage of gaming revenues estimated at \$6,200 per year.

19. Public liability insurance

The City has undertaken a portion of the risk for public liability, as a means of achieving cost effective risk management. As a result, the City is self-insured for public liability claims up to \$5,000 for any individual claim or for any number of

CITY OF HAMILTON

claims arising out of a single occurrence. Outside insurance coverage is in place for claims in excess of \$5,000 to a maximum of \$50,000 per claim or occurrence.

The City has reported liabilities for insurance claims on the Consolidated Statement of Financial Position in the amount of \$18,756 (2022 - \$21,129). Claim expenses for the year in the amount of \$10,406 (2022 - \$11,837) are reported as expenses in the Consolidated Statement of Operations.

20. Contingent liabilities

The City has outstanding contractual obligations with its unionized employee groups as of December 31, 2023. Furthermore, in the normal course of operations, the City is subject to various litigation claims. Where the occurrence of a future event is considered likely to result in a loss with respect to an existing condition and the potential liability is reasonable estimated, amounts have been included in accrual liabilities on the consolidated statement of financial position. When the outcome of the claims cannot be determined at this time, any additional losses related to claims will be recorded in the period during which the liability is determinable. Amounts recorded in the consolidated statement of financial position have not been disclosed in the notes to the consolidated financial statements as disclosure may adversely impact the outcome. Management's estimate is based on an analysis of specific claims and historical experience with similar claims.

21. Tangible Capital Assets

Details of the tangible capital assets are included in the Schedule of Tangible Capital Assets (pages 2-45 and 2-46). The City has tangible capital assets valued at cost in the amount of \$11,079,057 (2022 - \$10,784,261) and a net book value of \$6,869,427 (2022 - \$6,684,685). The net book value of the tangible capital assets valued as at December 31, 2023 is as follows:

Description	2023	2022
General		
Land	\$449,975	\$448,607
Land improvements	257,085	258,146
Buildings	923,068	932,978
Vehicles	183,949	152,224
Computer hardware and software	11,640	15,689
Equipment and Machinery	102,947	101,889
Infrastructure		
Roads	1,302,197	1,312,270

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Bridges and structures	183,361	178,749
Water and wastewater facilities	652,172	493,680
Underground and other networks	2,113,074	2,092,702
Net Book Value	6,179,468	5,986,934
Assets Under Construction	689,959	697,751
Balance at the end of the year	\$6,869,427	\$6,684,685

Included are leased tangible capital assets with a net book value of \$3,538 (2022 - \$4,058). In addition, the City has works of art and historical treasures including sculptures, fine art, murals, cemetery crosses, cenotaphs, cannons and artillery that are preserved by the City but are not recorded as tangible capital assets.

22. Reporting by Business Segment

The Consolidated Financial Statements provide a summary of the revenues and expenses for all of the services provided to the residents and businesses in the City of Hamilton as defined in the reporting entity (note 1).

Certain allocation methodologies are employed in the preparation of segmented financial information. Services are funded primarily by taxation and user fees. Taxation revenue is allocated to the general government segment. Certain government grants, user charges and other revenues have been allocated based upon the same allocation as the related expenses. User fees are allocated based upon the segment that generated the fee.

Revenues and expenses are reported by the following functions and services:

- General government: Office of the Mayor and council, corporate administration including fleet and facilities
- Protection services: police, fire, conservation authorities
- Transportation services: roads, winter maintenance, traffic, parking, transit
- Environmental services: water, wastewater, storm water, waste management collection, diversion & disposal
- Health services: public health, cemeteries and emergency medical services/ambulance
- Social and family services: general assistance, hostels, homes for the aged, services to aged persons, child care services
- Social housing: public housing, non-profit housing, rent supplement programs

CITY OF HAMILTON

- Recreation and cultural services: parks, recreation programs, recreation facilities, golf courses, marinas, museums, libraries and tourism.
- Planning and development: planning, zoning, commercial and industrial development and residential development

Financial information about the City's business segments is included in the Schedule of Operations for Business Segments (pages 2-47 and 2-48).

23. Liability for Contaminated Sites

The City of Hamilton estimates liabilities of \$26,664 as at December 31, 2023 for soil remediation of various lands using a risk-based approach (2022 - \$32,127) included in accounts payable and accrued liabilities on the consolidated statement of financial position. Total future undiscounted expenditures are estimated at \$38,863 (2022- \$38,514). The liabilities result from past industrial uses. Future expenditures are based on agreements with third parties, where available, as well as estimates. Future expenditures have been discounted using a 4.36% discount rate for 1-5 years term, 4.37% discount rate for 6-10 years term and 4.69% discount rate for over 26-30 years term. The amount of estimated recoveries is nil (2022 - nil).

24. Budget Figures

The 2023 operating budget and capital financing for the housing corporation was approved by the CityHousing Hamilton Board at a meeting on December 13, 2022. The 2023 operating budget and capital financing for municipal operations was approved by City Council at a meeting on March 29, 2023.

The budget figures conform to the accounting standards adopted in CPA Canada Public Sector Accounting Handbook section PS1200 Financial Statement Presentation. As such, the budget figures presented in the consolidated financial statements differ from the presentation approved by City Council.

A summary reconciliation follows:

Description	2023
Revenue	
Council Approved Gross Revenue Operating Budget - Municipal	\$2,115,692
Council Approved Gross Revenue-Public Health & HSD fully funded programs	45,742
Council Approved Gross Revenue Capital Budget - Municipal	506,873

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	2,668,307
Board Approved Gross Revenue Operating Budget - Housing Corporation	64,643
Board Approved Gross Revenue Capital Budget - Housing Corporation	9,742
Adjustments to Revenues	74,385
Less: Transfers from reserves and reserve funds Operating Budget Municipal Operations	(63,137)
Less: Transfers from reserves and reserve funds Capital Budget Municipal Operations	(130,378)
Less: Transfers from capital fund to current fund - Municipal Operations	(244,378)
Less: Transfers from capital fund to current fund - Housing Corporations	(9,742)
Less: Long-term debt financing Capital Budget	(22,664)
Add: Donated tangible capital assets	13,725
Add: Reserve & reserve funds	52,888
Add: Confederation Park Consolidation	3,339
Less: Elimination for consolidation of Housing Corporation	(21,882)
Less: Elimination for consolidation of Government Business Enterprise	(13,276)
	(435,505)
	\$2,307,187
Expenses	
Council Approved Gross Expenditure Operating Budget - Municipal	2,115,692
Council Approved Gross Expenditures-Public Health & HSD fully funded programs	45,742
Council Approved Gross Expenditure Capital Budget-Housing Corporation	506,873
	2,668,307
Board Approved Gross Expenditure Operating Budget - Housing Corporation	64,643
Board Approved Gross Expenditure Capital Budget-Housing Corporation	9,742
Adjustments to Expenditures	74,385

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Less: Debt principal repayment - Municipal Operations	(40,260)
Less: Debt principal repayment - Housing Corporation	(3,233)
Less: Transfers to reserves and reserve funds - Municipal Operations	(106,597)
Less: Transfers to capital from current funds - Municipal Operations	(244,378)
Less: Tangible capital assets - Municipal Operations	(367,362)
Less: Tangible capital assets - Housing Corporation	(9,742)
Add: Change in employee future benefits and other obligations	21,354
Add: Change in Contaminated Sites and Environmental Liability	(5,463)
Add: Amortization expense for tangible capital assets	238,425
Add: Confederation Park Consolidation	2,989
Less: Elimination for consolidation of Housing Corporation	(37,377)
Add: Loss on disposition of tangible capital assets	18,914
	(532,730)
Consolidated	\$2,209,962

25. COVID-19

The City of Hamilton ended the COVID-19 emergency declaration in May 2022 after two years. However, response and recovery efforts continued throughout 2022 and 2023 as the municipality transitions to new service delivery models, addresses increased demand for services as a result of the pandemic and continued response efforts in combatting the spread of COVID-19 and other respiratory illnesses still present in the community at large.

In 2023, the City of Hamilton has reported approximately \$23,738 in financial pressures as a result of COVID-19 pandemic response and recovery efforts bringing the four-year total, from 2020 to 2023, to \$254,204. Of the \$254,204 COVID-19 response, a total of \$230,598 was funded through federal and provincial programs and a remaining of \$23,606 was absorbed by the City of Hamilton. Pandemic response and recovery efforts continued to significantly impact the following services in 2023:

- Public Health Services
- Housing Services

CITY OF HAMILTON

- Long-Term Care
- Paramedic Services
- Provincial Offences Act and Red Light Camera Revenues
- Parking Services
- Licensing and By-Law Services
- Fire Services

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2023 Schedule of Tangible Capital Assets

As at December 31, 2023, with comparative information for 2022

(all numbers in columns are in thousands of dollars)

	General				
	Land	Land improvements	Buildings	Vehicles	Computer
Cost:					
Balance, Jan 1, 2023	\$448,607	\$524,328	\$1,809,612	\$370,105	\$35,225
Additions, betterments & transfers in 2023	1,509	16,500	53,046	59,028	3,471
Disposals & writedowns in 2023	(186)	(3,185)	(87,403)	(30,013)	(5,686)
Donations & contributions in 2023	45	118	0	0	0
Balance, Dec 31, 2023	\$449,975	\$537,761	\$1,775,255	\$399,120	\$33,010
Accumulated amortization:					
Balance, Jan 1, 2023	\$0	\$266,182	\$876,634	\$217,881	\$19,536
Amortization in 2023	0	17,651	46,904	27,249	7,519
Disposals 2023	0	(3,157)	(71,351)	(29,959)	(5,685)
Balance, Dec 31, 2023	\$0	\$280,676	\$852,187	\$215,171	\$21,370
Net book value Dec 31, 2023	\$449,975	\$257,085	\$923,068	\$183,949	\$11,640
Assets under construction	0	27,110	251,416	28,450	14,803
Total	\$449,975	\$284,195	\$1,174,484	\$212,399	\$26,443

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Cost:	General	Infrastructure			
	Equipment and Machinery	Roads	Bridges & other structures	W/WW Facilities	W/WW/SW Linear Network
Balance, Jan 1, 2023	\$177,979	\$2,667,054	\$256,673	\$968,144	\$2,828,783
Additions, betterments & transfers in 2023	17,267	39,199	8,376	185,245	51,701
Disposals & writedowns in 2023	(11,371)	(5,435)	(405)	(96)	(2,699)
Donations & contributions in 2023	0	4,934	0	0	8,628
Balance, Dec 31, 2023	\$183,875	\$2,705,752	\$264,644	\$1,153,293	\$2,886,413
Accumulated amortization:					
Balance, Jan 1, 2023	76,090	1,354,784	77,924	474,464	736,081
Amortization in 2023	15,693	53,306	3,505	26,701	39,897
Disposals 2023	(10,855)	(4,535)	(146)	(44)	(2,639)
Balance, Dec 31, 2023	\$80,928	\$1,403,555	\$81,283	\$501,121	\$773,339
Net book value Dec 31, 2023	\$102,947	\$1,302,197	\$183,361	\$652,172	\$2,113,074
Assets under construction	\$974	\$32,786	9,359	\$254,963	\$70,098
Total	\$103,921	\$1,334,983	\$192,720	\$907,135	\$2,183,172

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Cost:	Assets under construction	Totals
Balance, Jan 1, 2023	\$697,751	\$10,784,261
Additions, betterments & transfers in 2023	(6,986)	428,356
Disposals & writedowns in 2023	(806)	(147,285)
Donations & contributions in 2023	0	13,725
Balance, end of year	\$689,959	\$11,079,057
Accumulated amortization:		
Balance, Jan 1, 2023	\$0	\$4,099,570
Amortization in 2023	0	238,425
Disposals 2023	0	(128,371)
Balance, Dec 31, 2023	0	4,209,624
Net book value Dec 31, 2023	\$689,959	\$6,869,427
Assets under construction	\$(689,959)	\$0
Total	\$0	\$6,869,427

CITY OF HAMILTON

2022 Schedule of Tangible Capital Assets

As at December 31, 2023, with comparative information for 2022

(all numbers in columns are in thousands of dollars)

	General				
	Land	Land improvements	Buildings	Vehicles	Computer
Cost:					
Balance, Jan 1, 2022	\$442,267	\$485,648	\$1,767,778	\$347,767	\$34,488
Additions, betterments & transfers in 2022	12,347	39,313	52,494	36,060	5,504
Disposals & writedowns in 2022	(6,207)	(633)	(10,660)	(13,722)	(4,767)
Donations & contributions in 2022	200	0	0	0	0
Balance, Dec 31, 2022	\$448,607	\$524,328	\$1,809,612	\$370,105	\$35,225
Accumulated amortization:					
Balance, Jan 1, 2022	\$0	\$249,844	\$839,260	\$207,230	\$16,794
Amortization in 2022	0	16,931	46,331	24,180	7,509
Disposals 2022	0	(593)	(8,957)	(13,529)	(4,767)
Balance, Dec 31, 2022	0	\$266,182	\$876,634	\$217,881	\$19,536.00
Net book value Dec 31, 2022	\$448,607	\$258,146	\$932,978	\$152,224	\$15,689
Assets under construction	\$0	\$29,930	169,598	\$1,238	\$4,709
Total	\$448,607	\$288,076	\$1,102,576	\$153,462	\$20,398

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Cost:	General	Infrastructure			
	Equipment and Machinery	Roads	Bridges & other structures	W/WW Facilities	W/WW/SW Linear Network
Balance, Jan 1, 2022	\$179,145	\$2,612,527	\$252,465	\$901,360	\$2,767,907
Additions, betterments & transfers in 2022	13,744	53,974	4,560	69,205	55,085
Disposals & writedowns in 2022	(14,996)	(7,325)	(352)	(2,421)	(5,035)
Donations & contributions in 2022	86	7,878	0	0	10,826
Balance, Dec 31, 2022	\$177,979	\$2,667,054	\$256,673	\$968,144	\$2,828,783
Accumulated amortization:					
Balance, Jan 1, 2022	\$74,884	\$1,305,055	\$74,735	\$453,319	\$701,881
Amortization in 2022	16,202	56,660	3,413	22,965	39,015
Disposals 2022	(14,996)	(6,931)	(224)	(1,820)	(4,815)
Balance, Dec 31, 2022	\$76,090	\$1,354,784	\$77,924	\$474,464	\$736,081
Net book value Dec 31, 2022	\$101,889	\$1,312,270	\$187,749	\$493,680	\$2,092,702
Assets under construction	\$262	\$25,466	\$10,851	\$410,954	\$44,743
Total	\$102,151	\$1,337,736	\$198,600	\$904,634	\$2,137,445

CITY OF HAMILTON

	Assets under construction	Totals
Cost:		
Balance, Jan 1, 2022	\$720,255	\$10,511,607
Additions, betterments & transfers in 2022	(22,067)	320,219
Disposals & writedowns in 2022	(437)	(66,555)
Donations & contributions in 2022	0	18,990
Balance, Dec 31, 2022	\$697,751	\$10,784,261
Accumulated amortization:		
Balance, Jan 1, 2022	\$0	\$3,923,002
Amortization in 2022	0	233,206
Disposals 2022	0	(56,632)
Balance, Dec 31, 2022	\$0	\$4,099,576
Net book value Dec 31, 2022	\$697,751	\$6,684,685
Assets under construction	\$(697,751)	\$0
Total	\$0	\$6,684,685

CITY OF HAMILTON

2023 Schedule of Operations for Business Segments

As at December 31, 2023 (all numbers in columns are in thousands of dollars)

Description:	General government	Protection services	Transportation services	Environmental services	Health services
Revenue:					
Taxation	\$1,106,872	\$0	\$0	\$0	\$0
Government grants and contributions	7,704	11,805	112,641	10,059	90,083
User charges	6,102	8,080	61,728	285,536	5,448
Development charges and subdivider contributions	699	1,442	14,336	31,309	530
Donations of tangible capital assets	0	0	5,052	8,628	0
Investment income	29,156	2,523	10,516	18,676	25
Income from Government Business Enterprises	20,424	0	0	0	0
Rents and other	26,000	27,494	18,893	(2,293)	92
Total revenue	1,196,957	51,344	223,166	351,915	96,178
Expenses					
Salaries and benefits	\$93,122	\$315,773	\$138,593	\$57,976	\$119,260
Interest and Long-term debt	1,086	290	1,628	3,426	353
Materials supplies services	86,523	23,746	59,327	56,871	10,776
Contracted services	11,894	7,840	75,212	87,165	8,102
Rents and financial expenses	3,644	3,006	17,013	17,787	2,564
External transfers	123	8,653	1,062	1,567	37
Amortization	10,051	11,780	90,212	75,450	3,976
Interfunctional transfers	(105,182)	13,740	32,422	15,257	10,783
Total expenses	101,261	384,828	415,469	315,499	155,851
Annual surplus (deficit)	\$1,095,696	\$(333,484)	\$(192,303)	\$36,416	\$(59,673)

CITY OF HAMILTON

Description:	Social and family services	Social housing	Recreation and cultural services	Planning and development	Total 2023
Revenue:					
Taxation	\$0	\$0	\$0	\$0	\$1,106,872
Government grants and contributions	342,160	33,093	5,857	3,997	617,399
User charges	16,263	462	26,216	14,922	424,757
Development charges and subdivider contributions	860	1,010	14,267	2,694	67,147
Donations of tangible capital assets	0	0	45	0	13,725
Investment income	464	1,842	6,005	1,783	70,990
Income from Government Business Enterprises	0	0	0	0	20,424
Rents and other	254	49,398	16,851	6,149	142,838
Total revenue	360,001	85,805	69,241	29,545	2,464,152
Expenses					
Salaries and benefits	\$99,510	\$18,015	\$90,494	\$37,992	\$970,735
Interest and Long-term debt	0	813	968	41	8,605
Materials supplies services	15,732	25,442	38,994	6,479	323,890
Contracted services	110,384	44,710	17,230	7,853	370,390
Rents and financial expenses	3,157	3,732	9,012	15,114	75,029
External transfers	197,454	22,374	5,169	968	237,407
Amortization	2,752	9,082	34,199	923	238,425
Interfunctional transfers	9,996	1,326	15,801	5,857	0
Total expenses	438,985	125,494	211,867	75,227	2,224,481
Annual surplus (deficit)	\$(78,984)	\$(39,689)	\$(142,626)	\$(45,682)	\$239,671

CITY OF HAMILTON

2022 Schedule of Operations for Business Segments

As at December 31, 2023 (all numbers in columns are in thousands of dollars)

Description:	General government	Protection services	Transportation services	Environmental services	Health services
Revenue:				(Restated)	
Taxation	\$1,028,395	\$0	\$0	\$0	\$0
Government grants and contributions	4,786	14,708	49,121	16,736	94,112
User charges	4,528	6,844	51,870	269,313	4,644
Development charges and subdivider contributions	337	1,098	14,375	8,650	307
Donations of tangible capital assets	0	0	7,963	10,827	0
Investment income	20,039	1,613	6,671	11,468	56
Income from Government Business Enterprises	6,057	0	0	0	0
Rents and other	15,555	32,150	19,161	26,218	166
Total revenue	1,079,697	56,413	149,161	343,212	99,285
Expenses					
Salaries and benefits	\$81,827	\$303,335	\$125,135	\$52,925	\$118,238
Interest and Long-term debt	1,219	350	2,088	3,882	371
Materials supplies services	73,984	22,197	53,356	54,496	9,946
Contracted services	7,351	6,225	59,526	91,642	6,785
Rents and financial expenses	2,562	2,490	9,967	10,795	2,810
External transfers	66	8,058	2	1,091	210
Amortization	10,081	11,016	84,798	73,149	3,626
Interfunctional transfers	(92,828)	11,590	29,708	13,869	9,302
Total expenses	84,262	365,261	364,580	301,849	151,288
Annual surplus (deficit)	\$995,435	\$(308,848)	\$(215,419)	\$41,363	\$(52,003)

CITY OF HAMILTON

Description:	Social and family services	Social housing	Recreation and cultural services	Planning and development	Total 2022
Revenue:	(Restated)				
Taxation	\$0	\$0	\$0	\$0	\$1,028,395
Government grants and contributions	281,329	37,291	7,189	6,420	511,692
User charges	15,688	681	24,265	11,806	389,639
Development charges and subdivider contributions	2	0	3,595	3,651	32,015
Donations of tangible capital assets	0	0	200	0	18,990
Investment income	302	769	3,057	760	44,735
Income from Government Business Enterprises	0	0	0	0	6,057
Rents and other	41	54,001	7,917	13,793	169,002
Total revenue	297,362	92,742	46,223	36,430	2,200,525
Expenses					
Salaries and benefits	\$90,872	\$17,517	\$77,342	\$34,897	\$902,088
Interest and Long-term debt	45	937	1,063	50	10,005
Materials supplies services	9,247	20,431	34,940	8,378	286,975
Contracted services	97,571	45,907	17,691	18,879	351,577
Rents and financial expenses	2,508	2,801	6,207	3,785	43,925
External transfers	146,611	33,460	5,634	867	195,999
Amortization	2,663	12,293	32,334	3,246	233,206
Interfunctional transfers	8,317	1,144	13,829	5,069	0
Total expenses	357,834	134,490	189,040	75,171	2,023,775
Annual surplus (deficit)	\$(60,472)	\$(41,748)	\$(142,817)	\$(38,741)	\$176,750

Section 3

**City of Hamilton
Consolidated Financial Statements
for the
Trust Funds
Cemetery and General Trusts
December 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the City of Hamilton

Opinion

We have audited the consolidated financial statements of The City of Hamilton Trust Funds – Cemetery and General Trust (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2023
- the consolidated statement of operations for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”)

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor's Responsibilities for the Audit of the Financial Statements***” section of our auditor's report.

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

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

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

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

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

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



Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.



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- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

September 8, 2026

CITY OF HAMILTON

TRUST FUNDS - CONSOLIDATED

Consolidated Statement of Financial Position

As at December 31, 2023, with comparative information for 2022

Year	2023	2022
Financial Assets		
Cash	\$5,828,277	\$1,208,693
Investments (Note 3)	20,525,331	22,110,753
Accrued interest receivable	789,513	228,278
Due from City of Hamilton - Cemetery (Note 4)	1,437	1,197,960
Due from City of Hamilton - Other Trust Funds (Note 4)	8,774	37,971
Total Financial Assets	27,153,332	24,783,655
Liabilities		
Deposits (Note 5)	507,080	363,223
Deferred revenue - pre-need (Note 6)	3,235,065	2,938,998
Total Liabilities	3,742,145	3,302,221
Accumulated surplus and net financial assets (Note 7)	\$23,411,187	\$21,481,434

Consolidated Statement of Operations

As at December 31, 2023, with comparative information for 2022

Revenues		
Cemetery lots and interments	\$1,007,924	\$879,163
Investment income	1,349,424	879,954
Total Revenue	2,357,348	1,759,117
Expenses		
Transfer to other trust funds	384,131	186,381
Other	12,824	12,275
Interest	30,640	—
Total Expenses	427,595	198,656
Annual surplus	1,929,753	1,560,461
Accumulated surplus, beginning of year	21,481,434	19,920,973
Accumulated surplus, end of year	\$23,411,187	\$21,481,434

See accompanying notes to consolidated financial statements.

CITY OF HAMILTON

TRUST FUNDS - CONSOLIDATED

Notes to Financial Statements

Year ended December 31, 2023

1. Significant accounting policies:

The consolidated financial statements of the City of Hamilton Trust Funds (the "Trust Funds"), including the financial statements of the Cemetery and financial statements of the Other Trusts, are the representation of management prepared in accordance Canadian public sector accounting standards. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations.

(a) Basis of consolidation:

These consolidated statements reflect the revenues, expenditures, assets and liabilities of the following trust funds:

Fieldcote Farmer (Ancaster)

Dundas Knowles Bequest

Hamilton F. Waldon Dundurn Castle

Dundas Ellen Grafton

Ancaster Fieldcote Livingstone – Clarke

Ancaster Fieldcote – Shaver

Hamilton Balfour Estate Chedoke

Cemetery Trust Funds

Municipal Election Surplus

(b) Basis of accounting:

- (i) Sources of financing and expenditures are reported on the accrual basis of accounting.
- (ii) The accrual basis of accounting recognizes revenues as they are earned and measurable; expenditures are recognized as they are incurred and measurable.
- (iii) Revenues on the cemetery lots are recognized upon transfer of title of the deed.
- (iv) Revenues are to be recognized in the same period a contract becomes at-need, and until then, the collected funds are to be held as deferred revenue.

CITY OF HAMILTON

TRUST FUNDS - CONSOLIDATED

Notes to Financial Statements (continued)

Year ended December 31, 2023

1. Significant accounting policies (continued):

(c) Financial instruments and investment income:

Investments consisting of government and corporate bonds, equity funds, debentures and short-term instruments of various financial institutions are authorized investments pursuant to the provisions of the Municipal Act. All financial instruments must be classified in accordance with the significance of the inputs used in making fair value measurements. The fair value hierarchy prioritizes the valuation techniques used to determine the fair value of a financial instrument based on whether the inputs to those techniques are observable or unobservable:

- (i) Level 1 – Derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (ii) Level 2 – Derived from quoted prices for similar assets and liabilities, quoted prices in markets that are not active, or models using inputs that are observable.
- (iii) Level 3 – Derived using discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable.

The fair value of the Trust Funds' investments as at December 31, 2023, are Level 2. The Trust Funds' investment activities expose it to a range of financial risks, including liquidity risk, and credit risk. The fair value of investments is determined as follows:

- (i) Canadian fixed incomes are comprised of bonds and debentures are determined based on the latest bid prices.

Transactions are recorded in the consolidated financial statements at cost. Transaction costs are expensed as incurred.

CITY OF HAMILTON

TRUST FUNDS - CONSOLIDATED

Notes to Financial Statements (continued)

Year ended December 31, 2023

2. Change in accounting policies:

PS 3450 – Financial instruments

Effective January 1, 2023, the Trust Funds adopted PS 3450 – Financial Instruments. In accordance with transitional provisions, this standard was adopted prospectively from the date of adoption and comparative figures were not restated. This new standard provides comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments. Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the Trust Fund's accounting policy choices.

3. Investments:

Investments are valued at cost less any amounts written off to reflect an other than temporary decline in value. Investments consist of the following:

Year	2023		2022	
Description	Cost	Fair value	Cost	Fair value
Canadian fixed income	\$ 20,525,331	\$ 19,763,831	\$ 22,110,753	\$ 20,987,856

4. Due from City of Hamilton:

The amount due from the City of Hamilton is bearing interest at variable rates with no fixed repayment terms.

5. Deposits:

Deposits are comprised of cash receipts related to prepayment plan arrangements associated with funeral and other final expenses.

CITY OF HAMILTON

TRUST FUNDS - CONSOLIDATED

Notes to Financial Statements (continued)

Year ended December 31, 2023

6. Deferred revenue - pre-need:

Deferred revenue represents pre-need contract funds collected which are not yet at-need. These amounts will be recognized as revenue in the fiscal year when the interment service is performed as the contract becomes at-need.

Description	2023	2022
Balance, beginning of year	\$2,938,998	\$2,747,033
Contributions during the year	381,059	363,818
Services performed during the year recognized as revenue	(84,992)	(171,853)
Balance, end of year	\$3,235,065	\$2,938,998

7. Accumulated surplus:

The accumulated surplus consists of:

Description	2023	2022
Cemeteries	\$22,744,885	\$20,811,072
Other:		
Fieldcote Farmer (Ancaster)	334,526	345,351
Knowles Bequest (Dundas)	265,686	253,246
F. Walden Dundurn Castle (Hamilton)	7,271	7,022
Ellen Grafton (Dundas)	8,751	8,319
Fieldcote Livingstone - Clarke (Ancaster)	5,155	5,155
Fieldcote Shaver (Ancaster)	5,155	5,155
Balfour Estate Chedoke (Hamilton)	39,758	38,395
Municipal Election (Hamilton)	—	7,719
	666,302	670,362
Total	\$23,411,187	\$21,481,434

CITY OF HAMILTON

TRUST FUNDS - CONSOLIDATED

Notes to Financial Statements (continued)

Year ended December 31, 2023

8. Risk exposure:

The Trust Funds are subject to interest rate risk, equity price risk and credit risk with respect to their investment portfolio. The Trust Funds' interest bearing investments are exposed to interest rate risk. The Trust Funds' investments are at risk due to fluctuations in market prices whether changes are caused by factors specific to the individual investment or market conditions affecting all securities traded in the market. Unrealized gains and/or losses accounting for the valuation changes between fair value and book value of investments are recognized as part of the Trust Funds' consolidated statement of operations.

Equity price risk is the risk that the fair value or future cash flows of an equity financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument, or its issuer, or factors affecting all similar financial instruments traded in the market. The Trust Funds manage risk by investing across a wide variety of asset classes and investment strategies.

The Trust Funds hold investments in fixed income securities issued by corporations and government entities and as such have fixed income credit risk. The Trust Funds mitigate this risk by limiting the investment portfolio to investments in BBB grade or higher.

CITY OF HAMILTON

TRUST FUNDS - CEMETERY

Statement of Financial Position

As at December 31, 2023, with comparative information for 2022

Description	2023	2022
Financial Assets		
Cash	\$5,541,512	\$777,527
Investments	20,154,568	21,909,528
Accrued interest receivable	789,513	228,278
Due from City of Hamilton	1,437	1,197,960
Total Financial Assets		
Liabilities		
Deposits	507,080	363,223
Deferred revenue - pre-need	3,235,065	2,938,998
Total Liabilities	3,742,145	3,302,221
Accumulated surplus and net financial assets	\$22,744,885	\$20,811,072

Statement of Operations

As at December 31, 2023, with comparative information for 2022

Revenues		
Cemetery lots and interments	\$1,007,924	\$879,163
Investment income	1,321,083	865,414
Total Revenue	2,329,007	1,744,577
Expenses		
Transfer to other trust funds	384,131	186,381
Other	11,063	10,163
Total Expenses	395,194	196,544
Annual surplus	1,933,813	1,548,033
Accumulated surplus, beginning of year	20,811,072	19,263,039
Accumulated surplus, end of year	\$22,744,885	\$20,811,072

CITY OF HAMILTON

TRUST FUNDS - OTHER

Statement of Financial Position

As at December 31, 2023, with comparative information for 2022

Description	2023	2022
Financial Assets		
Cash	\$286,765	\$431,166
Investments	370,763	201,225
Due from City of Hamilton	8,774	37,971
Total Financial Assets	666,302	670,362
Accumulated surplus and net financial assets	\$666,302	\$670,362

Statement of Operations

As at December 31, 2023, with comparative information for 2022

Revenues		
Investment income	\$28,341	\$14,540
Expenses		
Transfer to other trust funds	30,640	—
Other	1,761	2,112
Total Expenses	32,401	2,112
Annual surplus	(4,060)	12,428
Accumulated surplus, beginning of year	670,362	657,934
Accumulated surplus, end of year	\$666,302	\$670,362

Section 4

City of Hamilton Financial Statements for the Trust Funds – Homes for the Aged December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Council, Inhabitants and Ratepayers of the City of Hamilton

Opinion

We have audited the financial statements of The City of Hamilton Trust Funds – Homes for the Aged (the Trust Fund), which comprise:

- the statement of financial position as at December 31, 2023
- the statement of operations for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”)

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2023, and its results of operations for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “***Auditor's Responsibilities for the Audit of the Financial Statements***” section of our auditor's report.

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada
September 18, 2026

CITY OF HAMILTON

TRUST FUNDS – HOMES FOR THE AGED

Statement of Financial Position

As at December 31, 2023, with comparative information for 2022

Description	Macassa Lodge Resident Trusts	Wentworth Lodge Residents Trusts	Macassa Lodge Other Trusts	Wentworth Lodge Other Trusts	Total 2023	Total 2022
Financial Assets						
Cash	\$29,216	\$27,148	\$40,399	\$60,326	\$157,089	\$427,448
Investments	–	–	–	280,338	280,338	–
Total Financial Assets	\$29,216	\$27,148	\$40,399	\$340,664	\$437,427	\$427,448
Accumulated surplus and net financial assets	\$29,216	\$27,148	\$40,399	\$340,664	\$437,427	\$427,448

Statement of Operations

Year ended December 31, 2023, with comparative information for 2022

Description	Macassa Lodge Resident Trusts	Wentworth Lodge Residents Trusts	Macassa Lodge Other Trusts	Wentworth Lodge Other Trusts	Total 2023	Total 2022
Revenue						
Residents' deposits	\$90,790	\$92,989	\$7,115	\$5,282	\$196,176	\$207,587
Interest income	–	–	2,591	16,112	18,703	7,002
Donations	–	–	–	7,779	7,779	1,571
	90,790	92,989	9,706	29,173	222,658	216,160
Expenses						
Residents' charges	81,407	83,613	11,944	15,144	192,108	180,194
Payments to estates	10,740	8,105	–	–	18,845	15,589
Payments on discharge	78	–	–	–	78	–
Program purchases	–	–	–	1,648	1,648	–
	92,225	91,718	11,944	16,792	212,679	195,783
Annual surplus (deficit)	(1,435)	1,271	(2,238)	12,381	9,979	20,377
Accumulated surplus, beginning of year	30,651	25,877	42,637	328,283	427,448	407,071
Accumulated surplus, end of year	\$29,216	\$27,148	\$40,399	\$340,664	\$437,427	\$427,448

See accompanying notes to financial statements.

CITY OF HAMILTON

TRUST FUNDS – HOMES FOR THE AGED

Notes to Financial Statements

Year ended December 31, 2023

1. Purpose of Trust Funds:

The various Trust Funds administered by the Corporation of the City of Hamilton are established for the following purposes:

Macassa and Wentworth Lodge Resident Trusts

These Trust Funds are established for residents to receive their funds and pay for their various charges including monthly maintenance payments.

Macassa and Wentworth Lodge Other Trusts

These Trust Funds are established for the receipts of funds from donations and fund-raising activities. The funds are to be used for the benefit of lodge residents over and above normal capital and operating expenses of the lodges.

2. Basis of presentation:

The financial statements of the Trust Funds of The City of Hamilton are the representation of management prepared in accordance with Canadian public sector accounting standards.

Basis of accounting

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