

Financial Statements of

**HAMILTON TIGER-CAT
ATHLETIC TRUST FUND**

Year ended December 31, 2017

Independent Practitioner's Review Engagement Report

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To the Members of
Hamilton Tiger-Cat Athletic Trust Fund

We have reviewed the accompanying financial statements of Hamilton Tiger-Cat Athletic Trust Fund that comprise the statement of financial position as at December 31, 2017 and the statements of operations and changes in funds for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Practitioner's responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Independent Practitioner's Review Engagement Report (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Hamilton Tiger-Cat Athletic Trust Fund as at December 31, 2017, and the results of its operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Hamilton, Canada
August 13, 2018

Grant Thornton LLP

Chartered Professional Accountants
Licensed Public Accountants

HAMILTON TIGER-CAT ATHLETIC TRUST FUND

Statement of Financial Position

December 31, 2017, with comparative information for 2016

	December 31, 2017 (unaudited)	December 31, 2016 (unaudited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,164	\$ 13,261
	11,164	13,261
Investments (note 2)		
Cash and Treasury Bills	233,456	216,937
Fixed Income	40,202	40,674
Canadian Equities	1,296,313	1,230,060
International Equity Funds	594,369	580,201
	2,164,340	2,067,872
	<u>\$ 2,175,504</u>	<u>\$ 2,081,133</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 4,335	\$ 4,335
	4,335	4,335
Net assets:		
Original capital received from Hamilton Tiger-Cats Football Club Inc. (note 3)	222,429	222,429
Realized gains on sale of investments and foreign exchange gains	835,242	804,326
Unrealized net gains on investments held	962,138	887,223
Other income retained for objects beneficial to the community of Hamilton	151,360	162,820
	2,171,169	2,076,798
	<u>\$ 2,175,504</u>	<u>\$ 2,081,133</u>

See accompanying notes to financial statements.

On behalf of the Board of Trustees:

_____ Trustee

_____ Trustee

HAMILTON TIGER-CAT ATHLETIC TRUST FUND

Statement of Operations

Year ended December 31, 2017, with comparative information for 2016

	2017 (unaudited)	2016 (unaudited)
Revenues:		
Investment Income (excluding gains/loss on investments)		
Fixed Income	\$ 1,062	\$ 3,811
Equities	54,576	52,042
	<u>55,638</u>	<u>55,853</u>
Expenses (other than investment fees):		
Publication of statements and website	500	500
Office expenses and administration	3,709	3,799
Professional fees	2,539	4,445
	<u>6,748</u>	<u>8,744</u>
Amounts available for grants to sports organizations	48,890	47,109
Grants to sports organizations (note 4)	(35,350)	(51,500)
Grant for legacy program (note 5)	(25,000)	(25,000)
Decrease in other income available for objects beneficial to the Hamilton community	(11,460)	(29,391)
Realized gains on sale of investments, net of investment counsel fees of \$23,726 (2016 - \$20,091)	30,916	39,410
Unrealized gains on investments	74,915	119,862
Excess of revenues over expenses	<u>\$ 94,371</u>	<u>\$ 129,881</u>
Fund balances, beginning of year	2,076,798	1,946,917
Fund balances, end of year	<u>\$ 2,171,169</u>	<u>\$ 2,076,798</u>
Comprised of:		
Original capital	<u>\$ 222,429</u>	<u>\$ 222,429</u>
Investment Fund:		
Realized gains, beginning of year	804,326	764,916
Change during the year	30,916	39,410
Realized gains, end of year	<u>\$ 835,242</u>	<u>\$ 804,326</u>
Unrealized gains, beginning of year	887,223	767,361
Change during the year	74,915	119,862
Unrealized gains, end of year	<u>\$ 962,138</u>	<u>\$ 887,223</u>
Operating Fund:		
Fund balances, beginning of year	162,820	192,211
Change during the year	(11,460)	(29,391)
Operating Fund, end of year	<u>\$ 151,360</u>	<u>\$ 162,820</u>

See accompanying notes to financial statements

HAMILTON TIGER-CAT ATHLETIC TRUST FUND

Notes to Financial Statements

Year ended December 31, 2017

Hamilton Tiger-Cat Athletic Trust Fund (operating as "Hamilton Athletic Trust") is one of two trusts established in perpetuity when the Football Club passed into private hands in 1961. Hamilton Athletic Trust ("Trust") is administered independently and is completely separate from the football club. Grants are available in the community of Hamilton to foster, develop, encourage and assist athletes in all forms of sport and athletics of all kinds other than Canadian football.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for not-for-profit organizations in Part III of the CICA Handbook.

(a) Revenue recognition:

Unrestricted investment income is recognized as revenue when earned. Invested capital remains intact and trustees award grants annually from accumulated investment income.

(b) Cash:

Cash includes cash on hand and short-term deposits which are highly liquid with original maturities of less than three months.

(c) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(d) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount accounts payable and accrued liabilities. Actual results could differ from those estimates.

HAMILTON TIGER-CAT ATHLETIC TRUST FUND

Notes to Financial Statements

Year ended December 31, 2017

1. Significant accounting policies (continued):

(e) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Trust has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Trust determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Trust expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. Investments:

The Trust's fixed income investment has an effective interest rate of 2.49% (2016 – 2.49%) and matures in 2019.

HAMILTON TIGER-CAT ATHLETIC TRUST FUND

Notes to Financial Statements

Year ended December 31, 2017

3. Restrictions on net assets:

The original capital received from the Hamilton Tiger-Cats Football Club Inc. is restricted by the Board of Trustees. The restriction requires the principal to be maintained intact to support the Trust.

Realized and unrealized investment gains (losses) are separately accounted for under the Trust's net assets and available for distribution on a yearly basis based on direction of the Trustees.

Investment income earned from dividends and interest on the remaining assets is restricted for objects beneficial to the community of Hamilton. This investment income is net of grants and expenses incurred in the year in relation to the Trust's daily operations.

4. Grants:

The Board of Trustees authorized the payment of a number of individual and team grants during the year. On a yearly basis, the Trustee review applications from self-sustaining amateur sport clubs, teams, organizations and associations that have applied for financial aid in support of their competitive/developmental goals and operating needs. A committee of the Board of Trustees assess each application received, and dispense grants. The committee's expectation is to provide grants in a prudent manner, which are dedicated to the cause of "fostering, developing, encouraging, and assisting" amateur sport in the Hamilton area.

5. Legacy grants:

On June 12, 2015 as part of the Toronto 2015 Pan Am/Parapan Am Play Day for schools in Ontario, ArcelorMittal Dofasco, the City of Hamilton and the Trust announced a long-term funding for a new soccer development program in the City of Hamilton (Ward 3). This new youth program, open to children ages 5 through 13 will provide basic soccer skills at the City's new world class soccer venue. Approximately 500 children will have access to the program at zero cost. ArcelorMittal Dofasco is providing \$250,000 over 10 years to the program and Hamilton Athletic Trust has committed \$100,000 over four years. During the year, the Trust completed the third of four payments related to the group for \$25,000 (2016 - \$25,000). Payment has been made to SportHamilton who is acting as the administrator of the program.

HAMILTON TIGER-CAT ATHLETIC TRUST FUND

Notes to Financial Statements

Year ended December 31, 2017

6. Financial risks and concentration of credit risk:

(a) Currency risk:

The Trust is exposed to financial risks as a result of exchange rate fluctuations and the volatility of these rates. In the normal course of operations, the Trust holds investments denominated in U.S. dollars. There has been no change to the risk exposure from 2016.

(b) Liquidity risk:

Liquidity risk is the risk that the Trust will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Trust manages its liquidity risk by monitoring its operating requirements. The Trust prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2016.

(c) Interest rate risk:

The Trust is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about the fixed rate investments are included in note 2.