

Consolidated Financial Statements of

CORPORATION OF THE TOWN OF PELHAM

December 31, 2021

CORPORATION OF THE TOWN OF PELHAM

December 31, 2021

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Consolidated Financial Statements

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Independent Auditor's Report

To the Members of Council of the
Corporation of the Town of Pelham

Opinion

We have audited the consolidated financial statements of the Corporation of the Town of Pelham (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2021, the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Town'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 Town to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 these consolidated financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Town'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 Town'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 consolidated 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 Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the consolidated financial statements. We are solely responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We 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.

Chartered Professional Accountants
Licensed Public Accountants
DATE

CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Financial Position

December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 18,850,877	\$ 15,859,111
Taxes receivable	1,663,629	1,967,288
User charges receivable	967,228	800,453
Accounts receivable	6,264,347	4,315,848
Investment in subsidiary (Note 2)	5,594,552	5,492,757
	33,340,633	28,435,457
LIABILITIES		
Bank indebtedness (Note 3)	1,033,333	1,166,667
Accounts payable and accrued liabilities	5,005,336	5,676,918
Other liabilities	2,461,513	2,214,306
Deposits and deferred revenue	419,537	790,484
Deferred revenue - obligatory reserve funds (Note 4)	5,054,470	3,227,028
Long-term debt (Note 5)	31,032,054	33,465,343
Employee benefit obligations (Note 6)	425,250	404,916
	45,431,493	46,945,662
Contingencies (Note 17)		
Net debt	(12,090,860)	(18,510,205)
NON FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	140,465,822	134,849,662
Prepaid expenses	305,566	104,650
	140,771,388	134,954,312
Accumulated surplus (Note 7)	\$ 128,680,528	\$ 116,444,107

Signed on behalf of the Town:

Marvin Junkin, Mayor

Teresa Quinlin, Treasurer

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Operations

For the Year Ended December 31, 2021

	Budget 2021 (Note 14)	Actual 2021	Actual 2020
REVENUE			
Taxation (Note 9)	\$ 16,154,342	\$ 16,220,412	\$ 15,724,635
User charges (Note 10)	7,331,974	7,965,644	7,168,751
Grants (Note 12)	4,281,986	4,435,549	4,110,579
Contributions from developers	2,178,119	1,916,379	2,083,217
Contributed tangible capital assets	-	5,775,896	4,092,908
Other (Note 13)	663,030	1,201,872	890,208
Equity earnings in subsidiary (Note 2)	-	142,153	99,113
Gain on disposal of tangible capital assets and assets held for sale	-	13,586	6,394,140
	30,609,451	37,671,491	40,563,551
EXPENSES			
General government	4,058,831	4,200,643	3,950,174
Protection to persons and property	2,271,132	2,219,754	2,056,453
Transportation services	6,071,976	6,007,186	5,929,468
Environmental services	5,440,176	5,545,852	5,283,920
Health services	119,526	107,328	117,052
Recreation and culture services	7,247,205	6,715,269	6,400,982
Planning and development	606,113	639,038	582,801
	25,814,959	25,435,070	24,320,850
Annual surplus	4,794,492	12,236,421	16,242,701
Accumulated surplus, beginning of year	116,444,107	116,444,107	100,201,406
Accumulated surplus, end of year	\$ 121,238,599	\$ 128,680,528	\$ 116,444,107

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Change in Net Debt

For the Year Ended December 31, 2021

	Budget 2021	Actual 2021	Actual 2020
ANNUAL SURPLUS	\$ 4,794,492	\$ 12,236,421	\$ 16,242,701
Amortization of tangible assets	6,300,000	5,812,954	5,681,227
Contributed tangible capital assets	-	(5,775,896)	(4,092,908)
Acquisition of tangible capital assets	(9,431,936)	(5,660,168)	(3,946,806)
Transfer from tangible capital asset held for sale	-	-	(9,593)
(Gain) loss on disposal of tangible capital assets	-	(13,586)	428,057
Proceeds on disposal of tangible capital assets	-	20,536	69,421
	1,662,556	6,620,261	14,372,099
Acquisition of prepaid expenses	-	(282,035)	(63,693)
Use of prepaid expenses	-	81,119	477,600
	-	(200,916)	413,907
Decrease in net debt	1,662,556	6,419,345	14,786,006
Net debt, beginning of year	(18,510,205)	(18,510,205)	(33,296,211)
Net debt, end of year	\$ (16,847,649)	\$ (12,090,860)	\$ (18,510,205)

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Annual surplus	\$ 12,236,421	\$ 16,242,701
Items not involving cash:		
Amortization of tangible assets	5,812,954	5,681,227
Gain on disposal of tangible capital assets and assets held for sale	(13,586)	(6,394,140)
Contributed tangible capital assets	(5,775,896)	(4,092,908)
Net earnings from investment in subsidiary	(142,153)	(99,113)
Employment benefit obligations	20,334	6,413
Change in non-cash assets and liabilities:		
Taxes receivable	303,659	(216,126)
User charges receivable	(166,775)	(116,175)
Accounts receivable	(1,948,499)	696,411
Accounts payable and accrued liabilities	(671,582)	950,777
Other liabilities	247,207	216,081
Deferred revenue - obligatory reserve funds	1,827,442	(753,995)
Deposits and deferred revenue	(370,947)	(61,018)
Prepaid expenses	(200,916)	413,907
Proceeds on disposal of tangible capital assets held for sale	-	7,328,301
	11,157,663	19,802,343
CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	20,536	69,421
Acquisition of tangible capital assets, net of construction in process capitalized	(5,660,168)	(3,946,806)
	(5,639,632)	(3,877,385)
FINANCING ACTIVITIES		
Decrease in bank indebtedness	(133,334)	(9,127,377)
Dividends received from investment in subsidiary (Note 2)	40,358	-
Issuance of long-term debt	-	3,450,000
Repayment of long-term debt	(2,433,289)	(2,236,694)
	(2,526,265)	(7,914,071)
Net increase in cash	2,991,766	8,010,887
Cash and cash equivalents, beginning of year	15,859,111	7,848,224
Cash and cash equivalents, end of year	\$ 18,850,877	\$ 15,859,111

The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies

The Corporation of the Town of Pelham ("the Town") is a municipality that provides municipal services such as fire, public works, planning, parks and recreation, library and other general government operations.

The consolidated financial statements of the Town are the representation of management prepared in accordance with Canadian public sector accounting standards ("PSAS"). Significant aspects of the accounting policies adopted by the Town are as follows:

a. Basis of consolidation

These consolidated financial statements reflect the assets, liabilities, non-financial assets, revenues, and expenses and include all activities of all committees of Council and the following local boards and municipal entities which are under the control of Council:

i. Pelham Public Library Board

Interdepartmental and organizational transactions and balances are eliminated.

The following joint local board is proportionately consolidated:

ii. Niagara Central Airport Commission (Joint Board)

Related party transactions are eliminated (Note 15).

iii. Peninsula West Power Inc.

Peninsula West Power Inc., a subsidiary corporation of the Town, is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government enterprises (Note 2). Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the Town, and interorganizational transactions and balances are not eliminated.

The consolidated statements exclude trust funds that are administered for the benefit of external parties (Note 16).

b. Basis of accounting

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

c. Deferred revenue - obligatory reserve funds

Receipts which are restricted by legislation of senior governments or by agreement with external parties are deferred and reported as restricted revenues. When qualifying expenses are incurred, restricted revenues are brought into revenue at equal amounts. Revenues received in advance of expenses which will be incurred in a later period are deferred.

d. Employee future benefits

The present value of the cost of providing employees with future benefit programs is expensed as employees earn these entitlements through service. The cost of the benefits earned by employees is determined using the projected benefit method pro-rated on service and management's best estimate of retirement ages of employees and expected health care and dental costs.

e. Cash and cash equivalents

For the purpose of the consolidated financial statements, the Town considers all short-term investments with an original maturity of three months or less to be cash equivalents.

f. Deposits and deferred revenue

Deposits and deferred revenue represent user fees and charges that have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

g. Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

h. Tangible capital assets

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

Classification	Useful life
Land improvements	15 to 40 years
Buildings	20 to 60 years
Machinery and equipment	7 to 40 years
Furniture and fixtures	5 to 10 years
Computer hardware	4 years
Computer software	5 years
Library collection	15 years
Linear assets	2 to 90 years
Vehicles	3 to 20 years

Half year amortization is charged in the year of acquisition and no amortization is taken in year of disposal. Assets under construction are not amortized until the asset is available for productive use.

The Town does not capitalize interest as part of the costs of its capital assets.

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

Works of art, artifacts, cultural or historic assets are not recorded as assets in the consolidated financial statements.

Leases are classified as capital or operating leases. Leases that transfer substantially all benefits incidental to ownership are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

i. Subdivision infrastructure

Subdivision streets, lighting, sidewalks, drainage and other infrastructure are required to be provided by subdivision developers. Upon completion they are turned over to the Town. The Town is not involved in the construction.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

j. Reserves for future expenses

Certain amounts, as approved by Town Council, are set aside in reserves and reserve funds for future current and capital expenses.

k. Government transfer payments

Government transfers are recognized as revenues by the Town in the period during which the transfer is authorized and any eligibility criteria are met. Government transfers are deferred if they are restricted through stipulations that require specific actions or programs to be carried out in order to keep the transfer. For such transfers, revenue is recognized when the stipulation has been met.

l. Local improvements

The Town records capital expenses funded by local improvement agreements as they are incurred. Revenues are recognized in the year they become receivable.

m. Tax revenue

Tax revenue is recognized on all taxable properties within the Town that are included in the tax roll provided by the Municipal Property Assessment Corporation, using property values included in the tax roll or property values that can be reasonably estimated by the Town as it relates to supplementary or omitted assessments, at tax rates authorized by Council for the Town's own purposes in the period for which the tax is levied.

n. Region and school board transactions

The taxation, other revenues, expenses, assets and liabilities with respect to the operations of the school boards and the Region of Niagara are not reflected in the accumulated surplus of these consolidated financial statements.

o. Development charges

Development charges, collected under the authority of Sections 33 to 35 of the Development Charges Act, 1997, are reported as deferred revenue - obligatory reserve funds in the consolidated statement of financial position in accordance with Canadian public sector accounting standards. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal period in which the funds are expended on qualifying capital projects. Development charges will also be applied to cover costs for servicing debt including interest on borrowings and contributions to sinking funds to retire debt.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

p. Management estimates

The preparation of these consolidated 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. Actual results could differ from those estimates. Significant estimates include accounts receivable, accrued liabilities, deferred revenue, employee benefit obligations and useful lives of tangible capital assets.

2. Subsidiary operations

Peninsula West Power Inc. (PWPI), established by Council under Municipal By-law 2004-45, is an amalgamation of hydro-electric commissions from the Municipalities of Lincoln, West Lincoln and Pelham. PWPI owns a 25.5% share of Niagara Peninsula Energy Inc., which provides electric distribution services and wholly-owns Peninsula West Services Ltd. (PWSL), which provides water heater, sentinel lights and related services. The Town of Pelham has a 17% interest in PWPI.

The following table provides condensed supplementary financial information for Peninsula West Power Inc.:

	2021	2020
Financial position		
Current assets	\$ 1,646,498	\$ 1,595,696
Capital assets	79,889	86,476
Investment	36,873,000	36,299,079
Total assets	38,599,387	37,981,251
Current liabilities		
Accounts payable and accrued liabilities	56,753	32,109
Future payments in lieu of taxes	5,638,911	5,644,211
Total liabilities	5,695,664	5,676,320
Net assets	32,903,723	32,304,931
Town of Pelham's interest - 17%	\$ 5,594,552	\$ 5,492,757

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

2. Subsidiary operations (continued)

	2021	2020
Change in equity investment in subsidiary		
Revenues	\$ 179,733	\$ 212,881
Expenses	(170,380)	(192,894)
Payment in lieu of income taxes	(2,081)	(2,594)
Gain from operations	7,272	17,393
Gain on investment	828,921	565,626
Net earnings	836,193	583,019
Dividends	(237,400)	-
Net increase in equity of subsidiary	598,793	583,019
Change in equity of subsidiary - 17%	\$ 101,795	\$ 99,113

The financial position, long-term debt, capital lease and contingent liabilities information is as reported by Peninsula West Power Inc. at December 31, 2021 and the results of operations is as reported for the year ended December 31, 2021. The comparative financial position and results of operations figures are as reported by Peninsula West Power Inc. at December 31, 2020.

The following summarizes the Town's related party transactions with Peninsula West Power Inc. for the year. All transactions are in the normal course of operations, and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

	2021	2020
Electricity purchased	\$ 31,620	\$ 41,516
Administration expense	4,685	6,170
	\$ 36,305	\$ 47,686

3. Bank indebtedness

The Town has an authorized revolving line of credit of \$11,500,000 (2020 - \$11,500,000) at prime minus 0.25%, of which \$11,500,000 (2020 - \$11,500,000) remained unused at year-end. The line of credit is secured by a borrowing by-law for operating line of \$11,500,000 held. Payment is due on demand. The Town has a non-revolving demand instalment loan of \$1,033,333 (2020 - \$1,166,667) at prime minus 0.10%. Payment is due on demand.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

4. Deferred revenue - obligatory reserve funds

A requirement of PSAS is that obligatory reserve funds be reported as deferred revenue. This requirement is in place as legislation restricts how these funds may be used and under certain circumstances these funds may be refunded.

The net change during the year in the legislatively restricted deferred revenue balances is as follows:

	Development charges	Parkland	Canada Community- Building Fund	Ontario Gas Tax	Other	2021 Total	2020 Total
Balance, beginning of year	\$ 1,554,407	\$ 1,322,911	\$ -	\$ 50,127	\$ 299,583	\$ 3,227,028	\$ 3,981,023
Restricted funds received	3,256,177	765,370	1,064,308	58,854	512,950	5,657,659	3,483,688
Interest earned	27,202	12,568	1,522	534	1,646	43,472	53,085
Collection of receivable	-	(765,370)	-	-	-	(765,370)	(419,474)
Revenue recognized	(1,810,913)	-	(493,065)	(20,000)	(784,341)	(3,108,319)	(3,871,294)
Balance, end of year	\$ 3,026,873	\$ 1,335,479	\$ 572,765	\$ 89,515	\$ 29,838	\$ 5,054,470	\$ 3,227,028

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

5. Long-term debt

- (a) The balance of net long-term debt reported on the consolidated statement of financial position is made up of the following:

	2021	2020
The Town has assumed responsibility for the payment of principal and interest charges on certain long-term debt issued by the Region of Niagara. At the end of the year, the outstanding principal amount of this debt is	\$ 31,032,054	\$ 33,465,343

- (b) The net long-term debt:

Debt number	Purpose	Interest rates	Maturity dates	2021	2020
83-2011	Haist & Pelham St	1.55% to 4.05%	2021	\$ -	\$ 197,608
73-2012	Haist St & Rice Rd	1.35% to 3.10%	2022	90,000	178,000
72-2013	Effingham & Hwy 20	1.40% to 3.75%	2023	155,986	231,416
78-2014	Pelham St & Fire Stn #2	1.20% to 3.30%	2024	580,680	763,515
75-2015	Fire Stn #3 & Pt Robinson	1.94%	2025	1,410,000	1,743,000
35-2016	Fenwick & Pt Robinson	1.20% to 2.40%	2026	2,991,888	3,557,938
72-2016	Meridian Community Centre	3.34%	2046	8,106,271	8,311,174
55-2017	Meridian Community Centre	3.22%	2047	11,109,245	11,379,039
59-2019	East Fonthill Roads	2.40%	2029	3,280,119	3,653,653
58-2020	Meridian Community Centre	1.98%	2040	3,307,865	3,450,000
				\$ 31,032,054	\$ 33,465,343

- (c) Principal repayments due in each of the next five years and thereafter are as follows:

2022	\$ 2,286,290
2023	2,248,376
2024	2,222,719
2025	2,074,693
2026	1,752,359
Thereafter	20,447,617
	\$ 31,032,054

The Town paid \$924,280 (2020 - \$929,241) of interest on long-term debt during the year.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

6. Employee benefit obligations

The Town completes a valuation for accounting purposes annually using the projected benefit method prorated on service.

The valuation was based on a number of assumptions about future events, such as inflation rates, interest rates, medical inflation rates, wage and salary increases, and employee turnover and mortality. The assumptions used reflect management's best estimates. The main assumptions employed for the valuation are as follows:

Discount rate	beginning of year	2.67%
	end of year	2.67%
Medical cost increases	ultimate trend rate	4.35%

The post-employment benefit expense is reported as a component of expenses on the consolidated statement of operations. Composition of the amount is as follows:

	2021	2020
Current service cost	\$ 33,040	\$ 19,975
Interest on post-employment benefit liability	10,803	10,632
Total expense related to post-employment benefits	\$ 43,843	\$ 30,607

Vested sick leave benefits

Under the sick leave benefit plan, which was in place until 1994, unused sick leave could accumulate and employees were entitled to a cash payment. All the vested sick leave benefits have been paid out.

Post-employment benefit liability

The Town sponsors a defined benefit plan for post-employment benefits other than pensions for substantially all of its employees. The plan provides extended health and life insurance coverage to age 65 for full-time employees. The plan is unfunded and requires no contribution from employees. Total benefit payments for retirees during the year were \$23,509 (2020 - \$24,194).

Pension agreement

The Town makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 74 members of its staff. The Town also makes contributions to OMERS on behalf of 7 members of its library staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Town accounts for its participation in OMERS as a defined contribution plan. The OMERS Plan ended 2021 with a funding deficit of \$3.1 billion (2020 - \$3.2 billion). The funded ratio remained unchanged at 97% in 2021, and has either stayed the same or increased for the ninth consecutive year. The amount the Town contributed to OMERS for 2021 was \$601,040 (2020 - \$565,782) for current service which is included as an expense in the consolidated statement of operations.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

7. Accumulated surplus

Accumulated surplus consists of individual fund surplus (deficit) and reserves as follows:

	2021	2020
Surplus (deficit)		
Town	\$ 565,416	\$ 229,912
Library (Schedule 1)	(343,371)	(346,437)
Niagara Central Airport Commission (Note 15)	(15,901)	(35,996)
	206,144	(152,521)
Investment in tangible capital assets (Schedule 2)	140,465,822	134,849,662
Investment in subsidiary	5,594,552	5,492,757
Unfunded		
Long-term debt	(31,032,054)	(33,465,343)
Employee benefit obligations	(425,250)	(404,916)
	(31,457,304)	(33,870,259)
Reserves and reserve funds (Note 8)	13,871,314	10,124,468
	\$ 128,680,528	\$ 116,444,107

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

8. Reserves and reserve funds

	2021	2020
Reserves and reserve funds set aside for specific purposes by Council		
Airport (Note 15)	\$ 2,955	\$ 2,955
Building department	1,724,040	1,404,644
Cemetery	78,190	42,590
Community improvement plan	296,520	243,603
Elections	98,455	75,943
Fire equipment	876,935	607,582
Fleet	1,134,797	1,028,724
Human resource capacity building	588,910	339,363
Information technology	192,279	76,430
Land acquisition	(984,592)	(1,176,452)
Library (Schedule 1)	392,907	293,821
Meridian Community Centre	630,364	429,384
Municipal building facility	593,277	156,831
Municipal drainage	44,131	16,831
Parks and recreation	321,524	55,904
Physician recruitment	27,705	25,706
Planning	334,509	256,765
Roads	3,574,427	3,046,895
Volunteer firefighter life insurance	25,000	12,500
Wastewater	2,115,558	1,418,665
Water	1,331,322	946,119
Working capital	472,101	819,665
	\$ 13,871,314	\$ 10,124,468

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

9. Taxation

	Budget 2021 (Note 14)	Actual 2021	Actual 2020
Taxation - real property	\$ 39,755,807	\$ 40,179,468	\$ 39,238,924
Payments in lieu of taxes	300,471	304,304	302,118
	40,056,278	40,483,772	39,541,042
Less: taxation collected on behalf of			
Region of Niagara	18,688,402	18,969,367	18,423,493
School boards	5,213,534	5,293,993	5,392,914
	23,901,936	24,263,360	23,816,407
Net taxes available for municipal purposes	16,154,342	16,220,412	15,724,635
Residential and farm	14,767,891	14,813,044	14,458,908
Multi-residential	199,513	202,523	190,486
Commercial	1,125,861	1,142,846	1,016,503
Industrial	61,077	61,999	58,738
	\$ 16,154,342	\$ 16,220,412	\$ 15,724,635

10. User charges

	Budget 2021 (Note 14)	Actual 2021	Actual 2020
Operating			
Fees and service charges	\$ 891,146	\$ 1,156,118	\$ 1,235,964
Water charges	3,277,041	3,331,059	3,042,547
Sewer charges	2,478,137	2,514,188	2,261,788
Licenses and permits	685,650	964,279	628,452
	\$ 7,331,974	\$ 7,965,644	\$ 7,168,751

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

11. Collections for the Region of Niagara and school boards

Total taxation and development charges received or receivable on behalf of the Region of Niagara and the school boards were as follows:

	2021	2020
Region of Niagara	\$ 22,881,532	\$ 20,359,271
School boards	5,293,993	5,392,914
	\$ 28,175,525	\$ 25,752,185

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

The Town collects development charges on behalf of the Region of Niagara. Development charges collected in excess of those paid to the Region are recorded as accounts payable.

12. Grants

	Budget 2021 (Note 14)	Actual 2021	Actual 2020
Operating			
Government of Canada	\$ 72,850	\$ 89,564	\$ 62,956
Province of Ontario	385,979	956,418	2,124,759
Region of Niagara	3,500	26,400	14,925
Other	-	15,700	16,259
	462,329	1,088,082	2,218,899
Capital			
Government of Canada	3,247,623	1,611,432	1,416,458
Province of Ontario	572,034	1,691,035	425,222
Region of Niagara	-	45,000	50,000
	3,819,657	3,347,467	1,891,680
	\$ 4,281,986	\$ 4,435,549	\$ 4,110,579

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

13. Other revenue

	Budget 2021 (Note 14)	Actual 2021	Actual 2020
Operating			
Penalties and interest on taxes	\$ 270,000	\$ 302,903	\$ 231,419
Investment income	17,800	108,442	69,256
Fines and other penalties	41,330	55,031	41,271
Other	333,900	505,656	247,225
	663,030	972,032	589,171
Capital			
Investment income	-	-	3,199
Donations	-	229,840	297,838
	-	229,840	301,037
	\$ 663,030	\$ 1,201,872	\$ 890,208

14. Budget amounts

The operating and capital tax rate supported budgets were approved by Council on January 11, 2021 to establish the tax rates for the year. In addition, the water and wastewater operating budgets were approved by Council on December 7, 2020 and the water and wastewater capital budgets were approved on January 11, 2021.

An amount for amortization expense has been added and is based on management's best estimate of amortization expense determined at the beginning of the year. Amortization expense was not included in the original Council approved budget.

Amounts included in the original Council approved capital budget which are not recognized as tangible capital assets are included in consolidated statement of operations under the appropriate functional expense category, while those recognized as tangible capital assets are included in the consolidated statement of change in net debt.

The chart below reconciles the approved budget to the budget amounts reported in the consolidated financial statements.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

14. Budget amounts (continued)

	Budget Amount
Revenues	
Approved operating budget	\$ 19,376,524
Approved water and wastewater budget	5,777,808
Approved library budget - other than Town contribution	116,438
Add capital:	
Development charges	1,990,370
Recreational Land (the Planning Act)	145,000
Federal Gas Tax	542,646
Ontario Community Infrastructure Fund	408,112
Other grants	2,868,899
	5,955,027
Less:	
Transfers from reserves - operating	(616,346)
	(616,346)
Total revenues	30,609,451
Expenses	
Approved operating budget	19,376,524
Approved water and wastewater budget	5,777,808
Approved library operating budget	936,602
Add:	
Amortization	6,300,000
Employee future benefits	40,000
Estimated capital budget items expense in nature	460,000
Debt interest payments - development charges	438,590
	7,238,590
Less:	
Debt principal payments (development charge excluded)	(1,275,810)
Town contribution to library	(877,164)
Transfers to reserves, including capital	(5,361,591)
	(7,514,565)
Total expenses	25,814,959
Annual surplus	\$ 4,794,492

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

15. Niagara Central Airport Commission

The Niagara Central Airport Commission operates a two runway airport offering a year round fixed base operation. The Commission is funded by the four nearby municipalities, City of Welland, City of Port Colborne, Town of Pelham and the Township of Wainfleet. The Town of Pelham has a non-controlling interest in the airport of 18%.

	2021	2020
Financial assets		
Cash and temporary investments	\$ 280,455	\$ 237,067
Receivables	6,485	31,065
	286,940	268,132
Liabilities		
Accounts payable and accrued liabilities	30,376	67,881
Loans payable and capital lease liability	367,184	414,512
	397,560	482,393
Net debt	(110,620)	(214,261)
Non-financial assets		
Prepaid expenses	14,783	15,040
Fuel inventory	23,912	15,659
Tangible capital assets	1,421,197	1,476,176
	1,459,892	1,506,875
Accumulated surplus	1,349,272	1,292,614
Accumulated surplus		
Operating deficit	(55,462)	(199,726)
Reserves	16,164	16,164
Investment in tangible capital assets	1,388,570	1,476,176
	1,349,272	1,292,614
Revenues		
Grants	154,770	154,770
Fuel and rentals	101,463	94,480
Other	29,973	172
Expenses	(230,772)	(276,436)
Annual surplus (deficit)	\$ 55,434	\$ (27,014)

The financial position information is as reported by the Niagara Central Airport Commission as at December 31, 2021 and the results of operations are as reported for the year ended December 31, 2021.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

15. Niagara Central Airport Commission (continued)

The Town has recorded in the financial statements its 18% share of the Niagara Central Airport Commissions' assets, liabilities, accumulated surplus, revenues, expenses, and annual surplus.

The following summarizes the Town's related party transactions with the Niagara Central Airport Commission for the year. All transactions are in the normal course of operations, and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

		2021	2020
Grants	\$	23,307	\$ 27,858
Donations		1,563	80
Loan payments received	\$	9,308	\$ 9,308

16. Trust funds

Trust funds administered by the Town amounting to \$1,108,089 (2020 - \$1,049,157) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

17. Contingencies

From time to time, the Town is the subject of litigation. In the opinion of management, any litigation outstanding, if successful, would not have a material impact on the financial statements.

18. Financial instruments

The Town's financial instruments consist of cash and cash equivalents, user charges and accounts receivable, bank indebtedness, accounts payable and accrued liabilities, other liabilities and long-term debt. It is management's opinion that the Town is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

19. Segmented information

The Town provides a diverse range of services to its citizens. The Consolidated schedule of segment disclosure has grouped various services into segments to provide a further breakdown of the revenues and expenses attributable to each segment. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The services included in each segment are as follows:

(i) General government

General government is comprised of governance, corporate management and program support.

(ii) Protection services

Protection is comprised of fire, protective inspection and control, emergency measures and provincial offences.

(iii) Transportation services

Transportation is comprised of roads, winter control, transit, parking, street lighting and air transportation.

(iv) Environmental services

Environmental is comprised of storm sewer systems and water collection.

(v) Health services

Health services is comprised of cemeteries.

(vi) Recreation and culture services

Recreation and culture is comprised of parks, recreation programs, recreation facilities, libraries and cultural services.

(vii) Planning and development

Planning and development is comprised of planning and zoning, commercial and industrial development, residential development, agricultural and reforestation, heritage matters and municipal drainage.

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Library Operations - Schedule 1

For the Year Ended December 31, 2021

	Budget 2021 (Note 14)	Actual 2021	Actual 2020
Revenue			
Municipal contribution (Library)	\$ 877,164	\$ 877,164	\$ 864,218
Library - grants	45,188	55,430	71,458
Deferred revenue earned (Development Charges)	42,750	42,750	42,750
Library - other revenue	28,500	13,175	45,182
	993,602	988,519	1,023,608
Expenses			
Administration	59,260	54,284	48,481
Amortization of books, periodicals and media	-	58,751	60,583
Books, periodicals and other media	57,000	22,568	-
Electronic resources and maintenance	27,839	34,183	33,689
Equipment rental	3,000	1,399	1,064
Furnishings and office equipment	500	159	4,673
Insurance	3,100	3,727	3,075
Programs	8,000	8,201	5,379
Repairs and maintenance	51,800	46,856	38,009
Salary, wages and employee benefits	752,203	657,945	652,550
Supplies	3,000	2,740	2,487
Utilities	27,900	21,149	20,375
	993,602	911,962	870,365
Annual surplus	-	76,557	153,243
Accumulated surplus, beginning of year	346,163	346,163	192,920
Accumulated surplus, end of year	346,163	422,720	346,163
Accumulated surplus consists of the following			
Operating deficit	-	(343,371)	(346,437)
Investment in library collection	-	395,096	419,594
Reserves	-	392,907	293,821
Unfunded employee benefit obligations	-	(21,912)	(20,815)
	\$ -	\$ 422,720	\$ 346,163

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Tangible Capital Assets - Schedule 2

For the Year Ended December 31, 2021

	2021							
	Land	Land improvements	Buildings	Machinery, equipment, furniture, fixtures and computers	Vehicles	Linear assets	Construction in process	Total
Cost								
Beginning of year	\$ 18,931,537	\$ 5,673,216	\$ 47,470,980	\$ 8,816,728	\$ 6,367,497	\$129,653,001	\$ 5,670,467	\$222,583,426
Add additions	105,009	355,754	29,970	315,179	342,803	6,377,781	3,538,763	11,065,259
Add contributed tangible capital assets	-	938,581	-	-	-	4,837,315	-	5,775,896
Less construction in process capitalized	-	-	-	-	-	-	(5,405,091)	(5,405,091)
Less disposals during the year	-	-	-	-	(226,066)	(17,160)	-	(243,226)
End of year	19,036,546	6,967,551	47,500,950	9,131,907	6,484,234	140,850,937	3,804,139	233,776,264
Accumulated amortization								
Beginning of year	-	1,881,412	6,371,708	5,702,438	4,888,385	68,889,821	-	87,733,764
Add amortization during the year	-	306,641	1,309,587	557,708	295,975	3,343,043	-	5,812,954
Less amortization on disposals	-	-	-	-	(219,117)	(17,159)	-	(236,276)
End of year	-	2,188,053	7,681,295	6,260,146	4,965,243	72,215,705	-	93,310,442
Net book value	\$ 19,036,546	\$ 4,779,498	\$ 39,819,655	\$ 2,871,761	\$ 1,518,991	\$ 68,635,232	\$ 3,804,139	\$140,465,822

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Tangible Capital Assets - Schedule 2

For the Year Ended December 31, 2021

2020								
	Land	Land improvements	Buildings	Machinery, equipment, furniture, fixtures and computers	Vehicles	Linear assets	Construction in process	Total
Cost								
Beginning of year	\$ 19,045,733	\$ 4,787,107	\$ 48,468,059	\$ 8,564,725	\$ 6,393,396	\$125,419,886	\$ 3,487,208	\$216,166,114
Add additions	-	477,682	195	267,695	-	1,017,975	3,300,818	5,064,365
Add contributed tangible capital assets	16,208	861,560	-	-	-	3,215,140	-	4,092,908
Add transfer from assets held for sale	9,593	-	-	-	-	-	-	9,593
Less construction in process capitalized	-	-	-	-	-	-	(1,117,559)	(1,117,559)
Less disposals during the year	(139,997)	(453,133)	(997,274)	(15,692)	(25,899)	-	-	(1,631,995)
End of year	18,931,537	5,673,216	47,470,980	8,816,728	6,367,497	129,653,001	5,670,467	222,583,426
Accumulated amortization								
Beginning of year	-	1,735,235	6,060,930	5,150,134	4,601,761	65,638,994	-	83,187,054
Add amortization during the year	-	242,585	1,308,063	567,984	311,768	3,250,827	-	5,681,227
Less amortization on disposals	-	(96,408)	(997,285)	(15,680)	(25,144)	-	-	(1,134,517)
End of year	-	1,881,412	6,371,708	5,702,438	4,888,385	68,889,821	-	87,733,764
Net book value	\$ 18,931,537	\$ 3,791,804	\$ 41,099,272	\$ 3,114,290	\$ 1,479,112	\$ 60,763,180	\$ 5,670,467	\$134,849,662

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Segment Operations - Schedule 3

For the Year Ended December 31, 2021

	2021							
	General government	Protection services	Transportation services	Environmental services	Health services	Recreation and cultural services	Planning and development	Total
Revenue								
Taxation	\$ 8,781,604	\$ 1,045,113	\$ 772,029	\$ -	\$ 2,470	\$ 5,334,653	\$ 284,543	\$ 16,220,412
User charges	37,995	979,562	57,354	5,845,247	34,455	758,707	252,324	7,965,644
Grants	678,797	14,800	3,452,720	45,000	-	235,976	8,256	4,435,549
Contributions from developers	-	91,381	1,445,723	215,556	-	81,300	82,419	1,916,379
Contributed tangible capital assets	5,775,896	-	-	-	-	-	-	5,775,896
Other	404,810	88,898	271,134	50,498	70,403	304,633	11,496	1,201,872
Equity earnings in subsidiary	142,153	-	-	-	-	-	-	142,153
Gain (loss) on disposal of tangible capital assets and assets held for sale	5,360	-	8,226	-	-	-	-	13,586
Total revenues	15,826,615	2,219,754	6,007,186	6,156,301	107,328	6,715,269	639,038	37,671,491
Expenses								
Salaries and wages	2,083,628	1,454,562	1,095,600	1,350,518	79,617	2,661,084	486,084	9,211,093
Long term debt interest	-	28,747	139,674	14,219	-	734,184	7,456	924,280
Materials	914,974	161,866	627,313	341,414	4,928	1,004,898	24,351	3,079,744
Contracted services	1,046,744	202,846	1,372,700	2,887,208	11,247	654,857	53,232	6,228,834
Rents & financials	23,520	-	116,376	-	-	2,919	-	142,815
External transfers to others	32,850	-	-	-	-	2,500	-	35,350
Amortization of tangible assets	98,927	371,733	2,655,523	952,493	11,536	1,654,827	67,915	5,812,954
	4,200,643	2,219,754	6,007,186	5,545,852	107,328	6,715,269	639,038	25,435,070
Annual surplus	\$ 11,625,972	\$ -	\$ -	\$ 610,449	\$ -	\$ -	\$ -	\$ 12,236,421

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Segment Operations - Schedule 3

For the Year Ended December 31, 2021

	2020							
	General government	Protection services	Transportation services	Environmental services	Health services	Recreation and cultural services	Planning and development	Total
Revenue								
Taxation	\$ 9,000,918	\$ 1,311,610	\$ 2,079,866	\$ -	\$ 2,043	\$ 3,132,902	\$ 197,296	\$ 15,724,635
User charges	29,101	647,257	30,736	5,304,335	27,023	828,621	301,678	7,168,751
Grants	1,794,349	10,100	2,140,374	-	-	141,867	23,889	4,110,579
Contributions from developers	-	34,009	1,366,831	334,492	-	278,462	69,423	2,083,217
Contributed tangible capital assets	4,092,908	-	-	-	-	-	-	4,092,908
Other	295,806	53,477	331,433	42,320	87,986	74,018	5,168	890,208
Equity earnings in subsidiary	99,113	-	-	-	-	-	-	99,113
Gain on disposal of tangible capital assets and assets held for sale	4,498,200	-	(19,772)	(14,747)	-	1,945,112	(14,653)	6,394,140
Total revenues	19,810,395	2,056,453	5,929,468	5,666,400	117,052	6,400,982	582,801	40,563,551
Expenses								
Salaries and wages	1,903,169	1,257,830	1,127,859	1,234,730	86,318	2,514,028	492,428	8,616,362
Long term debt interest	-	34,660	172,877	20,146	-	692,924	8,634	929,241
Materials	1,139,892	198,453	629,336	316,971	4,995	915,634	27,687	3,232,968
Contracted services	770,204	168,299	1,291,081	2,833,288	14,204	565,076	10,482	5,652,634
Rents & financials	22,953	-	104,665	-	-	69,009	-	196,627
External transfers to others	11,791	-	-	-	-	-	-	11,791
Amortization of tangible assets	102,165	397,211	2,603,650	878,785	11,535	1,644,311	43,570	5,681,227
	3,950,174	2,056,453	5,929,468	5,283,920	117,052	6,400,982	582,801	24,320,850
Annual surplus	\$ 15,860,221	\$ -	\$ -	\$ 382,480	\$ -	\$ -	\$ -	\$ 16,242,701

Independent Auditor's Report

To the Members of Council of the
Corporation of the Town of Pelham

Report on the Audit of the Financial Statements Opinion

We have audited the financial statements of the Corporation of the Town of Pelham Trust Funds (the "Trust Funds"), which comprise the statement of financial position as at December 31, 2021, and the statements of revenue and expenses and change in fund balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively 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 Funds as at December 31, 2021, and the results of its operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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

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 Funds 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 GAAS 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 these financial statements.

As part of an audit in accordance with Canadian GAAS, 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 represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

Chartered Professional Accountants
Licensed Public Accountants
DATE

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Statement of Financial Position

As at December 31, 2021

	Cemetery Care and Maintenance Funds	Bradshaw Estate	Library Trust Funds	Total 2021	Total 2020
Assets					
Cash	\$ 814,068	\$ 143,790	\$ 105,704	\$ 1,063,562	\$ 1,012,736
Receivables and accrued interest	415	73	-	488	321
Investments (Note 2)	-	-	19,261	19,261	17,194
Due from the Town of Pelham (Note 3)	25,015	-	-	25,015	19,295
	839,498	143,863	124,965	1,108,326	1,049,546
Liability					
Due to the Town of Pelham (Note 3)	-	-	237	237	389
Fund balance	\$ 839,498	\$ 143,863	\$ 124,728	\$ 1,108,089	\$ 1,049,157

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Statement of Revenue and Expenses and Change in Fund Balances

Year ended December 31, 2021

	Cemetery Care and Maintenance Funds	Bradshaw Estate	Library Trust Funds	Total 2021	Total 2020
Revenue					
Interest	\$ 4,823	\$ 859	\$ 1,170	\$ 6,852	\$ 17,332
Realized gain	-	-	-	-	291
Donations	-	-	28,390	28,390	22,484
Marker fees	3,600	-	-	3,600	2,900
Plot sales	26,238	-	-	26,238	30,830
	34,661	859	29,560	65,080	73,837
Expenses					
Purchase of equipment, books, periodicals and misc	-	-	1,325	1,325	1,923
Maintenance	4,823	-	-	4,823	14,435
	4,823	-	1,325	6,148	16,358
Excess of revenues over expenses	29,838	859	28,235	58,932	57,479
Fund balance, beginning of year	809,660	143,004	96,493	1,049,157	991,678
Fund balance, end of year	\$ 839,498	\$ 143,863	\$ 124,728	\$ 1,108,089	\$ 1,049,157

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Notes to the Financial Statements

December 31, 2021

1. Accounting policies

The financial statements of the Corporation of the Town of Pelham Trust Funds are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. Significant aspects of the accounting policies adopted are as follows:

(a) Basis of accounting

Sources of revenue and expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable.

(b) Investments

Investments are recorded at cost.

(c) Financial instruments

Cash, due to Town of Pelham and due from the Town of Pelham are recorded at amortized cost.

(d) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 amount of revenues and expenses during the period. Actual results could differ from those estimates.

2. Investments

The total for investments by the trust funds of \$19,261 (2020 - \$17,194) reported on the statement of financial position at cost, have a market value of \$19,261 (2020 - \$17,194) at the end of the year.

3. Due to/from Town of Pelham

The amounts due to/from the Town of Pelham are unsecured, interest bearing with no specific terms of repayment.

4. Statement of cash flows

A statement of cash flows has not been provided as the related information is readily determinable from the financial statements presented.