

Consolidated Financial Statements of

CORPORATION OF THE TOWN OF PELHAM

December 31, 2024

CORPORATION OF THE TOWN OF PELHAM

December 31, 2024

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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, 2023, 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, 2023, 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.

Deloitte LLP

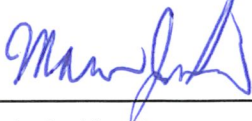
Chartered Professional Accountants
Licensed Public Accountants
June 18, 2025

CORPORATION OF THE TOWN OF PELHAM

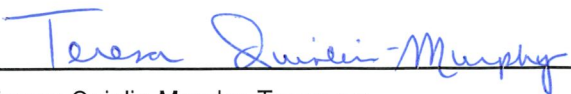
Consolidated Statement of Financial Position
December 31, 2024

	2024	2023
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 23,952,861	\$ 18,721,011
Taxes receivable	2,443,904	2,257,197
User charges receivable	1,295,769	1,053,566
Accounts receivable	4,630,387	5,112,629
Investment in subsidiary (Note 3)	5,919,525	5,731,360
	38,242,446	32,875,763
LIABILITIES		
Accounts payable and accrued liabilities	8,489,585	7,159,167
Other liabilities	2,602,236	2,262,765
Deposits and deferred revenue	570,187	307,707
Deferred revenue - obligatory reserve funds (Note 5)	8,771,901	6,119,335
Long-term debt (Note 6)	24,274,670	26,497,388
Employee benefit obligations (Note 7)	860,585	519,252
	45,569,164	42,865,614
Contingencies (Note 18)		
Net debt	(7,326,718)	(9,989,851)
NON FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	160,606,323	155,327,877
Prepaid expenses	483,130	109,714
	161,089,453	155,437,591
Accumulated surplus (Note 8)	\$ 153,762,735	\$ 145,447,740

Signed on behalf of the Town:



Marvin Junkin, Mayor

Teresa Quinlin-Murphy, 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, 2024

	Budget 2024 (Note 15)	Actual 2024	Actual 2023
REVENUE			
Taxation (Note 10)	\$ 19,693,612	\$ 19,835,212	\$ 18,822,144
User charges (Note 11)	9,588,844	10,281,436	9,431,171
Grants (Note 13)	6,724,017	3,848,404	4,332,472
Contributions from developers	3,900,016	1,545,982	3,806,942
Contributed tangible capital assets	-	1,533,355	578,758
Other (Note 14)	1,290,460	2,679,683	2,343,948
Equity earnings in subsidiary (Note 3)	-	283,535	164,718
Gain (loss) on disposal of assets and assets held for sale	-	11,355	(224,003)
	41,196,949	40,018,962	39,256,150
EXPENSES			
General government	5,247,497	5,680,469	5,045,161
Protection to persons and property	2,471,439	2,783,077	2,426,825
Transportation services	6,574,423	6,362,028	6,334,428
Environmental services	7,278,781	7,107,408	6,741,763
Health services	143,717	118,539	138,704
Recreation and culture services (Note 21)	8,790,926	8,669,302	8,424,086
Planning and development	739,033	983,142	968,900
	31,245,816	31,703,965	30,079,867
Annual surplus	9,951,133	8,314,997	9,176,283
Accumulated surplus, beginning of year	145,447,738	145,447,738	136,271,455
Accumulated surplus, end of year	\$ 155,398,871	\$ 153,762,735	\$ 145,447,738

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, 2024

	Budget 2024	Actual 2024	Actual 2023
ANNUAL SURPLUS	\$ 9,951,133	\$ 8,314,997	\$ 9,176,283
Amortization of tangible assets	6,100,000	6,223,580	5,962,892
Contributed tangible capital assets	-	(1,533,355)	(578,758)
Acquisition of tangible capital assets	(16,277,348)	(9,974,085)	(15,048,670)
(Gain) loss on disposal of tangible capital assets	-	(11,355)	224,003
Proceeds on disposal of tangible capital assets	-	16,769	216,791
	(226,215)	3,036,551	(47,459)
Acquisition of prepaid expenses	-	(527,542)	(89,107)
Use of prepaid expenses	-	154,126	648,649
	-	(373,416)	559,542
(Increase) decrease in net debt	(226,215)	2,663,135	512,083
Net debt, beginning of year	(10,501,936)	(9,989,853)	(10,501,936)
Net debt, end of year	\$ (10,728,151)	\$ (7,326,718)	\$ (9,989,853)

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, 2024

	2024	2023
OPERATING ACTIVITIES		
Annual surplus	\$ 8,314,997	\$ 9,176,283
Items not involving cash:		
Amortization of tangible assets	6,223,580	5,962,892
(Gain) loss on disposal of tangible capital assets	(11,355)	224,003
Contributed tangible capital assets	(1,533,355)	(578,758)
Net earnings from investment in subsidiary	(283,535)	(164,718)
Employment benefit obligations	341,333	(10,252)
Change in non-cash assets and liabilities:		
Taxes receivable	(186,707)	531,321
User charges receivable	(242,203)	97,187
Accounts receivable	482,242	1,682,042
Accounts payable and accrued liabilities	1,330,418	1,324,746
Other liabilities	339,471	133,678
Deferred revenue - obligatory reserve funds	2,652,566	(400,969)
Deposits and deferred revenue	262,480	(91,760)
Prepaid expenses	(373,416)	559,542
	17,316,516	18,445,237
CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	16,767	216,791
Acquisition of tangible capital assets, net of construction in process capitalized	(9,974,085)	(15,048,670)
	(9,957,318)	(14,831,879)
FINANCING ACTIVITIES		
Decrease in bank indebtedness	-	(900,000)
Dividends received from investment in subsidiary (Note 3)	95,370	92,990
Repayment of long-term debt	(2,222,718)	(2,248,376)
	(2,127,348)	(3,055,386)
Net increase in cash	5,231,850	557,972
Cash and cash equivalents, beginning of year	18,721,011	18,163,040
Cash and cash equivalents, end of year	\$ 23,952,861	\$ 18,721,011

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, 2024

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. Niagara Central Airport Commission (Joint Board)

Related party transactions are eliminated (Note 16).

ii. 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 3). 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.

iii. Lincoln Pelham Union Public Library (from March 7, 2022 onward)

Effective March 7, 2022, the Lincoln Pelham Union Public Library (LPPL) was established pursuant to and in accordance with the provisions of the *Public Libraries Act* to serve Lincoln and Pelham. The Lincoln Pelham Union Public Library board commenced operations effective January 1, 2023. This board is under the management and control of a union board as described in the *Public Libraries Act*, which is a corporation incorporated pursuant to the Non-for-Profit Corporations Act, 2010, S.O. 2010 C.15. Lincoln and Pelham are responsible for their proportionate share of the operating budget based on population. For 2024, Lincoln's portion is 58% and Pelham's portion is 42%. The library facilities will remain the responsibility and asset of the respective municipality.

These consolidated financial statements exclude trust funds that are administered for the benefit of external parties (Note 17).

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, 2024

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, 2024

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.

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.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

1. Significant accounting policies (continued)

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, 2024

1. Significant accounting policies (continued)

p. Asset Retirement Obligations

Asset Retirement Obligations (ARO) represent the legal obligations associated with the retirement of a tangible capital asset (TCA) that result from its acquisition, construction, development, or normal use. The tangible assets include but are not limited to assets in productive use, assets no longer in productive use, leased tangible capital assets.

The liability associated with an asset retirement obligation is measured with reference to the best estimate of the amount required to ultimately remediate the liability at the financial statement date to the extent that all recognition criteria are met. Asset retirement obligations are only recognized when there is a legal obligation for the Town to incur costs in relation to a specific TCA, when the past transaction or event causing the liability has already occurred, when economic benefits will need to be given up in order to remediate the liability and when a reasonable estimate of such amount can be made. The best estimate of the liability includes all costs directly attributable to the remediation of the asset retirement obligation, based on the most reliable information that is available as at the applicable reporting date. Where cash flows are expected over future periods, the liability is recognized using a present value technique.

When a liability for an asset retirement obligation is initially recognized, a corresponding adjustment to the related tangible capital asset is also recognized for underlying assets that have been recorded and reported within the TCA values presented in the financial statements. Through the passage of time in subsequent reporting periods, the carrying value of the liability is adjusted to reflect accretion expenses incurred in the current period. This expense ensures that the time value of money is considered when recognizing outstanding liabilities at each reporting date. The capitalized asset retirement cost within tangible capital assets is also simultaneously depreciated on the same basis as the underlying asset to which it relates. In circumstances when the underlying asset is fully depreciated, the ARO will be amortized over the estimated future life until the cash disbursement is made in the future to settle the obligation.

At remediation, the Town derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations. There is no impact to the Town as a result of the implementation of the ARO standard.

q. 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.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

2. Accounting Policies Adopted During the Year

PS 3400 Revenue

This standard establishes guidance on how to account for and report on revenue. Specifically, it differentiates between revenue arising from transactions that include performance obligations and transactions that do not have performance obligations.

This standard has been adopted prospectively and therefore there is no change to the comparative figures for 2023. The adoption of this standard for the Town has resulted in the deferral of \$104,467 of building permit revenue in 2024. This is shown as an increase to deposits and deferred revenues in the statement of financial position and a reduction in user charges revenue in the statement of operations. Under the previous revenue recognition practice, this amount would have been recognized as revenue in 2024 upon receipt.

Previously, the Town recognized building permit revenue in full upon receipt. Under the new standard, revenue may only be recognized to the extent that the related performance obligations have been satisfied. Accordingly, the Town conducted a review of all building permits issued in 2024 and identified permits for which all required inspections were not completed as of December 31, 2024. A proportionate amount of revenue related to these permits was deferred to future periods, consistent with the requirements of the new standard.

3. 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.:

	2024	2023
Financial position		
Current assets	\$ 1,810,169	\$ 1,771,669
Capital assets	50,753	60,351
Investment	39,818,483	38,393,827
Total assets	41,679,405	40,225,847
Current liabilities		
Accounts payable and accrued liabilities	35,929	58,599
Future payments in lieu of taxes	6,822,738	6,532,770
Total liabilities	6,858,667	6,591,369
Net assets	34,820,738	33,634,478
Town of Pelham's interest - 17%	\$ 5,919,525	\$ 5,731,360

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

3. Subsidiary operations (continued)

	2024	2023
Change in equity investment in subsidiary		
Revenues	\$ 170,819	\$ 239,524
Expenses	(118,623)	(188,833)
Payment in lieu of income taxes	(223,867)	(251,736)
Loss from operations	(171,671)	(201,045)
Gain on investment	1,424,573	1,169,972
Net earnings	1,252,902	968,927
Dividends	(561,000)	(547,000)
Net increase in equity of subsidiary	691,902	421,927
Change in equity of subsidiary - 17%	\$ 117,623	\$ 71,728

The financial position, long-term debt, capital lease and contingent liabilities information is as reported by Peninsula West Power Inc. at December 31, 2024 and the results of operations is as reported for the year ended December 31, 2024. The comparative financial position and results of operations figures are as reported by Peninsula West Power Inc. at December 31, 2023.

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.

	2024	2023
Electricity purchased	\$ -	\$ 44,377
Administration expense	-	6,360
	\$ -	\$ 50,737

4. Line of Credit

The Town has an authorized revolving line of credit of \$11,500,000 (2023 - \$11,500,000) at prime minus 0.25%, of which \$11,500,000 (2023 - \$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.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

5. 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	2024 Total	2023 Total
Balance, beginning of year	\$ 4,424,119	\$ 1,049,794	\$ 553,679	\$ 64,558	\$ 27,185	\$ 6,119,335	\$ 6,520,304
Restricted funds received	4,497,711	579,059	580,412	-	754,783	6,411,965	4,509,850
Interest earned	77,422	55,228	20,177	3,222	5,375	161,424	173,289
Collection of receivable	-	(622,468)	-	-	-	(622,468)	(196,942)
Revenue recognized	(1,519,103)	-	(1,062,574)	-	(716,678)	(3,298,355)	(4,887,166)
Library Revenue recognized	(26,879)	-	-	-	-	(26,879)	-
Balance, end of year	\$ 7,453,270	\$ 1,061,613	\$ 91,694	\$ 67,780	\$ 70,665	\$ 8,745,022	\$ 6,119,335

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

6. 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:

	2024	2023
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	\$ 24,274,670	\$ 26,497,388

- (b) The net long-term debt:

Debenture number	Purpose	Interest rates	Maturity dates	2024	2023
78-2014	Pelham St & Fire Stn #2	1.20% to 3.30%	2024	\$ -	\$ 199,471
75-2015	Fire Stn #3 & Pt Robinson	1.94%	2025	366,000	722,000
35-2016	Fenwick & Pt Robinson	1.20% to 2.40%	2026	1,234,069	1,831,272
72-2016	Meridian Community Centre	3.34%	2046	7,449,219	7,675,530
55-2017	Meridian Community Centre	3.22%	2047	10,246,168	10,543,098
59-2019	East Fonthill Roads	2.40%	2029	2,114,949	2,510,963
58-2020	Meridian Community Centre	1.98%	2040	2,864,265	3,015,054
				\$ 24,274,670	\$ 26,497,388

- (c) Principal repayments due in each of the next 5 years and thereafter are as follows:

2025	\$ 2,074,693
2026	1,752,359
2027	1,159,134
2028	1,191,275
2029	1,224,500
Thereafter	16,872,709
	\$ 24,274,670

The Town paid \$749,355 (2023 - \$862,053) 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, 2024

7. 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	4.00%
	end of year	4.00%
Medical cost increases	ultimate trend rate	7.00%

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:

	2024	2023
Current service cost	\$ 337,884	\$ (13,858)
Interest on post-employment benefit liability	20,259	21,180
Total expense related to post-employment benefits	\$ 358,143	\$ 7,322

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 \$20,733 (2023 - \$30,343).

Pension agreement

The Town makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 107 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 2024 with a funding deficit of \$2.9 billion (2023 - \$4.2 billion). The funded ratio increased to 98% in 2024, up from 97% in 2023. The primary reason for the increase in funded ratio is due to net return of 8.3% (\$10.6 billion). The amount the Town contributed to OMERS for 2024 was \$756,909 (2023 - \$666,913) 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, 2024

8. Accumulated surplus

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

	2024	2023
Surplus (deficit)		
Town	\$ 1,631,610	\$ 1,559,003
Library (Note 21)	49,138	(26,327)
Niagara Central Airport Commission (Note 16)	(127,151)	(116,864)
	1,553,597	1,415,812
Investment in tangible capital assets (Schedule 2)	160,606,323	155,327,877
Investment in subsidiary	5,919,525	5,731,360
Unfunded		
Long-term debt	(24,274,670)	(26,497,388)
Employee benefit obligations	(860,585)	(519,252)
	(25,135,255)	(27,016,640)
Reserves and reserve funds (Note 9)	10,818,545	9,989,329
	\$ 153,762,735	\$ 145,447,738

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

9. Reserves and reserve funds

	2024	2023
Reserves and reserve funds set aside for specific purposes by Council		
Airport (Note 16)	\$ 28,357	\$ 28,357
Building department	1,645,608	2,009,400
Cemetery	295,750	250,692
Community improvement plan	256,496	270,566
Elections	98,170	55,523
Fire equipment	145,840	965,664
Fleet	1,639,952	1,585,471
Human resource capacity building	364,116	543,935
Information technology	147,175	12,129
Land acquisition	(390,296)	(537,296)
Library	232,842	251,034
Meridian Community Centre	141,406	393,340
Municipal building facility	310,066	63,771
Municipal drainage	91,360	71,860
Parks and recreation	338,916	156,244
Physician recruitment	27,705	27,705
Planning	235,811	271,572
Roads	2,039,953	1,310,218
Volunteer firefighter life insurance	62,500	50,000
Wastewater	1,911,330	1,948,702
Water	281,767	(172,648)
Invasive Species Management Reserve	240,000	120,000
Insurance and Claims	114,911	-
Debt Repayment	150,350	-
Working capital	408,460	313,090
	\$ 10,818,545	\$ 9,989,329

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

10. Taxation

	Budget 2024 (Note 15)	Actual 2024	Actual 2023
Taxation - real property	\$ 47,954,913	\$ 49,347,886	\$ 46,868,189
Payments in lieu of taxes	300,000	305,551	304,559
	48,254,913	49,653,437	47,172,748
Less: taxation collected on behalf of			
Region of Niagara	23,545,626	24,078,114	22,690,912
School boards	5,615,671	5,740,111	5,659,692
	29,161,297	29,818,225	28,350,604
Net taxes available for municipal purposes	19,093,616	19,835,212	18,822,144
Residential and farm	-	18,069,073	17,173,436
Multi-residential	-	232,887	221,186
Commercial	-	1,425,975	1,356,023
Industrial	-	107,277	71,499
	\$ -	\$ 19,835,212	\$ 18,822,144

11. User charges

	Budget 2024 (Note 15)	Actual 2024	Actual 2023
Operating			
Fees and service charges	\$ 1,777,847	\$ 2,312,236	\$ 1,927,630
Water charges	4,000,046	4,050,820	3,783,431
Sewer charges	3,275,901	3,334,510	2,970,282
Licenses and permits	535,050	583,870	749,828
	\$ 9,588,844	\$ 10,281,436	\$ 9,431,171

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

12. 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:

	2024	2023
Region of Niagara	\$ 31,175,727	\$ 25,987,785
School boards	5,740,111	5,659,692
	\$ 36,915,838	\$ 31,647,477

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.

13. Grants

	Budget 2024 (Note 15)	Actual 2024	Actual 2023
Operating			
Government of Canada	\$ 15,000	\$ 65,068	\$ 68,095
Province of Ontario	223,900	356,541	728,122
Region of Niagara	-	-	17,388
Other	-	10,400	33,899
	238,900	432,009	847,504
Capital			
Government of Canada	4,632,800	1,845,511	1,214,261
Province of Ontario	1,852,317	1,368,715	1,577,715
Region of Niagara	-	192,169	692,992
Other	-	10,000	-
	6,485,117	3,416,395	3,484,968
	\$ 6,724,017	\$ 3,848,404	\$ 4,332,472

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

14. Other revenue

	Budget 2024 (Note 15)	Actual 2024	Actual 2023
Operating			
Penalties and interest on taxes	\$ 308,000	\$ 414,831	\$ 446,537
Investment income	533,000	991,608	1,108,607
Fines and other penalties	22,500	65,257	50,455
Other	426,960	672,523	545,628
	1,290,460	2,144,219	2,151,227
Capital			
Donations	-	123,858	192,721
Other	-	411,606	-
	-	535,464	192,721
	\$ 1,290,460	\$ 2,679,683	\$ 2,343,948

15. Budget amounts

The operating and tax rate supported budgets were approved by Council on December 20, 2023 to establish the tax rates for the year. In addition, the tax rate supported capital budget was also approved by Council on December 20, 2023 and the water and wastewater operating budgets were approved by Council on February 21, 2024.

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.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

15. Budget amounts (continued)

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

	Budget Amount
Revenues	
Approved operating budget	\$ 23,950,116
Approved water and wastewater budget	7,316,947
Approved library budget - other than Town contribution	87,470
Add capital:	
Development charges	3,900,017
Federal Gas Tax	1,066,800
Ontario Community Infrastructure Fund	711,000
Other grants	4,671,000
	10,348,817
Less:	
Transfers from reserves - operating	(506,401)
	(506,401)
Total revenues	41,196,949
Expenses	
Approved operating budget	23,950,116
Approved water and wastewater budget	7,316,947
Approved library operating budget	991,751
Add:	
Amortization	6,100,000
Employee future benefits	130,000
Estimated capital budget items expense in nature	830,000
Debt interest payments - development charges	362,340
	7,422,340
Less:	
Debt principal payments (development charge excluded)	(1,359,590)
Town contribution to library	(904,281)
Transfers to reserves, including capital	(6,171,467)
	(8,435,338)
Total expenses	31,245,816
Annual surplus	\$ 9,951,133

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

16. 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%.

	2024	2023
Financial assets		
Cash and temporary investments	\$ 214,367	\$ 341,980
Receivables	36,497	23,927
	250,864	365,907
Liabilities		
Accounts payable and accrued liabilities	68,221	27,402
Loans payable and capital lease liability	728,744	810,549
Asset retirement obligation	42,367	41,940
	839,332	879,891
Net debt	(588,468)	(513,984)
Non-financial assets		
Prepaid expenses	20,580	15,492
Fuel inventory	19,035	6,785
Tangible capital assets	2,074,826	2,131,101
	2,114,441	2,153,378
Accumulated surplus	1,525,973	1,639,394
Accumulated surplus		
Operating deficit	(656,553)	(591,152)
Reserves	157,539	157,539
Investment in tangible capital assets	2,024,987	2,073,007
	1,525,973	1,639,394
Revenues		
Grants	172,000	154,770
Fuel and rentals	211,195	117,042
Other	49,686	50,116
Expenses	(546,302)	(312,042)
Annual (deficit) surplus	\$ (113,421)	\$ 9,886

The financial position information is as reported by the Niagara Central Airport Commission as at December 31, 2024 and the results of operations are as reported for the year ended December 31, 2024.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

16. 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.

		2024		2023
Grants	\$	31,023	\$	25,356
Donations	\$	2,933	\$	2,493

17. Trust funds

Trust funds administered by the Town amounting to \$1,105,822 (2023 - \$1,054,574) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

18. 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.

19. Financial instruments

The Town's financial instruments consist of cash and cash equivalents, user charges and accounts receivable, 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.

Establishing fair value

The fair value of guarantees and letters of credit are based on fees currently charged for similar agreements or on the estimated cost to terminate them or otherwise settle the obligations with the counterparties at the reported borrowing date. In situations in which there is no market for these guarantees, and they were issued without explicit costs, it is not practicable to determine their fair value with sufficient reliability (if applicable).

Fair value hierarchy

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which fair value is observable:

Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

19. Financial instruments (continued)

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist.

A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

20. 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 to persons and property.

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

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

21. Lincoln Pelham Public Library

The Lincoln Pelham Union Public Library board is established on March 7 2022 by the Town's of Lincoln and Pelham to in accordance with the provisions of the Public Libraries Act to serve the Town's of Lincoln and Pelham. The new library board commenced operations on January 1, 2023. The proportions of local operating support to be contributed by the Councils of Lincoln and Pelham is be based on 2016 census data. For 2024, the Town of Pelham's proportionate share of local support to the Library Board is 42%.

	2024	2023
Financial assets		
Cash and temporary investments	\$ 839,292	\$ 239,543
Receivables	232,399	673,944
	1,071,691	913,487
Liabilities		
Accounts payable and accrued liabilities	117,368	181,437
Post-retirement benefit liability	87,978	83,894
Deferred revenue	199,161	25,000
Net financial assets	667,184	623,156
Non-financial assets		
Prepaid expenses	4,196	-
Tangible capital assets	747,788	778,299
	751,984	778,299
Accumulated Surplus	1,419,168	1,401,455
Accumulated surplus		
Operating deficit	(178,383)	(185,145)
Library Trust	295,378	210,600
Reserves	554,385	597,701
Investment in tangible capital assets	747,788	778,299
	1,419,168	1,401,455
Revenues		
Municipal Grants	2,153,053	2,066,044
Provincial Grants	80,825	84,216
Fees, fines, rentals and sales	31,651	31,918
Deferred revenue earned	63,995	84,695
Trust Fund Donations	131,308	99,984
Other revenue	67,078	49,537
Transfer from Towns	-	1,496,770

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2024

21. Lincoln Pelham Public Library (continued)

	2024	2023
Total Revenue	2,527,910	3,913,164
Expenses		
Staffing Cost	2,025,654	1,950,599
Materials and Supplies	259,595	310,619
Contracted Services	63,095	67,950
Amortization of tangible capital assets	161,853	182,541
Total Expenses	2,510,197	2,511,709
Annual surplus	17,713	1,401,455
Accumulated surplus, beginning of the year	1,401,455	-
Accumulated surplus, end of year	\$ 1,419,168	\$ 1,401,455

The financial position information is as reported by the Lincoln Pelham Public Library as at December 31, 2024 and the results of operations are as reported for the year ended December 31, 2024.

The Town has recorded in the financial statements its 42% share of Lincoln Pelham Public Library's assets, liabilities, accumulated surplus, revenues, expenses, and annual surplus.

The following summarizes the Town's related party transactions with the Lincoln Pelham Public Library 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.

	2024
Municipal Grant - From Pelham to Library	\$ 914,284
	\$ 914,284

The net impact of a \$87,938 restatement in the 2023 comparative figures in the Lincoln Pelham Public Library financial statements was recorded as a decrease in 2024 recreation and culture services expenses in the consolidated statement of operations in the Town's 2024 financial statements.

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Tangible Capital Assets - Schedule 1
For the Year Ended December 31, 2024

	2024							
	Land	Land improvements	Buildings	Machinery, equipment, furniture, fixtures and computers	Vehicles	Linear assets	Construction in process	Total
Cost								
Beginning of year	\$ 18,912,896	\$ 8,301,254	\$ 49,837,241	\$ 8,599,169	\$ 6,645,550	\$150,228,155	\$ 14,422,082	\$256,946,347
Add additions	-	595,021	485,530	948,713	1,854,415	16,939,901	2,689,554	23,513,134
Add contributed tangible capital assets	-	202,280	-	16,342	-	1,314,733	-	1,533,355
Less construction in process capitalized	-	-	-	-	-	-	(13,589,970)	(13,589,970)
Less disposals during the year	-	-	-	(10,679)	(88,113)	-	-	(98,792)
End of year	18,912,896	9,098,555	50,322,771	9,553,545	8,411,852	168,482,789	3,521,666	268,304,074
Accumulated amortization								
Beginning of year	-	2,951,469	10,320,677	4,616,063	4,612,762	79,066,578	-	101,567,549
Add amortization during the year	-	406,491	1,351,066	635,905	296,553	3,533,565	-	6,223,580
Less amortization on disposals	-	-	-	(10,293)	(83,085)	-	-	(93,378)
End of year	-	3,357,960	11,671,743	5,241,675	4,826,230	82,600,143	-	107,697,751
Net book value	\$ 18,912,896	\$ 5,740,595	\$ 38,651,028	\$ 4,311,870	\$ 3,585,622	\$ 85,882,646	\$ 3,521,666	\$160,606,323

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Tangible Capital Assets - Schedule 1
For the Year Ended December 31, 2024

								2023
	Land	Land improvements	Buildings	Machinery, equipment, fixtures and computers	Vehicles	Linear assets	Construction in process	Total
Cost								
Beginning of year	\$ 18,912,896	\$ 7,902,583	\$ 47,519,694	\$ 10,128,913	\$ 5,705,568	\$147,097,516	\$ 7,278,702	\$244,545,872
Add library additions	-	-	-	338,897	-	-	-	338,897
Add additions	-	294,519	2,317,547	1,285,667	998,892	2,669,768	11,351,736	18,918,129
Add contributed tangible capital assets	-	104,152	-	13,735	-	460,871	-	578,758
Less construction in process capitalized	-	-	-	-	-	-	(4,208,356)	(4,208,356)
Less disposals during the year	-	-	-	(3,218,964)	(58,910)	-	-	(3,277,874)
End of year	18,912,896	8,301,254	49,837,241	8,548,248	6,645,550	150,228,155	14,422,082	256,895,426
Accumulated amortization								
Beginning of year	-	2,555,993	8,992,683	6,806,666	4,442,743	75,643,652	-	98,441,737
Add amortization during the year	-	395,476	1,327,994	588,433	228,063	3,422,926	-	5,962,892
Less amortization on disposals	-	-	-	(2,779,036)	(58,044)	-	-	(2,837,080)
End of year	-	2,951,469	10,320,677	4,616,063	4,612,762	79,066,578	-	101,567,549
Net book value	\$ 18,912,896	\$ 5,349,785	\$ 39,516,564	\$ 3,932,185	\$ 2,032,788	\$ 71,161,577	\$ 14,422,082	\$155,327,877

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Segment Operations - Schedule 2
For the Year Ended December 31, 2024

	2024							
	General government	Protection services	Transportation services	Environmental services	Health services	Recreation and cultural services	Planning and development	Total
Revenue								
Taxation	\$ 631,202	\$ 2,726,970	\$ 7,647,382	\$ -	\$ -	\$ 7,846,516	\$ 983,142	\$ 19,835,212
User charges	75,530	595,202	69,312	7,385,330	46,775	1,704,197	405,090	10,281,436
Grants	118,578	50,798	2,063,940	1,354,607	-	195,481	65,000	3,848,404
Contributions from developers	-	-	1,177,605	186,866	-	81,705	99,806	1,545,982
Contributed tangible capital assets	1,517,013	-	-	-	-	16,342	-	1,533,355
Other	1,202,793	148,276	627,957	130,668	130,610	426,440	12,939	2,679,683
Equity earnings in subsidiary	283,535	-	-	-	-	-	-	283,535
Gain on disposal of assets and assets held for sale	11,355	-	-	-	-	-	-	11,355
Total revenues	3,840,006	3,521,246	11,586,196	9,057,471	177,385	10,270,681	1,565,977	40,018,962
Expenses								
Salaries and wages	3,274,586	1,998,226	1,372,848	1,694,717	83,099	4,000,381	824,830	13,248,687
Long term debt interest	-	8,211	74,526	782	-	661,231	4,605	749,355
Materials	1,202,841	221,548	868,638	385,317	21,335	1,379,916	13,294	4,092,889
Contracted services	893,901	195,311	1,286,799	3,917,708	1,679	878,411	72,498	7,246,307
Rents & financials	53,223	-	18,769	-	-	-	-	71,992
External transfers to others	68,355	-	-	-	-	2,800	-	71,155
Amortization of tangible assets	187,563	359,781	2,740,448	1,108,884	12,426	1,746,563	67,915	6,223,580
	5,680,469	2,783,077	6,362,028	7,107,408	118,539	8,669,302	983,142	31,703,965
Annual (deficit) surplus	\$ (1,840,463)	\$ 738,169	\$ 5,224,168	\$ 1,950,063	\$ 58,846	\$ 1,601,379	\$ 582,835	\$ 8,314,997

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Segment Operations - Schedule 2
For the Year Ended December 31, 2024

	2023							
	General government	Protection services	Transportation services	Environmental services	Health services	Recreation and cultural services	Planning and development	Total
Revenue								
Taxation	\$ 10,038,834	\$ 1,515,030	\$ 1,093,219	\$ -	\$ -	\$ 5,535,059	\$ 640,002	\$ 18,822,144
User charges	74,050	762,347	51,432	6,753,713	42,768	1,579,708	167,153	9,431,171
Grants	213,576	32,217	2,862,179	733,910	-	406,114	84,476	4,332,472
Contributions from developers	-	-	2,150,846	1,058,495	-	528,357	69,244	3,806,942
Contributed tangible capital assets	565,023	-	-	-	-	13,735	-	578,758
Other	1,403,961	117,231	176,752	172,145	104,721	361,113	8,025	2,343,948
Equity earnings in subsidiary	164,718	-	-	-	-	-	-	164,718
(Loss) on disposal of assets and assets held for sale	(224,003)	-	-	-	-	-	-	(224,003)
Total revenues	12,236,159	2,426,825	6,334,428	8,718,263	147,489	8,424,086	968,900	39,256,150
Expenses								
Salaries and wages	2,666,858	1,657,910	1,220,370	1,540,050	93,169	3,529,828	569,510	11,277,695
Long term debt interest	-	15,159	139,484	4,804	-	698,055	4,551	862,053
Materials	1,360,030	240,575	766,126	441,421	26,819	1,560,086	84,159	4,479,216
Contracted services	776,417	236,820	1,440,041	3,705,843	7,180	409,607	242,765	6,818,673
Rents & financials	68,027	-	92,407	-	-	1,566	-	162,000
External transfers to others	33,923	-	-	-	-	483,415	-	517,338
Amortization of tangible assets	139,906	276,361	2,676,000	1,049,645	11,536	1,741,529	67,915	5,962,892
	5,045,161	2,426,825	6,334,428	6,741,763	138,704	8,424,086	968,900	30,079,867
Annual (deficit) surplus	\$ 7,190,998	\$ -	\$ -	\$ 1,976,500	\$ 8,785	\$ -	\$ -	\$ 9,176,283



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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 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, 2023, 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, 2023, 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 18, 2025

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Statement of Financial Position

As at December 31, 2024

	Cemetery Care and Maintenance Funds	Bradshaw Estate	Total 2024	Total 2023
Assets				
Cash	\$ 960,166	\$ 162,105	\$ 1,122,271	\$ 1,053,578
Receivables and accrued interest	3,082	520	3,602	4,784
	963,248	162,625	1,125,873	1,058,362
Liability				
Due to the Town of Pelham (Note 2)	20,051	-	20,051	3,788
Fund balance	\$ 943,197	\$ 162,625	\$ 1,105,822	\$ 1,054,574

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Statement of Revenue and Expenses and Change in Fund Balances

Year ended December 31, 2024

	Cemetery Care and Maintenance Funds	Bradshaw Estate	Total 2024	Total 2023
Revenue				
Interest	\$ 45,971	\$ 7,770	\$ 53,741	\$ 52,412
Marker fees	8,400	-	8,400	7,150
Plot sales	35,078	-	35,078	20,035
	89,449	7,770	97,219	79,597
Expenses				
Transfer of assets and liabilities to Lincoln Pelham Public Library	-	-	-	168,475
Maintenance	45,971	-	45,971	44,743
	45,971	-	45,971	213,218
Excess of revenue over expenses (expenses over revenue)	43,478	7,770	51,248	(133,621)
Fund balance, beginning of year	899,719	154,855	1,054,574	1,188,195
Fund balance, end of year	\$ 943,197	\$ 162,625	\$ 1,105,822	\$ 1,054,574

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Notes to the Financial Statements

December 31, 2024

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. 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.

3. 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.