

Consolidated financial statements of

Corporation of the Town of Pelham

December 31, 2015

Corporation of the Town of Pelham

December 31, 2015

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Independent Auditor's Report

To the Members of Council, and the Citizens of the Corporation of the Town of Pelham

We have audited the accompanying consolidated financial statements of the Corporation of the Town of Pelham, which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Corporation of the Town of Pelham as at December 31, 2015, and the results of its operations, change in its net debt and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 6, 2016

Corporation of the Town of Pelham

Consolidated statement of operations year ended December 31, 2015

	Budget 2015 (Note 15) \$	Actual 2015 \$	Actual 2014 \$
Revenue			
Taxation (Note 10)	10,442,069	10,561,790	10,173,440
User charges (Note 11)	5,180,440	4,936,058	4,971,870
Grants (Note 13)	584,456	313,433	586,563
Contributions from developers	525,626	896,845	1,286,982
Other (Note 14)	857,622	762,968	857,578
Equity earnings (loss) in subsidiary (Note 3)	-	116,718	54,434
Loss on disposal of tangible capital assets	-	(289,270)	(208,478)
	17,590,213	17,298,542	17,722,389
Expenses			
General government	2,818,425	2,706,059	2,863,720
Protection to persons and property	1,802,721	1,660,147	1,690,161
Transportation services	6,275,029	6,136,269	6,100,292
Environmental services	4,179,149	4,280,855	4,555,211
Health services	148,000	105,322	134,782
Recreation and culture services	2,009,354	2,041,296	2,435,808
Planning and development	357,535	535,302	483,013
	17,590,213	17,465,250	18,262,987
Annual deficit	-	(166,708)	(540,598)
Accumulated surplus, beginning of year	84,466,435	84,466,435	85,007,033
Accumulated surplus, end of year	84,466,435	84,299,727	84,466,435

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 as at December 31, 2015

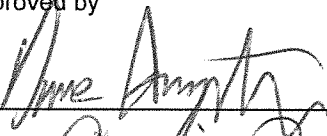
	Budget 2015 (Note 15)	Actual 2015	Actual 2014
	\$	\$	\$
Annual deficit	-	(166,708)	(540,598)
Amortization of tangible capital assets	4,751,449	4,515,944	4,337,310
Acquisition of tangible capital assets	(6,538,185)	(6,277,712)	(9,416,645)
Loss on disposal of tangible capital assets	-	289,270	208,478
Proceeds on disposal of tangible capital assets	-	159	9,142
	(1,786,736)	(1,639,047)	(5,402,313)
Acquisition of other assets	-	(182,665)	(59,694)
Use of other assets	-	58,591	292,805
	-	(124,074)	233,111
Increase in net debt	(1,786,736)	(1,763,121)	(5,169,202)
Net debt, beginning of year	(7,463,079)	(7,463,079)	(2,293,877)
Net debt, end of year	(9,249,815)	(9,226,200)	(7,463,079)

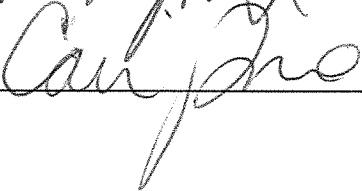
The accompanying notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Corporation of the Town of Pelham
 Consolidated statement of financial position
 as at December 31, 2015

	2015	2014
	\$	\$
Financial assets		
Cash	554,430	473,272
Taxes receivable	2,306,587	2,112,912
User charges receivable	579,200	576,572
Accounts receivable	942,057	932,496
Investment in subsidiary (Note 3)	5,253,882	5,137,164
	9,636,156	9,232,416
Liabilities		
Bank indebtedness (Note 4)	3,350,000	3,200,000
Accounts payable and accrued liabilities	3,738,556	4,618,505
Other liabilities	971,712	844,959
Due to Perpetual Care Trust Fund	-	638,843
Deferred revenue (Note 5)	2,090,187	1,214,840
Long-term debt (Note 6)	8,395,372	5,897,839
Employee benefit obligations (Note 7)	316,529	280,509
	18,862,356	16,695,495
Contingencies (Note 18)		
Net debt	(9,226,200)	(7,463,079)
Non-financial assets		
Tangible capital assets (Schedule 2)	93,326,714	91,854,375
Other assets	199,213	75,139
	93,525,927	91,929,514
Accumulated surplus (Note 8)	84,299,727	84,466,435

Approved by





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

as at December 31, 2015

	2015	2014
	\$	\$
Operating activities		
Annual deficit	(166,708)	(540,598)
Amortization	4,515,944	4,337,310
Loss on disposal of tangible capital assets	289,270	208,478
Net earnings from investment in subsidiary	(158,949)	(96,858)
Change in non-cash assets and liabilities		
Taxes receivable	(193,675)	201,448
User charges receivable	(2,628)	28,904
Accounts receivable	(9,561)	(64,729)
Accounts payable and accrued liabilities	(879,949)	1,951,063
Due to Perpetual Care Fund	(638,843)	638,843
Other liabilities	126,753	189,383
Deferred revenue	875,347	(681,327)
Employee benefit obligations	36,020	(41,982)
Other assets	(124,074)	233,112
	3,668,947	6,363,047
Capital activities		
Proceeds from disposal of tangible capital assets	159	9,142
Acquisition of tangible capital assets, net of construction in process capitalized	(6,277,712)	(9,416,645)
	(6,277,553)	(9,407,503)
Financing activities		
Increase in bank indebtedness	150,000	2,200,000
Dividends received from investment in subsidiary (Note 2)	42,231	42,424
Issuance of long-term debt	3,335,150	1,785,629
Repayment of long-term debt	(837,617)	(914,070)
	2,689,764	3,113,983
Net increase in cash	81,158	69,527
Cash, beginning of year	473,272	403,745
Cash, end of year	554,430	473,272

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

December 31, 2015

1. Significant accounting policies

The consolidated financial statements of the Corporation of the Town of Pelham ("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:

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:

Pelham Public Library Board

Interdepartmental and organizational transactions and balances are eliminated.

The following joint local board is proportionality consolidated:

Niagara Central Airport Commission (Joint Board)

Related party transactions are eliminated (Note 16).

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 inter-organizational transactions and balances are not eliminated.

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

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.

Deferred revenue

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.

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.

Corporation of the Town of Pelham

Notes to the consolidated financial statements

December 31, 2015

1. Significant accounting policies (continued)

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:

<u>Classification</u>	<u>Useful life</u>
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 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.

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.

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.

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.

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.

Corporation of the Town of Pelham

Notes to the consolidated financial statements

December 31, 2015

1. Significant accounting policies (continued)

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.

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 financial statements.

Development charges

Development charges, collected under the authority of Sections 33 to 35 of the Development Charges Act, 1997, are reported as deferred revenue 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.

Management estimates

The preparation of these financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates relate to accounts receivable, accrued liabilities and employee benefit obligation. Actual results could differ from those estimates.

2. Liability for Contaminated Sites

The Town has implemented Public Sector Accounting Board ("PSAB") section 3260 Liability for Contaminated Sites. Section 3260 requires governments and government organizations to record a liability in their financial statements if they have a contaminated site that meets the requirements set out in the standard. The standard defines contamination as the introduction into air, soil, water, or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The standard generally applies to sites that are not in productive use. Sites that are in productive use are only considered contaminated if there was an unexpected event that resulted in contamination. The adoption of this standard has been applied retroactively without the restatement of prior periods.

The adoption of this Standard did not have an impact on the Town's Financial Statements.

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.

These are the PWPI's first consolidated financial statements prepared in accordance with IFRS and IFRS 1 *First-time Adoption of International Financial Reporting Standards* has been applied. No difference in the financial results were identified during the transition to IFRS.

Corporation of the Town of Pelham

Notes to the consolidated financial statements

December 31, 2015

3. Subsidiary operations (continued)

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

	2015	2014
	\$	\$
Financial position		
Current assets	1,290,164	1,205,555
Capital assets	101,953	103,534
Investment	34,689,814	33,915,296
Total assets	36,081,931	35,224,385
Current liabilities		
Accounts payable	59,061	62,356
Future payments in lieu of taxes	5,123,083	4,948,824
Total liabilities	5,182,144	5,011,180
Net assets	30,899,787	30,213,205
Town of Pelham's interest - 17%	5,253,882	5,137,164

	2015	2014
	\$	\$
Change in equity investment in subsidiary		
Revenues	240,498	233,136
Expenses	(204,371)	(193,077)
Payment in lieu of income taxes	(184,947)	(72,798)
(Loss) from operations	(148,820)	(32,739)
Other items related to merger	1,083,820	597,081
Net earnings	935,000	564,342
Dividends	(248,417)	(249,552)
Net increase in equity of subsidiary	686,583	314,790
Change in equity of subsidiary - 17%	116,718	54,434

The financial position, long-term debt, capital lease and contingent liabilities information is as reported by Peninsula West Power Inc. at December 31, 2015 and the results of operations is as reported for the year ended December 31, 2015. The comparative financial position and results of operations figures are as reported by Peninsula West Power Inc. at December 31, 2014.

The following summarizes the Town's related party transactions with for 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.

Corporation of the Town of Pelham

Notes to the consolidated financial statements

December 31, 2015

3. Subsidiary operations (continued)

	2015	2014
	\$	\$
Electricity purchased	42,622	37,027
Property taxes and other taxes	6,336	5,494
	48,958	42,521

4. Bank indebtedness

The Town has an authorized revolving line of credit of \$3,000,000 at prime minus 0.25%, of which \$1,250,000 (2014 - \$0) remained unused at year-end. The line of credit is secured by borrowing by-law for operating line of \$3,000,000 held. Payment is due on demand. The Town has a non-revolving demand instalment loan of \$2,000,000 at prime minus 0.10%, of which \$400,000 (2014 - \$1,800,000) remained unused at year-end. Payment is due on demand.

5. Deferred revenue

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			2015	2014
	charges	Parkland	Other	Total	Total
	\$	\$	\$	\$	\$
Balance, beginning of year	312,695	812,264	89,881	1,214,840	1,896,167
Restricted funds received	949,489	314,024	2,247,847	3,511,360	3,673,015
Interest earned	1,646	4,276	1,141	7,063	11,544
Revenue recognized	(700,274)	(196,573)	(1,746,229)	(2,643,076)	(4,365,886)
Balance, end of year	563,556	933,991	592,640	2,090,187	1,214,840

Corporation of the Town of Pelham

Notes to the consolidated financial statements

December 31, 2015

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:

	2015	2014
	\$	\$
CIBC bank loan, with interest only payable monthly until January, 2007 and then monthly principal payments of \$21,428 plus interest commencing in January, 2007. Interest is payable at the prime rate.	1,088,444	1,345,580
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	7,306,928	4,552,259
	8,395,372	5,897,839

- (b) The net long-term debt:

Debenture number	Purpose	Interest rates	Maturity dates	2015	2014
		%		\$	\$
73-2010	Fire trucks	2.95 to 4.65	2015	-	89,209
67-2009	Centennial Park	3.15 to 4.8	2019	91,000	112,000
83-2011	Haist & Pelham St	1.95 to 4.05	2021	1,090,853	1,255,062
73-2012	Haist St & Rice Rd	1.35 to 3.10	2022	584,000	660,000
72-2013	Effingham & Hwy 20	1.40 to 3.75	2023	584,367	650,355
78-2014	Pelham St & Fire Stn #2	1.20 to 3.30	2024	1,621,578	1,785,633
75-2015	Fire Stn #3 & Pt Robinson Rd	1.15 to 2.80	2025	3,335,130	-
Bank loan	Land purchase	Prime -0.10		1,088,444	1,345,580
				8,395,372	5,897,839

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

	\$
2016	1,069,990
2017	1,082,098
2018	1,098,730
2019	1,116,564
2020	914,449

The Town paid \$213,924 (2014 - \$160,413) interest on long-term debt during the year.

Corporation of the Town of Pelham

Notes to the consolidated financial statements

December 31, 2015

7. Employee benefit obligations

The Town completed 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	3.30%
	- end of year	2.80%
Medical cost increases	- ultimate trend rate	4.50%

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:

	2015	2014
	\$	\$
Current service cost	54,274	(33,219)
Interest on post-employment benefit liability	9,257	12,093
Total expense related to post-employment benefits	63,531	(21,126)

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 to retirees during the year were \$27,511 (2014 - \$20,856).

Pension agreement

The Town makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 60 members of its 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 amount the Town contributed to OMERS for 2015 was \$444,593 (2014 - \$416,310) 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

December 31, 2015

8. Accumulated surplus

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

	2015	2014
	\$	\$
Surplus (deficit)		
Town	(9,911,596)	(9,432,384)
Library (Schedule 1)	(377,505)	(339,837)
Niagara Central Airport Commission (Note 16)	24,177	16,777
	<u>(10,264,924)</u>	<u>(9,755,444)</u>
Investment in tangible capital assets	93,326,714	91,854,375
Investment in subsidiary	5,253,882	5,137,164
Unfunded		
Long-term debt	(8,395,372)	(5,897,839)
Employee benefit obligations	(316,529)	(280,509)
	<u>(8,711,901)</u>	<u>(6,178,348)</u>
Reserves and reserve funds (Note 9)	4,695,956	3,408,688
	<u>84,299,727</u>	<u>84,466,435</u>

Corporation of the Town of Pelham

Notes to the consolidated financial statements

December 31, 2015

9. Reserves and reserve funds

	2015	2014
	\$	\$
Reserves set aside for specific purposes by Council		
Airport (Note 16)	2,955	2,955
Building department	4,515	18,017
Cemetery	(112,491)	(120,633)
Community Centre	42,881	-
Community improvement plan	147,616	180,412
Elections	(4,572)	(20,876)
Fire equipment	(110,080)	160,911
Fleet	141,071	(82,603)
Future subdivision project	362,613	362,613
Information technology	5,306	(22,715)
Land acquisition	60,098	60,098
Library (Schedule 1)	148,657	118,675
Municipal building facility	(193,665)	(391,970)
Parks and recreation	98,182	58,020
Physician recruitment	13,833	17,192
Planning	(44,640)	(60,110)
Roads	1,260,302	444,328
Wastewater	616,663	610,163
Water	2,140,228	1,930,270
Working capital	116,484	143,941
	4,695,956	3,408,688

Corporation of the Town of Pelham

Notes to the consolidated financial statements

December 31, 2015

10. Taxation

	Budget 2015 (Note 15)	Actual 2015	Actual 2014
	\$	\$	\$
Real property	29,606,460	30,094,761	29,315,867
From other governments payments in lieu of taxes	282,109	292,558	279,276
	29,888,569	30,387,319	29,595,143
Less: taxation collected on behalf of (Note 12)			
Region of Niagara	14,470,127	14,732,869	14,327,287
School boards	4,975,363	5,092,660	5,094,416
	19,445,490	19,825,529	19,421,703
Net taxes available for municipal purposes	10,443,079	10,561,790	10,173,440
Residential and farm	9,594,303	9,697,154	9,345,000
Multi-residential	175,338	178,614	171,583
Commercial	635,640	647,516	618,948
Industrial	37,798	38,506	37,909
	10,443,079	10,561,790	10,173,440

11. User charges

	Budget 2015 (Note 15)	Actual 2015	Actual 2014
	\$	\$	\$
Operating			
Fees and service charges	874,860	754,018	883,146
Water charges	2,209,639	2,241,648	2,169,633
Sewer charges	1,663,244	1,590,836	1,537,065
Licences and permits	432,697	349,556	382,026
	5,180,440	4,936,058	4,971,870

Corporation of the Town of Pelham

Notes to the consolidated financial statements

December 31, 2015

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:

	2015	2014
	\$	\$
Region of Niagara	14,732,869	14,327,287
School boards	5,092,660	5,094,416
	19,825,529	19,421,703

The Town is required to levy and collect taxes on behalf of the Region of Niagara and the school boards. These taxes are recorded as revenue at the amounts levied. 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 2015 (Note 15)	Actual 2015	Actual 2014
	\$	\$	\$
Operating			
Government of Canada	4,000	16,520	12,500
Province of Ontario	51,156	93,739	66,487
Region of Niagara	-	-	9,512
Other	-	-	10,000
	55,156	110,259	98,499
Capital			
Government of Canada	500,000	70,371	480,602
Province of Ontario	29,300	112,713	-
Other	-	20,090	7,462
	529,300	203,174	488,064
	584,456	313,433	586,563

Corporation of the Town of Pelham

Notes to the consolidated financial statements

December 31, 2015

14. Other revenue

	Budget 2015 (Note 15)	Actual 2015	Actual 2014
	\$	\$	\$
Operating			
Penalties and interest on taxes	325,000	340,402	331,223
Investment income	55,000	14,324	23,445
Fines and other penalties	56,000	46,479	62,312
Other	406,622	332,763	372,885
	842,622	733,968	789,865
Capital			
Donations	15,000	29,000	67,713
	857,622	762,968	857,578

15. Budget Amounts

The operating budget was approved by Council on February 17, 2015 and the tax rate supported capital budgets were approved by Council on February 2, 2015 to establish the tax rates for the year. In addition, the water and wastewater operating and capital budgets were approved by Council on January 19, 2015.

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 include in the consolidated statement of change in net debt.

Corporation of the Town of Pelham

Notes to the consolidated financial statements

December 31, 2015

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%.

The following table provides condensed supplementary financial information for the Niagara Central Airport Commission:

	2015	2014
	\$	\$
Financial assets		
Cash and temporary investments	125,564	77,800
Receivables	17,710	6,190
	<u>143,274</u>	<u>83,990</u>
Liability		
Accounts payable and accrued liabilities	14,552	11,029
Net financial assets	<u>128,722</u>	<u>72,961</u>
Non-financial assets		
Prepaid expenses	1,354	1,354
Fuel inventory	18,347	33,625
Tangible capital assets	1,132,862	1,147,210
	<u>1,152,563</u>	<u>1,182,189</u>
	<u>1,281,285</u>	<u>1,255,150</u>
Accumulated surplus		
Operating surplus	132,259	91,776
Reserves	16,164	16,164
Investment in tangible capital assets	1,132,862	1,147,210
	<u>1,281,285</u>	<u>1,255,150</u>
Revenues		
Grants	82,800	80,300
Fuel and rentals	104,426	86,221
Other	4,653	35,767
Interest	935	627
Expenses	(166,679)	(170,442)
Annual surplus	<u>26,135</u>	<u>32,473</u>

Corporation of the Town of Pelham

Notes to the consolidated financial statements

December 31, 2015

16. Niagara Central Airport Commission (continued)

The financial position information is as reported by the Niagara Central Airport Commission as at December 31, 2015 and the results of operations are as reported for the year ended December 31, 2015. The comparative financial position and results of operations figures are as reported by the Niagara Central Airport Commission at December 31, 2014.

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 Municipality'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.

	2015	2014
	\$	\$
Grants	14,904	14,454

17. Trust funds

Trust funds administered by the Town amounting to \$963,920 (2014 - \$954,896) 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, accounts receivable, temporary and long-term investments, bank indebtedness, accounts payable, 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.

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.

Corporation of the Town of Pelham

Notes to the consolidated financial statements

December 31, 2015

20. Segmented information (continued)

The services included in each segment are as follows:

General government

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

Protection services

Protection is comprised of fire, police, conservation authority, protective inspection and control, emergency measures and provincial offenses.

Transportation services

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

Environmental services

Environmental is comprised of storm sewer systems, water collection, waste disposal and recycling.

Health services

Health services is comprised of cemeteries.

Recreation and culture services

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

Planning and development

Planning and development is comprised of planning and zoning, commercial and industrial development, residential development, agricultural and reforestation and tile draining and shoreline assistance.

Corporation of the Town of Pelham

Consolidated schedule of library operations - Schedule 1 year ended December 31, 2015

	Budget 2015 (Note 15)	Actual 2015	Actual 2014
	\$	\$	\$
Revenue			
Municipal contribution	752,258	752,258	792,258
Grants	27,388	33,703	30,849
Contributions from developers	47,709	47,709	-
Other	48,000	60,831	77,681
	875,355	894,501	900,788
Expenses			
Administration	44,428	33,980	33,395
Amortization	-	87,924	94,658
Books, periodicals and other media	56,800	48,052	45,689
Electronic resources and maintenance	20,000	18,937	25,260
Furnishings and office equipment	1,200	216	5,835
Insurance	3,050	3,008	997
Programs	6,349	11,947	5,983
Repairs and maintenance	28,150	19,899	28,187
Salaries, wages and benefits	673,480	683,466	593,142
Supplies	2,500	3,039	2,356
Utilities	25,050	24,511	24,524
	861,007	934,979	860,026
Annual (deficit) surplus	14,348	(40,478)	40,762
Accumulated surplus, beginning of year	259,940	259,940	219,178
Accumulated surplus, end of year	274,288	219,462	259,940
Accumulated surplus consists of the following			
Operating deficit	-	(377,505)	(339,837)
Investment in tangible capital assets	-	481,207	511,161
Reserves	-	148,657	118,675
Unfunded employee benefit obligations	-	(32,897)	(30,059)
	-	219,462	259,940

Corporation of the Town of Pelham

Consolidated schedule of tangible capital assets - Schedule 2
as at December 31, 2015

	Land	Land improvements	Land	Buildings	Machinery, equipment, furniture, fixtures and computers	Vehicles	Linear assets	Construction in process	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
Beginning of year	12,198,995	2,819,795	9,928,002	6,015,233	6,657,074	107,716,325	5,781,357	151,116,781	
Additions	49,547	882,985	6,508	387,443	405,679	6,506,698	2,564,842	10,803,702	
Less construction in process capitalized	-	-	-	-	-	-	(4,525,990)	(4,525,990)	
Less disposals during the year	-	-	-	(45,383)	(511,525)	(421,652)	-	(978,560)	
End of year	12,248,542	3,702,780	9,934,510	6,357,293	6,551,228	113,801,371	3,820,209	156,415,933	
Accumulated amortization									
Beginning of year	-	907,838	3,145,533	3,119,264	3,809,599	48,280,172	-	59,262,406	
Additions during the year	-	130,197	219,878	362,472	334,021	3,469,376	-	4,515,944	
Less amortization on disposals	-	-	-	(42,858)	(424,420)	(221,853)	-	(689,131)	
End of year	-	1,038,035	3,365,411	3,438,878	3,719,200	51,527,695	-	63,089,219	
Net book value	12,248,542	2,664,745	6,569,099	2,918,415	2,832,028	62,273,676	3,820,209	93,326,714	

Corporation of the Town of Pelham

Consolidated schedule of tangible capital assets - Schedule 2 (continued)
year ended December 31, 2014

	Land	Land improvements	Land	Buildings	Machinery, equipment, furniture, fixtures and computers	Vehicles	Linear assets	Construction in process	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost									
Beginning of year	11,880,261	1,497,296	8,138,033	5,914,016	6,622,619	105,309,797	3,035,146	142,397,168	
Additions	318,734	1,350,222	1,789,969	137,865	39,817	3,012,113	5,152,805	11,801,525	
Less construction in process capitalized	-	-	-	-	-	-	(2,384,824)	(2,384,824)	
Less disposals during the year	-	(27,723)	-	(36,648)	(5,362)	(605,585)	(21,770)	(697,088)	
End of year	12,198,995	2,819,795	9,928,002	6,015,233	6,657,074	107,716,325	5,781,357	151,116,781	
Accumulated amortization									
Beginning of year	-	847,242	2,946,431	2,791,798	3,466,888	45,356,447	-	55,408,806	
Additions during the year	-	77,910	199,102	365,202	348,074	3,347,022	-	4,337,310	
Less amortization on disposals	-	(17,314)	-	(37,736)	(5,363)	(423,297)	-	(483,710)	
End of year	-	907,838	3,145,533	3,119,264	3,809,599	48,280,172	-	59,262,406	
Net book value	12,198,995	1,911,957	6,782,469	2,895,969	2,847,475	59,436,153	5,781,357	91,854,375	

Corporation of the Town of Pelham
 Consolidated schedule of segment disclosure - Schedule 3
 year ended December 31, 2015

	2015							
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Recreation and culture services	Planning and development	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Taxation	2,030,491	1,304,633	5,700,697	218,313	19,089	880,814	407,753	10,561,790
User charges	22,822	373,065	30,819	3,864,301	39,127	517,063	88,861	4,936,058
Grants	10,500	-	185,763	-	-	99,089	18,081	313,433
Contributions from developers	-	34,094	371,266	168,372	-	308,633	14,480	896,845
Other	358,820	35,301	46,935	32,982	47,106	235,697	6,127	762,968
Equity (loss) earnings in subsidiary	116,718	-	-	-	-	-	-	116,718
Loss on disposal of tangible capital assets	-	(86,946)	(199,211)	(3,113)	-	-	-	(289,270)
	2,539,351	1,660,147	6,136,269	4,280,855	105,322	2,041,296	535,302	17,298,542
Expenses								
Salaries and wages	1,648,959	985,227	1,751,435	845,841	84,567	1,199,027	358,997	6,874,053
Long-term debt interest	-	51,311	71,027	36,015	-	45,709	9,862	213,924
Materials	699,525	127,031	645,138	285,998	676	312,603	86,301	2,157,272
Contracted services	200,898	149,084	760,713	2,320,457	8,933	124,114	60,918	3,625,117
Rents and financial expenses	-	-	5,848	12,211	-	-	-	18,069
External transfers	59,881	-	-	-	-	1,000	-	60,881
Amortization	96,796	347,494	2,902,108	780,333	11,146	358,843	19,224	4,515,944
	2,706,059	1,660,147	6,136,269	4,280,855	105,322	2,041,296	535,302	17,465,250
Annual deficit	(166,708)	-	-	-	-	-	-	(166,708)

Corporation of the Town of Pelham
 Consolidated schedule of segment disclosure - Schedule 3 (continued)
 year ended December 31, 2014

	2014							
	General government	Protection to persons and property	Transportation services	Environmental services	Health services	Recreation and culture services	Planning and development	Consolidated
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Taxation	1,869,695	1,139,518	5,071,797	663,541	43,192	1,049,955	335,742	10,173,440
User charges	23,378	404,410	155,875	3,735,015	40,232	488,510	124,450	4,971,870
Grants	14,888	10,000	480,602	-	-	69,016	12,057	586,563
Contributions from developers	-	76,155	380,124	166,164	-	657,159	7,380	1,286,982
Other	360,727	60,078	167,846	21,246	51,358	192,939	3,384	857,578
Equity (loss) earnings in subsidiary	54,434	-	-	-	-	-	-	54,434
Loss on disposal of tangible capital assets	-	-	(155,952)	(30,755)	-	(21,771)	-	(208,478)
	<u>2,323,122</u>	<u>1,690,161</u>	<u>6,100,292</u>	<u>4,555,211</u>	<u>134,782</u>	<u>2,435,808</u>	<u>483,013</u>	<u>17,722,389</u>
Expenses								
Salaries and wages	1,656,769	1,060,895	987,380	762,431	110,758	1,563,280	320,368	6,461,881
Long-term debt interest	-	27,088	59,250	36,196	-	50,477	-	173,011
Materials	728,765	133,395	1,100,954	156,307	5,525	364,809	27,994	2,517,749
Contracted services	355,246	98,563	1,150,897	2,834,959	7,354	107,289	134,651	4,688,959
Rents and financial expenses	1,119	-	14,598	12,516	-	341	-	28,574
External transfers	20,000	-	-	-	-	35,503	-	55,503
Amortization	101,821	370,220	2,787,213	752,802	11,145	314,109	-	4,337,310
	<u>2,863,720</u>	<u>1,690,161</u>	<u>6,100,292</u>	<u>4,555,211</u>	<u>134,782</u>	<u>2,435,808</u>	<u>483,013</u>	<u>18,262,987</u>
Annual deficit	<u>(540,598)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(540,598)</u>

Corporation of the Town of Pelham

Schedule of segment disclosure with budget information - Schedule 4 year ended December 31, 2015

	Budget 2015 (Note 15)	Actual 2015	Actual 2014
	\$	\$	\$
General government			
Revenue			
Taxation	2,400,475	2,030,491	1,869,695
User charges	22,250	22,822	23,378
Grants	10,500	10,500	14,888
Other	385,200	358,820	360,727
Equity earnings (loss) in subsidiary	-	116,718	54,434
	2,818,425	2,539,351	2,323,122
Expenses			
Salaries and wages	1,719,895	1,648,959	1,656,769
Materials	701,410	699,525	728,765
Contracted services	236,200	200,898	355,246
Rents and financial expenses	3,620	-	1,119
External transfers	62,300	59,881	20,000
Amortization	95,000	96,796	101,821
	2,818,425	2,706,059	2,863,720
Annual deficit	-	(166,708)	(540,598)
Protection to persons and property			
Revenue			
Taxation	1,302,319	1,304,633	1,139,518
User charges	452,602	373,065	404,410
Grants	-	-	10,000
Contributions from developers	-	34,094	76,155
Loss on disposal of tangible capital assets	-	(86,946)	-
Other	47,800	35,301	60,078
	1,802,721	1,660,147	1,690,161
Expenses			
Salaries and wages	1,103,729	985,227	1,060,895
Long-term debt interest	40,106	51,311	27,088
Materials	129,177	127,031	133,395
Contracted services	102,079	149,084	98,563
Amortization	427,630	347,494	370,220
	1,802,721	1,660,147	1,690,161
Annual surplus	-	-	-

Corporation of the Town of Pelham

Schedule of segment disclosure with budget information - Schedule 4

(continued)

year ended December 31, 2015

	Budget 2015 (Note 15)	Actual 2015	Actual 2014
	\$	\$	\$
Transportation services			
Revenue			
Taxation	5,384,497	5,700,697	5,071,797
User charges	10,000	30,819	155,875
Grants	500,000	185,763	480,602
Contributions from developers	240,532	371,266	380,124
Other	140,000	46,935	167,846
Loss on disposal of tangible capital assets	-	(199,211)	(155,952)
	6,275,029	6,136,269	6,100,292
Expenses			
Salaries and wages	1,627,888	1,751,435	987,380
Long-term debt interest	24,491	71,027	59,250
Materials	867,236	645,138	1,100,954
Contracted services	709,135	760,713	1,150,897
Rents and financial expenses	5,350	5,848	14,598
Amortization	3,040,929	2,902,108	2,787,213
	6,275,029	6,136,269	6,100,292
Annual surplus	-	-	-
Environmental services			
Revenue			
Taxation	256,766	218,313	663,541
User charges	3,897,883	3,864,301	3,735,015
Contributions from developers	-	168,372	166,164
Other	24,500	32,982	21,246
Loss on disposal of tangible capital assets	-	(3,113)	(30,755)
	4,179,149	4,280,855	4,555,211
Expenses			
Salaries and wages	799,014	845,841	762,431
Long-term debt interest	-	36,015	36,196
Materials	154,535	285,998	156,307
Contracted services	2,404,354	2,320,457	2,834,959
Rents and financial expenses	13,500	12,211	12,516
Amortization	807,746	780,333	752,802
	4,179,149	4,280,855	4,555,211
Annual surplus	-	-	-

Corporation of the Town of Pelham

Schedule of segment disclosure with budget information - Schedule 4

(continued)

year ended December 31, 2015

	Budget 2015 (Note 15)	Actual 2015	Actual 2014
	\$	\$	\$
Health services			
Revenue			
Taxation	44,500	19,089	43,192
User charges	40,055	39,127	40,232
Other	63,445	47,106	51,358
	148,000	105,322	134,782
Expenses			
Salaries and wages	82,591	84,567	110,758
Materials	6,045	676	5,525
Contracted services	11,850	8,933	7,354
Amortization	47,514	11,146	11,145
	148,000	105,322	134,782
Annual surplus	-	-	-
Recreation and culture services			
Revenue			
Taxation	889,227	880,814	1,049,955
User charges	573,150	517,063	488,510
Grants	68,206	99,089	69,016
Contributions from developers	285,094	308,633	657,159
Other	193,677	235,697	192,939
Loss on disposal of tangible capital assets	-	-	(21,771)
	2,009,354	2,041,296	2,435,808
Expenses			
Salaries and wages	1,162,518	1,199,027	1,563,280
Long-term debt interest	50,000	45,709	50,477
Materials	360,127	312,603	364,809
Contracted services	87,073	124,114	107,289
Rents and financial expenses	17,035	-	341
External transfers	-	1,000	35,503
Amortization	332,601	358,843	314,109
	2,009,354	2,041,296	2,435,808
Annual surplus	-	-	-

Corporation of the Town of Pelham

Schedule of segment disclosure with budget information - Schedule 4

(continued)

year ended December 31, 2015

	Budget 2015 (Note 15)	Actual 2015	Actual 2014
	\$	\$	\$
Planning and development			
Revenue			
Taxation	164,285	407,753	335,742
User charges	184,500	88,861	124,450
Grants	5,750	18,081	12,057
Contributions from developers	-	14,480	7,380
Other	3,000	6,127	3,384
	357,535	535,302	483,013
Expenses			
Salaries and wages	316,445	358,997	320,368
Long-term debt interest	-	9,862	-
Materials	31,090	86,301	27,994
Contracted services	10,000	60,918	134,651
Amortization	-	19,224	-
	357,535	535,302	483,013
Annual surplus	-	-	-

Independent Auditor's Report

To the Members of Council, and the Citizens of the
Corporation of the Town of Pelham

We have audited the accompanying financial statements of the Corporation of the Town of Pelham Trust Funds, which comprise the statement of financial position as at December 31, 2015 and the statement of revenue and expenses and change in fund balances for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Corporation of the Town of Pelham Trust Funds as at December 31, 2015, and the results of their operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 6, 2016

Corporation of the Town of Pelham

Trust Funds

Statement of revenue and expenses and change in fund balances
year ended December 31, 2015

	Cemetery Care and Maintenance Funds	Bradshaw Estate	Library Trust Funds	Total 2015	Total 2014
	\$	\$	\$	\$	\$
Revenue					
Interest	3,853	1,233	2,138	7,224	11,366
Donations	-	-	25,922	25,922	15,807
Marker fees	3,500	-	-	3,500	2,050
Plot sales	20,070	-	-	20,070	17,136
	<u>27,423</u>	<u>1,233</u>	<u>28,060</u>	<u>56,716</u>	<u>46,359</u>
Expenses					
Purchase of equipment, books and periodicals and miscellaneous	-	-	44,175	44,175	23,999
Maintenance	-	3,517	-	3,517	-
	<u>-</u>	<u>3,517</u>	<u>44,175</u>	<u>47,692</u>	<u>23,999</u>
Excess (deficiency) of revenues over expenses	27,423	(2,284)	(16,115)	9,024	22,360
Fund balance, beginning of year	676,908	138,517	139,471	954,896	932,536
Fund balance, end of year	704,331	136,233	123,356	963,920	954,896

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

Corporation of the Town of Pelham

Trust Funds

Statement of financial position
as at December 31, 2015

	Cemetery Care and Maintenance Funds	Bradshaw Estate	Library Trust Funds	Total 2015	Total 2014
	\$	\$	\$	\$	\$
Assets					
Cash	7,250	35,241	163,623	206,114	236,776
Receivables and accrued interest	-	654	-	654	710
Investments (Note 2)	650,000	103,855	-	753,855	102,566
Due from Town of Pelham (Note 3)	47,081	-	-	47,081	638,843
	704,331	139,750	163,623	1,007,704	978,895
Liability					
Due to Town of Pelham	-	3,517	40,267	43,784	23,999
Fund balance	704,331	136,233	123,356	963,920	954,896

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

Corporation of the Town of Pelham

Trust Funds

Notes to the financial statements
December 31, 2015

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, and due to/from 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 \$753,855 (2014 - \$102,566) reported on the statement of financial position at cost, have a market value of \$753,855 (2014 - \$102,566) at the end of the year.

3. Due to/from Town of Pelham

The amounts due to/from the Town of Pelham are unsecured, non-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.