

The Corporation of the Town of Pelham 2023 Annual Report Ontario, Canada



*Pelham -
a caring, active and sustainable community.*

For the fiscal year ended December 31, 2023.





The Corporation of the Town of Pelham
2023 Annual Report
For the fiscal year ended December 31, 2023

This report was prepared by:

The Corporate Services Department of the Town of Pelham
Town of Pelham
Ontario, Canada

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Section One:

Introduction



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- Town of Pelham Awards
- Legislative Authority
- Town of Pelham Council
- Senior Leadership Team
- Organizational Chart
- About Pelham
- 2023 Strategic Priorities
- Department Highlights
- Pelham Quick Facts

Message from the Mayor and Chief Administrative Officer

The Council and staff of the Corporation of the Town of Pelham are proud to present the Town's 2023 Annual Financial Report. This report includes highlights, accomplishments and a comprehensive review of Pelham's financial performance.

Pelham, located in the heart of Niagara, brings together five unique urban and rural communities. Rich with history and home to diverse landscapes, the combination provides a high standard of living for the 18,000-plus residents.

Pelham continues to look to the future, focusing on enhancing the community that Pelham residents proudly call home. Positive actions throughout 2023, in line with the newly created strategic plan, have paved the way for marked achievements across the corporation. The 2023-2027 Strategic Plan, a product of the Town Council and the senior leadership team's collaborative efforts, is a path forward to Pelham's future. This ambitious yet achievable plan, shaped by residents' aspirations, will serve as a yardstick for the Town's progress each year as we collectively strive to be a caring, active and sustainable community.

As in previous years, the Town Council, senior leadership team and staff continued to ensure that financial transparency and reporting remained at the forefront of priorities. Considerable efforts were made to continue producing successful grant applications to support the community's needs and the continued focus on ongoing spending restraint.

The work completed in 2023 and the accomplished goals provide a sense of accomplishment and pride for all involved and those who have the pleasure of calling Pelham home.



Marvin Junkin, Mayor



David Cribbs,
BA, MA, JD, MPA
Chief Administrative Officer

Dated: June 19, 2024

Awards

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the Corporation of the Town of Pelham for its annual financial report for the fiscal year ended December 31, 2022. The Canadian Award for Financial Reporting program was established to encourage municipal governments throughout Canada to publish high quality financial reports and to provide peer recognition and technical guidance for officials preparing these reports.

In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles and demonstrate an effort to clearly communicate the municipal government’s financial picture, enhance an understanding of financial reporting by municipal governments, and address user needs.

A Canadian Award for Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Canadian Award for Financial Reporting program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

The Town continues to receive recognition for projects, and festivals that have provided excellence in delivery, usability, and innovation. Strategic priorities have been transformed into award-winning projects and events, including dotComm, the MarCom Gold and two Festivals and Events Ontario top 100 awards.



Town of Pelham Strategic Plan Publications | Annual Report | 204. Government



Pelham Summerfest Summer Chill Series

Legislative Authority and Pelham Town Council

The Corporation of the Town of Pelham is one of the 12 local area municipalities that form the Region of Niagara. Pelham Township was part of the original Lincoln County since the late 1780s. The Town of Pelham was established in 1970, unifying five historical communities: Fonthill, Ridgeville, Effingham, North Pelham and Fenwick into a single town covering 126.42 square kilometres. This integration brought together a mix of farming, growing commercialism and urban development.



Mayor
Marvin Junkin

Town of Pelham Council for the 2022-2026 Term

The Town is represented by a Mayor and six Councillors from three wards. The Chief Administrative Officer (CAO) is appointed by Council to oversee the management and operation of the corporation.

As the municipality's top administrative position, the CAO advises Council and staff on all municipal programs and services.



Ward One Councillor
Kevin Ker



Ward Two Councillor
Brian Eckhardt



Ward Three Councillor
Bob Hildebrandt



Ward One Councillor
Wayne Olson



Ward Two Councillor
John Wink



Ward Three Councillor
Shellee Niznik

Senior Leadership Team

The Senior Leadership Team at the Town of Pelham consists of the Chief Administrative Officer and seven Directors who are responsible for implementing the direction set out by the Town of Pelham Council, including the provision of high-quality community-focused services and overall leadership to the organization.

The Senior Leadership Team administers the Town's operating and capital budgets and is responsible for implementing the goals and objectives outlined in the Town's Strategic Plan.



David Cribbs,
BA, MA, JD, MPA
Chief Administrative
Officer (CAO)



Teresa Quinlin-Murphy,
F CPA, FCA, MBA
Director, Corporate Services
and Treasurer



Jennifer Stirton,
BSc(Hons), LL.B.
Town Solicitor



Barbara Wiens,
MCIP, RPP
Director, Community
Planning and Development



Vickie vanRavenswaay,
CRFP
Director, Recreation, Culture,
and Wellness



Bob Lymburner
Fire Chief and Director
of By-law Services



William Tigert,
B.Comm., M.P.A
Town Clerk



Jason Marr,
P.Eng
Director, Public Works



Organizational Chart

Town of Pelham Mayor and Council



Chief Administrative Officer - CAO

Responsibilities include Chief Advisor to Council, Communications, Community Engagement, People Services, Legal Services, Organizational Culture and Leadership.



Clerk

Responsibilities include Facilitating Council and Public Meetings, Providing parliamentary advice and guidance to Council and SLT, Committee of Adjustment, Freedom of Information, Lottery and Licences, Marriage Licences, Municipal Elections, Records Management, Vital Statistics.



Fire Chief and Director of By-law Services

Responsibilities include Animal Control, Community Emergency Management Coordinator, Crossing Guards, Fire Prevention, Fire Suppression, Health and Safety, Parking and By-law Enforcement.



Director of Public Works

Responsibilities include Beautification, Capital Infrastructure, Cemeteries, Engineering, Operations, Facilities Maintenance, Fleet, Roadway Maintenance, Water and Wastewater.



Director of Corporate Services and Treasurer

Responsibilities include Debt and Capital Financing, Financial Reporting, Information Technology, Operating and Capital Budgets, Procurement, Shared Administration, Taxation, Utility Billing.



Director of Recreation, Culture, and Wellness

Responsibilities include Culture and Community Enhancement, Meridian Community Centre, Recreation and Wellness Programming, Special Events and Festivals, Swim and Youth Programs.



Director of Community Planning and Development

Responsibilities include Building Services, Development Review, Heritage Planning, Land Use and Policy, Development and Compliance, Municipal Drainage, Zoning Implementation.

About The Town of Pelham

Located in the heart of Niagara is the Town of Pelham, a fusion of rural and urban areas in five communities. Pelham offers residents a unique lifestyle rich with history, agriculture and natural beauty. Its central location makes it an ideal community for commuters, lifelong residents, and businesses. With a range of services, facilities, parks, trails and award-winning events, Pelham embraces progress while preserving a small-town feel.



Mission

Pelham – a caring, active and sustainable community.



Vision

Pelham promotes an exceptional quality of life and values its people, their experiences and the environment.



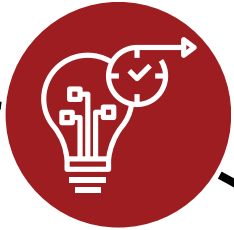
Values

Collaborative - Inclusivity - Integrity - Respectful - Resilient



Strategic Plan

The strategic plan guides the decision-making and the work to be done within Pelham. The plan allows the community to measure performance each year and includes action items in five priority areas.



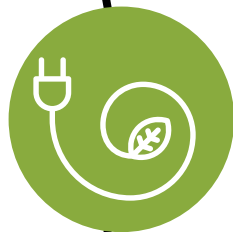
Enhancing Capacity & Future Readiness

Enhancing capacity and future readiness ensures that the municipal corporation will be able to meet the future needs of the community. A proactive approach with progressive management, utilization of technology and celebration of people will provide the framework to achieve this outcome.



Financial Health

Financial reserves, levels of debt and property taxes collectively form the Town's financial health. Continuous improvement of these financial metrics builds the foundation for a brighter future in Pelham.



Environmental & Climate Adaptation

By focusing on environmental and climate adaptation, the Town of Pelham will prioritize actions that will continue to protect and conserve the natural heritage and resources in Pelham. Priorities of the Town in this area will provide the foundation for a clean, safe and sustainable environment for present and future generations.



Community Development & Growth

The future of Pelham will be determined by how development and growth pressures are managed. The central challenge will be to achieve measured growth of the community while protecting the high quality of life presently enjoyed by residents.



Infrastructure Investment & Renewal

The Town of Pelham is home to a network of roads, trails, parks and community infrastructure that supports the residents. This strategic priority seeks to ensure that funding resources are sufficient to meet the maintenance, replacement and future needs of Pelham's infrastructure.

2023 Strategic Priority Action Items

Together, the Strategic Priorities provide areas of emphasis designed to help achieve the vision over the next four years. Each priority contains a set of action items which are specific tasks to advance the areas of strategic focus.

Enhancing Capacity & Future Readiness	
Continuous Technological Enhancement - Corporate Services	In progress
Continuous Technological Enhancement - Public Works	Substantial progress
Municipal Elections and Governance Model	In progress
Parking Technology	Substantial progress
New System for Special Events	In Progress
MCC Staffing & Resource Reporting	Completed in 2023
Recreation and Culture Master Plan	Completed in 2023
Update Code of Conduct	Completed in 2023
Financial Health	
Airport Governance, Financing & Capital Needs Assessment	In progress
Insurance Review	In progress
Formal Debt Targets & Discussion of Financial Positioning	Substantial progress
Future of Investment in Hydro	In progress
Explored Shared Service Model with municipal partners	In progress
Environmental & Climate Adaptation	
Community Gardens/Communities in Bloom/Green Participation	In progress
Eco/Energy Building Standards Report	In progress
Electric Vehicle Fleet & Charging Stations	Substantial progress
Environmental and/or Climate Change Advisory Committee	Substantial progress
Improved Recycling at Municipal Events	In progress
Net Zero Facilities Report	Pending
Policy & operations re: Storm Water Management Ponds	In progress
Tree Canopy & Reforestation	Substantial progress

2023 Strategic Priority Action Items

Infrastructure Investment & Renewal	
Evolution of Fire Fleet (Heavy Rescue)	In progress
Facilities Master Plan	Pending
Fire Station #1 Refurbish/Expansion	In progress
Future of Fonthill Library Branch	In progress
Revised Engineering Standards	In progress
Roads Standards Recycle/Innovation	In progress
Tice Road Expansion/Reno/Relocation	In progress
Community Development & Growth	
Community Safety Zones/Traffic Studies	In progress
East Fenwick Secondary Plans	Substantial progress
Lathrop Trail System	In progress
New Official Plan	In progress
Strategic use of Town Lands	In progress
South Fonthill Secondary Plans	Pending



CAO's Department Highlights



The Town of Pelham Chief Administrative Office is focused on leading Town staff and serving as the chief advisor to Council.

Achievements from 2023:

- Supported Council in the creation of the 2023-2027 Strategic Plan
- Supported the creation of the Agricultural Advisory Committee
- Negotiated a new collective agreement with CUPE Local 1287
- Launched "Life in Pelham" quarterly newsletter

Services Provided:

- Human Resources
- Legal Services
- Communications
- Community Engagement
- Organizational Culture and Leadership
- Chief Advisor to Town of Pelham Council



Clerk's Department Highlights



The Town of Pelham Clerk's department is focused on facilitating Council and General Committee meetings, preparing and circulating agendas and related material, and preparing by-laws and resolutions. The Clerk's Department oversees by-laws, corporate reports, municipal elections, and Council and Committee meeting agendas and minutes.

Achievements from 2023:

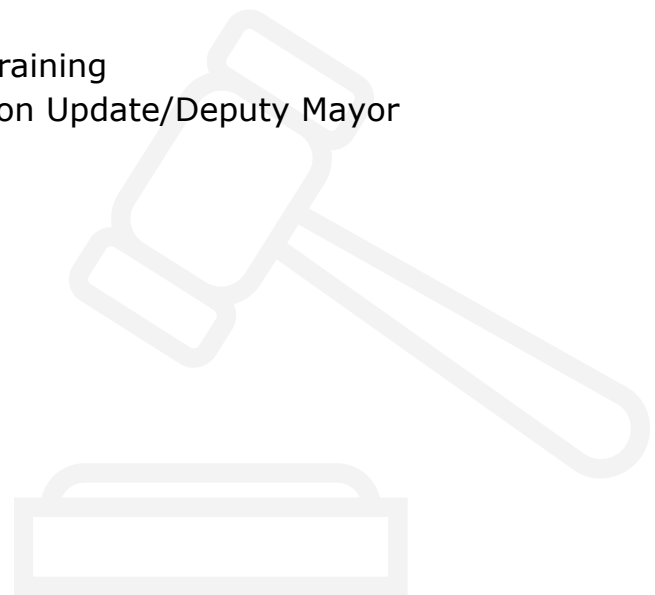
- Lead RFP process for Ward Boundary Review, Council Composition Update/Deputy Mayor Selection Process

Services Provided:

- Facilitate hybrid Council, General Committee, Committee of Adjustment and Public Meetings
- Process Committee of Adjustment applications
- Civil Marriage Ceremonies
- Freedom of Information Requests
- Lottery Licensing
- Various Licensing (Patio, Short Term Accommodation, Special Events, etc.)
- Commissioner for Taking Affidavits

Priorities/Statistics from 2023:

- Facilitate successful hybrid Council, Committee, Public Meetings and Committee of Adjustment Hearings
- Advisory Committee orientation and procedural training
- Begin Ward Boundary Review, Council Composition Update/Deputy Mayor Selection Process



Community Planning and Development Highlights



The Town of Pelham Community Planning and Development Services Department focuses on enhancing the quality of life in Pelham through the provision of development review and compliance functions, building services review and approvals, land use policy development and implementation, zoning by-law review and implementation, heritage planning and municipal drainage.

Achievements from 2023:

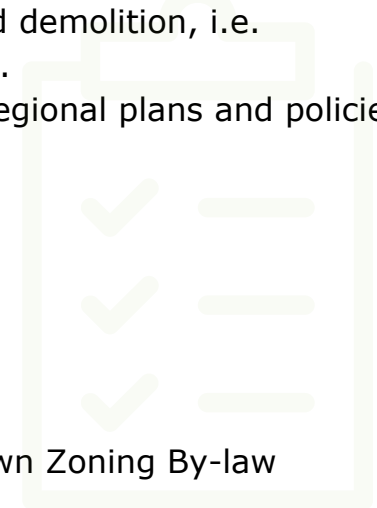
- Completed Official Plan conformity review and report
- Negotiated Shared Planning Services Agreement with the Region of Niagara to be implemented when the Region becomes an upper-tier municipality without planning authority
- Implemented new site plan review process and introduced conditional site plan approvals
- Completed Drainage Study for Farr and Webber Road area
- Introduced Backyard Hen Licencing By-law
- Initiated preparation of the Natural Asset Management Plan

Services provided:

- Development review functions for site plans plans of subdivisions/condominiums, official plan and zoning by-law amendments, consents and minor variance applications, heritage permit applications
- Building permit review functions for all types of construction and demolition, i.e. residential, commercial, industrial, institutional, agricultural, etc.
- Policy review and development for compliance with Provincial/Regional plans and policies
- Municipal drain maintenance

Priorities/Statistics from 2023:

- 302 building permits issued
- 1761 inspections conducted
- Approved \$53,648,811 value in new construction
- 77 development applications received and processed
- Initiated process to undertake Housekeeping Amendment to Town Zoning By-law
- Streamlined development review process



Corporate Services Department Highlights



The Town of Pelham Corporate Services Department is focused on maintaining the financial strength of the municipality by providing transparent, timely financial reporting.

Achievements from 2023:

- 2022 Annual Report received the Canadian Award for financial reporting Government Finance Officers Association of the United States and Canada
- Completed the final phase of implementing a new Procurement and Invoice payment software (SAP Concur) to streamline processes
- Completed Development Charges Background Study
- Completed Water and Wastewater Rate Study

Services Provided:

- Preparation of the annual operating, capital and water and wastewater budgets
- All financial reporting to Council and Ministry
- Long-term capital forecasting, along with debt and reserve forecasting
- Information technology services for the Town
- Procurement services
- Property tax billing
- Utility billing for water/wastewater
- Drainage billing
- Grant applications and reporting
- Maintain the Asset Management Plan
- Payment of invoices
- Payroll processing
- Accounting services support for the Lincoln Pelham Public Library

Priorities/Statistics from 2023:

- Implemented BMO procurement card to obtain a provincial 1% rebate program for all credit card purchases and improve user experience
- Focused on tax arrears collections that were three years and older and obtained full payment on the largest and oldest tax arrears
- Utilized in-year surplus to pay off the short-term debt of \$778,000
- AODA (accessibility software) was launched in October 2023 with training for IT, Communications, and other staff members to ensure website content is AODA compliant
- FOI (Vayle) software was launched in December for the Clerks Department
- The By-Law Complaints module launched in December within the MuniPaaS system
- GHD Marriage license application was implemented and published on the town website
- Implemented online Road Patrol software for PW Roads Department, winter patrol and sidewalk patrol modules
- Deployment of the Records Management server, software and user security settings, along with staff training for the system
- IT hardware audio/video solutions were installed in the Town Hall Committee Room, RCW offices and Old Pelham Town Hall

Fire and By-law Services Highlights



The Town of Pelham Fire Services Department is focused on providing emergency services such as suppression, rescue, medical assistance, public assistance, fire inspection, fire prevention, and fire education. The fire department provides services 24/7.

Achievements from 2023:

- Operating Town's EOC
- Awarded Firehouse Subs grant to purchase two new extractors for stations 1 and 3
- Recruit class of 13, working towards National Fire Protection Association (NFPA) 1001 Level I & II

Services provided:

- Emergency response
- Fire prevention and smoke alarm programs
- Inspections, permits, investigations
- Co-op participation with our local high schools
- Education and youth camp programs
- Community Emergency Management Coordinator
- Emergency Operations Centre (EOC)
- Parking and by-law public education and enforcement
- Cannabis odour monitoring
- Violations collection, pool permits, sign permits and importing of fill management
- Train Town staff on First Aid/CPR/Defib
- Conduct Emergency Response training for staff

Priorities/Statistics from 2023:

- Training of firefighters to NFPA standards as per Provincial legislation
- Recruit training to meet NFPA certifications
- Maintain a full-service response to all incidents
- Issued 212 open-air burn permits
- Issued 247 parking violations, 5 AMPS tickets
- Issued 36 pool permits, 38 sign permits
- Conducted 354 cannabis odour monitoring tests, with no violations
- Citizen complaints of cannabis odour totalled 96 for the year
- Completed annual testing of SCBA, hose lines, harnesses, ropes
- The By-law department finished the year with 114 lodged complaints

Public Works Highlights



The Town of Pelham Public Works Department is focused on maintaining a safe and reliable road transportation network, maintaining and providing services to parks and cultural assets, managing municipal cemeteries, supplying clean and safe drinking water and providing wastewater services to the residents of the Town of Pelham. The department contains four main business units: Roads, Winter Control, Beautification, and Water/Wastewater services.

2023 Achievements:

- Delivery of a \$13.7M Capital Budget
- Completion of Pelham Street Phase 4 Road Rehabilitation \$5M
- Completion of Church Street sanitary sewer replacement \$3M
- Completion of Cream Street bridge replacements \$1M
- Successful conversion of approximately 75% of the Town's existing streetlights to LED
- Road rehabilitation program \$1.2M
- Review of the Town's stormwater management facilities
- Lighting improvements to Centennial Park soccer and baseball facilities

Services Provided:

- Road and Winter Road Maintenance
- Engineering and Construction Services
- Tree Canopy Maintenance
- Grass Cutting and Roadside Mowing
- Parks and Trail Maintenance
- Beautification Services
- Cemetery Management and Property Maintenance
- Distribution of Clean Drinking Water
- Safe and Efficient Collection of Waste Water
- Facilities and Fleet Management

Priorities/Statistics from 2023:

- Operationally performed activities efficiently to ensure the highest level of service was provided regarding Road Maintenance, Parks and Trail Maintenance, Cemetery Operation, and Water and Wastewater supply and collection

Recreation, Culture and Wellness Highlights



The Town of Pelham Recreation, Culture, & Wellness Department is focused on recreation facility operations, enhancing the quality of life for all residents and visitors through extraordinary programs, activities, festivals and events.

Achievements from 2023:

- Festivals & Events Ontario “Top 100” Awards for Pelham Summerfest and Pelham Summer Chill
 - 43,000+ attendees during four-day Summerfest
 - 32,000+ attendees during 16-week Summer Chill
- 2023 Readers Choice Platinum Award
 - Swimming Instruction

Services provided:

- Operation of Meridian Community Centre, including rentals of parks, halls, gyms, rinks
- Health and recreation programs, including aquatics, for all ages
- Fitness and Social Programs in partnership with Brock University and Community Living
- 55+ programming offered as a Senior Active Living Centre
- Youth programming for babysitting, camps, PD Days, workshops and forums
- Special Events include Family Day, Hoppin’ Easter, Canada Day, Pelham Farmers Market, June 30 for 30, Summer Chill Series, Pelham Summerfest, and Christmas in Pelham
- Cultural and Community Engagement activities include Culture Days, ReDress Exhibit, Big Band Dance Night, National Indigenous Peoples Day, National Day for Truth and Reconciliation, Comedy Nights, SAY IT! On Stage Theatre Series and art installations
- Environmental Events include the Rain Barrel program, Community Eco-expo, Community Clean-up and community tree plant
- Liaison for NRT OnDemand transit

Priorities / Statistics from 2023:

- Blood Donor and Pathstone Mental Health Clinics
- Pelham Farmers Market saw a weekly attendance of 350 people
- Christmas in Pelham Outdoor Market saw 1500+ attendees and 37 floats in the parade
- Comedy Night had 200+ attending each event
- Earth Week, 245 Rain Barrels sold, 115 residents for clean-up and 65 trees planted
- Family Day adventure hosted 2500+ and 1500+ attended the annual Easter Egg Hunt
- Canada Day Celebrations at Harold Black Park had 9000+ people in attendance
- Outdoor courts memberships included 98 tennis and 165 pickleball members
- 560 youth participated in swimming lessons and 930 in summer camp programs
- 160+ participants for National Day of Truth and Reconciliation events
- 600+ email subscribers to the monthly newsletter for seniors

Pelham Quick Facts

The Town of Pelham is located in the heart of the Niagara Region and is home to 18,192 residents.



126 sq. km Land Area
144 Population Density
per sq. km

18,192 Total Population
By age group 0-14: 15%
15-64: 57.8% | 65+: 27.3%

6.3% Population Growth
(2016 to 2021)
From 17,110 to 18,192

Statistics Canada. 2022. (table). Census Profile. 2021 Census of Population. Statistics Canada Catalogue no. 98-316-X2021001. Ottawa. Released April 27, 2022.

7,400 Number of Households, 6.1% Increase in Number of Households
(2017-2021)

\$134,479 2020 Estimated Average Household Income*

3.5% Property Taxes as a % of Household Income

*Source: BMA Management Consulting Inc. Municipal Study 2020

2023 Property Tax Breakdown by Service

based on an average residential property assessment value of \$378,000*

Example based on
Annual property tax of:



\$5,481*

*The annual property tax calculation and breakdown is based on the estimated amount of property tax for 2023 on an average residential property.



49%

Niagara Region 49% \$2,693

Set by the Niagara Region.
Collected by the Town and remitted to the Region.



40%

Town of Pelham 41% \$2,210

Set by the Town to provide services.



11%

Education 11% \$578

Set by the Province. Collected by the Town and remitted to school boards.

Section Two: Financial Report



- Message from the Treasurer
- Financial Management Process
- Financial Overview
- Consolidated Financial Statements
- Trust Funds Financial Statements

Message from the Treasurer

The Town of Pelham (“the Town”) is pleased to present its Annual Financial Report for the year ended December 31, 2023. This report has been prepared by management in accordance with the Municipal Act and the Public Sector Accounting Board (PSAB) of Chartered Professional Accountants (CPA) Canada.

The Annual Financial Report communicates to stakeholders and residents the Town’s 2023 financial performance and information regarding significant policies and processes. The 2023 financial results demonstrate the financial resiliency and sustainability in the Town not only maintaining its financial strength during a pandemic year but also excelling in improving its financial position.

The Town and Niagara Region provide municipal services to Pelham taxpayers. The Niagara Region is exclusively responsible for garbage collection and disposal, water treatment, wastewater services, policing, and social services. The Town’s Financial Statements do not include the cost of Niagara Region services.

Pelham’s property tax bill includes levies for the Town, Niagara Region, and the Province of Ontario (for education purposes). The Town’s 2023 levy impact on a typical residential property was approximately 41% of the total property tax bill.

Grant funding is an important focus for the Town. In 2023, 46 grant applications were submitted for \$32 million, 20 of which were approved for \$506,000 and 13 denied for \$700,000. The Town also supported four grant applications for other Pelham groups.

The net debt of the Town decreased from \$10.5 million to \$10.0 million, resulting from a decrease in financial assets of \$1.7 million and a decrease in financial liabilities of \$2.2 million. This has been a significant accomplishment for the Town and is primarily the result of increased transfers to reserves, restraint in taking out debt, and some delays in capital projects. The Financial overview shows the Town’s significant net debt reduction over the past 5 years from \$33.3 million in 2019 to \$10.0 million in 2023. The increase in interest and supplemental revenues has resulted in the Town being able to pay off the demand loan in the amount of \$777,778, resulting in the Town not having bank indebtedness for the first time since 2010.

The Town's financial statement surplus of \$9.2 million exceeded budget, and is primarily a result supplemental taxation, interest, and recreation program revenues which exceeded budget, and unbudgeted grants.

The Town is in the process of completing its Asset Management Plan for non-core assets. The 10-year capital plan, the Development Charges Background Study and the Cash Management and Debt Policy will be updated in 2024. The major capital projects in 2024 is the reconstruction of Quaker Rd. in the amount of \$3.2 million and replacing cast iron water mains in the amount of \$2.7 million.

Maintaining financial strength and sustainability continues to be the focus for the Town of Pelham.

Dated: June 19, 2024



Teresa Quinlin-Murphy,
FCPA, FCA, MBA
Director Corporate Services &
Treasurer

Financial Management Process

Financial Management and Control

Budget

Council has sole authority to allocate funds through the annual operating, capital, and utility rate supported budget approval process. The Town's budget is prepared by each department initially, driven by the Town Strategic Plan, input from residents, departmental initiatives, and long-term financial goals. The budget is reviewed by the Senior Leadership Team and presented to Council for review, modification if necessary, and approval. The annual budget is balanced, as required by the Municipal Act, 2001, S.O. 2001, c.25, as amended (*"the Municipal Act"*), so that revenues equal expenditures for the budget year.

The 2023 water and wastewater operating budgets were approved by Council on February 21, 2023, and the 2023 tax rate supported operating budget was approved by Council on February 6, 2023. The 2023 capital budgets were also approved by Council on February 6, 2023. Pelham's budget is prepared on a modified cash basis in order to ensure the Town collects enough tax revenue to cover its cash needs and meet its obligations. This includes budgeting for any principal debt repayments and any required transfers to or from reserves. Conversely, the Town does not budget for amortization and its annual impact on tangible capital assets, changes in employee future benefit liabilities, and other minor adjustments which are primarily non-cash items. The Town is required to adjust its presentation of the budget in the financial statements to be in accordance with Canada Public Sector Accounting Standards (PSAS). Note 14 to the consolidated financial statements reconciles the approved budget to the budget amounts reported in the financial statements.

Accounting and Internal Controls

Management of the Town of Pelham is responsible for the integrity, objectivity and accuracy of the financial information presented in the accompanying consolidated financial statements. The financial statements and accompanying notes have been prepared by management within the framework of the accounting principles and requirements of the PSAS as recommended by CPA Canada.

To meet its responsibility, management maintains a system of internal controls designed to ensure that assets are safeguarded and transactions are properly authorized and recorded in compliance with legislative and regulatory requirements. The financial management and control systems of the Town are governed by various by-laws, policies and procedures. The Town's systems of internal controls are monitored and evaluated by management and are subject to independent audit.

Staff regularly provide financial reports to Council, and clearly compare budgets with actual results along with commentary on variances from budget and forecasts. Staff have been consistently making improvements to the Town's financial reporting capabilities through the implementation of software and report automation, which allows for more frequent financial reporting to Council to aid in decision-making, and provides the public with an understanding of how their tax dollars are spent.

External Audit

The Pelham Finance and Audit Committee is a Committee of Council, composed of three Councillors and three citizen representatives and is responsible for providing oversight, review, and recommendations to Council regarding:

- The selection and appointment of auditors
- The audit results and the management letter (if applicable)

The *Municipal Act* requires that the Town appoint an independent auditor licensed under the *Public Accounting Act, 2004*, to express an opinion as to 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 their opinion.

Deloitte LLP, Chartered Professional Accountants, was appointed by Pelham Town Council to express an audit opinion on the Town's consolidated financial statements for the year ended December 31, 2023.

2023 Financial Overview

The Town of Pelham's consolidated financial statements have been prepared in accordance with the reporting standards set by the Public Sector Accounting Board (PSAB) of CPA Canada. The four required financial statements include: the consolidated statement of financial position, the consolidated statement of operations, the consolidated statement of change in net debt, and the consolidated statement of cash flows. These consolidated statements provide information on the financial position and activities of the Town of Pelham. In addition, the notes to the consolidated financial statements provide additional information and form an integral part of the statements.

The consolidated financial statements include the Lincoln Pelham Public Library Board, which is a joint board, is proportionately consolidated. On January 1, 2023 the Lincoln Pelham Library Board took over the operations of the Pelham Library. Niagara Central Airport Commission, which is a joint board, is proportionately consolidated. 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.

The following is a high-level overview of the 2023 financial results for Pelham.

Consolidated Statement of Financial Position

The consolidated statement of financial position reports on the Town of Pelham's financial and non-financial assets, liabilities and accumulated surplus at December 31, 2023.

Financial Assets

Financial assets in 2023 were \$32.9 million (2022: \$34.6 million), a \$1.7 million decrease over the prior year. This was primarily due to decrease in grant receivables and taxes receivable.

Taxes receivable decreased by \$0.53 million because there was a focused effort on collections in 2023. Significant decrease in the 2-year and 3-year arrears by \$0.13.

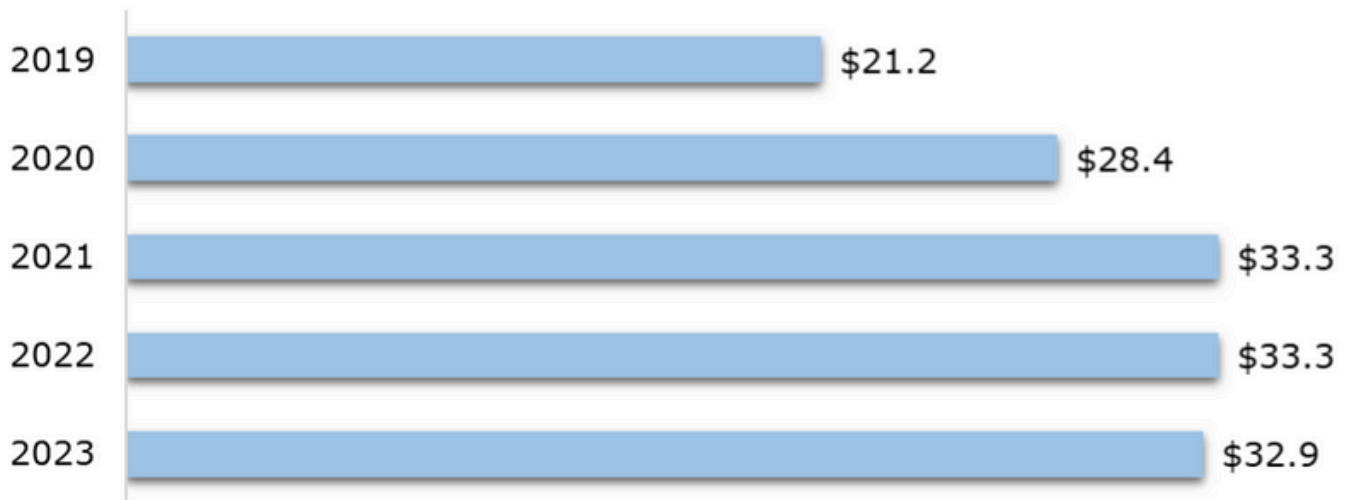
User charges receivable increased by \$0.1 million since the Town does not shut water off for overdue accounts but they are collected when the arrears balance is added to property taxes.

The \$1.88 million decrease in accounts receivable is primarily due to grants receivable. This receivable fluctuates depending on the timing of the completion of the projects and receipt of grant claims.

The investment in subsidiary, Peninsula West Power Inc. (PWPI), increased because of equity earnings in the subsidiary that exceeded dividends received by \$0.07 million.

The chart illustrates the 5-year trend in total financial assets.

Total Financial Assets (in millions \$)



Financial Liabilities

Liabilities in 2023 were \$42.9 million (2022: \$45.1 million), a \$2.2 million decrease from the prior year.

Bank indebtedness decreased by \$0.9 million as the demand loan was repaid in full in 2023. This was accomplished by the additional surplus from interest and supplemental revenues.

Accounts payable and accrued liabilities increased by \$1.32 million primarily due to an increase in construction holdbacks and \$0.08 million to the Niagara Region for Development Charges.

Other liabilities increased by \$0.13 million due to lower deposits held in trust.

Deposits and deferred revenue decreased by \$0.09 million due to grants previously collected which were spent in 2023.

Deferred revenue – obligatory reserve funds decreased by \$0.4 million as a result of development charge and parkland collections.

Long-term debt decreased by \$2.2 million due to principal payments on debt, while no new debt was issued in the year.

The following chart illustrates the five-year trend in total financial liabilities.

Total Financial Liabilities (in millions \$)



Net Financial Assets (Net Debt)

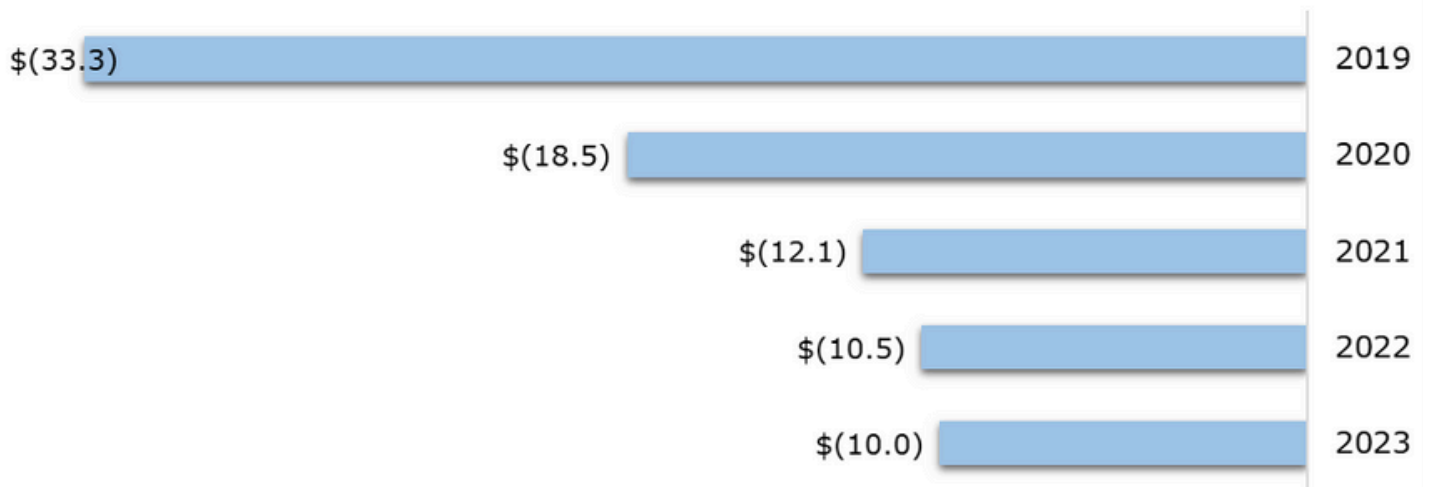
Net financial assets (net debt) represent the difference between the Town’s financial assets and its financial liabilities.

The Town of Pelham ended the year in a net debt position (financial liabilities exceeded financial assets) of \$10.0 million, a decrease in net debt of \$0.5 million from the prior year. This change was the result of an decrease in financial assets and a decrease in financial liabilities from 2022.

Net Debt	2023	2022	Change	% Change
Financial assets	\$ 32,875,762	\$ 34,556,612	\$ 1,680,850	-4.9%
Less financial liabilities	(42,865,615)	(45,058,548)	2,192,933	(4.9%)
Net Debt	\$ (9,989,853)	\$ (10,501,936)	\$ 512,083	4.9%

The following chart illustrates the five-year trend in net debt.

Net Debt (in millions \$)



Non-Financial Assets

The Town's non-financial assets are comprised mainly of tangible capital assets as well as prepaid expenses. Prepaid expenses decreased \$0.5 million in 2023 compared to 2022 because the Town's 18-month insurance policy had a zero balance in prepaid at the end of 2023 versus twelve months prepaid at the end of 2022.

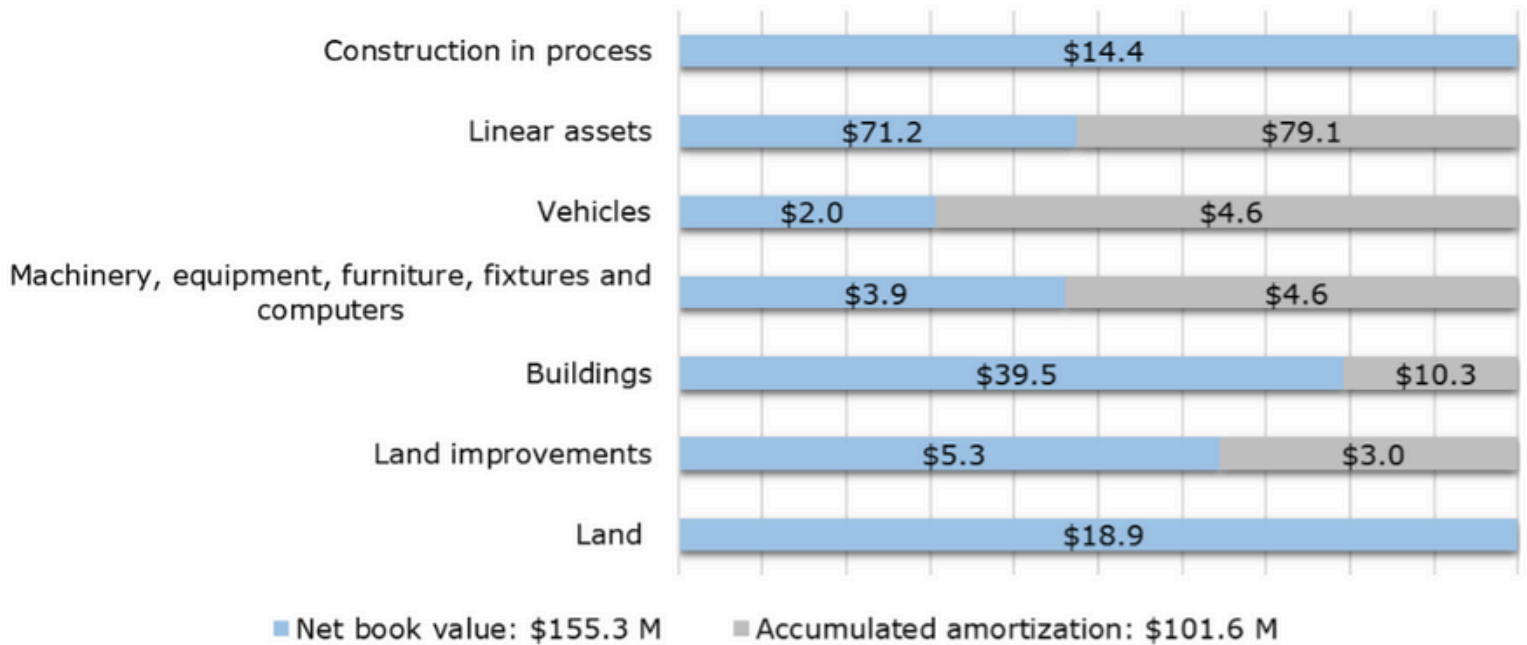
The net book value of tangible capital assets, as reported in the consolidated statement of financial position, is \$155.3 million and is highlighted by category in the accompanying chart. The total historical costs are \$256.9 million, and the total accumulated amortization is \$101.6 million, implying that 39% of the estimated useful life of the Town of Pelham's capital assets has been utilized in the delivery of services. This is impacted by the Meridian Community Centre, which is a new asset with a high dollar value cost and does not necessarily represent the remaining useful lives of other assets. For example, the historical cost of linear assets, which include roads, water, storm sewer and sanitary sewer distribution networks, is \$150.2 million, and the accumulated amortization is \$79.1 million, implying that 53% of the estimated useful life of the Town's linear assets have been utilized. As another example, 69% of the estimated useful life of the Town's vehicles have been utilized. A breakdown by category is available below.

During the year, the Town of Pelham acquired \$18.9 million of tangible capital assets. There was one developers' contribution for new subdivisions in 2023 in the amount of \$565,023 as compared to zero developers' contribution in infrastructure assets in 2022. These contributed tangible capital assets were paid for by the developer and when the subdivisions were assumed they became the responsibility of the Town and were recorded at fair value at the date of contribution.

The total amortization expense, as reported in the statement of operations, amounted to \$6.0 million.

The following graph illustrates the breakdown of Tangible Capital Assets.

Tangible Capital Assets: Net Book Value & Amortization (in millions \$)



Accumulated Surplus

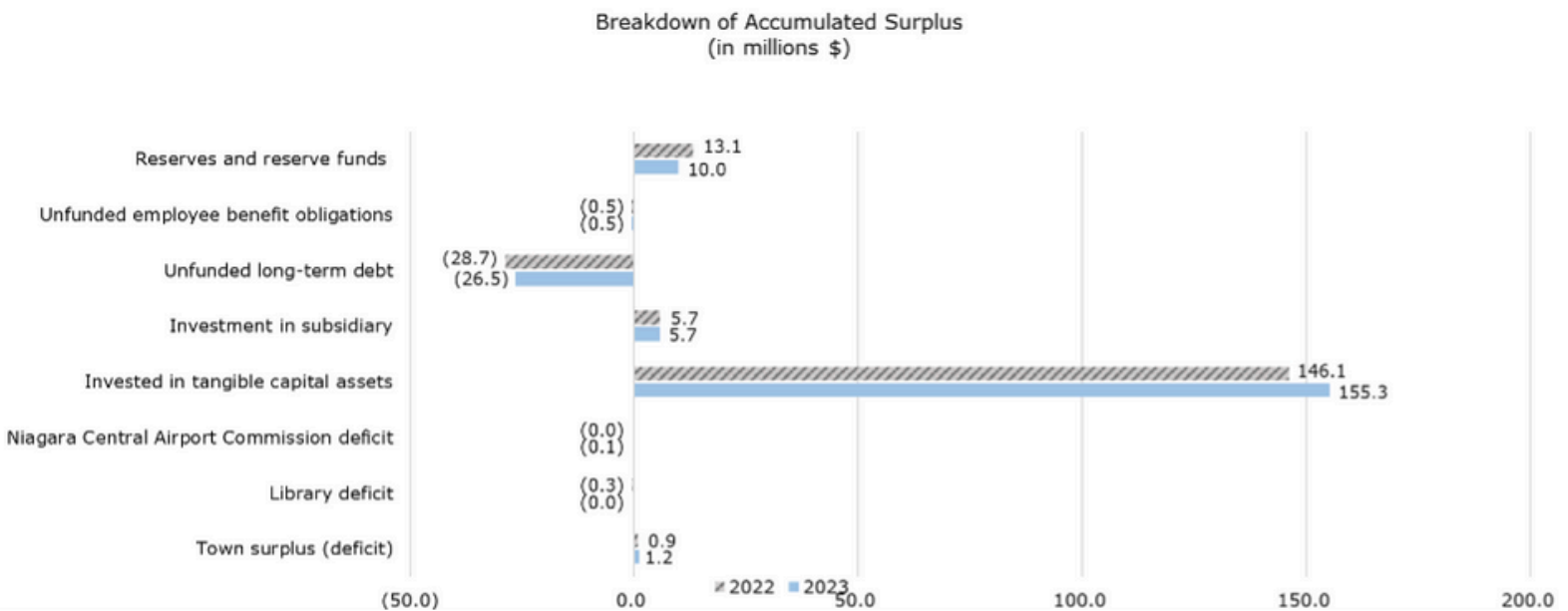
The Town of Pelham’s accumulated surplus is composed of investments in reserves and reserve funds, investments in subsidiaries, investments in tangible capital assets, and a general Town surplus, which is offset by a deficit in the Library and Niagara Central Airport Commission as well as unfunded long-term debt and unfunded employee benefit obligations.

Reserves and discretionary reserve funds, as detailed in Note 9 to the consolidated financial statements, decreased approximately \$3.3 million compared to 2022. This was due to decrease from reserves to fund roads, parks, recreation, fire equipment, wastewater and water capital projects. These decreases are offset by an increased transfers to reserves, in-year transfers of items such as growth-related revenue from property tax supplemental revenues, interest income on investments and planning fees that will be needed to fund future expenditures, as well as capital projects which have not yet been completed but are still committed against the reserves.

Several capital projects were delayed due to some projects being deferred to 2024. The Town has approximately \$7.5 million in projects carrying forward to be completed in 2024 which were budgeted in prior years, of which \$6.0 million will be funded from these reserves.

The remaining reserves and reserve funds are needed to fund future planned capital expenditures within the capital forecast, and some, such as the Building Department, Water, and Wastewater, are rate-supported and must be used for expenditures related to their rate charges.

The following chart illustrates the breakdown of accumulated surplus.



Consolidated Statement of Operations

The consolidated statement of operations reports on the Town of Pelham’s revenues, expenses, and surplus for the year and outlines the change in accumulated surplus.

Summary of Revenues and Expenses	2023	2022	% Change
Total revenue	39,256,150	35,750,679	9.8 %
Total expenses	30,079,867	28,159,752	6.8%
Annual surplus	\$ 9,176,283	\$ 7,590,927	
Accumulated surplus, beginning	136,271,455	128,680,528	
Accumulated surplus, ending	\$ 145,447,738	\$ 136,271,455	

Revenues

Revenues in 2023 were \$39.3 million (2022: \$35.8 million), an increase of \$3.5 million over the prior year. This is due to higher taxation, user charges, grants, contributed tangible capital assets, and other revenues, an increase contributed tangible capital assets including one subdivision assumed; whereas in 2022 there were no subdivisions assumed.

Property taxation for the year was 48% of total revenues, being the Town’s most significant source of revenue. Property tax revenue was higher than budget because of supplemental taxation revenue, which is a result of growth in the Town, as well as additions, renovations and class changes that were not previously recorded on the assessment roll and are updated by MPAC.

User charges, including all user charges collected by the Town for items such as water and sewer billings, building permits, and recreation facilities, represented 24% of total revenues. User charges were slightly higher than budget due to an increase in recreation fees from programs.

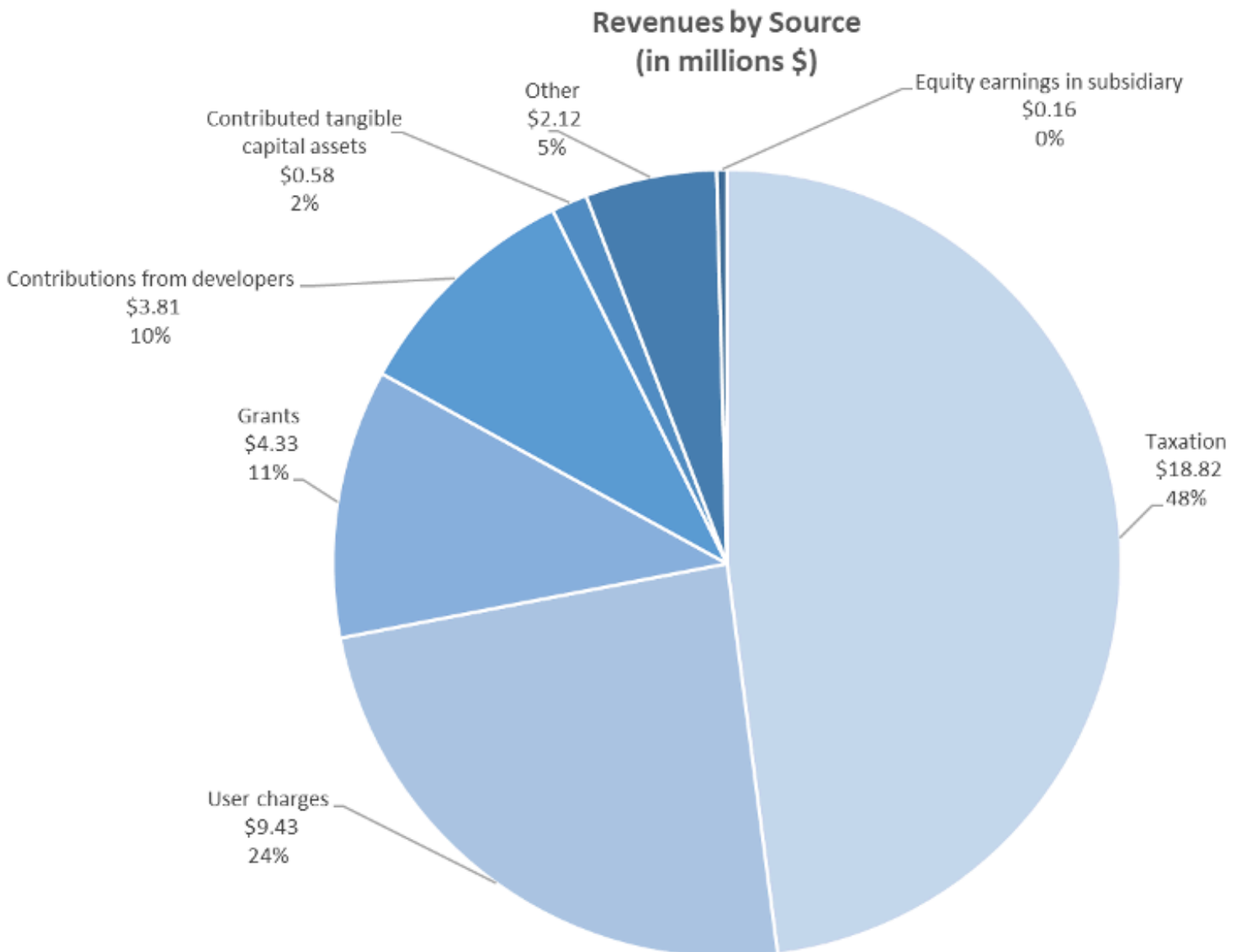
Grants for 2023 were 11% of total revenues and were fewer grants received in 2023 as projects were completed in 2023. Capital grants were lower than budget due to delays in capital projects and will be applied in the future when projects are completed.

Contributions from developers were 10% of total revenues and include items such as development charge revenues and parkland dedication revenues. Contributions from developers were higher since more capital projects were completed in 2023 that had developer contributions.

Other revenues, including penalties and interest on taxes, investment income, and donations, were 5% of total revenues. Other revenues exceeded budget because of increased investment income due to higher interest rates, and MCC capital donations collected which were budgeted in a prior year.

Equity earnings in the Town’s subsidiary, PWPI, was below 1% of total revenues.

Below is a breakdown of revenues by source.



Expenses

Expenses in 2023 were \$30.1 million (2022: \$28.2 million), comparable to the prior year.

Of the Town's total expenses, 17% relate to general government, which includes corporate governance, management, and program support to other departments. General government expenses exceeded budget due to an increase in insurance, information technology and contract services for consulting which was funded by grants.

Protection to persons and property is 8% of the total and includes fire, protective inspection and control, emergency measures, and provincial offences. Protection to persons and property expenses exceeded budget due to additional costs for the volunteer firefighter points since additional training was required as it was provincially legislated.

Transportation services, being 21% of the total, includes expenses for roads, winter control, transit, parking, street lighting, and air transportation.

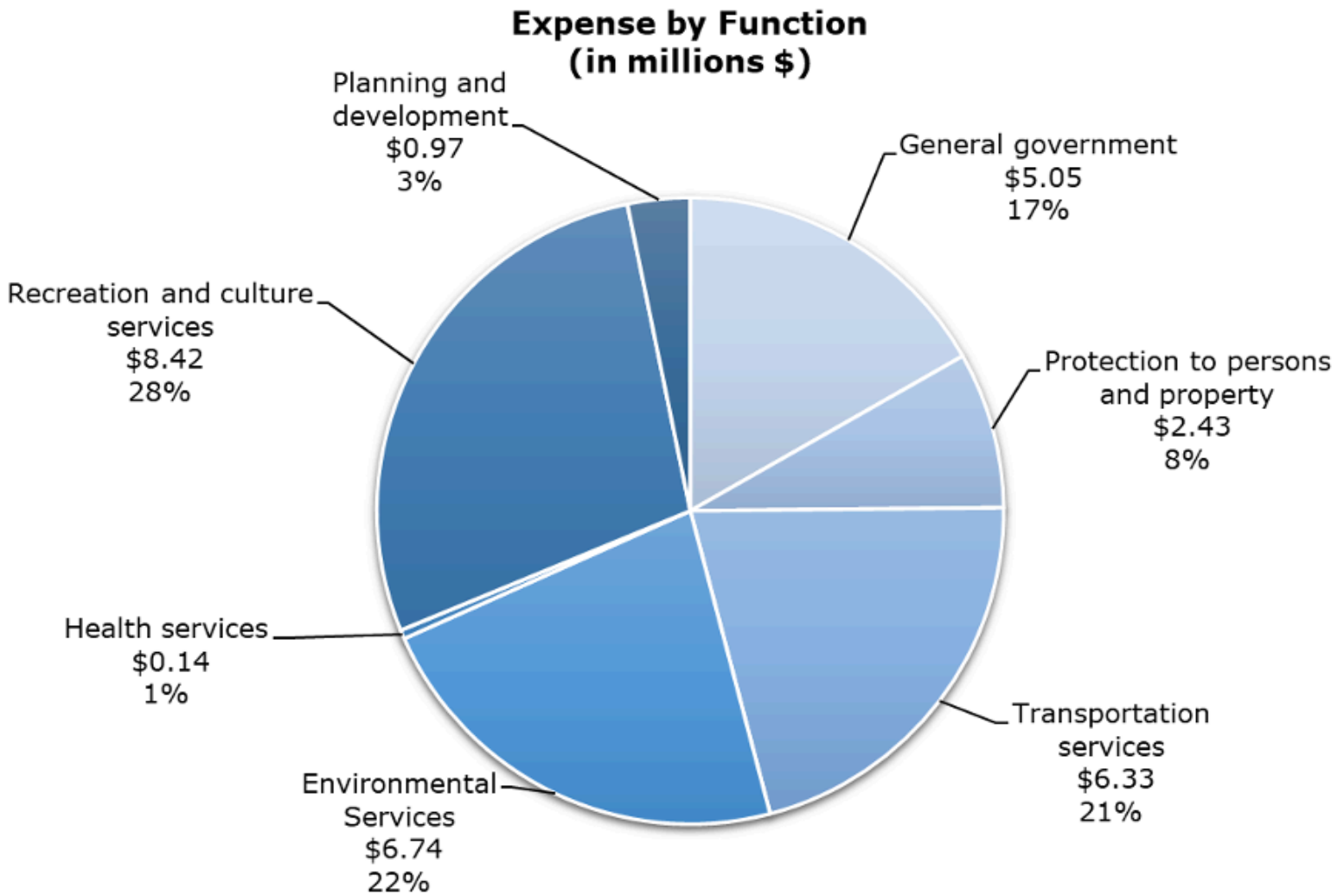
Environmental services are 22% of the total and is comprised of water and wastewater expenses. Environmental Services expenses were underbudget than budget due to additional increased cost of contract services paid to the Region and increased water meter maintenance.

Health services is 0% of total expenses and includes the cost of operating and maintaining the cemeteries.

Recreation and culture services is 28% of the total and includes parks, recreation programs, recreation facilities, libraries, and cultural services. Recreation and culture services expenses exceeded budget, due to increase in program activities and special events such as Pelham Summerfest and Chill on the Hill – Thursday Night Event.

Planning and development expenses are 3% of the total and include planning and zoning, commercial and industrial development, residential development, agricultural and reforestation, heritage matters, and municipal drainage. Planning and development expenses exceeded budget due expensing planning and drainage reports that were budgeted in capital but did not meet the definition of capitalization.

Below is a breakdown of expenses by function.



Annual Surplus

During 2023, revenues exceeded expenses resulting in a \$9.2 million surplus, a \$1.6 million increase in annual surplus from the prior year. This increase was primarily the result of increased revenues from supplemental and interest revenues.

The annual surplus on the consolidated financial statements is different than the operating budget surplus presented in the year-end report to Council, because the financial statements are presented in accordance with PSAB standards, while the Town’s operating budget results are reported on a modified cash basis and includes other expenditures such as principal payments on debt and reserve transfers, which are not expenses in the financial statements, and excludes items such as amortization and the gain or loss on disposal of assets. A detailed reconciliation of the approved budget to the budget amounts reported in the consolidated financial statements is available in Note 15 to the statements.

The Town's accumulated surplus at the end of 2023 was \$145.4 million. It is important to note that accumulated surplus cannot be construed as "cash" or "funds available", as the majority of this surplus is for tangible capital assets which are not available to discharge existing liabilities; rather, these assets are used in the provision of Town services.

Consolidated Statement of Change in Net Debt

The consolidated statement of change in net debt provides detailed information on the use or acquisition of non-financial assets and their impact on the net financial position of the Town. Net debt decreased by \$0.5 million in 2023 compared to 2022. This was primarily impacted by the annual surplus as well as the acquisition of tangible capital assets of \$15.0 million and amortization of tangible capital assets of \$6.0 million.

Consolidated Statement of Cash Flows

The consolidated statement of cash flows shows the impact that transactions had on the Town's cash position during the year. It reconciles the annual surplus to the cash balance reported on the consolidated statement of financial position and highlights the use of cash for operating, capital, investing, and financing activities. Total operating activities increased cash by \$0.6 million, and this was used for the acquisition of tangible capital assets net of proceeds on disposal of \$15.0 million, as well as to decrease debt by \$3.1 million. The net impact was to increase cash and cash equivalents by \$0.6 million for an ending balance of \$18.7 million.

Trust Funds

The Town also administers trust funds, which are not consolidated with the Town's financial statements. These funds undergo a separate audit and their financial statements are also approved by Council. The financial statements for the Town of Pelham Trust Funds are found in the annual report. The most significant of these funds relate to Cemetery Care and Maintenance Funds held under the Cemeteries Act (Revised), R.S.O. 1990. Total trust funds administered by the Town at the end of 2023 were \$1.1 million (2021 - \$1.2 million). The library trust funds were transferred to the new Lincoln Pelham Public Library Board.

Conclusion

In 2023, the Town's increase in cash from higher than budgeted revenue in the supplemental taxes and interest revenue enabled the Town to pay off the demand loan.

No new debt was issued in the year, while principal payments on debt continued to be paid.

At the end of 2023, the financial statement surplus was \$9.2 million, debt and bank indebtedness that decreased by \$3.1 million, cash that increased by \$0.5 million, and a continued decrease in net debt of \$0.5 million.

Consolidated Financial Statements of

CORPORATION OF THE TOWN OF PELHAM

December 31, 2023

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 19, 2024

CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Financial Position
December 31, 2023

	2023	2022
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 18,721,011	\$ 18,163,039
Taxes receivable	2,257,197	2,788,518
User charges receivable	1,053,565	953,193
Accounts receivable	5,112,629	6,992,230
Investment in subsidiary (Note 3)	5,731,360	5,659,632
	32,875,762	34,556,612
LIABILITIES		
Bank indebtedness (Note 4)	-	900,000
Accounts payable and accrued liabilities	7,159,168	5,834,422
Other liabilities	2,262,765	2,129,087
Deposits and deferred revenue	307,707	399,467
Deferred revenue - obligatory reserve funds (Note 5)	6,119,335	6,520,304
Long-term debt (Note 6)	26,497,388	28,745,764
Employee benefit obligations (Note 7)	519,252	529,504
	42,865,615	45,058,548
Contingencies (Note 18)		
Net debt	(9,989,853)	(10,501,936)
NON FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	155,327,877	146,104,135
Prepaid expenses	109,714	669,256
	155,437,591	146,773,391
Accumulated surplus (Note 8)	\$ 145,447,738	\$ 136,271,455

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, 2023

	Budget 2023 (Note 15)	Actual 2023	Actual 2022
REVENUE			
Taxation (Note 10)	\$ 18,337,307	\$ 18,822,144	\$ 17,183,515
User charges (Note 11)	9,045,209	9,431,171	9,071,959
Grants (Note 13)	3,702,863	4,332,472	5,668,326
Contributions from developers	3,841,689	3,806,942	1,861,481
Contributed tangible capital assets	-	578,758	-
Other (Note 14)	740,150	2,343,948	1,722,550
Equity earnings in subsidiary (Note 3)	-	164,718	146,000
(Loss) gain on disposal of assets and assets held for sale	-	(224,003)	96,848
	35,667,218	39,256,150	35,750,679
EXPENSES			
General government	4,540,473	5,045,161	4,397,503
Protection to persons and property	2,366,149	2,426,825	2,258,046
Transportation services	6,331,992	6,334,428	6,587,938
Environmental services	6,811,533	6,741,763	6,058,908
Health services	134,586	138,704	118,573
Recreation and culture services (Note 21)	7,947,017	8,424,086	7,985,727
Planning and development	712,111	968,900	753,057
	28,843,861	30,079,867	28,159,752
Annual surplus	6,823,357	9,176,283	7,590,927
Accumulated surplus, beginning of year	136,271,455	136,271,455	128,680,528
Accumulated surplus, end of year	\$ 143,094,812	\$ 145,447,738	\$ 136,271,455

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, 2023

	Budget 2023	Actual 2023	Actual 2022
ANNUAL SURPLUS	\$ 6,101,357	\$ 9,176,283	\$ 7,590,927
Amortization of tangible assets	6,000,000	5,962,892	5,930,971
Contributed tangible capital assets	-	(578,758)	-
Acquisition of tangible capital assets	(18,334,638)	(15,048,670)	(11,709,825)
Loss (gain) on disposal of tangible capital assets	-	224,003	(96,848)
Proceeds on disposal of tangible capital assets	-	216,791	237,389
	(6,233,281)	(47,459)	1,952,614
Acquisition of prepaid expenses	-	(89,107)	(662,210)
Use of prepaid expenses	-	648,649	298,520
	-	559,542	(363,690)
Decrease in net debt	(6,233,281)	512,083	1,588,924
Net debt, beginning of year	(10,501,936)	(10,501,936)	(12,090,860)
Net debt, end of year	\$ (16,735,217)	\$ (9,989,853)	\$ (10,501,936)

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, 2023

	2023	2022
OPERATING ACTIVITIES		
Annual surplus	\$ 9,176,283	\$ 7,590,927
Items not involving cash:		
Amortization of tangible assets	5,962,892	5,930,971
Loss (gain) on disposal of tangible capital assets and assets held for sale	224,003	(96,848)
Contributed tangible capital assets	(578,758)	-
Net earnings from investment in subsidiary	(164,718)	(146,000)
Employment benefit obligations	(10,252)	104,254
Change in non-cash assets and liabilities:		
Taxes receivable	531,321	(1,124,889)
User charges receivable	97,187	14,036
Accounts receivable	1,682,042	(727,883)
Accounts payable and accrued liabilities	1,324,746	829,086
Other liabilities	133,678	(332,426)
Deferred revenue - obligatory reserve funds	(400,969)	1,465,834
Deposits and deferred revenue	(91,760)	(20,070)
Prepaid expenses	559,542	(363,690)
	18,445,237	13,123,302
CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	216,791	237,389
Acquisition of tangible capital assets, net of construction in process capitalized	(15,048,670)	(11,709,825)
	(14,831,879)	(11,472,436)
FINANCING ACTIVITIES		
Decrease in bank indebtedness	(900,000)	(133,333)
Dividends received from investment in subsidiary (Note 3)	92,990	80,920
Repayment of long-term debt	(2,248,376)	(2,286,290)
	(3,055,386)	(2,338,703)
Net increase (decrease) in cash	557,972	(687,837)
Cash and cash equivalents, beginning of year	18,163,040	18,850,877
Cash and cash equivalents, end of year	\$ 18,721,011	\$ 18,163,040

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, 2023

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 2023, 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, 2023

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, 2023

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, 2023

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, 2023

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.

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, 2023

2. Accounting Policies Adopted During the Year

PS 3280 Asset Retirement Obligations

PS 3280 Asset Retirement Obligations, a new standard establishing guidance on the accounting and reporting of legal obligations associated with the retirement of tangible capital assets controlled by a government or government organization. A liability for a retirement obligation can apply to tangible capital assets either in productive use or no longer in productive use. As this standard includes solid waste landfill sites active and post-closing obligations, upon adoption of this new standard, existing Solid Waste Landfill Closure and Post-Closure Liability section PS 3270 was withdrawn.

Information presented for comparative purposes should be restated unless the necessary financial data is not reasonably determinable.

The Town adopted this new standard on a prospective basis effective January 1, 2023. Management determined that the Town does not have any asset retirement obligations for 2023.

PS 1201 – Financial Statement Presentation

PS1201 Financial Statement Presentation replaces PS 1200 Financial Statement Presentation. This standard establishes general reporting principles and standards for the disclosure of information in government financial statements. The standard introduces the Statement of Remeasurement Gains and Losses separate from the Statement of Operations. Requirements in PS 2601 Foreign Currency Translation, PS 3450 Financial Instruments, and PS 3041 Portfolio Investments, which are required to be adopted at the same time, can give rise to the presentation of gains and losses as remeasurement gains and losses.

PS 2601 – Foreign Currency Translation

PS 2601 Foreign Currency Translation replaces PS 2600 Foreign Currency Translation. The standard requires monetary assets and liabilities denominated in a foreign currency and non-monetary items denominated in a foreign currency that are reported as fair value, to be adjusted to reflect the exchange rates in effect at the financial statement date. Unrealized gains and losses arising from foreign currency changes are presented in the new Statement of Remeasurement Gains and Losses.

PS 3041 - Portfolio Investments

PS 3041 Portfolio Investments replaces PS 3040 Portfolio Investments. The standard provides revised guidance on accounting for, and presentation and disclosure of, portfolio investments to conform to PS 3450 Financial Instruments. The distinction between temporary and portfolio investments has been removed in the new standard, and upon adoption, PS 3030 Temporary Investments no longer applies.

PS 3450 Financial Instruments

PS 3450 Financial Instruments, a new standard establishes accounting and reporting requirements for all types of financial instruments including derivatives. The standard requires fair value measurement of derivatives and portfolio investments in equity instruments that are quoted in an active market. All other financial instruments will generally be measured at cost or amortized cost. Unrealized gains and losses arising from changes in fair value are presented in the Statement of Remeasurement Gains and Losses.

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).

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

2. Accounting Policies Adopted During the Year (continued)

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).

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.

The Town adopted these standards concurrently beginning January 1, 2023 on a prospective basis. As the remeasurement gain (loss) resulting from the adoption of the above accounting standards is nominal to the financial statements of the Town, a Statement of Remeasurement Gains and Losses has not been prepared.

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.:

	2023	2022
Financial position		
Current assets	\$ 1,771,669	\$ 1,717,662
Capital assets	60,351	69,265
Investment	38,393,827	37,784,856
Total assets	40,225,847	39,571,783
Current liabilities		
Accounts payable and accrued liabilities	58,599	58,433
Future payments in lieu of taxes	6,532,770	6,226,804
Total liabilities	6,591,369	6,285,237

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

3. Subsidiary operations (continued)

	2023	2022
Net assets	33,634,478	33,286,546
Town of Pelham's interest - 17%	\$ 5,731,360	\$ 5,659,632
	2023	2022
Change in equity investment in subsidiary		
Revenues	\$ 239,524	\$ 240,493
Expenses	(188,833)	(205,739)
Payment in lieu of income taxes	(251,736)	(597,786)
Loss from operations	(201,045)	(563,032)
Gain on investment	1,169,972	1,421,855
Net earnings	968,927	858,823
Dividends	(547,000)	(476,000)
Net increase in equity of subsidiary	421,927	382,823
Change in equity of subsidiary - 17%	\$ 71,728	\$ 65,080

The financial position, long-term debt, capital lease and contingent liabilities information is as reported by Peninsula West Power Inc. at December 31, 2023 and the results of operations is as reported for the year ended December 31, 2023. The comparative financial position and results of operations figures are as reported by Peninsula West Power Inc. at December 31, 2022.

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.

	2023	2022
Electricity purchased	\$ 44,377	\$ 58,594
Administration expense	6,360	4,685
	\$ 50,737	\$ 63,279

4. Bank indebtedness

The Town has an authorized revolving line of credit of \$11,500,000 (2022 - \$11,500,000) at prime minus 0.25%, of which \$11,500,000 (2022 - \$11,500,000) remained unused at year-end. The line of credit is secured by a borrowing by-law for operating line of \$11,500,000 held. Payment is due on demand. The Town has a non-revolving demand installment loan of \$nil (2022 - \$900,000) at prime minus 0.10%. The demand installment loan was paid in full in 2023.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

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	2023 Total	2022 Total
Balance, beginning of year	\$ 4,743,143	\$ 1,358,739	\$ 324,012	\$ 61,373	\$ 33,037	\$ 6,520,304	\$ 5,054,470
Restricted funds received	2,882,654	196,942	566,240	-	864,014	4,509,850	5,476,143
Interest earned	83,005	61,991	19,133	3,185	5,975	173,289	97,669
Collection of receivable	-	(196,942)	-	-	-	(196,942)	(393,696)
Revenue recognized	(3,284,683)	(370,936)	(355,706)	-	(875,841)	(4,887,166)	(3,714,282)
Balance, end of year	\$ 4,424,119	\$ 1,049,794	\$ 553,679	\$ 64,558	\$ 27,185	\$ 6,119,335	\$ 6,520,304

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

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:

	2023	2022
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	\$ 26,497,388	\$ 28,745,764

- (b) The net long-term debt:

Debenture number	Purpose	Interest rates	Maturity dates	2023	2022
72-2013	Effingham & Hwy 20	1.40% to 3.75%	2023	\$ -	\$ 78,856
78-2014	Pelham St & Fire Stn #2	1.20% to 3.30%	2024	199,471	392,848
75-2015	Fire Stn #3 & Pt Robinson	1.94%	2025	722,000	1,070,000
35-2016	Fenwick & Pt Robinson	1.20% to 2.40%	2026	1,831,272	2,416,733
72-2016	Meridian Community Centre	3.34%	2046	7,675,530	7,894,467
55-2017	Meridian Community Centre	3.22%	2047	10,543,098	10,830,692
59-2019	East Fonthill Roads	2.40%	2029	2,510,963	2,899,266
58-2020	Meridian Community Centre	1.98%	2040	3,015,054	3,162,902
				\$ 26,497,388	\$ 28,745,764

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

2024	\$ 2,232,719
2025	2,074,693
2026	1,752,359
2027	1,159,134
2028	1,191,275
Thereafter	18,087,208
	\$ 26,497,388

The Town paid \$862,053 (2022 - \$982,220) 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, 2023

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	5.00%

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:

	2023	2022
Current service cost	\$ (13,858)	\$ 126,352
Interest on post-employment benefit liability	21,180	11,346
Total expense related to post-employment benefits	\$ 7,322	\$ 137,698

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 \$30,343 (2022 - \$33,456).

Pension agreement

The Town makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 75 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 2023 with a funding deficit of \$4.2 billion (2022 - \$6.7 billion). The funded ratio increased to 97% in 2023, up from 95% in 2022. The primary reason for the increase in funded ratio is due to net return of 4.6% (\$5.6 billion). The amount the Town contributed to OMERS for 2023 was \$666,913 (2022 - \$641,463) 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, 2023

8. Accumulated surplus

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

	2023	2022
Surplus (deficit)		
Town	\$ 1,559,003	\$ 925,111
Library (Note 21)	(26,327)	(274,361)
Niagara Central Airport Commission (Note 16)	(116,864)	(17,124)
	1,415,812	633,626
Investment in tangible capital assets (Schedule 2)	155,327,877	146,104,135
Investment in subsidiary	5,731,360	5,659,632
Unfunded		
Long-term debt	(26,497,388)	(28,745,764)
Employee benefit obligations	(519,252)	(529,504)
	(27,016,640)	(29,275,268)
Reserves and reserve funds (Note 9)	9,989,329	13,149,330
	\$ 145,447,738	\$ 136,271,455

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

9. Reserves and reserve funds

	2023	2022
Reserves and reserve funds set aside for specific purposes by Council		
Airport (Note 16)	\$ 28,357	\$ 28,357
Building department	2,009,400	1,973,804
Cemetery	250,692	157,162
Community improvement plan	270,566	283,957
Elections	55,523	14,345
Fire equipment	965,664	1,218,432
Fleet	1,585,471	1,552,894
Human resource capacity building	543,935	551,264
Information technology	12,129	104,965
Land acquisition	(537,296)	(837,592)
Library	251,034	388,450
Meridian Community Centre	393,340	601,747
Municipal building facility	63,771	635,999
Municipal drainage	71,860	61,763
Parks and recreation	156,244	61,894
Physician recruitment	27,705	27,705
Planning	271,572	363,357
Roads	1,310,218	2,469,836
Volunteer firefighter life insurance	50,000	37,500
Wastewater	1,948,702	2,563,441
Water	(172,648)	500,582
Invasive Species Management Reserve	120,000	-
Working capital	313,090	389,468
	\$ 9,989,329	\$ 13,149,330

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

10. Taxation

	Budget 2023 (Note 15)	Actual 2023	Actual 2022
Taxation - real property	\$ 45,259,166	\$ 46,868,189	\$ 42,391,752
Payments in lieu of taxes	350,471	304,559	304,502
	45,609,637	47,172,748	42,696,254
Less: taxation collected on behalf of			
Region of Niagara	21,807,866	22,690,912	20,032,668
School boards	5,464,461	5,659,692	5,480,071
	27,272,327	28,350,604	25,512,739
Net taxes available for municipal purposes	18,337,310	18,822,144	17,183,515
Residential and farm	16,748,589	17,173,436	15,632,005
Multi-residential	213,138	221,186	210,077
Commercial	1,306,685	1,356,023	1,273,681
Industrial	68,896	71,499	67,752
	\$ 18,337,308	\$ 18,822,144	\$ 17,183,515

11. User charges

	Budget 2023 (Note 15)	Actual 2023	Actual 2022
Operating			
Fees and service charges	\$ 1,554,606	\$ 1,927,630	\$ 1,965,657
Water charges	3,742,086	3,783,431	3,426,210
Sewer charges	2,976,458	2,970,282	2,675,016
Licenses and permits	772,059	749,828	1,005,076
	\$ 9,045,209	\$ 9,431,171	\$ 9,071,959

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

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:

	2023	2022
Region of Niagara	\$ 25,987,785	\$ 24,136,175
School boards	5,659,692	5,480,071
	\$ 31,647,477	\$ 29,616,246

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 2023 (Note 15)	Actual 2023	Actual 2022
Operating			
Government of Canada	\$ 14,650	\$ 68,095	\$ 83,383
Province of Ontario	259,200	728,122	1,872,751
Region of Niagara	-	17,388	40,089
Other	-	33,899	1,100
	273,850	847,504	1,997,323
Capital			
Government of Canada	1,117,875	1,214,261	2,690,302
Province of Ontario	1,598,146	1,577,715	857,298
Region of Niagara	712,992	692,992	123,403
	3,429,013	3,484,968	3,671,003
	\$ 3,702,863	\$ 4,332,472	\$ 5,668,326

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

14. Other revenue

	Budget 2023 (Note 15)	Actual 2023	Actual 2022
Operating			
Penalties and interest on taxes	\$ 278,000	\$ 446,537	\$ 380,139
Investment income	43,000	1,108,607	510,905
Fines and other penalties	22,500	50,455	31,272
Other	396,650	545,628	446,842
	740,150	2,151,227	1,369,158
Capital			
Donations	-	192,721	353,392
	\$ 740,150	\$ 2,343,948	\$ 1,722,550

15. Budget amounts

The operating and tax rate supported budgets were approved by Council on February 6, 2023 to establish the tax rates for the year. In addition, the tax rate supported capital budget was also approved by Council on February 6, 2023 and the water and wastewater operating budgets were approved by Council on February 21, 2023.

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.

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

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	\$ 21,960,804
Approved water and wastewater budget	6,759,544
Approved library budget - other than Town contribution	87,871
Add capital:	
Development charges	3,841,689
Federal Gas Tax	324,000
Ontario Community Infrastructure Fund	836,829
Other grants	<u>2,201,313</u>
	7,203,831
Less:	
Transfers from reserves - operating	<u>(344,832)</u>
	<u>(344,832)</u>
Total revenues	35,667,218
Expenses	
Approved operating budget	21,960,804
Approved water and wastewater budget	6,759,544
Approved library operating budget	951,733
Add:	
Amortization	6,000,000
Employee future benefits	40,000
Estimated capital budget items expense in nature	794,000
Debt interest payments - development charges	<u>385,592</u>
	7,219,592
Less:	
Debt principal payments (development charge excluded)	(1,329,968)
Town contribution to library	(865,962)
Transfers to reserves, including capital	<u>(5,851,882)</u>
	<u>(8,047,812)</u>
Total expenses	28,843,861
Annual surplus	\$ 6,823,357

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

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%.

	2023	2022
Financial assets		
Cash and temporary investments	\$ 341,980	\$ 291,278
Receivables	23,927	34,503
	365,907	325,781
Liabilities		
Accounts payable and accrued liabilities	27,402	40,758
Loans payable and capital lease liability	810,549	277,696
Asset retirement obligation	41,940	-
	879,891	318,454
Net debt	(513,984)	7,327
Non-financial assets		
Prepaid expenses	15,492	14,738
Fuel inventory	6,785	15,805
Tangible capital assets	2,131,101	1,624,743
	2,153,378	1,655,286
Accumulated surplus	1,639,394	1,662,613
Accumulated surplus		
Operating deficit	(591,152)	(95,133)
Reserves	157,539	157,539
Investment in tangible capital assets	2,073,007	1,600,207
	1,639,394	1,662,613
Revenues		
Grants	154,770	154,770
Fuel and rentals	117,042	95,191
Other	50,116	350,882
Expenses	(312,042)	(287,502)
Annual surplus	\$ 9,886	\$ 313,341

The financial position information is as reported by the Niagara Central Airport Commission as at December 31, 2023 and the results of operations are as reported for the year ended December 31, 2023.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

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.

		2023	2022
Grants	\$	25,356	\$ 25,854
Donations	\$	2,493	\$ 3,116

17. Trust funds

Trust funds administered by the Town amounting to \$1,054,574 (2022 - \$1,188,195) 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, bank indebtedness, accounts payable and accrued liabilities, other liabilities and long-term debt. It is management's opinion that the Town is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

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 services

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

(iii) Transportation services

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

(iv) Environmental services

Environmental is comprised of storm sewer systems and water collection.

(v) Health services

Health services is comprised of cemeteries.

(vi) Recreation and culture services

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

(vii) Planning and development

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

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 2023, the Town of Pelham's proportionate share of local support to the Library Board is 42%.

	2023
Financial assets	
Cash and temporary investments	\$ 88,793
Receivables	673,944
	<u>762,737</u>
Liabilities	
Accounts payable and accrued liabilities	203,278
Post-retirement benefit liability	30,403
Deferred revenue	25,000
	<u>504,056</u>
Net financial assets	<u>504,056</u>
Non-financial assets	
Tangible capital assets	657,618
	<u>1,161,674</u>
Accumulated surplus	
Operating surplus	(63,242)
Reserves	597,701
Post-retirement benefit liability	(30,403)
Investment in tangible capital assets	657,618
	<u>1,161,674</u>
Revenues	
Municipal Grants	2,066,044
Provincial Grants	84,216
Fees, fines, rentals and sales	31,909
Deferred revenue earned	84,695
Other revenue	44,322
	<u>2,311,186</u>
Total Revenue	2,311,186
Expenses	
Staffing Cost	1,860,403
Materials and Supplies	366,553

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements
For the Year Ended December 31, 2023

21. **Lincoln Pelham Public Library (continued)**

	2023
Contracted Services	67,950
Amortization of tangible capital assets	182,541
Total Expenses	2,477,447
Annual (deficit)	(166,261)
Accumulated surplus, transferred from the Towns of Pelham and Lincoln	1,327,935
Accumulated surplus, end of year	\$ 1,161,674

The financial position information is as reported by the Lincoln Pelham Public Library as at December 31, 2023 and the results of operations are as reported for the year ended December 31, 2023.

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 Municipality'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.

	2023
Municipal Grant - From Pelham to Library	\$ (865,962)
Town of Pelham's Payable to Library	\$ 480,615

The transfer of assets, liabilities and reserves to the Lincoln Pelham Union Public Library was recorded as a restructuring transaction during the year, with an impact of an increase in expenses in the Town's consolidated statement of operations, recorded as recreation and culture services, of \$249,236.

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Tangible Capital Assets - Schedule 1
For the Year Ended December 31, 2023

2023

	Land improvements	Land	Buildings	Machinery, equipment, furniture, 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 Tangible Capital Assets - Schedule 1
For the Year Ended December 31, 2023

2022

	Land improvements	Land	Buildings	Machinery, equipment, fixtures and computers	Vehicles	Linear assets	Construction in process	Total
Cost								
Beginning of year	\$ 19,036,546	\$ 6,967,551	\$ 47,500,950	\$ 9,131,907	\$ 6,484,234	\$ 140,850,936	\$ 3,804,139	\$ 233,776,263
Additions	-	935,032	18,744	1,016,006	-	6,265,480	6,888,317	15,123,579
Less construction in process capitalized	-	-	-	-	-	-	(3,413,754)	(3,413,754)
Less disposals during the year	(123,650)	-	-	(19,000)	(778,666)	(18,900)	-	(940,216)
End 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
Accumulated amortization								
Beginning of year	-	2,188,053	7,681,295	6,260,146	4,965,241	72,215,705	-	93,310,440
Add amortization during the year	-	367,940	1,311,388	564,020	240,777	3,446,847	-	5,930,972
Less amortization on disposals	-	-	-	(17,500)	(763,275)	(18,900)	-	(799,675)
End of year	-	2,555,993	8,992,683	6,806,666	4,442,743	75,643,652	-	98,441,737
Net book value	\$ 18,912,896	\$ 5,346,590	\$ 38,527,011	\$ 3,322,247	\$ 1,262,825	\$ 71,453,864	\$ 7,278,702	\$ 146,104,135

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Segment Operations - Schedule 2
For the Year Ended December 31, 2023

	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 tangible capital 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 surplus	\$ 7,190,998	\$ -	\$ -	\$ 1,976,500	\$ 8,785	\$ -	\$ -	\$ 9,176,283

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Segment Operations - Schedule 2
For the Year Ended December 31, 2023

	2022							
	General government	Protection services	Transportation services	Environmental services	Health services	Recreation and cultural services	Planning and development	Total
Revenue								
Taxation	\$ 9,836,917	\$ 1,161,830	\$ 1,438,220	\$ -	\$ (3,169)	\$ 4,573,078	\$ 176,639	\$ 17,183,515
User charges	77,483	1,015,858	101,706	6,101,226	48,994	1,226,064	500,628	9,071,959
Grants	390,298	-	3,340,873	321,034	-	1,616,121	-	5,668,326
Contributions from developers	-	33,929	1,520,517	161,670	-	76,061	69,304	1,861,481
Other	818,024	46,429	186,622	97,838	72,748	494,403	6,486	1,722,550
Equity earnings in subsidiary	146,000	-	-	-	-	-	-	146,000
(Loss) gain on disposal of tangible capital assets and assets held for sale	96,848	-	-	-	-	-	-	96,848
Total revenues	11,365,570	2,258,046	6,587,938	6,681,768	118,573	7,985,727	753,057	35,750,679
Expenses								
Salaries and wages	2,432,046	1,516,197	1,195,984	1,499,226	87,486	3,156,419	536,334	10,423,692
Long term debt interest	-	22,099	111,173	8,674	-	834,176	6,098	982,220
Materials	1,266,220	197,291	750,686	347,063	10,005	1,284,563	36,130	3,891,958
Contracted services	510,507	216,872	1,666,509	3,188,660	9,547	1,008,827	106,580	6,707,502
Rents & financials	41,784	-	135,297	-	-	1,828	-	178,909
External transfers to others	42,000	-	-	-	-	2,500	-	44,500
Amortization of tangible assets	104,946	305,587	2,728,289	1,015,285	11,535	1,697,414	67,915	5,930,971
	4,397,503	2,258,046	6,587,938	6,058,908	118,573	7,985,727	753,057	28,159,752
Annual surplus	\$ 6,968,067	\$ -	\$ -	\$ 622,860	\$ -	\$ -	\$ -	\$ 7,590,927

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 19, 2023

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Statement of Financial Position

As at December 31, 2023

	Cemetery Care and Maintenance Funds	Bradshaw Estate	Library Trust Funds	Total 2023	Total 2022
Assets					
Cash	\$ 899,423	\$ 154,155	\$ -	\$ 1,053,578	\$ 1,154,604
Receivables and accrued interest	4,084	700	-	4,784	3,820
Investments (Note 2)	-	-	-	-	19,719
Due from the Town of Pelham (Note 3)	-	-	-	-	13,770
	903,507	154,855	-	1,058,362	1,191,913
Liability					
Due to the Town of Pelham (Note 3)	3,788	-	-	3,788	3,718
Fund balance	\$ 899,719	\$ 154,855	\$ -	\$ 1,054,574	\$ 1,188,195

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Statement of Revenue and Expenses and Change in Fund Balances

Year ended December 31, 2023

	Cemetery Care and Maintenance Funds	Bradshaw Estate	Library Trust Funds	Total 2023	Total 2022
Revenue					
Interest	\$ 44,743	\$ 7,669	\$ -	\$ 52,412	\$ 25,988
Realized gain	-	-	-	-	(32)
Donations	-	-	-	-	67,897
Marker fees	7,150	-	-	7,150	7,650
Plot sales	20,035	-	-	20,035	25,387
	71,928	7,669	-	79,597	126,890
Expenses					
Purchase of equipment, books, periodicals and misc	-	-	-	-	26,384
Transfer of assets and liabilities to Lincoln Pelham Public Library (Note 5)	-	-	168,475	168,475	26,384
Maintenance	44,743	-	-	44,743	19,267
	44,743	-	168,475	213,218	72,035
Excess of revenue over expenses (expenses over revenue)	27,185	7,669	(168,475)	(133,621)	54,855
Fund balance, beginning of year	872,534	147,186	168,475	1,188,195	1,106,956
Fund balance, end of year	\$ 899,719	\$ 154,855	\$ -	\$ 1,054,574	\$ 1,161,811

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Notes to the Financial Statements

December 31, 2023

1. Accounting policies

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

(a) Basis of accounting

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

(b) Investments

Investments are recorded at cost.

(c) Financial instruments

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

(d) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from those estimates.

2. Investments

The total for investments by the trust funds of \$nil (2022 - \$19,719) reported on the statement of financial position at cost, have a market value of \$nil (2022 - \$19,719) at the end of the year.

3. Due to/from Town of Pelham

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

4. Statement of cash flows

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

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Notes to the Financial Statements

December 31, 2023

5. Lincoln Pelham Public Library Trust

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 2023, Lincoln's portion is 58% and Pelham's portion is 42%. The Library trust was transferred to the Lincoln Pelham Public Library board as per the agreement.

Section Three:

Statistical Review



The Corporation of the Town of Pelham Statistical Review

- General Statistics
- Unemployment Rate
- Employers in Pelham
- Taxation Statistics
- Corporate Property Tax Payers
- Consolidated Statement of Financial Position
- Consolidated Statement of Financial Position Statistics
- Consolidated Statement of Operations

**The Corporation of The Town of Pelham
Statistical Review
(Unaudited)**

General Statistics

	2023	2022	2021	2020	2019
Households*	7,557	7,557	7,400	7,287	7,104
Population**	18,192	18,192	18,192	17,110	17,110
Municipal Workforce Profile					
Full-time Positions	77	77	77	76	74
Part-time Positions	23	35	34	36	37
Seasonal Employees	68	50	50	45	52
Number of Building Permits Issued	197	122	237	286	235
Total Value of Building Permits Issued	\$ 74,959,046	\$ 117,408,659	\$ 132,587,119	\$ 62,695,313	\$ 43,337,503

*Source: MPAC

**Source: Statistics Canada 2018-2021, MPAC 2017

All other data on this page as per the Town's Financial Information Return

Unemployment Rate for St. Catharines-Niagara Census Metropolitan Area, inclusive of Pelham

	2023	2022	2021	2020	2019
Both sexes	5.8	5.2	10.3	10.6	5.7
Males	5.6	4.8	11.5	11.7	6.7
Females	6.1	5.8	9.1	9.3	4.8

Source: Statistique Canada Table: 14-10-0385-01

Top 10 Businesses in Pelham based on Aggregate Employee Number

- United Floral Distributors
- Niagara Region - Woodlands of Sunset Sobeyes
- Willowbrook Nurseries
- Town of Pelham - Town Hall
- Lookout Ridge Retirement Homes
- Lookout Point Country Club
- McDonald's
- Duliban Insurance Brokers Ltd.
- Mossimo's

Source: Niagara Employment Inventory, 2023

**The Corporation of The Town of Pelham
Statistical Review
(Unaudited)**

Taxation Statistics

	2023	2022	2021	2020	2019
Taxable Assessment					
Residential	2,722,860,343	2,671,780,410	2,616,394,467	2,555,511,770	2,409,606,273
Multi-Residential	18,604,000	18,604,000	18,604,000	17,693,000	17,587,500
New Multi-Residential	544,000	544,000	544,000	544,000	544,000
Commercial	105,611,046	103,551,846	100,241,189	90,345,386	87,823,350
Commercial On-Farm Business	48,600	4,700	4,700	4,700	-
Commercial Excess/Vacant	8,901,511	10,593,511	4,317,111	1,998,111	2,970,845
Industrial	4,336,700	4,386,700	4,165,800	3,998,000	2,968,951
Industrial On-Farm Business	100,000	50,000	50,000	50,000	
Industrial Excess/Vacant	146,100	146,100	146,100	146,100	132,825
Pipeline	17,877,000	17,758,000	17,725,000	17,467,000	16,854,093
Farmland	164,728,000	167,641,933	172,072,933	169,321,433	157,009,692
Managed Forest	3,597,900	3,206,600	3,079,300	2,897,100	2,701,293
Total Taxable Assessment	3,047,355,200	2,998,267,800	2,937,344,600	2,859,976,600	2,698,198,822

Tax Levy					
Town of Pelham	\$ 17,786,838	\$ 16,578,640	\$ 15,678,883	\$ 14,946,495	\$ 13,674,374
Niagara Region	21,670,679	18,041,313	18,556,474	17,721,535	16,366,191
Education	5,464,461	5,383,228	5,213,533	5,131,790	5,116,884
Total Levy	\$ 44,921,978	\$ 40,003,181	\$ 39,448,890	\$ 37,799,820	\$ 35,157,449

Current Year's Tax Collections*	\$ 43,626,380	\$ 40,509,737	\$ 38,624,570	\$ 36,596,141	\$ 34,245,293
Total Arrears	\$ 2,257,197	\$ 2,788,518	\$ 1,663,629	\$ 1,967,288	\$ 1,751,162
Total Arrears as a Percentage of Current	5.0%	7.0%	4.2%	5.2%	5.0%

*Current Year's Tax Collections represents the cash collections for the year excluding adjustments, payments in lieu of taxes and supplementary assessments.

**The Corporation of The Town of Pelham
Statistical Review
(Unaudited)**

Top Ten Largest Corporate Property Taxpayers in 2023

FONTHILL GARDENS INC
NIAGARA PROPERTY INVESTMENTS INC
PELHAM PORTFOLIO INC
968502 ONTARIO INC
CROWNGROVE ESTATES INC
4 HIGH STREET INC
PELHAM TOWN - WELLSRING NIAGARA
2004424 ONTARIO INC
2385746 ONTARIO INC
FONTHILL PROPERTIES ULC

% of Total Industrial and Commercial Assessment
% of Total Taxable Assessment

38.4%
1.4%

**The Corporation of The Town of Pelham
Statistical Review
(Unaudited)**

Consolidated Statement of Financial Position

	2023	2022	2021	2020	2019
Financial Assets					
Cash and cash equivalents	\$ 18,721,011	\$ 18,163,039	\$ 18,850,877	\$ 15,859,111	7,848,224
Taxes receivable	2,257,197	2,788,518	1,663,629	1,967,288	1,751,162
User charges receivable	856,006	953,193	967,228	800,453	684,278
Accounts receivable	5,310,188	6,992,230	6,264,347	4,315,848	5,012,259
Tangible capital assets held for sale	-	-	-	-	515,697
Investments in subsidiary	5,731,360	5,659,632	5,594,552	5,492,757	5,393,644
Total financial assets	32,875,762	34,556,612	33,340,633	28,435,457	21,205,264
Financial Liabilities					
Bank indebtedness	-	900,000	1,033,333	1,166,667	10,294,044
Accounts payable and accrued liabilities	7,159,168	5,834,422	5,005,336	5,676,918	4,726,141
Other Liabilities	2,262,765	2,129,087	2,461,513	2,214,306	1,998,225
Deposits and deferred revenue	307,707	399,467	419,537	790,484	851,502
Deferred revenue- obligatory reserve funds	6,119,335	6,520,304	5,054,470	3,227,028	3,981,023
Long-term debt	26,497,388	28,745,764	31,032,054	33,465,343	32,252,037
Employee benefit obligations	519,252	529,504	425,250	404,916	398,503
Total Financial Liabilities	42,865,615	45,058,548	45,431,493	46,945,662	54,501,475
Net financial assets (net debt)	(9,989,853)	(10,501,936)	(12,090,860)	(18,510,205)	(33,296,211)
Non-financial assets					
Tangible capital assets	155,327,877	146,104,135	140,465,822	134,849,662	132,979,060
Prepaid expenses	109,714	669,256	305,566	104,650	518,557
Total non-financial assets	155,437,591	146,773,391	140,771,388	134,954,312	133,497,617
Accumulated surplus	\$ 145,447,738	\$ 136,271,455	\$ 128,680,528	\$ 116,444,107	\$ 100,201,406

**The Corporation of The Town of Pelham
Statistical Review
(Unaudited)**

Consolidated Statement of Financial Position Statistics

	2023	2022	2021	2020	2019
Acquisition of tangible capital assets, net of construction in process capitalized	\$ 14,709,773	\$ 11,709,825	\$ 5,660,168	\$ 3,946,806	\$ 4,158,299
Net Long-term Debt	\$ 26,497,388	\$ 28,745,764	\$ 31,032,054	\$ 33,465,343	\$ 32,252,037
Per Capita	\$ 1,456.54	\$ 1,580.13	\$ 1,705.81	\$ 1,956	\$ 1,885
Percentage of Town Tax Levy	149.0%	173.4%	197.9%	223.9%	235.9%
Long-term Debt					
Supported by Taxes	\$ 11,446,341	\$ 12,642,977	\$ 17,119,465	\$ 18,404,075	\$ 16,070,519
Supported by Non-tax Revenue	15,051,047	16,102,788	13,912,589	15,061,268	16,181,518
Net Long-term Liabilities	\$ 26,497,388	\$ 28,745,765	\$ 31,032,054	\$ 33,465,343	\$ 32,252,037
Debt Charges for the Year					
Principal Payments	\$ 2,248,376	\$ 2,286,289	\$ 2,433,289	\$ 2,236,694	\$ 1,855,006
Interest Charges	\$ 806,496	\$ 866,080	\$ 924,280	\$ 929,241	\$ 937,707
Annual Debt Repayment Limit, excluding Treasurer's Adjustments	\$ 2,859,721	\$ 2,712,108	\$ 2,656,728	\$ 2,278,215	\$ 2,587,339
Accumulated Surplus	\$ 145,447,738	\$ 136,271,455	\$ 128,680,528	\$ 116,444,107	\$ 100,201,406
Provincial Debt Repayment Limit as a % of Own-source Revenues	25%	25%	25%	25%	25%
Town Net Debt Charges as a % of Own-source Revenues (Existing Debt Only)	12%	12%	14%	13%	13%

**The Corporation of The Town of Pelham
Statistical Review
(Unaudited)**

Consolidated Statement of Operations

	2023	2022	2021	2020	2019
Revenue by Source					
Taxation	\$ 18,822,144	\$ 17,183,515	\$ 16,220,412	\$ 15,724,635	\$ 14,342,049
User charges	9,431,171	9,071,959	7,965,644	7,168,751	6,576,964
Grants	4,332,472	5,668,326	4,435,549	4,110,579	1,912,212
Contributions from developers	3,806,942	1,861,481	1,916,379	2,083,217	2,168,354
Contributed tangible capital assets	578,758	-	5,775,896	4,092,908	-
Other	2,343,948	1,722,550	1,201,872	890,208	1,362,205
Equity earnings in subsidiary	164,718	146,000	142,153	99,113	63,059
Gain on disposal of tangible capital assets and assets held for sale	(224,003)	96,848	13,586	6,394,140	3,945,364
Total revenue by source	39,256,150	35,750,679	37,671,491	40,563,551	30,370,207
Expense by Function					
General government	5,045,161	4,397,503	4,200,643	3,950,174	3,472,230
Protection to persons and property	2,426,825	2,258,046	2,219,754	2,056,453	1,960,146
Transportation services	6,334,428	6,587,938	6,007,186	5,929,468	6,481,990
Environmental services	6,741,763	6,058,908	5,545,852	5,283,920	4,863,889
Health services	138,704	118,573	107,328	117,052	117,015
Recreation and culture services	8,981,818	7,985,727	6,715,269	6,400,982	6,725,057
Planning and development	968,900	753,057	639,038	582,801	651,149
Total expenses by function	30,637,599	28,159,752	25,435,070	24,320,850	24,271,476
Annual Surplus	8,618,551	7,590,927	12,236,421	16,242,701	6,098,731
Accumulated surplus, beginning	136,271,455	128,680,528	116,444,107	100,201,406	94,102,675
Library opening surplus transferred Jan 1, 2023	557,732				
Accumulated surplus, ending	\$ 145,447,738	\$ 136,271,455	\$ 128,680,528	\$ 116,444,107	\$ 100,201,406
Analysis of Expenses by Object					
Salaries and Wages	\$ 11,277,695	\$ 10,423,692	\$ 9,211,093	\$ 8,616,362	\$ 8,501,131
Long term debt interest	862,053	982,220	924,280	929,241	937,707
Materials	4,479,216	3,891,958	3,079,744	3,232,968	3,342,740
Contracted services	7,376,405	6,707,502	6,228,834	5,652,634	5,150,691
Rents & Financials	162,000	178,909	142,815	196,627	437,491
External transfers to others	517,338	44,500	35,350	11,791	23,668
Amortization of tangible assets	5,962,892	5,930,971	5,812,954	5,681,227	5,878,048
Total expenses by object	\$ 30,637,599	\$ 28,159,752	\$ 25,435,070	\$ 24,320,850	\$ 24,271,476



Inquires related to this report and requests for alternate formats can be directed to:

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Fonthill, Ontario
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