

The Corporation of the Town of Pelham 2022 Annual Report Ontario, Canada



For the fiscal year ended December 31, 2022.



The Corporation of the Town of Pelham
2022 Annual Report
For the fiscal year ended December 31, 2022

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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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 2022 Annual Financial Report. This report includes highlights and 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.

Throughout 2022 there were positive actions that allowed for achievements throughout the corporation. Town Council continued to work towards the completion of strategic priorities leading up to the municipal election in October.

The Town Council and the senior leadership team continued to ensure that financial transparency and reporting remained at the forefront of priorities in 2022. Considerable efforts were made to continue to produce successful grant applications, strong levy growth and continued spending restraint.

The work completed in 2022 and the goals accomplished provide a sense of pride for all involved. The new Council elected in October of 2022 will continue to build on past successes as they create the strategic plan for the town for the next four years.

Pelham continues to look to the future, focusing on enhancing the community that Pelham residents proudly call home.



Marvin Junkin, Mayor



David Cribbs,
Chief Administrative Officer

Dated: June 7, 2023

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, 2021. 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.

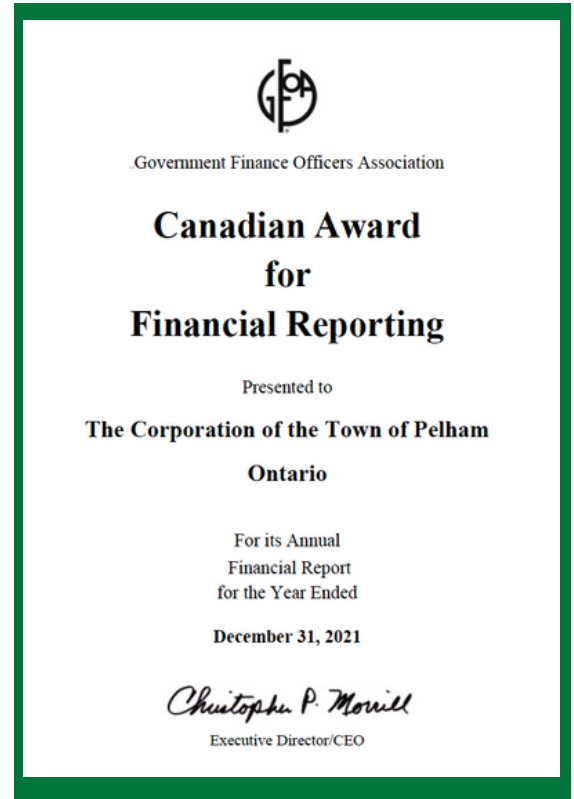
In order to be awarded a Canadian Award for Financial Reporting, a government unit must publish an easily readable and efficiently organized annual financial report, whose contents conform to program standards. Such reports should go beyond the minimum requirements of generally accepted accounting principles 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 the MarCom Platinum and Gold, and two Festivals and Events Ontario top 100 awards.



Life in Pelham
Print Media Publications
Pelham Summerfest
Strategic Communications



Summerchill Series
Pelham Summerfest

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 2018-2022 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
Wayne Olson



Ward Two Councillor
Ron Kore



Ward Three Councillor
Lisa Haun



Ward One Councillor
Marianne Stewart



Ward Two Councillor
John Wink



Ward Three Councillor
Bob Hildebrandt

Pelham Town Council 2022-2026 Term

The 2022- 2026 Town of Pelham Council was elected in October to serve the community for the next four-year term. The new Council elected will establish the new strategic plan that will guide the decision-making and the work to be done within Pelham during their term.



Mayor
Marvin Junkin



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,
FCPA, 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



Holly Willford, BA
Town Clerk



Jason Marr, P.Eng
Director, Public Works



Organizational Chart

Mayor and Council



Chief Administrative Officer

Responsibilities include Chief Advisor to Council, Communications, Community Engagement, Human Resources, 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, Public Transit, 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



Vision

Working together with the community to strengthen trust, enhance the quality of life and economic well-being for today and for the future.



Values

Our Values are important to all of us, as Council and as Town staff. They define our behaviours and strengthen our culture. We demonstrate leadership and commitment through our values.

- **Honesty:** We tell the truth, we have integrity, and we are sincere.
- **Caring:** We are thoughtful, helpful and have concern for our community, each other and our work.
- **Respect:** We value our interactions, we are polite, courteous and considerate.
- **Transparency:** We ensure it is easy for others to see what decisions we make and what we do.
- **Trustworthiness:** We are responsible, reliable and dependable.
- **Teamwork:** We work collaboratively and together will achieve our Vision and Priorities.

2022 Strategic Priorities



Support a strong organization.



Ensure financial sustainability.



Enhance communication and engagement.



Build strong communities and cultural assets.



Develop a risk management framework to prioritize decisions.



Grow revenue by promoting cultural assets while protecting environmental assets.

2022 Strategic Priorities

#	Priorities	Status
1	Update Zoning By-law	completed
2	Future of Library	completed
3	Parking Initiatives and Master Plan + MCC Parking Strategy	completed
4	Complete Illumination By-law	work in progress - to be completed in 2023
5	By-law Enforcement Policy	completed
6	Options for Urban Tree Canopy	completed
7	Enhance PSR System and Proactive Communication Protocol re: PSR System	completed
8	Energy Efficiency & Green Energy: Electric Vehicle charging stations; solar energy; LED conversion	work in progress - Phase 1 completed for Street light LED conversion
9	MCC User License Agreements	work in progress - to be completed in 2023
10	Succession Plan	completed
11	Parks and Recreation Review	completed
12	Plan for Public Works Operations	work in progress
13	Staff Report on BIAs for Fenwick, Fonthill, Ridgeville	No progress
14	Delegation of Authority By-law	completed
15	Community Improvement Plan	No progress
16	Update Purchasing Policy; Changes re Purchasing/Procurement	completed
17	Explore joint initiatives - Purchasing, building, drainage, legal	Work in progress
18	New Procedural By-law	completed
19	Risk Management Framework	No progress

2022 Strategic Priorities

2022 Strategic Priorities		
#	Priorities	Status
20	Terms of Reference for Committees and Boards	completed
21	Climate Change Best Practice Community Education	Work in progress
22	Compensation/Performance Management and Staff Recognition	completed
23	Capital Asset Management Plan	completed
24	Future Urban Lands Needs Analysis	completed
25	East Fenwick Secondary Plan	work in progress - to be completed in 2023
26	Improve Search Engine on Town Website	No progress

Chief Administrative Office Highlights

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



Achievements from 2022:

- Succession Plan and Policy
- Creation of the Lincoln-Pelham Union Library
- Noise Bylaw
- Communications & Staff Neutrality Policy
- Hybrid Work Model
- Procedural Bylaw Amendments

Services Provided:

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



Clerk's Departement Highlights

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



Achievements from 2022:

- Successfully facilitated the October 24, 2022 municipal and school board election
- Organized Council inaugural meeting
- Coordinated Council orientation week
- Developed a new Procedural By-Law
- Introduced a new committee structure, establishing Committee in Council, new statutory committees, advisory committees and volunteer working groups
- Lead RFP process for new Integrity Commissioner
- Lead RFP process for new corporate records management software

Services Provided:

- Facilitate Council and Public Meetings, including the intake of delegation requests
- Process Committee of Adjustment applications
- Deliver the Municipal and School Board Election/By-Elections to the electorate
- Civil Marriage Ceremonies
- Lottery licensing
- Commissioner for Taking Affidavits
- Issue Licenses and Permits (Patio, Short Term Rentals, etc.)

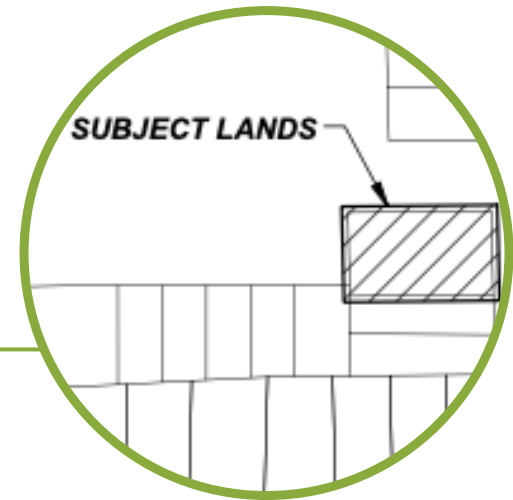
Priorities/Statistics from 2022:

- Facilitate a fair and safe municipal and school board election
- Provided electronic Council and Committee meetings (with emphasis on providing public participation)



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.



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 and Regional plans and policies
- Municipal drain maintenance

Priorities/Statistics from 2022:

- 273 Building Permits issued
- Approved \$82,490,459 value in new construction
- 73 development applications received
- Initiate process for undertaking Official Plan review and update



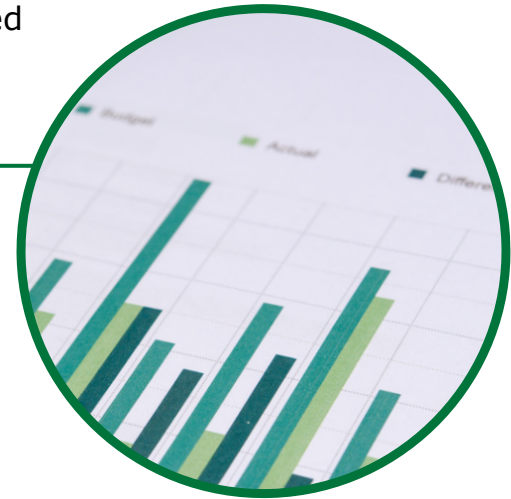
Achievements from 2022:

- Appeal of cannabis-related Official Plan and Zoning By-law Amendments resolved
- Completed review and Council adoption of new Comprehensive Zoning By-law 4481(2022)
- Completed Town Parking Strategy
- Updated Assessment Schedules for Big Creek Municipal Drain System
- Undertook Vision for Civic Square



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.



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 and wastewater
- Drainage billing
- Grant applications and reporting
- Maintain the Asset Management Plan
- Payment of invoices
- Payroll processing
- Accounting services support for the Pelham Library

Priorities/Statistics from 2022:

- Modernization grant for Corporate Services Phase 3 Implementation of Automation received \$217,283.
- Modernization grant Phase 3 Implementation for Human Resources Digitalization received \$71,502.
- Modernization grant Phase 3 Review for Recreation, Culture and Wellness Operations at the MCC received \$71,232.

Achievements from 2022:

- 2021 Annual Report received Government Finance Officers Association of the United States and Canada (GFOA) for its 2021 annual financial report.
- Completed the Asset Management Plan for Core Assets.
- Asset Management implementation and asset inventory additions to our MuniPaaS Work Order Management system.
- Installed a new Town Hall Building Automation System.
- Neptune 360 Mobile upgrade for Water Department (Public Works and Utility Billing).
- New Digital Signage for Town Hall. Audio/Video implementation for MCC Accursi Room to support Council Hybrid meetings and RCW programming.
- Microsoft Office 365 migration for all staff. Migrated on-premise Exchange Email server to Exchange Online. Upgraded on-premise email security gateway to cloud defence.
- Configured and deployed two virtual servers for Thinkdox Records Management system.
- Update Purchasing Policy.

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 2022:

- During COVID-19, training of staff has remained in place
- Operating Town's EOC
- 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
- Provide Thursday training for firefighters

Priorities/Statistics from 2022:

- Training of firefighters to NFPA standards as per Provincial legislation
- Recruit training to meet NFPA certifications
- Maintain a full-service response to all incidents during the pandemic
- Issued 207 open-air burn permits
- Issued 63 parking violations, 10 AMPS tickets
- Issued 50 pool permits, 68 sign permits
- Conducted 418 cannabis odour monitoring tests, with no violations
- Citizen complaints of cannabis odour totalled 17 for the year - Down 73% over 2021
- Completed annual testing of SCBA, hose lines, harnesses, ropes
- Started development of lesson plans for standardizing training
- The By-law department finished the year with 193 lodged complaints. Complaints were down 20% from 2021



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.



2022 Achievements:

- Delivery of a \$12.6M Capital Budget
- Completion of Pelham Street Phase 3 Road Rehabilitation
- Worked to reduce expenditures across multiple divisional operating budgets
- Reopened Sulphur Springs Road to vehicular and pedestrian traffic
- Received an award for Sulphur Springs Road
- Built two Splashpads (Centennial Park & Marlene Stewart Streit Park)
- Centennial Park updates Batting Cage, Pickleball and Tennis Court
- Canada Summer Games event coordination
- Completed landscaping and tree planting on Rice Road
- Installed the first Town of Pelham Electric Vehicle charging station
- Completed installation of Pelham Arches
- Commenced Town Hall (\$2.0M) Renovations/Addition Project

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 2022:

- Operationally performed activities with efficiency to ensure the highest level of service was provided with respect to 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 programs, activities, festivals and events.



Achievements from 2022:

- Festivals & Events Ontario – “Top 100” Award for Summer Chill Series and Pelham Summerfest
- 2022 Readers Choice Award for Swimming Instruction

Services provided:

- Operation of the Meridian Community Centre
- Health and recreation programs, youth and adult
- Fitness and Social Programs in partnership with Brock University and Community Living
- 55+ programming offered as a Senior Active Living Centre
- Aquatics programming
- Youth programming for babysitting, camps, PD Days, workshops and forums
- Special Events include Family Day Adventure, Hoppin’ Easter, Canada Day Celebrations, 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 Night, 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
- Facility rentals – parks, halls, ice, gymnasiums, and rink pads
- Liaison for NRT OnDemand transit
- Go-vaxx and Pathstone Mental Health Clinics



Priorities / Statistics from 2022:

- Summer Chill Series, held for 14 weeks, saw 37,000 attendees during the season
- The Outdoor Christmas Market saw 1500+ attendees
- Comedy Night had 200+ attending each event
- 321 Rain Barrels sold for Earth Week, 12 groups for the community clean-up
- 1500+ attended the annual Easter Egg Hunt
- Canada Day Celebrations at Harold Black Park had 9000+ people in attendance
- 40,000+ people attended over the four days of Summerfest
- 617 Youth participated in Swimming Lessons
- 656 youth participating in summer camp programs
- 90+ Seniors participated in virtual programs through Art Your Service

Pelham Quick Facts

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. Pelham's central location makes it an ideal community for commuters, life-long residents, and businesses. With a range of services, facilities, parks, trails and award-winning events, Pelham embraces progress while preserving a small-town feel.

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

2022 Property Tax Breakdown by Service

based on an average residential property assessment value of \$373,000*

Example based on
Annual property tax of:



\$5,078*

*The annual property tax calculation and breakdown is based on the estimated amount of property tax for 2022 on an average residential property.



48%

Niagara Region 48% \$2,439

Set by the Niagara Region.

Collected by the Town and remitted to the Region.



41%

Town of Pelham 41% \$2,068

Set by the Town to provide services.



11%

Education 11% \$571

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



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.

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, 2022. 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 2022 financial performance and information regarding significant policies and processes. The 2022 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 2022 levy impact on a typical residential property was approximately 40% of the total property tax bill.

Significant time is dedicated to searching for grant opportunities and making grant applications. In 2022, there were over 20 grant applications. The total approved new grant funding in 2022 was \$9,086,784. The COVID-19 impact in 2022 was a lockdown at the Meridian Community Centre for the month of January 2022. The impact of this shutdown was offset by Recreation, Wellness, and Culture exceeding their budgets due to high demand for their programs. The award-winning Summerfest, Chill-on-the-Hill (Thursday Night Experience) and Bandshell music nights returned after a three-year hiatus due to COVID-19.

The net debt of the Town decreased from \$12.1 million to \$10.5 million, resulting from an increase in financial assets of \$1.2 million and a decrease in financial liabilities of \$0.4 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 \$41.5 million in 2018 to \$10.5 million in 2022. The cash balance for the Town has improved significantly and it has not had to borrow against its line of credit since 2018.

The Town's financial statement surplus of \$7.6 million is slightly under the budget annual surplus of \$8 million and is primarily a result of contributions from developers being under budget but comparable to 2021.

Not only has the Town improved its financial position in 2022, but it has also achieved some significant goals by obtaining Modernization grants which supported the implementation of automation in Corporate Services, new software for Human Resources and a review of the Recreation, Culture and Wellness department. These Modernization grants have enabled the Town to become more efficient in providing services.

There has been a significant investment in information technology, such as the new MuniPaaS Work Order Management system and the new Public Service Request portal. Maintaining financial strength and sustainability continues to be the focus for the Town of Pelham.

Dated: June 7, 2023



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 2022 water and wastewater operating budgets were approved by Council on February 22, 2022, and the 2022 tax rate-supported operating budget was approved by Council on January 24, 2022. The 2022 capital budgets were also approved by Council on December 20, 2021. 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, 2022.

2022 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 Pelham Public Library Board, a local board under the control of Council. 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 2022 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, 2022.

Financial Assets

Financial assets in 2022 were \$34.6 million (2021: \$33.3 million), a \$1.3 million increase over the prior year. This was primarily due to an increase in grant receivables and taxes receivable.

Taxes receivable increased by \$1.2 million primarily because of an increase in supplemental taxes, water arrears now being added to taxes and arrears calls not as consistent as in prior years due to staff turnover.

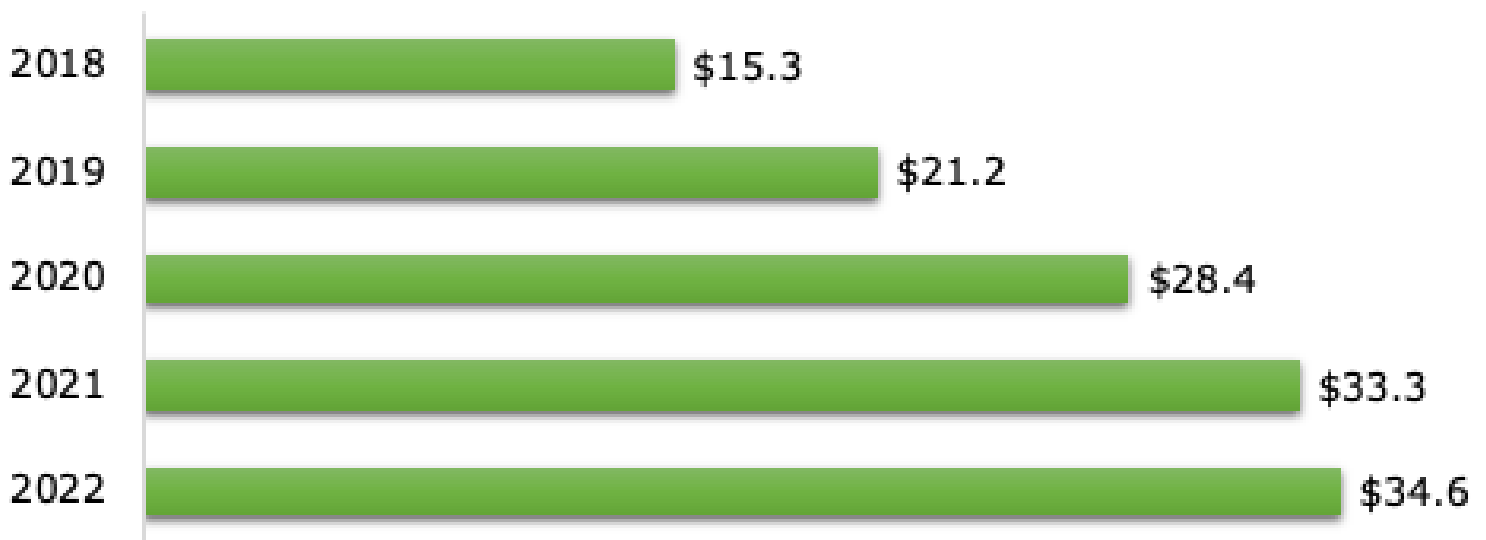
User charges receivable decreased slightly by \$.014 million because significant water arrears balances were added to taxation accounts for collection in 2022.

The \$.73 million increase in accounts receivable is primarily due to grants receivable of which \$.56 million pertains to the FedDev Canada Community Revitalization for the new Town Hall addition, net of decreased receivables from developers due to collections and other minor operating fluctuations.

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 2022 were \$45.1 million (2020: \$45.4 million), a \$0.3 million decrease from the prior year.

Bank indebtedness decreased by \$0.1 million as the demand loan is being repaid. Accounts payable and accrued liabilities increased by \$0.8 million, primarily due to an increase in construction holdback.

Other liabilities decreased by \$0.3 million due to lower deposits held in trust. Deposits and deferred revenue decreased by \$0.02 million due to grants previously collected which were spent in 2022.

Deferred revenue – obligatory reserve funds increased by \$1.5 million as a result of development charge collections.

Long-term debt decreased by \$2.3 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 \$)**



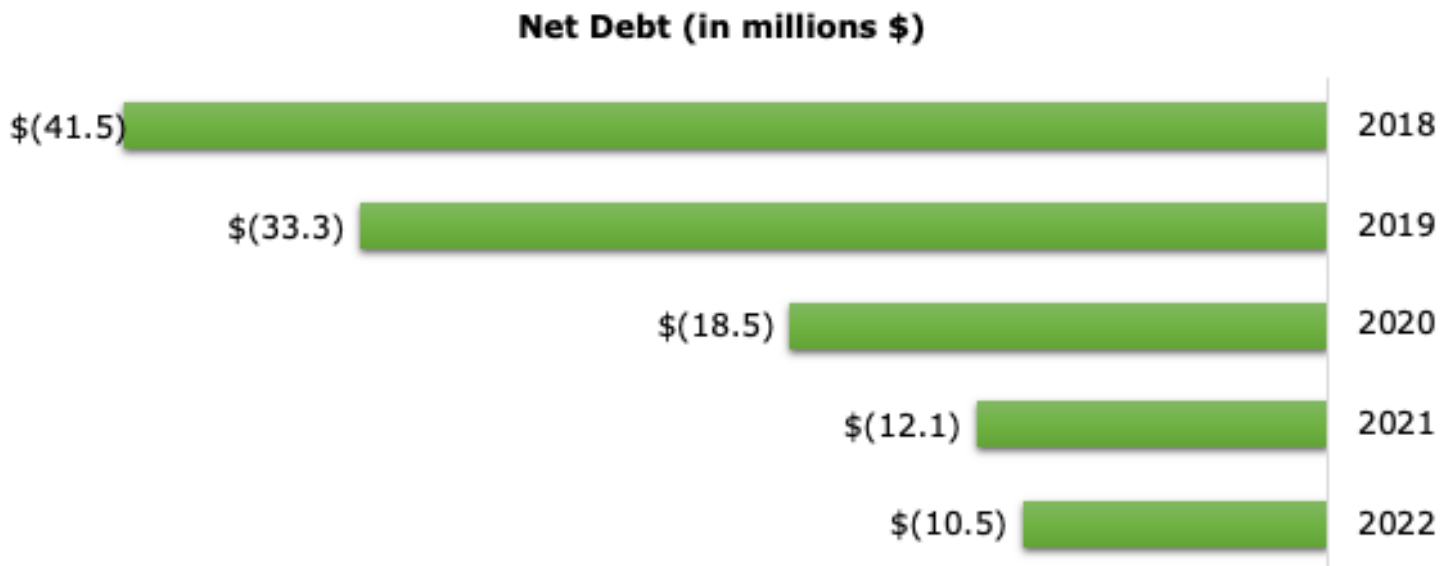
Net Financial Assets (Net Debt)

Net financial assets (net debt) represents 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 \$10.5 million, a decrease in net debt of \$1.6 million from the prior year. This change was the result of an increase in financial assets and a decrease in financial liabilities from 2021.

Net Debt	2022	2021	Change	% Change
Financial assets	\$ 34,556,612	\$ 33,340,633	\$ 1,215,979	3.6%
Less financial liabilities	(45,058,548)	(45,431,493)	372,945	(0.8%)
Net Debt	\$ (10,501,936)	\$ (12,090,860)	\$ 1,588,924	13.1%

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



Non Financial Assets

The Town's non-financial assets are comprised mainly of tangible capital assets as well as prepaid expenses. Prepaid expenses increased \$0.4 million in 2022 compared to 2021 because the Town's 18-month insurance policy had twelve months prepaid at the end of 2022 versus six months prepaid at the end of 2021.

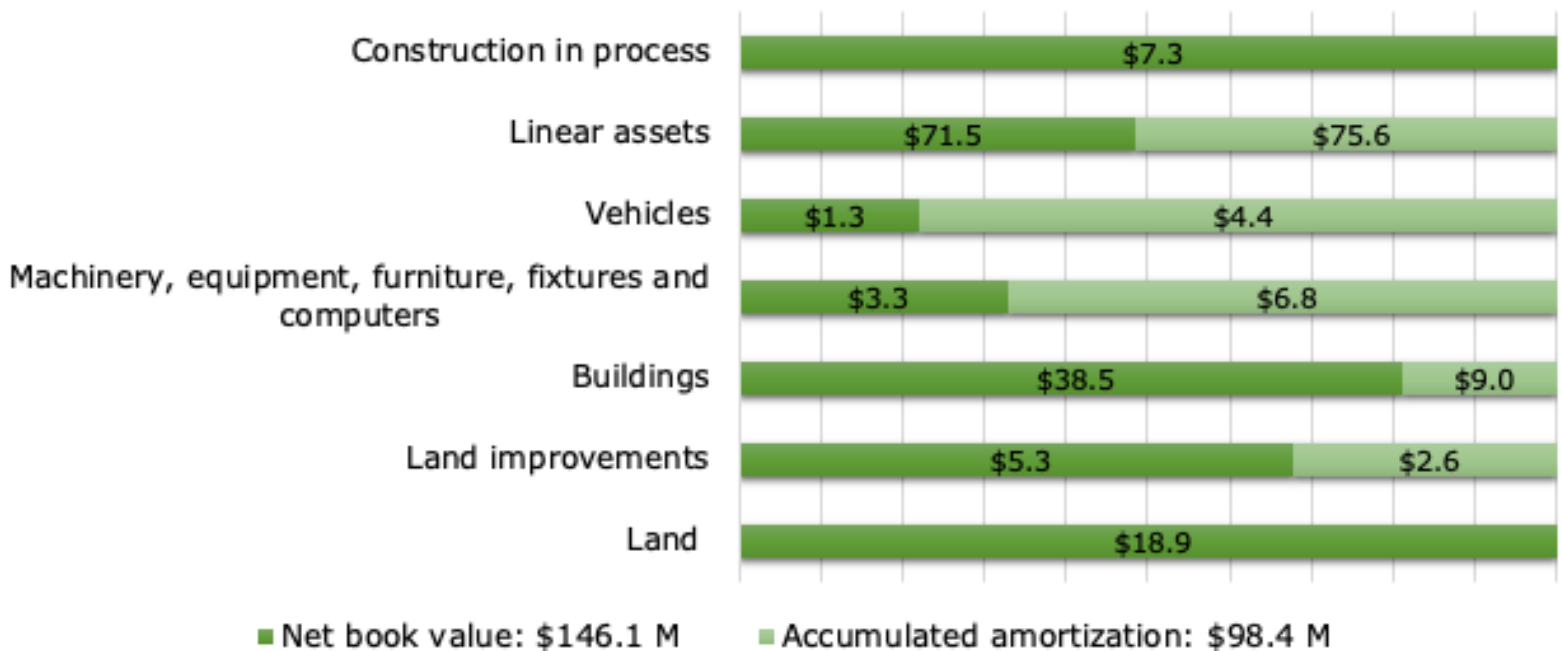
The net book value of tangible capital assets, as reported in the consolidated statement of financial position, is \$146.1 million and is highlighted by category in the accompanying chart. The total historical costs are \$244.5 million and the total accumulated amortization is \$98.4 million, implying that 40% 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 \$147.1 million, and the accumulated amortization is \$75.6 million, implying that 51% of the estimated useful life of the Town's linear assets have been utilized. As another example, 78% 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 \$15.1 million of tangible capital assets. There were no developers' contribution for new subdivisions in 2022 as compared to \$5.8 million in infrastructure assets from two subdivisions that were assumed by the Town in 2021. 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 \$5.9 million.

The following graph illustrates the breakdown of Tangible Capital Assets.

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



Accumulated Surplus

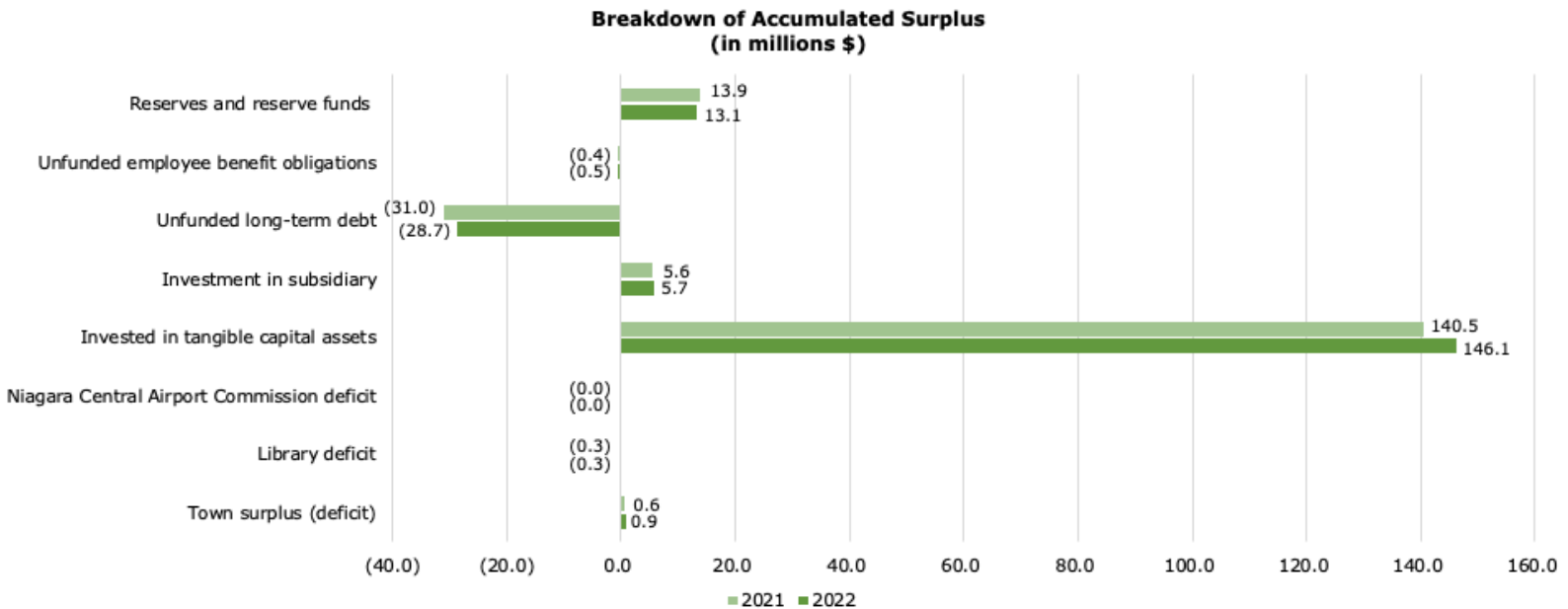
The Town of Pelham’s accumulated surplus is composed of investments in reserves and reserve funds, investments in subsidiaries, investments in tangible capital assets, and a general Town surplus, which is offset by a deficit in the Library and Niagara Central Airport Commission as well as unfunded long-term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

Reserves and discretionary reserve funds, as detailed in Note 8 to the consolidated financial statements, decreased approximately \$0.7 million compared to 2021. This was due to decrease from reserves to fund roads, parks, recreation, and water capital projects along with a decrease in the elections reserve because of the 2022 Municipal Election. 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 2023 because additional budget dollars were required in the 2023 budget due to the increase cost of construction. The Town has approximately \$11.5 million in projects carrying forward to be completed in 2023 which were budgeted in prior years, of which \$1.0 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	2022	2021	% Change
Total revenue	35,750,679	37,671,491	(5.1%)
Total expenses	28,159,752	25,435,070	10.7%
Annual surplus	\$ 7,590,927	\$ 12,236,421	
Accumulated surplus, beginning	128,680,528	116,444,107	
Accumulated surplus, ending	\$ 136,271,455	\$ 128,680,528	

Revenues

Revenues in 2022 were \$35.8 million (2021: \$37.7 million), a decrease of \$1.9 million over the prior year. This is due to higher taxation, user charges, grants, contributed tangible capital assets, and other revenues, offset by not having any contributed tangible capital assets since there weren’t any subdivisions assumed in 2022. In 2021, there two subdivisions assumed in the amount of \$5.8 million.

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 25% of total revenues. User charges were slightly higher than budget due to an increase in water and sewer usage resulting from weather, as well as an increase in building department and planning fees due to growth within the Town.

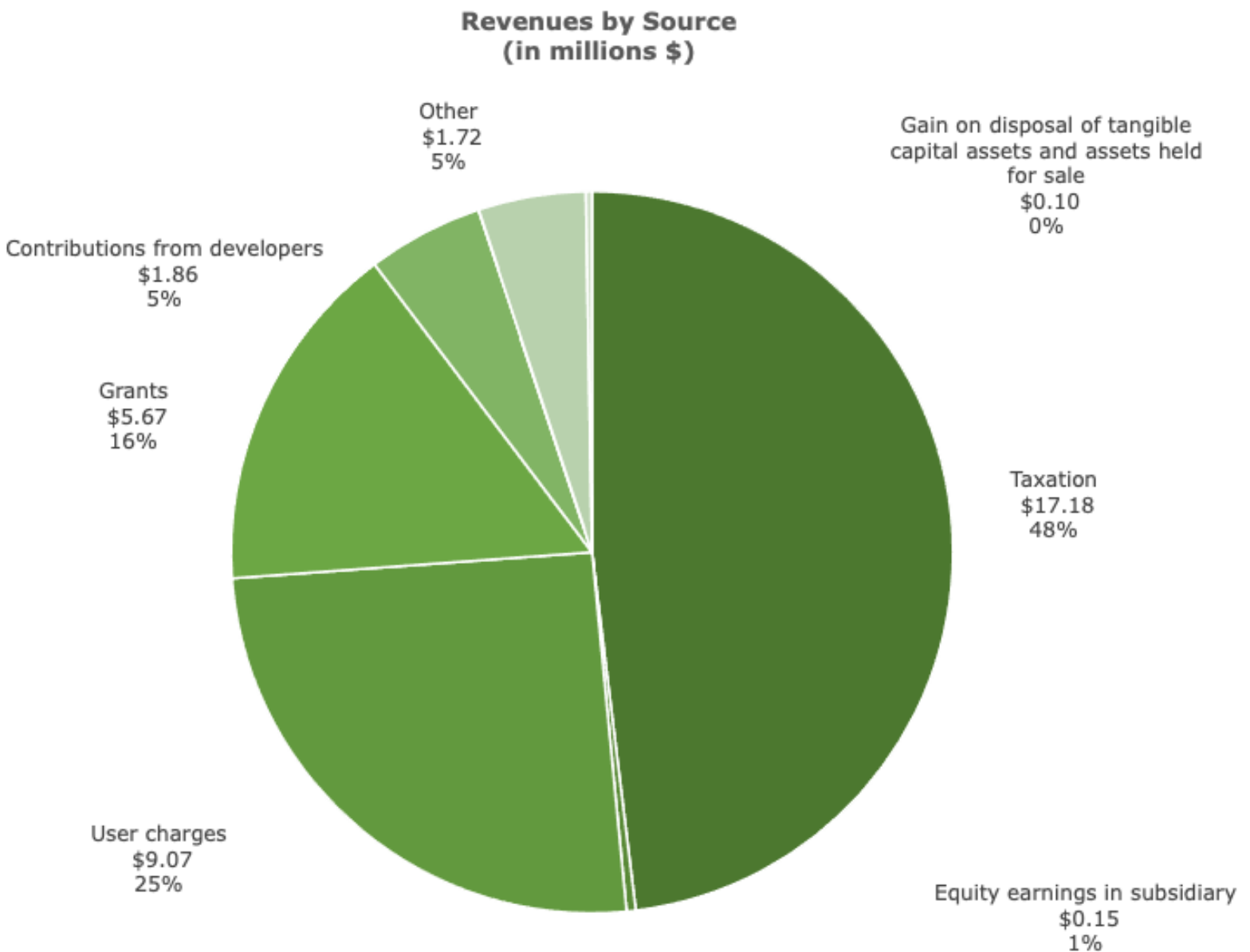
Grants for 2022 were 16% of total revenues and were slightly higher of new grants received in 2022 which were unknown at time of budget preparation. Capital grants were lower than budget due to delays in capital projects and will be applied in the future when projects are completed.

Contributions from developers were 5% of total revenues and include items such as development charge revenues and parkland dedication revenues. Contributions from developers were lower than budget as a result of delayed capital projects.

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 the improved cash position 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 2022 were \$28.2 million (2021: \$25.4 million), comparable to the prior year.

Of the Town's total expenses, 16% 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. This was partially offset by legal fees savings due to the 2021 legal accrual not materializing due to successful outcomes or cancelled claims.

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 23% of the total, includes expenses for roads, winter control, transit, parking, street lighting, and air transportation. Transportation services expenses exceeded budget due to winter control expenses were \$164,000 higher than budget, an additional \$120,000 for a wind storm, an increase in utilities and transfer to reserves.

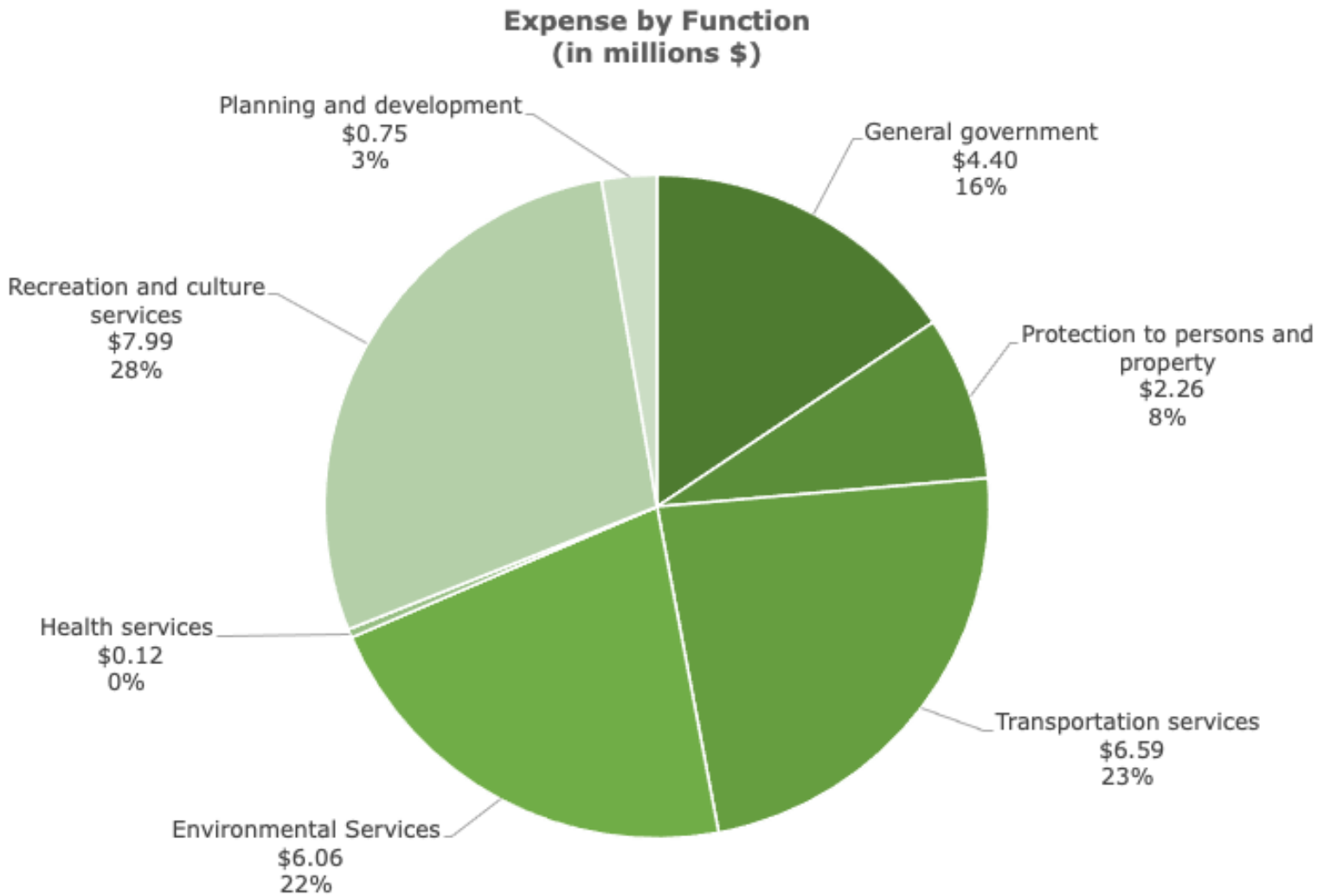
Environmental services are 22% of the total and is comprised of water and wastewater expenses. Environmental Services expenses were higher than budget due to additional increased cost of contract services paid to the Region and increased water meter maintenance.

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 all special events such as Summerfest and Chill on the Hill – Thursday Night Event, were back for the first time since 2019. Even though the month of January 2022, the Meridian Community Centre was closed due to COVID-19, the activities still surpassed budget.

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 to the Town's portion of the municipal drainage billing of the Big Creek Drain that was billed in 2022 .

Below is a breakdown of expenses by function.



Annual Surplus

During 2022, revenues exceeded expenses resulting in a \$7.6 million surplus, a \$4.6 million decrease in annual surplus from the prior year. This decrease was primarily the result of decreased revenues from contributed tangible capital assets since there were no subdivisions assumed in 2022.

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 14 to the statements.

The Town's accumulated surplus at the end of 2022 was \$136.3 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 \$1.6 million in 2022 compared to 2021. This was primarily impacted by the annual surplus as well as the acquisition of tangible capital assets of \$11.7 million and amortization of tangible capital assets of \$5.9 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 \$2.0 million, and this was used for the acquisition of tangible capital assets net of proceeds on disposal of \$11.7 million, as well as to decrease debt by \$2.4 million. The net impact was to decrease cash and cash equivalents by \$0.7 million for an ending balance of \$18.1 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 2022 were \$1.2 million (2021 - \$1.1 million).

Conclusion

In 2022, the Town experienced the third year of the COVID-19 pandemic. The Meridian Community Centre (MCC) was shut down to the public for the month of January 2022. The Recreation, Culture and Wellness department still exceeded budgets for all their activities. Special events such as Summerfest and Chill on the Hill- Thursday Night Experience occurred for the first time since the summer of 2019 with pre-COVID-19 attendance records.

Growth within the Town contributed to taxation revenue and Building and Planning Department revenues that exceeded budget for the year. No new debt was issued in the year, while principal payments on debt continued to be paid.

At the end of 2022, these items combined resulted in a financial statement surplus of \$7.6 million, debt and bank indebtedness that decreased by \$2.4 million, cash that decreased by \$0.7 million, and a continued decrease in net debt of \$1.6 million.

Consolidated Financial Statements of

CORPORATION OF THE TOWN OF PELHAM

December 31, 2022

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, 2022, 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, 2022, 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 7, 2023

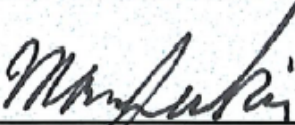
CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Financial Position

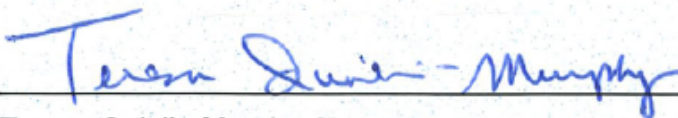
December 31, 2022

	2022	2021
FINANCIAL ASSETS		
Cash and cash equivalents	\$ 18,163,039	\$ 18,850,877
Taxes receivable	2,788,518	1,663,629
User charges receivable	953,193	967,228
Accounts receivable	6,992,230	6,264,347
Investment in subsidiary (Note 2)	5,659,632	5,594,552
	34,556,612	33,340,633
LIABILITIES		
Bank indebtedness (Note 3)	900,000	1,033,333
Accounts payable and accrued liabilities	5,834,422	5,005,336
Other liabilities	2,129,087	2,461,513
Deposits and deferred revenue	399,467	419,537
Deferred revenue - obligatory reserve funds (Note 4)	6,520,304	5,054,470
Long-term debt (Note 5)	28,745,764	31,032,054
Employee benefit obligations (Note 6)	529,504	425,250
	45,058,548	45,431,493
Contingencies (Note 17)		
Net debt	(10,501,936)	(12,090,860)
NON FINANCIAL ASSETS		
Tangible capital assets (Schedule 2)	146,104,135	140,465,822
Prepaid expenses	669,256	305,566
	146,773,391	140,771,388
Accumulated surplus (Note 7)	\$ 136,271,455	\$ 128,680,528

Signed on behalf of the Town:



 Marvin Jufkin, 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, 2022

	Budget 2022 (Note 14)	Actual 2022	Actual 2021
REVENUE			
Taxation (Note 9)	\$ 17,059,111	\$ 17,183,515	\$ 16,220,412
User charges (Note 10)	8,253,379	9,071,959	7,965,644
Grants (Note 12)	4,809,563	5,668,326	4,435,549
Contributions from developers	4,309,958	1,861,481	1,916,379
Contributed tangible capital assets	-	-	5,775,896
Other (Note 13)	878,150	1,722,550	1,201,872
Equity earnings in subsidiary (Note 2)	-	146,000	142,153
Gain on disposal of tangible capital assets and assets held for sale	-	96,848	13,586
	35,310,161	35,750,679	37,671,491
EXPENSES			
General government	4,156,384	4,397,503	4,200,643
Protection to persons and property	2,265,310	2,258,046	2,219,754
Transportation services	6,358,984	6,587,938	6,007,186
Environmental services	6,164,012	6,058,908	5,545,852
Health services	128,523	118,573	107,328
Recreation and culture services	7,496,285	7,985,727	6,715,269
Planning and development	677,101	753,057	639,038
	27,246,599	28,159,752	25,435,070
Annual surplus	8,063,562	7,590,927	12,236,421
Accumulated surplus, beginning of year	128,680,528	128,680,528	116,444,107
Accumulated surplus, end of year	\$ 136,744,090	\$ 136,271,455	\$ 128,680,528

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, 2022

	Budget 2022	Actual 2022	Actual 2021
ANNUAL SURPLUS	\$ 8,063,562	\$ 7,590,927	\$ 12,236,421
Amortization of tangible assets	6,100,000	5,930,971	5,812,954
Contributed tangible capital assets	-	-	(5,775,896)
Acquisition of tangible capital assets	(14,026,590)	(11,709,825)	(5,660,168)
(Gain) loss on disposal of tangible capital assets	-	(96,848)	(13,586)
Proceeds on disposal of tangible capital assets	-	237,389	20,536
	136,972	1,952,614	6,620,261
Acquisition of prepaid expenses	-	(662,210)	(282,035)
Use of prepaid expenses	-	298,520	81,119
	-	(363,690)	(200,916)
Decrease in net debt	136,972	1,588,924	6,419,345
Net debt, beginning of year	(12,090,860)	(12,090,860)	(18,510,205)
Net debt, end of year	\$ (11,953,888)	\$ (10,501,936)	\$ (12,090,860)

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, 2022

	2022	2021
OPERATING ACTIVITIES		
Annual surplus	\$ 7,590,927	\$ 12,236,421
Items not involving cash:		
Amortization of tangible assets	5,930,971	5,812,954
Gain on disposal of tangible capital assets and assets held for sale	(96,848)	(13,586)
Contributed tangible capital assets	-	(5,775,896)
Net earnings from investment in subsidiary	(146,000)	(142,153)
Employment benefit obligations	104,254	20,334
Change in non-cash assets and liabilities:		
Taxes receivable	(1,124,889)	303,659
User charges receivable	14,036	(166,775)
Accounts receivable	(727,883)	(1,948,499)
Accounts payable and accrued liabilities	829,086	(671,582)
Other liabilities	(332,426)	247,207
Deferred revenue - obligatory reserve funds	1,465,834	1,827,442
Deposits and deferred revenue	(20,070)	(370,947)
Prepaid expenses	(363,690)	(200,916)
	13,123,302	11,157,663
CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	237,389	20,536
Acquisition of tangible capital assets, net of construction in process capitalized	(11,709,825)	(5,660,168)
	(11,472,436)	(5,639,632)
FINANCING ACTIVITIES		
Decrease in bank indebtedness	(133,333)	(133,334)
Dividends received from investment in subsidiary (Note 2)	80,920	40,358
Repayment of long-term debt	(2,286,290)	(2,433,289)
	(2,338,703)	(2,526,265)
Net (decrease) increase in cash	(687,837)	2,991,766
Cash and cash equivalents, beginning of year	18,850,877	15,859,111
Cash and cash equivalents, end of year	\$ 18,163,040	\$ 18,850,877

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, 2022

1. Significant accounting policies

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

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

a. Basis of consolidation

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

i. Pelham Public Library Board (2021, and up to March 6, 2022)

Interdepartmental and organizational transactions and balances are eliminated.

The following joint local board is proportionately consolidated:

ii. Niagara Central Airport Commission (Joint Board)

Related party transactions are eliminated (Note 15).

iii. Peninsula West Power Inc.

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

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

Effective March 7, 2022, the Lincoln Pelham Union Public Library was established pursuant to and in accordance with the provisions of the *Public Libraries Act* to serve Lincoln and Pelham. 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 2022, Lincoln's portion is 58% and Pelham's portion is 42%. The library facilities will remain the responsibility and asset of the respective municipality.

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

1. Significant accounting policies (continued)

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.

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, 2022

1. Significant accounting policies (continued)

h. Tangible capital assets

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

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

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

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

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

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

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

i. Subdivision infrastructure

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

1. Significant accounting policies (continued)

j. Reserves for future expenses

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

k. Government transfer payments

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

l. Local improvements

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

m. Tax revenue

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

n. Region and school board transactions

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

o. Development charges

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

1. Significant accounting policies (continued)

p. Management estimates

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

2. Subsidiary operations

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

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

	2022	2021
Financial position		
Current assets	\$ 1,717,662	\$ 1,646,498
Capital assets	69,265	79,889
Investment	37,784,856	36,873,000
Total assets	39,571,783	38,599,387
Current liabilities		
Accounts payable and accrued liabilities	58,433	56,753
Future payments in lieu of taxes	6,226,804	5,638,911
Total liabilities	6,285,237	5,695,664
Net assets	33,286,546	32,903,723
Town of Pelham's interest - 17%	\$ 5,659,632	\$ 5,594,552

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

2. Subsidiary operations (continued)

	2022	2021
Change in equity investment in subsidiary		
Revenues	\$ 240,493	\$ 179,733
Expenses	(205,739)	(170,380)
Payment in lieu of income taxes	(597,786)	(2,081)
Gain (loss) from operations	(563,032)	7,272
Gain on investment	1,421,855	828,921
Net earnings	858,823	836,193
Dividends	(476,000)	(237,400)
Net increase in equity of subsidiary	382,823	598,793
Change in equity of subsidiary - 17%	\$ 65,080	\$ 101,795

The financial position, long-term debt, capital lease and contingent liabilities information is as reported by Peninsula West Power Inc. at December 31, 2022 and the results of operations is as reported for the year ended December 31, 2022. The comparative financial position and results of operations figures are as reported by Peninsula West Power Inc. at December 31, 2021.

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.

	2022	2021
Electricity purchased	\$ 58,594	\$ 31,620
Administration expense	4,685	4,685
	\$ 63,279	\$ 36,305

3. Bank indebtedness

The Town has an authorized revolving line of credit of \$11,500,000 (2021 - \$11,500,000) at prime minus 0.25%, of which \$11,500,000 (2021 - \$11,500,000) remained unused at year-end. The line of credit is secured by a borrowing by-law for operating line of \$11,500,000 held. Payment is due on demand. The Town has a non-revolving demand instalment loan of \$900,000 (2021 - \$1,033,333) at prime minus 0.10%. Payment is due on demand.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

4. Deferred revenue - obligatory reserve funds

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

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

	Development charges	Parkland	Canada Community-Building Fund	Ontario Gas Tax	Other	2022 Total	2021 Total
Balance, beginning of year	\$ 3,026,873	\$ 1,335,479	\$ 572,765	\$ 89,515	\$ 29,838	\$ 5,054,470	\$ 3,227,028
Restricted funds received	3,522,259	393,696	542,646	-	1,017,542	5,476,143	5,657,659
Interest earned	52,970	23,260	11,280	1,858	8,301	97,669	43,472
Collection of receivable	-	(393,696)	-	-	-	(393,696)	(765,370)
Revenue recognized	(1,858,959)	-	(802,679)	(30,000)	(1,022,644)	(3,714,282)	(3,108,319)
Balance, end of year	\$ 4,743,143	\$ 1,358,739	\$ 324,012	\$ 61,373	\$ 33,037	\$ 6,520,304	\$ 5,054,470

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

5. Long-term debt

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

	2022	2021
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	\$ 28,745,764	\$ 31,032,054

(b) The net long-term debt:

Debenture number	Purpose	Interest rates	Maturity dates	2022	2021
73-2012	Haist St & Rice Rd	1.35% to 3.10%	2022	\$ -	\$ 90,000
72-2013	Effingham & Hwy 20	1.40% to 3.75%	2023	78,856	155,986
78-2014	Pelham St & Fire Stn #2	1.20% to 3.30%	2024	392,848	580,680
75-2015	Fire Stn #3 & Pt Robinson	1.94%	2025	1,070,000	1,410,000
35-2016	Fenwick & Pt Robinson	1.20% to 2.40%	2026	2,416,733	2,991,888
72-2016	Meridian Community Centre	3.34%	2046	7,894,467	8,106,271
55-2017	Meridian Community Centre	3.22%	2047	10,830,692	11,109,245
59-2019	East Fonthill Roads	2.40%	2029	2,899,266	3,280,119
58-2020	Meridian Community Centre	1.98%	2040	3,162,902	3,307,865
				\$ 28,745,764	\$ 31,032,054

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

2023	\$ 2,248,376
2024	2,222,719
2025	2,074,693
2026	1,752,359
2027	1,159,134
Thereafter	19,288,483
	\$ 28,745,764

The Town paid \$982,220 (2021 - \$924,280) 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, 2022

6. Employee benefit obligations

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

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

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

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

	2022	2021
Current service cost	\$ 126,352	\$ 33,040
Interest on post-employment benefit liability	11,346	10,803
Total expense related to post-employment benefits	\$ 137,698	\$ 43,843

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 \$33,456 (2021 - \$23,509).

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 2022 with a funding deficit of \$6.7 billion (2021 - \$3.1 billion). The funded ratio decreased from 97% in 2021 to 95% in 2022, which is the first decline in the Plan's funded ratio since 2012. The primary reason for the decrease in funded ratio and the increase in the funding deficit is higher-than-expected price inflation. The amount the Town contributed to OMERS for 2022 was \$641,463 (2021 - \$601,040) 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, 2022

7. Accumulated surplus

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

	2022	2021
Surplus (deficit)		
Town	\$ 925,111	\$ 565,416
Library (Schedule 1)	(274,361)	(343,371)
Niagara Central Airport Commission (Note 15)	(17,124)	(15,901)
	633,626	206,144
Investment in tangible capital assets (Schedule 2)	146,104,135	140,465,822
Investment in subsidiary	5,659,632	5,594,552
Unfunded		
Long-term debt	(28,745,764)	(31,032,054)
Employee benefit obligations	(529,504)	(425,250)
	(29,275,268)	(31,457,304)
Reserves and reserve funds (Note 8)	13,149,330	13,871,314
	\$ 136,271,455	\$ 128,680,528

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

8. Reserves and reserve funds

	2022	2021
Reserves and reserve funds set aside for specific purposes by Council		
Airport (Note 15)	\$ 28,357	\$ 2,955
Building department	1,973,804	1,724,040
Cemetery	157,162	78,190
Community improvement plan	283,957	296,520
Elections	14,345	98,455
Fire equipment	1,218,432	876,935
Fleet	1,552,894	1,134,797
Human resource capacity building	551,264	588,910
Information technology	104,965	192,279
Land acquisition	(837,592)	(984,592)
Library (Schedule 1)	388,450	392,907
Meridian Community Centre	601,747	630,364
Municipal building facility	635,999	593,277
Municipal drainage	61,763	44,131
Parks and recreation	61,894	321,524
Physician recruitment	27,705	27,705
Planning	363,357	334,509
Roads	2,469,836	3,574,427
Volunteer firefighter life insurance	37,500	25,000
Wastewater	2,563,441	2,115,558
Water	500,582	1,331,322
Working capital	389,468	472,101
	\$ 13,149,330	\$ 13,871,314

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

9. Taxation

	Budget 2022 (Note 14)	Actual 2022	Actual 2021
Taxation - real property	\$ 41,820,176	\$ 42,391,752	\$ 40,179,468
Payments in lieu of taxes	300,471	304,502	304,304
	42,120,647	42,696,254	40,483,772
Less: taxation collected on behalf of			
Region of Niagara	19,678,307	20,032,668	18,969,367
School boards	5,383,229	5,480,071	5,293,993
	25,061,536	25,512,739	24,263,360
Net taxes available for municipal purposes	17,059,111	17,183,515	16,220,412
Residential and farm	15,535,084	15,632,005	14,813,044
Multi-residential	206,285	210,077	202,523
Commercial	1,251,118	1,273,681	1,142,846
Industrial	66,552	67,752	61,999
	\$ 17,059,039	\$ 17,183,515	\$ 16,220,412

10. User charges

	Budget 2022 (Note 14)	Actual 2022	Actual 2021
Operating			
Fees and service charges	\$ 1,284,388	\$ 1,965,657	\$ 1,156,118
Water charges	3,577,480	3,426,210	3,331,059
Sewer charges	2,712,861	2,675,016	2,514,188
Licenses and permits	678,650	1,005,076	964,279
	\$ 8,253,379	\$ 9,071,959	\$ 7,965,644

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

11. Collections for the Region of Niagara and school boards

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

	2022	2021
Region of Niagara	\$ 24,136,175	\$ 22,881,532
School boards	5,480,071	5,293,993
	\$ 29,616,246	\$ 28,175,525

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

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

12. Grants

	Budget 2022 (Note 14)	Actual 2022	Actual 2021
Operating			
Government of Canada	\$ 14,650	\$ 83,383	\$ 89,564
Province of Ontario	782,288	1,872,751	956,418
Region of Niagara	2,000	40,089	26,400
Other	-	1,100	15,700
	798,938	1,997,323	1,088,082
Capital			
Government of Canada	3,046,620	2,690,302	1,611,432
Province of Ontario	964,005	857,298	1,691,035
Region of Niagara	-	123,403	45,000
	4,010,625	3,671,003	3,347,467
	\$ 4,809,563	\$ 5,668,326	\$ 4,435,549

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

13. Other revenue

	Budget 2022 (Note 14)	Actual 2022	Actual 2021
Operating			
Penalties and interest on taxes	\$ 270,000	\$ 380,139	\$ 302,903
Investment income	33,000	510,905	108,442
Fines and other penalties	52,500	31,272	55,031
Other	382,650	446,842	505,656
	738,150	1,369,158	972,032
Capital			
Investment income	-	-	-
Donations	-	353,392	229,840
Other	140,000	-	-
	\$ 878,150	\$ 1,722,550	\$ 1,201,872

14. Budget amounts

The operating tax rate supported budget was approved by Council on January 24, 2022 to establish the tax rates for the year. In addition, the tax rates supported capital budget was approved by Council on December, 20, 2021 and the water and wastewater budgets were approved on January 24, 2022.

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, 2022

14. Budget amounts (continued)

	Budget Amount
Revenues	
Approved operating budget	\$ 20,374,879
Approved water and wastewater budget	6,331,341
Approved library budget - other than Town contribution	118,138
Add capital:	
Development charges	4,047,475
Recreational Land (the Planning Act)	220,000
Federal Gas Tax	825,000
Ontario Community Infrastructure Fund	941,005
Other grants	3,051,420
	9,084,900
Less:	
Transfers from reserves - operating	(599,097)
	(599,097)
Total revenues	35,310,161
Expenses	
Approved operating budget	20,374,879
Approved water and wastewater budget	6,331,341
Approved library operating budget	954,845
Add:	
Amortization	6,100,000
Employee future benefits	40,000
Estimated capital budget items expense in nature	737,000
Debt interest payments - development charges	410,032
	7,287,032
Less:	
Debt principal payments (development charge excluded)	(1,302,223)
Town contribution to library	(894,707)
Transfers to reserves, including capital	(5,504,568)
	(7,701,498)
Total expenses	27,246,599
Annual surplus	\$ 8,063,562

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

15. Niagara Central Airport Commission

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

	2022	2021
Financial assets		
Cash and temporary investments	\$ 291,278	\$ 280,455
Receivables	34,503	6,485
	325,781	286,940
Liabilities		
Accounts payable and accrued liabilities	40,758	30,376
Loans payable and capital lease liability	277,696	367,184
	318,454	397,560
Net debt	7,327	(110,620)
Non-financial assets		
Prepaid expenses	14,738	14,783
Fuel inventory	15,805	23,912
Tangible capital assets	1,624,743	1,421,197
	1,655,286	1,459,892
Accumulated surplus	1,662,613	1,349,272
Accumulated surplus		
Operating deficit	(95,133)	(55,462)
Reserves	157,539	16,164
Investment in tangible capital assets	1,600,207	1,388,570
	1,662,613	1,349,272
Revenues		
Grants	154,770	154,770
Fuel and rentals	95,191	101,463
Other	350,882	29,973
Expenses	(287,502)	(230,772)
Annual surplus	\$ 313,341	\$ 55,434

The financial position information is as reported by the Niagara Central Airport Commission as at December 31, 2022 and the results of operations are as reported for the year ended December 31, 2022.

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

15. Niagara Central Airport Commission (continued)

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

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

	2022	2021
Grants	\$ 25,854	\$ 23,307
Donations	3,116	1,563
Loan payments received	\$ -	\$ 9,308

16. Trust funds

Trust funds administered by the Town amounting to \$1,188,195 (2021 - \$1,108,089) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

17. Contingencies

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

18. Financial instruments

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2022

19. Segmented information

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

The services included in each segment are as follows:

(i) General government

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

(ii) Protection services

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

(iii) Transportation services

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

(iv) Environmental services

Environmental is comprised of storm sewer systems and water collection.

(v) Health services

Health services is comprised of cemeteries.

(vi) Recreation and culture services

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

(vii) Planning and development

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

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Library Operations - Schedule 1

For the Year Ended December 31, 2022

	Budget 2022 (Note 14)	Actual 2022	Actual 2021
Revenue			
Municipal contribution (Library)	\$ 894,707	\$ 894,707	\$ 877,164
Library - grants	41,388	28,132	55,430
Deferred revenue earned (Development Charges)	42,750	42,750	42,750
Library - other revenue	34,000	29,147	13,175
	1,012,845	994,736	988,519
Expenses			
Administration	55,300	57,216	54,284
Amortization of books, periodicals and media	-	56,498	58,751
Books, periodicals and other media	58,000	46,874	-
Electronic resources and maintenance	37,798	15,083	56,751
Equipment rental	3,000	1,828	1,399
Furnishings and office equipment	500	6,710	159
Insurance	3,800	4,067	3,727
Programs	10,000	15,217	8,201
Repairs and maintenance	50,000	36,393	46,856
Salary, wages and employee benefits	767,947	684,185	657,945
Supplies	3,000	2,093	2,740
Utilities	23,500	22,133	21,149
	1,012,845	948,297	911,962
Annual surplus	-	46,439	76,557
Accumulated surplus, beginning of year	422,720	422,720	346,163
Accumulated surplus, end of year	422,720	469,159	422,720
Accumulated surplus consists of the following			
Operating deficit	-	(274,361)	(343,371)
Investment in library collection	-	385,473	395,096
Reserves	-	388,450	392,907
Unfunded employee benefit obligations	-	(30,403)	(21,912)
	\$ -	\$ 469,159	\$ 422,720

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Tangible Capital Assets - Schedule 2

For the Year Ended December 31, 2022

	2022							
	Land	Land improvements	Buildings	Machinery, equipment, furniture, 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
Add 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 Tangible Capital Assets - Schedule 2

For the Year Ended December 31, 2022

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

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Segment Operations - Schedule 3

For the Year Ended December 31, 2022

	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
Gain (loss) 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

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Segment Operations - Schedule 3

For the Year Ended December 31, 2022

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

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, 2022, 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, 2022, 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 7, 2022

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Statement of Financial Position

As at December 31, 2022

	Cemetery Care and Maintenance Funds	Bradshaw Estate	Library Trust Funds	Total 2022	Total 2021
Assets					
Cash	\$ 855,503	\$ 146,627	\$ 152,474	\$ 1,154,604	\$ 1,063,562
Receivables and accrued interest	3,261	559	-	3,820	488
Investments (Note 2)	-	-	19,719	19,719	19,261
Due from the Town of Pelham (Note 3)	13,770	-	-	13,770	25,015
	872,534	147,186	172,193	1,191,913	1,108,326
Liability					
Due to the Town of Pelham (Note 3)	-	-	3,718	3,718	237
Fund balance	\$ 872,534	\$ 147,186	\$ 168,475	\$ 1,188,195	\$ 1,108,089

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Statement of Revenue and Expenses and Change in Fund Balances

Year ended December 31, 2022

	Cemetery Care and Maintenance Funds	Bradshaw Estate	Library Trust Funds	Total 2022	Total 2021
Revenue					
Interest	\$ 19,267	\$ 3,322	\$ 3,399	\$ 25,988	\$ 6,853
Realized gain	-	-	(32)	(32)	-
Donations	-	-	67,897	67,897	28,390
Marker fees	7,650	-	-	7,650	3,600
Plot sales	25,387	-	-	25,387	26,238
	52,304	3,322	71,264	126,890	65,081
Expenses					
Purchase of equipment, books, periodicals and misc	-	-	26,384	26,384	1,326
Maintenance	19,267	-	-	19,267	4,823
	19,267	-	26,384	45,651	6,149
Excess of revenues over expenses	33,037	3,322	44,880	81,239	58,932
Fund balance, beginning of year	839,497	143,864	123,595	1,106,956	1,049,157
Fund balance, end of year	\$ 872,534	\$ 147,186	\$ 168,475	\$ 1,188,195	\$ 1,108,089

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Notes to the Financial Statements

December 31, 2022

1. Accounting policies

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

(a) Basis of accounting

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

(b) Investments

Investments are recorded at cost.

(c) Financial instruments

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

(d) Use of estimates

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

2. Investments

The total for investments by the trust funds of \$19,719 (2021 - \$19,261) reported on the statement of financial position at cost, have a market value of \$19,719 (2021 - \$19,261) 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.

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

	2022	2021	2020	2019	2018
Households*	7,557	7,400	7,287	7,104	7,064
Population**	18,192	18,192	17,110	17,110	17,110
Municipal Workforce Profile					
Full-time Positions	77	77	76	74	69
Part-time Positions	35	34	36	37	27
Seasonal Employees	50	50	45	52	54
Number of Building Permits Issued	273	237	286	235	280
Total Value of Building Permits Issued	\$ 117,408,659	\$ 132,587,119	\$ 62,695,313	\$ 43,337,503	\$ 68,647,113

*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

	2022	2021	2020	2019	2018
Both Sexes	5.2	9.8	9.8	5.8	6.7
Males	4.8	10.9	10.5	6.7	6.8
Females	5.8	8.7	8.9	4.7	6.5

Source: Statistics Canada, Labour Force Survey, 2022

Top Ten Businesses in Pelham based on aggregate employee number

- Niagara Region - Woodlands of Sunset
 - Willowbrook Nurseries
 - Sobeys
 - Lookout Ridge Retirement Homes
 - Mossimo's
 - McDonald's
 - Duliban Insurance Brokers Ltd.
 - Food Basics
 - Banyan Community Services - Peninsula Youth Center
 - Shoppers Drug Mart
- Source: Region of Niagara Employment Inventory 2022

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

Taxation Statistics

	2022	2021	2020	2019	2018
Taxable Assessment					
Residential	2,671,780,410	2,616,394,467	2,555,511,770	2,409,606,273	2,291,395,631
Multi-Residential	18,604,000	18,604,000	17,693,000	17,587,500	17,482,000
New Multi-Residential	544,000	544,000	544,000	544,000	-
Commercial	103,551,846	100,241,189	90,345,386	87,823,350	80,870,766
Commercial On-Farm Business	4,700	4,700	4,700	-	-
Commercial Excess/Vacant	10,593,511	4,317,111	1,998,111	2,970,845	3,150,670
Industrial	4,386,700	4,165,800	3,998,000	2,968,951	2,919,272
Industrial On-Farm Business	50,000	50,000	50,000		
Industrial Excess/Vacant	146,100	146,100	146,100	132,825	119,550
Pipeline	17,758,000	17,725,000	17,467,000	16,854,093	16,213,500
Farmland	167,641,933	172,072,933	169,321,433	157,009,692	143,204,190
Managed Forest	3,206,600	3,079,300	2,897,100	2,701,293	1,961,922
Total Taxable Assessment	2,998,267,800	2,937,344,600	2,859,976,600	2,698,198,822	2,557,317,501
Taxy Levy					
Town of Pelham	\$ 16,578,640	\$ 15,678,883	\$ 14,946,495	\$ 13,674,374	\$ 12,530,627
Niagara Region	18,041,313	18,556,474	17,721,535	16,366,191	15,584,260
Education	5,383,228	5,213,533	5,131,790	5,116,884	5,109,284
Total Levy	\$ 40,003,181	\$ 39,448,890	\$ 37,799,820	\$ 35,157,449	\$ 33,224,171
Current Year's Tax Collections*	\$ 40,509,737	\$ 38,624,570	\$ 36,596,141	\$ 34,245,293	\$ 32,285,504
Total Arrears	\$ 2,788,518	\$ 1,663,629	\$ 1,967,288	\$ 1,751,162	\$ 1,761,963
Total Arrears as a Percentage of Current Tax Levy	7.0%	4.2%	5.2%	5.0%	5.3%

*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 2022

FONTHILL GARDENS INC
NIAGARA PROPERTY INVESTMENTS INC
PELHAM PORTFOLIO INC
968502 ONTARIO INC
4 HIGH STREET INC
PELHAM TOWN - WELLSRING NIAGARA
2004424 ONTARIO INC
2385746 ONTARIO INC
FONTHILL PROPERTIES ULC
1254392 ONTARIO LIMITED

% of Total Industrial and Commercial Assessment	39.1%
% of Total Taxable Assessment	1.4%

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

Consolidated Statement of Financial Position

	2022	2021	2020	2019	2018
Financial Assets					
Cash and cash equivalents	\$ 18,163,039	\$ 18,850,877	\$ 15,859,111	\$ 7,848,224	\$ 1,280,672
Taxes receivable	2,788,518	1,663,629	1,967,288	1,751,162	1,761,963
User charges receivable	953,193	967,228	800,453	684,278	613,935
Accounts receivable	6,992,230	6,264,347	4,315,848	5,012,259	5,735,179
Tangible capital assets held for sale	-	-	-	515,697	534,734
Investments in subsidiary	5,659,632	5,594,552	5,492,757	5,393,644	5,383,816
Total financial assets	34,556,612	33,340,633	28,435,457	21,205,264	15,310,299
Financial Liabilities					
Bank indebtedness	900,000	1,033,333	1,166,667	10,294,044	15,960,776
Accounts payable and accrued liabilities	5,834,422	5,005,336	5,676,918	4,726,141	3,922,388
Other Liabilities	2,129,087	2,461,513	2,214,306	1,998,225	2,089,727
Deposits and deferred revenue	399,467	419,537	790,484	851,502	547,392
Deferred revenue- obligatory reserve funds	6,520,304	5,054,470	3,227,028	3,981,023	3,833,187
Long-term debt	28,745,764	31,032,054	33,465,343	32,252,037	30,088,688
Employee benefit obligations	529,504	425,250	404,916	398,503	323,027
Total Financial Liabilities	45,058,548	45,431,493	46,945,662	54,501,475	56,765,185
Net financial assets (net debt)	(10,501,936)	(12,090,860)	(18,510,205)	(33,296,211)	(41,454,886)
Non-financial assets					
Tangible capital assets	146,104,135	140,465,822	134,849,662	132,979,060	135,235,818
Prepaid expenses	669,256	305,566	104,650	518,557	321,743
Total non-financial assets	146,773,391	140,771,388	134,954,312	133,497,617	135,557,561
Accumulated surplus	\$ 136,271,455	\$ 128,680,528	\$ 116,444,107	\$ 100,201,406	\$ 94,102,675

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

Consolidated Statement of Financial Position Statistics

	2022	2021	2020	2019	2018
Acquisition of tangible capital assets, net of construction in process capitalized	\$ 11,709,825	\$ 5,660,168	\$ 3,946,806	\$ 4,158,299	\$ 15,675,398
Net Long-term Debt	\$ 28,745,764	\$ 31,032,054	\$ 33,465,343	\$ 32,252,037	\$ 30,088,688
Per Capita	\$ 1,580.13	\$ 1,705.81	\$ 1,956	\$ 1,885	\$ 1,759
Percentage of Town Tax Levy	173.4%	197.9%	223.9%	235.9%	240.1%
Long-term Debt					
Supported by Taxes	\$ 12,642,977	\$ 17,119,465	\$ 18,404,075	\$ 16,070,519	\$ 12,788,279
Supported by Non-tax Revenue	16,102,788	13,912,589	15,061,268	16,181,518	17,300,409
Net Long-term Liabilities	<u>\$ 28,745,765</u>	<u>\$ 31,032,054</u>	<u>\$ 33,465,343</u>	<u>\$ 32,252,037</u>	<u>\$ 30,088,688</u>
Debt Charges for the Year					
Principal Payments	\$ 2,286,289	\$ 2,433,289	\$ 2,236,694	\$ 1,855,006	\$ 1,816,976
Interest Charges	\$ 866,080	\$ 924,280	\$ 929,241	\$ 937,707	\$ 914,663
Annual Debt Repayment Limit, excluding Treasurer's Adjustments	\$ 2,712,108	\$ 2,656,728	\$ 2,278,215	\$ 2,587,339	\$ 3,475,545
Accumulated Surplus	\$ 136,271,455	\$ 128,680,528	\$ 116,444,107	\$ 100,201,406	\$ 94,102,675
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%	14%	13%	13%	13%

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

Consolidated Statement of Operations

	2022	2021	2020	2019	2018
Revenue by Source					
Taxation	\$ 17,183,515	\$ 16,220,412	\$ 15,724,635	\$ 14,342,049	\$ 13,003,056
User charges	9,071,959	7,965,644	7,168,751	6,576,964	6,066,122
Grants	5,668,326	4,435,549	4,110,579	1,912,212	1,319,945
Contributions from developers	1,861,481	1,916,379	2,083,217	2,168,354	2,118,168
Contributed tangible capital assets	-	5,775,896	4,092,908	-	136,505
Other	1,722,550	1,201,872	890,208	1,362,205	1,519,085
Equity earnings in subsidiary	146,000	142,153	99,113	63,059	123,087
Gain on disposal of tangible capital assets and assets held for sale	96,848	13,586	6,394,140	3,945,364	295,500
Total revenue by source	35,750,679	37,671,491	40,563,551	30,370,207	24,581,468
Expense by Function					
General government	4,397,503	4,200,643	3,950,174	3,472,230	3,520,358
Protection to persons and property	2,258,046	2,219,754	2,056,453	1,960,146	1,912,943
Transportation services	6,587,938	6,007,186	5,929,468	6,481,990	6,821,947
Environmental services	6,058,908	5,545,852	5,283,920	4,863,889	5,373,591
Health services	118,573	107,328	117,052	117,015	114,074
Recreation and culture services	7,985,727	6,715,269	6,400,982	6,725,057	6,155,062
Planning and development	753,057	639,038	582,801	651,149	585,762
Total expenses by function	28,159,752	25,435,070	24,320,850	24,271,476	24,483,737
Annual Surplus	7,590,927	12,236,421	16,242,701	6,098,731	97,731
Accumulated surplus, beginning	128,680,528	116,444,107	100,201,406	94,102,675	94,004,944
Accumulated surplus, ending	\$ 136,271,455	\$ 128,680,528	\$ 116,444,107	\$ 100,201,406	\$ 94,102,675
Analysis of Expenses by Object					
Salaries and Wages	\$ 10,423,692	\$ 9,211,093	\$ 8,616,362	\$ 8,501,131	\$ 7,969,184
Long term debt interest	982,220	924,280	929,241	937,707	914,663
Materials	3,891,958	3,079,744	3,232,968	3,342,740	3,699,352
Contracted services	6,707,502	6,228,834	5,652,634	5,150,691	5,719,633
Rents & Financials	178,909	142,815	196,627	437,491	386,651
External transfers to others	44,500	35,350	11,791	23,668	23,002
Amortization of tangible assets	5,930,971	5,812,954	5,681,227	5,878,048	5,771,252
Total expenses by object	\$ 28,159,752	\$ 25,435,070	\$ 24,320,850	\$ 24,271,476	\$ 24,483,737



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

The Corporation of the Town of Pelham
Attention: Corporate Services Department
Town of Pelham, Municipal Building
P.O. Box 400, 20 Pelham Town Square
Fonthill, Ontario
L0S 1E0