

The Corporation of the Town of Pelham **2021 Annual Report** Ontario, Canada



For the fiscal year ended December 31, 2021.



The Corporation of the Town of Pelham
2021 Annual Report
For the fiscal year ended December 31, 2021

This report was prepared by:

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

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Section One:

Introduction



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- Town of Pelham Awards
- Legislative Authority
- Town of Pelham Council
- Senior Leadership Team
- Organizational Chart
- About Pelham
- 2021 Strategic Priorities
- Department Highlights
- Pelham Quick Facts

Message from the Mayor and Chief Administrative Officer

The Council and staff of the Corporation of the Town of Pelham are proud to present the Town's 2021 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.

With the ongoing pandemic, 2021 was a challenging year. Nevertheless, many achievements were celebrated and several critical strategic priorities were reached.

Financial transparency and reporting remain at the forefront of council priorities, with 2021 being the fourth year in a row where the Town has reported a significant budget surplus. Key elements that assisted in this achievement were successful grant applications, strong levy growth, spending restraint and the reduction of legal costs through the creation of the Town Solicitor's office.

The Town continues to recruit and retain talented individuals who apply their skills for the betterment of the community. In the past two years, four Town staff from multiple departments have achieved the Niagara award of Top 40 under Forty.

The work completed in 2021 and the goals accomplished provide a sense of pride for all involved. Pelham successfully faced the challenges brought on by the pandemic and now 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, 2022

Awards

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Canadian Award for Financial Reporting to the Town of Pelham for its annual financial report for the fiscal year ended December 31, 2020. The Canadian Award for Financial Reporting Program was established to encourage municipal governments throughout Canada to publish high-quality financial reports and 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. The Town of Pelham's 2021 report continues to strive to conform to the Canadian Award for Financial Reporting program requirements and will be submitted to GFOA to determine its eligibility.

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 Gold (June 30 for 30 Strategic Communications), and five Festivals and Events Ontario awards



June 30 for 30
Strategic
Communications



- Family Day in Pelham
- Hoppin' Easter in Pelham
- Canada Day
- Summerchill Series
- Christmas in Pelham

Legislative Authority and Pelham Town Council

The Corporation of the Town of Pelham is one of Niagara's 13 municipalities. 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 and growing commercialism.



Mayor
Marvin Junkin

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

Senior Leadership Team

The Senior Leadership Team at the Town of Pelham consists of the Chief Administrative Officer and six 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.

2021 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.

2021 Strategic Priorities

#	Priorities	Status
1	New Zoning By-law	To be completed in 2022
2	Future of Library	Completed in 2022
3	Renew and enhance PSR system	To be completed in 2022
4	Parking initiatives and masterplan + MCC parking strategy	To be completed in 2022
5	By-law Enforcement Policy	Completed
6	Succession plan	Completed
7	Heritage Advisory Committee	Completed
8	Capital Asset Management Plan	Completed
9	Delegation of Authority By-law	Completed
10	Update Purchasing Policy; changes re: purchasing/procurement	To be completed in 2022
11	Joint initiatives – purchasing, building, drainage, legal	Completed
12	New Procedural By-law	To be completed in 2022
13	Climate change best practice; community education	Completed
14	Compensation/performance management and staff recognition	Completed
15	East Fenwick Secondary Plan	To be completed in 2022
16	Risk management framework	Deferred due to COVID-19

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.

Services Provided:

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

Priorities/Statistics from 2021:

- New Zoning By-law
- Future of Pelham Public Library
- Climate Change Best Practice; Community Education

Achievements from 2021:

- Integration of Town Solicitor's Office into corporate processes
- Six-figure savings in the Town of Pelham legal expenditures
- Completed By-law Enforcement Policy
- Developed Heritage Advisory Committee
- Completed Capital Asset Management Plan
- Delegation of Authority By-law
- Engaged in Reviewed/Expanded AMPs
- Completed Compensation/Performance Management and staff recognition
- Collaborated on the future of Pelham Transit
- Updated the Voice Activation system for customer service
- Completed the Tree Policy
- Completed the Bench & Tree Memorial Policy



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.



Services Provided:

- Facilitates 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 2021:

- Despite COVID-19, one of the few municipalities offering civil ceremonies in a safe and controlled environment
- Provided electronic Council and Committee meetings (with emphasis on providing public participation)

Achievements from 2021:

- AMCTO E.A. Danby Award – Implementation of Legislation
- Speaker at 2021 AMCTO Conference - Peer to Peer: Municipal Election Administration in the Time of COVID
- The leader is establishing a shared service agreement for ticket appeals



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 2021:

- Second Dwelling Unit Official Plan and Zoning By-law amendments approved
- Initiated public consultation on Zoning By-law review and update
- Site Plan and Building Permit approval for 132 suite retirement home
- Maintain temporary exemption of parking requirements for restaurant patios during the COVID-19 pandemic
- Maintain delivery of services during the pandemic

Achievements from 2021:

- 401 Building Permits issued
- \$178,693,260 value in new construction
- 124 Development Applications received
- Initiated review of Zoning By-law
- Undertook Comprehensive Parking Strategy Analysis
- Big Creek Drain Assessment Schedule Update initiated

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 2021:

- Modernization grant received for Corporate Services Automation Review for \$143,505, consultants reviewed processes for automation to implement efficiencies and reduce manual processes.
- Modernization grant received to review Information Technology Web Services for \$40,000 to review the Public Service Request portal and update the Public Works work order system
- The modernization grant was received to review Human Resources Digitalization for \$60,000 to implement a Human Resources Information System and electronic Performance Evaluation System
- Adobe Fill and Sign (e-signature) was implemented for the electronic workflow of approvals

Achievements from 2021:

- 2020 Annual Report received Government Finance Officers Association of the United States and Canada (GFOA) for its 2020 annual financial report
- Asset Management Plan was completed

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 and during the pandemic, services have not been reduced. The Pelham By-law Department respond to concerns and had a 13% increase in call volumes in 2021.



Services provided:

- Emergency response
- Fire prevention and smoke alarm programs
- Inspections, permits, investigations
- Co-op participation with our local high schools
- Education and kids camp programs
- Community Emergency Management Coordinator and Emergency Operations
- Centre (EOC) operating out of station one
- Parking enforcement and by-law public education
- Cannabis odour monitoring
- Violations collection, pool permits, sign permits and importing of fill management
- Trained staff on First Aid/CPR/Defib
- Conducted Emergency Response training for staff
- Started Thursday training for firefighters unable to make regular Tuesday practices

Priorities / Statistics from 2021:

- Maintain training of firefighters
- Continue recruit training to assist in their NFPA certifications
- Maintain a full-service response to all incidents during the pandemic
- Issued 213 open-air burn permits
- Issued 27 parking violations, 6 AMPS tickets
- Issued 68 pool permits, and 66 sign permits
- Managed COVID-19 related issues: 32 complaints, ten formal warnings, 25 inspections
- Conducted 384 cannabis odour monitoring tests
- Completed annual testing of SCBA, hose lines, harnesses, ropes
- Started development of lesson plans for standardizing training

Achievements from 2021:

- During COVID-19, training of staff has remained in place
- Operating Town's EOC for 12 months
- Graduated training recruit class of 15, completing NFPA 1001 Level I & II



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.



Services Provided:

- Road Maintenance
- Winter 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

Priorities/Statistics from 2021:

- Despite COVID-19, the department was able to deliver an \$8.5 M Capital Budget
- 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

Achievements from 2021:

- Delivery of an \$8.5M Capital Budget
- Completion of Phase 1 and Phase 2 of Pelham Street Reconstruction
- Completion of repair and reopening of Sulphur Springs Road
- Implementation of a successful LDD Moth Policy and Spray Program
- Implementation of a Forestry Management and Maintenance Policy
- Completed a Public Works Operational and Efficiency Study
- Received a 100% rating from the MECP for the 2020 Distribution System Regulatory Inspection Audit and zero non-conformances in both internal and external DWQMS audits
- Worked diligently to reduce expenditures across multiple divisional operating budgets

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.



Services provided:

- Operation of the Meridian Community Centre
- Senior Active Living Centre
- Health and recreation programs, youth and adult
- 55+ programming
- Aquatics programming
- Youth programming for camps, workshops and forums
- Special Events adapted to align with COVID-19 regulations, including Family Day Adventure, Hoppin' Easter, Canada Day Celebrations, Pelham Farmers Market, Summer Chill – Thursday Nights in the Park, Community Better Challenge June 30 for 30, Halloween, Christmas in Pelham
- Cultural and Community Engagement activities were also held in alignment with COVID-19 regulations, including the installation of an outdoor mural, Culture Days, Welland Museum Exhibit, ReDress Exhibit, Pitch-in Week and additional art installations
- Facility rentals – parks, halls, ice, gymnasiums, and rink pads
- Liaison for NRT OnDemand transit

Priorities / Statistics from 2021:

- Despite COVID-19, the RCW department continued to offer hybrid or virtual programming and events to the Town of Pelham.
- MYAC Online Youth Forum saw approximately 40 youth participating
- 500 youth participating in summer camps and programs
- Over 70 Seniors participated in virtual programs through Art Your Service
- Vaccination Clinics at the MCC
- Pathstone Mental Health Clinic at the MCC
- Reopened the Servery as Mike's Place @ Ciolfi's Corner

Achievements from 2021:

- Festivals & Events Ontario (FEO) – five Achievement Awards were received for the following adapted events, Canada Day in Pelham, Christmas In Pelham, Hoppin' Easter, Family Day Adventure, and the Summer Chill Series
- New park installation – River Estates Park Development
- Received the Niagara Investment in Culture Grant, Provincial Reconnect Grant, ParticipACTION Community Better Grant and Economic Development Grant

Pelham Quick Facts

Located in the heart of Niagara is The Town of Pelham, which is a fusion of rural and urban areas, and offers residents a unique lifestyle rich with history, agriculture, and commercial industries. As one of 13 municipalities in Niagara, Pelham's central location makes it an ideal community for commuters, life-long residents, and businesses. With state-of-the-art facilities (Meridian Community Centre) to heritage sites (Comfort Maple Conservation Area), Pelham embraces technological and urban change 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

2021 Property Tax Breakdown by Service

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

Example based on
Annual property tax of:



\$4,946*

*The annual property tax calculation and breakdown is based on the estimated amount of property tax for 2021 on an average residential property.



48%

Niagara Region 48% \$2,371

Set by the Niagara Region.

Collected by the Town and remitted to the Region.



40%

Town of Pelham 40% \$2,004

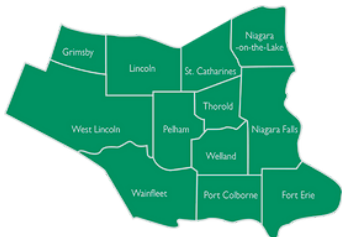
Set by the Town to provide services.



12%

Education 12% \$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, 2021. 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 2021 financial performance and information regarding significant policies and processes. The 2021 financial results demonstrate the financial resiliency and sustainability of the Town not only in maintaining its financial strength during a pandemic year but also in 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 2021 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 2021, there were over 23 grant applications. The Town carried forward \$0.6 million in Phase 2 COVID-19 funding plus received \$0.3 million in 2021 COVID-19 Recovery Funding. In total, the Town had \$1 million to offset COVID-19 operating pressures in 2021. The Town held 66 vaccination clinics at the Meridian Community Centre (MCC). The Town received vaccination clinic reimbursement funds of \$0.3 million to offset the costs incurred. Over 73,000 people were vaccinated at the MCC.

The net debt of the Town decreased from \$18.5 million to \$12.1 million, resulting from an increase in financial assets of \$4.9 million and a decrease in financial liabilities of \$1.5 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 \$31.8 million in 2017 to \$12.1 million in 2021. 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 \$12.1 million exceeded budget, and is primarily a result of the Town assuming two subdivisions resulting in \$5.8 million in contributed tangible capital assets revenues, taxation, planning and building department revenues which exceeded budget due to growth within the Town, and unbudgeted grants.

Not only has the Town improved its financial position in 2021, it has also achieved some significant goals by obtaining Modernization grants which supported reviewing the options of unionizing the Lincoln and Pelham libraries (which occurred in 2022), automation in Corporate Services, new software for Human Resources and web services. These Modernization grants have enabled the Town to become more efficient in providing services. In total, the Town has received over \$0.7 million in the three phases of Modernization grants over 3 years.

2021 was the second year of the COVID-19 pandemic. Recreation facilities were closed for 6.5 months. There was a lot of turnover of staff in all departments which caused additional hardship on existing staff. The savings from these vacancies were transferred to the Human Resources Capacity reserve.

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

Dated: June 7, 2022



Teresa Quinlin-Murphy,
FCPA, FCA, MBA

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 2021 water and wastewater operating budgets were approved by Council on December 7, 2020, and the 2021 tax rate supported operating budget was approved by Council on January 11, 2021. The 2021 capital budgets were also approved by Council on January 11, 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. In 2019, three new policies were presented to Council and approved; the Reserve and Reserve Fund Policy, Capital Financing and Debt Management Policy, and the Strategic Asset Management Policy.

Staff regularly provide financial reports to Council and compare budgets with actual results and commentary on variances from budget and forecasts. Staff have been consistently improving the Town's financial reporting capabilities by implementing 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 two 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, 2021.

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 2021 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, 2021.

Financial Assets

Financial assets in 2021 were \$33.3 million (2020: \$28.4 million), a \$4.9 million increase over the prior year. This was primarily due to a \$3.0 million increase in cash and cash equivalents due to increased collection of development charges, parkland dedication cash-in-lieu, prior year receivables collected, and a continued delay in capital projects.

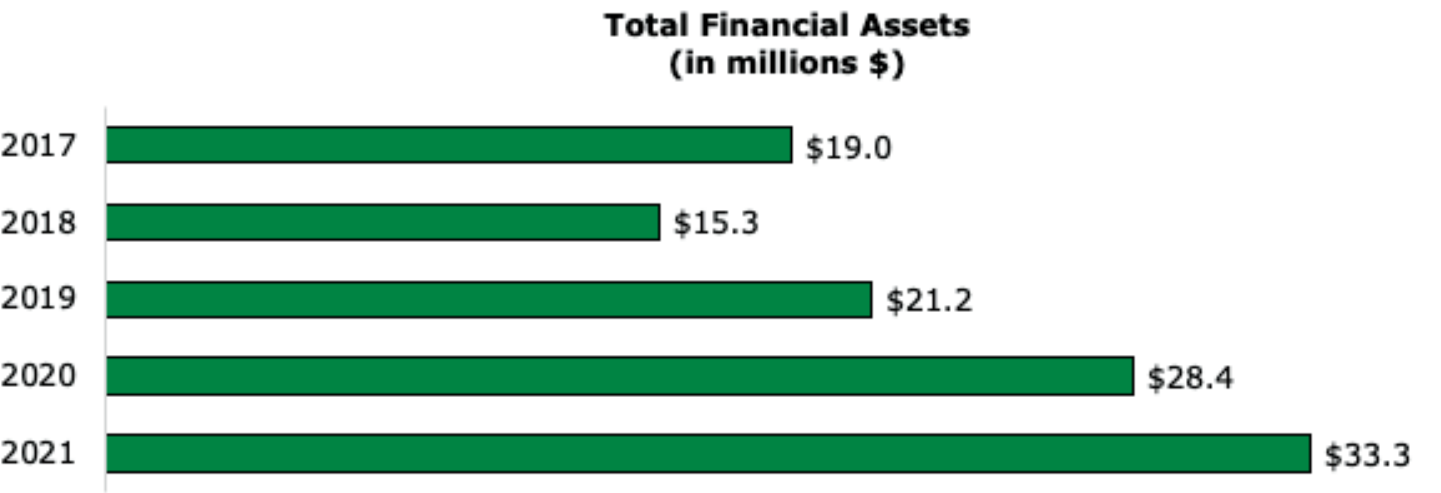
Taxes receivable decreased primarily because most supplemental taxes billed were receivable within the year, versus the prior year where \$0.2 million was receivable in 2020 but not due until 2021.

User charges receivable increased by \$0.2 million because the Town has not been shutting water off during the pandemic in order to collect arrears. Significant water arrears balances will be added to taxation accounts for collection in 2022.

The \$1.95 million increase in accounts receivable is primarily due to grants receivable of \$1.86 million for the Investing in Canada Infrastructure Program and \$0.1 million for Municipal Modernization, as well as \$0.3 million receivable for vaccination clinic reimbursement, 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 \$0.1 million.

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



Financial Liabilities

Liabilities in 2021 were \$45.4 million (2020: \$46.9 million), a \$1.5 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 decreased by \$0.7 million primarily due to a decrease in payable to the Niagara Region for supplemental taxes and development charges which were lower at the end of 2022 versus the end of 2021.

Other liabilities increased by \$0.2 million due to higher deposits held in trust.

Deposits and deferred revenue decreased by \$0.4 million due to \$0.1 million in deferred developer contributions applied to capital projects and \$0.3 million in grants previously collected which were spent in 2021.

Deferred revenue – obligatory reserve funds increased by \$1.8 million as a result of \$0.6 million for the Canada Community-Building Fund (CCBF), formally known as Federal Gas Tax, because the Town received double the CCBF in 2021 and earmarked it for 2022 capital projects, as well as development charge collections which exceeded expenditures by \$1.5 million. This was offset by a \$0.2 million decrease in other deferred grants which were received in previous years and spent in 2021.

Long-term debt decreased by \$2.4 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.



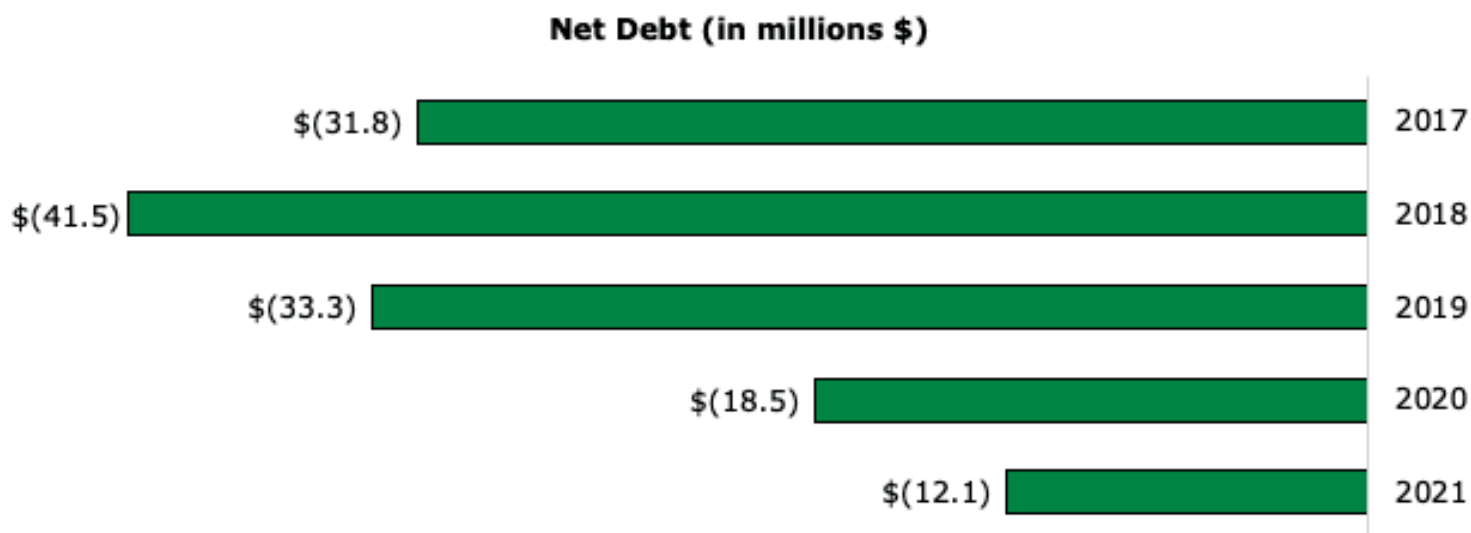
Net Financial Assets (Net Debt)

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 \$12.1 million, a decrease in net debt of \$6.4 million from the prior year. This change was the result of an increase in financial assets and a decrease in financial liabilities from 2020.

Net Debt	2021	2020	Change	% Change
Financial assets	\$ 33,340,633	\$ 28,435,457	\$ 4,905,176	17.3%
Less financial liabilities	(45,431,493)	(46,945,662)	1,514,169	(3.2%)
Net Debt	\$ (12,090,860)	\$ (18,510,205)	\$ 6,419,345	34.7%

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



Non Financial Assets

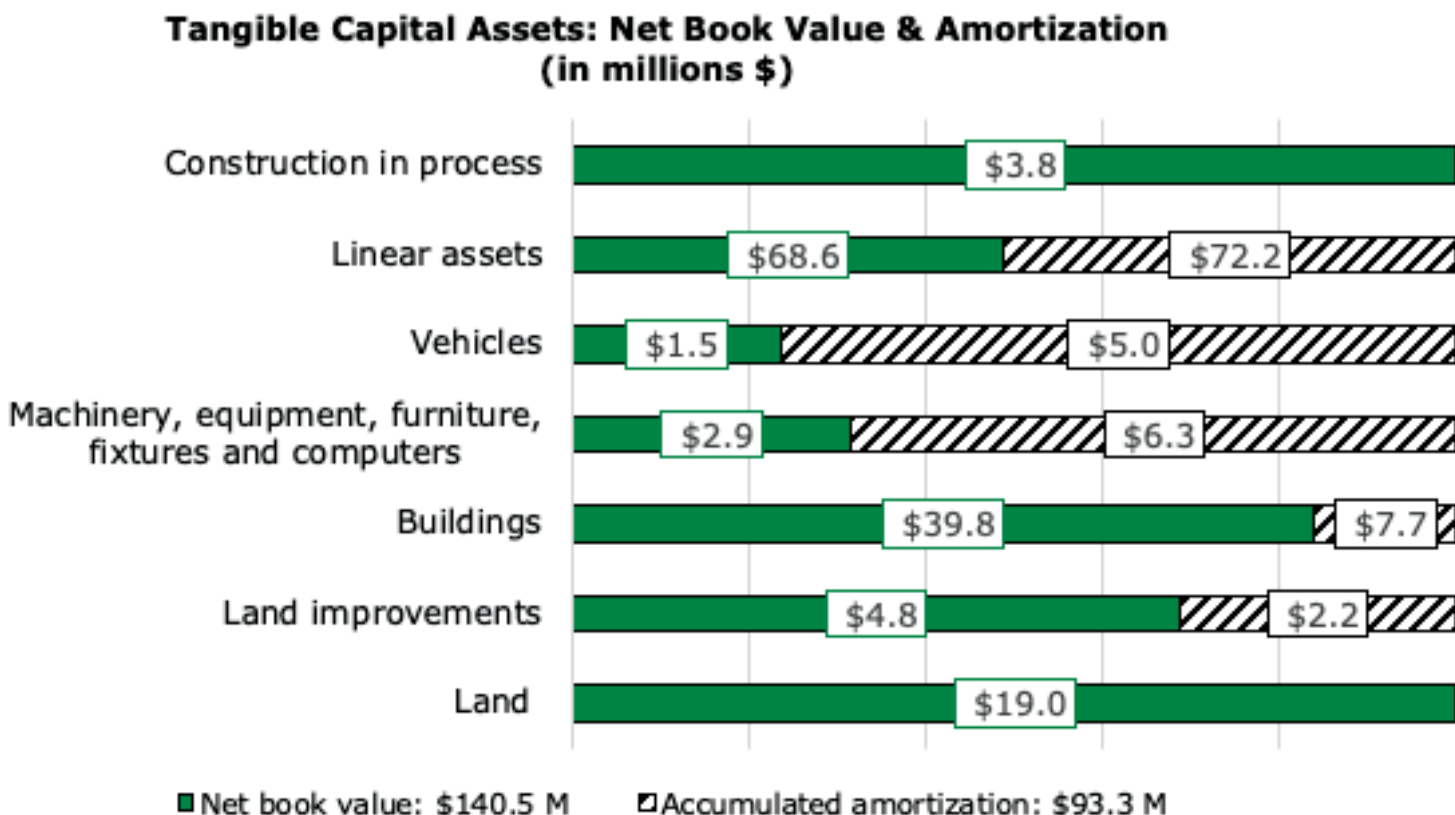
The Town's non-financial assets are comprised mainly of tangible capital assets as well as prepaid expenses. Prepaid expenses increased \$0.2 million in 2021 compared to 2020 because the Town's 18-month insurance policy had six months prepaid at the end of 2021 versus zero months prepaid at the end of 2020.

The net book value of tangible capital assets, as reported in the consolidated statement of financial position, is \$140.5 million and is highlighted by category in the accompanying chart. The total historical costs are \$233.8 million and the total accumulated amortization is \$93.3 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 \$140.9 million and the accumulated amortization is \$72.2 million, implying that 51% of the estimated useful life of the Town's linear assets have been utilized. As another example, 77% 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 \$5.7 million of tangible capital assets. In addition, developers contributed \$5.8 million in infrastructure assets from two subdivisions that were assumed by the Town. 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 \$5.8 million.

The following graph illustrates the breakdown of Tangible Capital Assets.



Accumulated Surplus

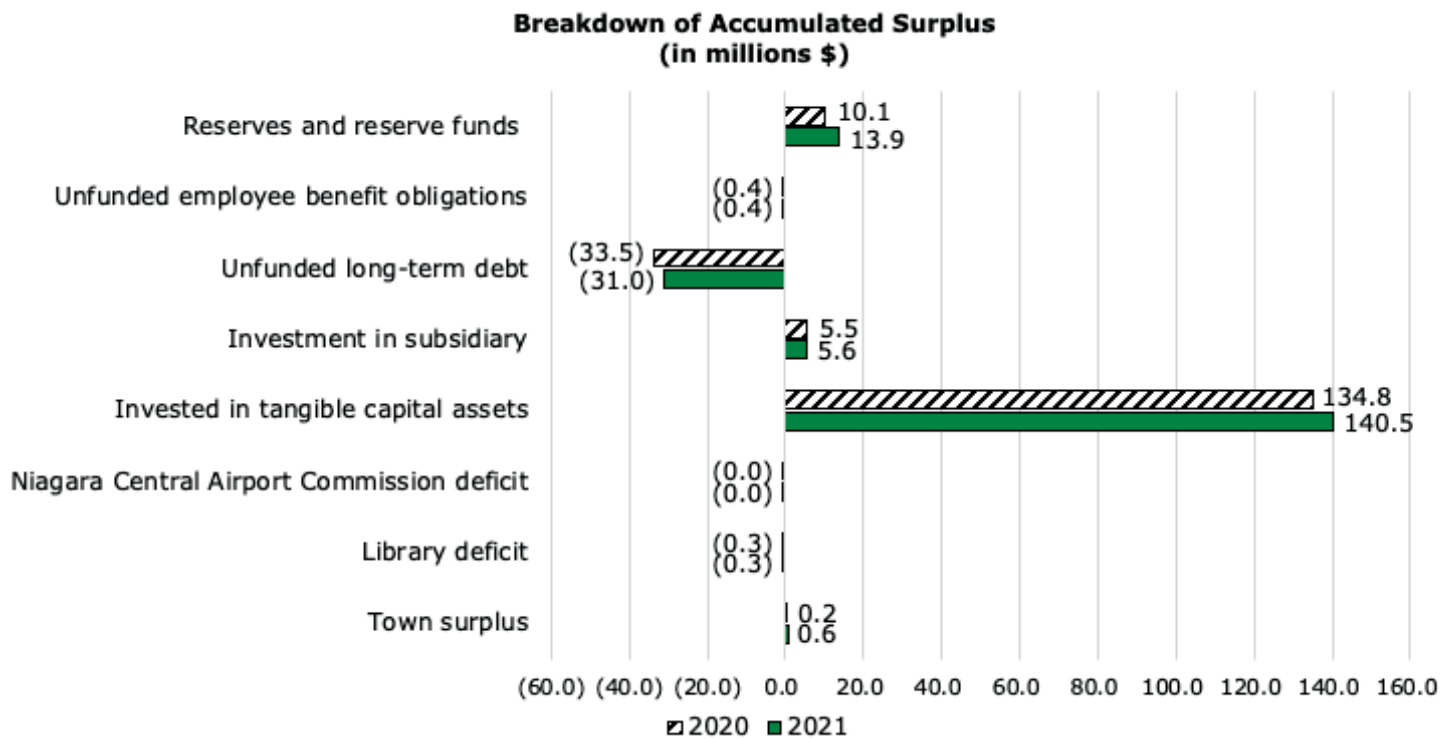
The Town of Pelham’s accumulated surplus is composed of investments in reserves and reserve funds, investments in subsidiaries, investments in tangible capital assets, and a general Town surplus, which is offset by a deficit in the Library and Niagara Central Airport Commission as well as unfunded long-term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

Reserves and discretionary reserve funds, as detailed in Note 8 to the consolidated financial statements, increased approximately \$3.7 million compared to 2020. This was due to increased transfers to reserves, in-year transfers of items such as growth-related revenue from property tax supplemental revenues and planning fees that will be needed to fund future expenditures, salary and benefits vacancies due to the turnover of staff contributing to the Human Resources Capacity Building reserve, as well as capital projects which have not yet been completed but are still committed against the reserves.

A number of capital projects were delayed due to COVID-19 and the Town has approximately \$8.0 million in projects carrying forward to be completed in 2022 which were budgeted in prior years, of which \$4.8 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	2021	2020	% Change
Total revenue	37,671,491	40,563,551	(7.1%)
Total expenses	25,435,070	24,320,850	4.6%
Annual surplus	\$ 12,236,421	\$ 16,242,701	
Accumulated surplus, beginning	116,444,107	100,201,406	
Accumulated surplus, ending	\$ 128,680,528	\$ 116,444,107	

Revenues

Revenues in 2021 were \$37.7 million (2020: \$40.6 million), a decrease of \$2.9 million over the prior year. This is due to higher taxation, user charges, grants, contributed tangible capital assets, and other revenues, with a much lower gain on disposal of assets held for sale. In 2020, there was a significant gain on a portion of land in East Fonthill and the Haist Street arena land and building which were held for sale.

Property taxation for the year was 43% 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 21% 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 2021 were 12% of total revenues, and were slightly higher than budget because of operating grants, such as COVID-19 Recovery funding and Municipal Modernization grants, which were unknown at the 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.

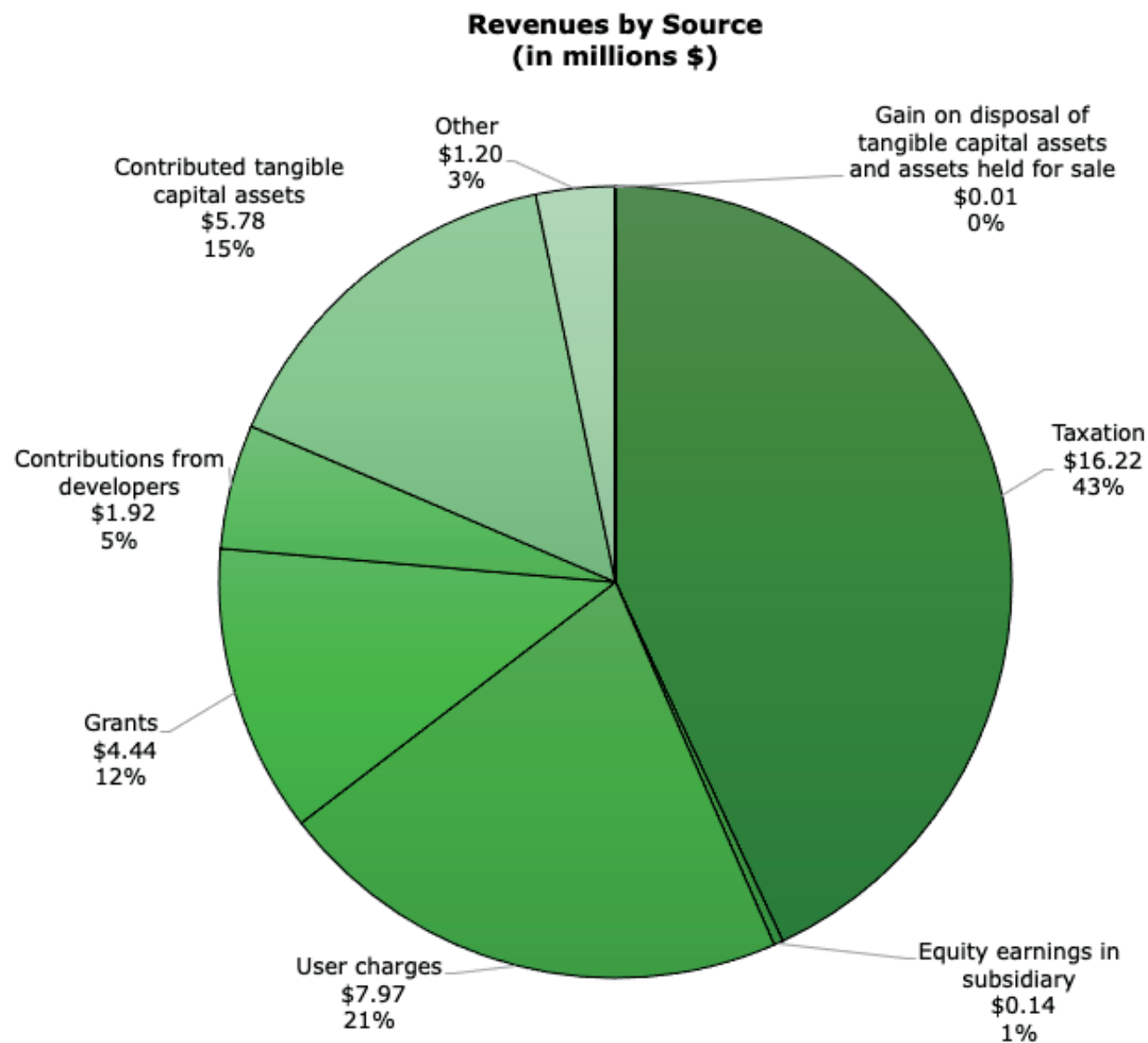
Contributions from developers were 5% of total revenues, and include items such as development charge revenues and parkland dedication revenues. Contributions from developers were lower than budget as a result of delayed capital projects.

Contributed tangible capital assets totalling \$5.8 million were unbudgeted, and resulted from two subdivisions that were assumed by the Town. These are assets contributed to the Town by developers and the revenue is equal to the fair value of the assets assumed, but it is important to note that it does not represent cash received by the Town.

Other revenues, including penalties and interest on taxes, investment income, and donations, were 3% of total revenues. Other revenues exceeded budget because of increased investment income due to the improved cash position, cost recoveries related to the vaccination clinics, 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 2021 were \$25.4 million (2020: \$24.3 million), comparable to the prior year.

Of the Town's total expenses, 17% relate to general government, which includes corporate governance, management, and program support to other departments. General government expenses exceeded budget due to an increase in information technology, facility and PPE costs due to COVID-19, contract services for consulting which was funded by grants, and legal costs. This was partially offset by staff vacancies in Corporate Services and Clerks' department, and savings on general utilities, insurance, repairs and maintenance, and miscellaneous expenses.

Protection to persons and property is 9% of the total and includes fire, protective inspection and control, emergency measures, and provincial offences. Protection to persons and property expenses were below budget due to savings in cannabis odour monitoring costs and amortization below budget.

Transportation services, being 24% of the total, includes expenses for roads, winter control, transit, parking, street lighting, and air transportation. Transportation services expenses were lower than budget due to staff vacancies as well as general savings on loan interest and materials.

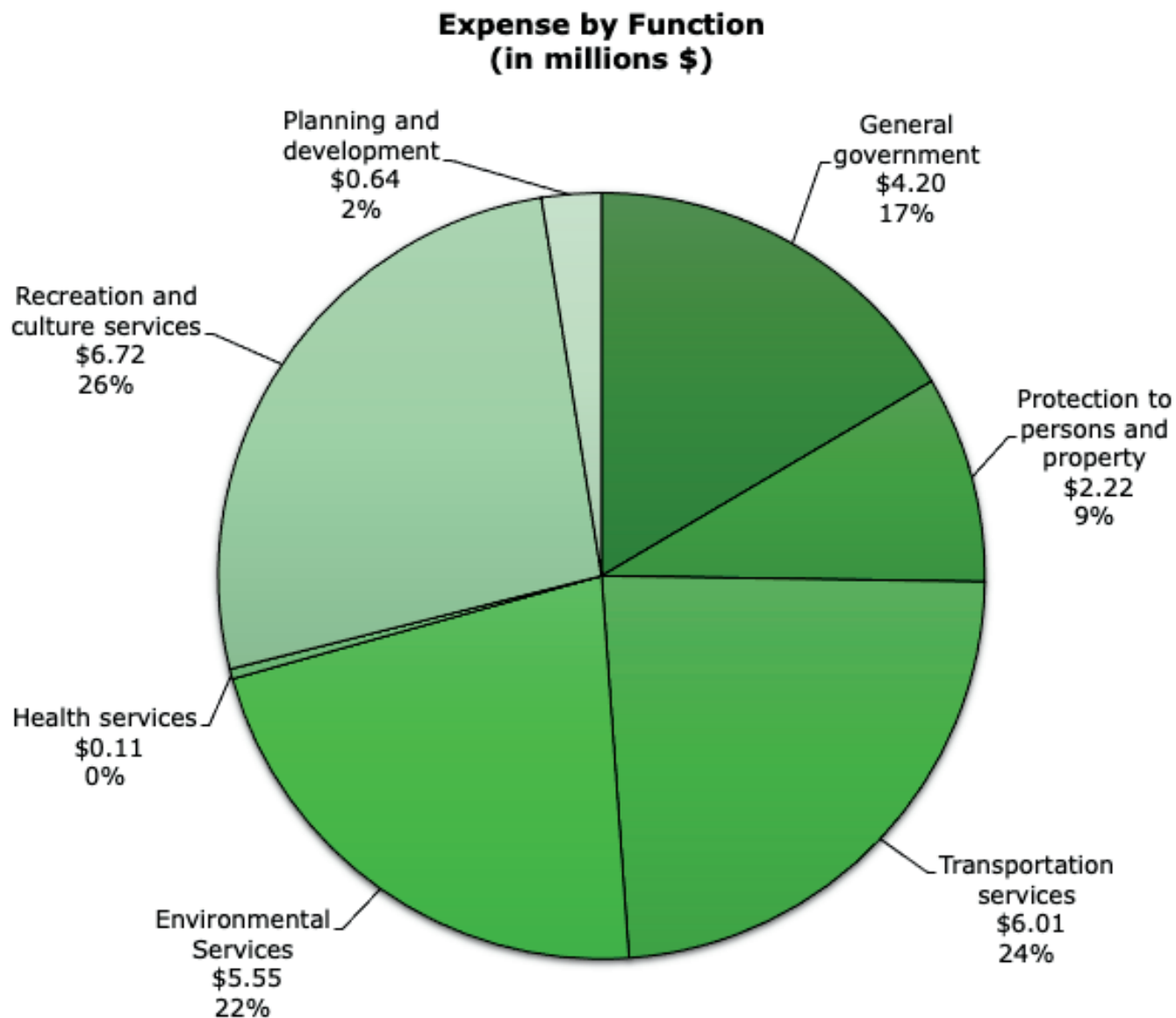
Environmental services are 22% of the total and is comprised of water and wastewater expenses. Environmental Services expenses were higher than budget due to additional increased cost of contract services paid to the Region and increased water meter maintenance.

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

Recreation and culture services is 26% of the total and includes parks, recreation programs, recreation facilities, libraries and cultural services. Recreation and culture services expenses were lower than budget, due to lower wages and costs related to facility closures and event cancellations resulting from COVID-19. \$0.3 million of the variance is salary and wages due to layoffs during the facility closures and event cancellations from the pandemic, as well as other staff vacancies.

Planning and development expenses are 2% 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 amortization which differed from the estimate and contracted services regarding cannabis appeals.

Below is a breakdown of expenses by function.



Annual Surplus

During 2021, revenues exceeded expenses resulting in a \$12.2 million surplus, a \$4.0 million decrease in annual surplus from the prior year. This decrease was primarily the result of decreased revenues and increased expenses as compared to 2020 for reasons discussed above, in particular the differences on the gain on disposal of assets held for sale and contributed tangible capital assets.

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 2021 was \$128.7 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 \$6.4 million in 2021 compared to 2020. This was primarily impacted by the annual surplus as well as the acquisition of tangible capital assets of \$5.7 million, contributed tangible capital assets of \$5.8 million and amortization of tangible capital assets of \$5.8 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 \$11.2 million, and this was used for the acquisition of tangible capital assets net of proceeds on disposal of \$5.6 million, as well as to decrease debt by \$2.5 million. The net impact was to increase cash and cash equivalents by \$3.0 million for an ending balance of \$18.9 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 2021 were \$1.1 million (2020 - \$1.0 million).

Conclusion

In 2021, the Town experienced the second year of the COVID-19 pandemic. The Meridian Community Centre (MCC) was shut down to the public for almost seven months to July 16, 2021, and Safe Restart funding carried forward from the prior year and COVID-19 Recovery Funding helped offset the financial operating impact of the pandemic. There were 66 vaccination clinics held at the MCC from April 8 to December 13, 2021. The Town received reimbursement for the cost of operating the clinics in the amount of \$0.3 million.

Two subdivisions were assumed by the Town resulting in \$5.8 million in contributed tangible capital asset revenues, which do not result in a cash surplus but must be recognized in the financial statements to accurately portray the value of the Town's tangible capital assets. 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 2021, these items combined resulted in a financial statement surplus of \$12.2 million, debt and bank indebtedness that decreased by \$2.6 million, cash that increased by \$3.0 million, and a continued decrease in net debt.

Consolidated Financial Statements of

CORPORATION OF THE TOWN OF PELHAM

December 31, 2021

Independent Auditor's Report

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

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the consolidated financial statements. We are solely responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 7, 2022

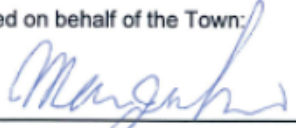
CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Financial Position

December 31, 2021

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

Signed on behalf of the Town:



 Marvin Junkin, Mayor





 Teresa Quinlin-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, 2021

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

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

CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Change in Net Debt

For the Year Ended December 31, 2021

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

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

CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Cash Flows

For the Year Ended December 31, 2021

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

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies

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

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

a. Basis of consolidation

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

i. Pelham Public Library Board

Interdepartmental and organizational transactions and balances are eliminated.

The following joint local board is proportionately consolidated:

ii. Niagara Central Airport Commission (Joint Board)

Related party transactions are eliminated (Note 15).

iii. Peninsula West Power Inc.

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

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

b. Basis of accounting

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

c. Deferred revenue - obligatory reserve funds

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

d. Employee future benefits

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

e. Cash and cash equivalents

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

f. Deposits and deferred revenue

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

g. Non-financial assets

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

h. Tangible capital assets

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

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

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

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

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

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

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

i. Subdivision infrastructure

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

j. Reserves for future expenses

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

k. Government transfer payments

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

l. Local improvements

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

m. Tax revenue

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

n. Region and school board transactions

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

o. Development charges

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

1. Significant accounting policies (continued)

p. Management estimates

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

2. Subsidiary operations

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

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

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

2. Subsidiary operations (continued)

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

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

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

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

3. Bank indebtedness

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

4. Deferred revenue - obligatory reserve funds

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

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

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

5. Long-term debt

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

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

- (b) The net long-term debt:

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

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

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

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

6. Employee benefit obligations

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

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

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

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

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

Vested sick leave benefits

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

Post-employment benefit liability

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

Pension agreement

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

7. Accumulated surplus

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

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

8. Reserves and reserve funds

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

9. Taxation

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

10. User charges

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

11. Collections for the Region of Niagara and school boards

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

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

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

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

12. Grants

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

13. Other revenue

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

14. Budget amounts

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

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

Amounts included in the original Council approved capital budget which are not recognized as tangible capital assets are included in consolidated statement of operations under the appropriate functional expense category, while those recognized as tangible capital assets are 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, 2021

14. Budget amounts (continued)

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

15. Niagara Central Airport Commission

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

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

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

15. Niagara Central Airport Commission (continued)

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

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

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

16. Trust funds

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

17. Contingencies

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

18. Financial instruments

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

CORPORATION OF THE TOWN OF PELHAM

Notes to the Consolidated Financial Statements

For the Year Ended December 31, 2021

19. Segmented information

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

The services included in each segment are as follows:

(i) General government

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

(ii) Protection services

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

(iii) Transportation services

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

(iv) Environmental services

Environmental is comprised of storm sewer systems and water collection.

(v) Health services

Health services is comprised of cemeteries.

(vi) Recreation and culture services

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

(vii) Planning and development

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

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Library Operations - Schedule 1

For the Year Ended December 31, 2021

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

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Tangible Capital Assets - Schedule 2

For the Year Ended December 31, 2021

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

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Tangible Capital Assets - Schedule 2

For the Year Ended December 31, 2021

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

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Segment Operations - Schedule 3

For the Year Ended December 31, 2021

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

CORPORATION OF THE TOWN OF PELHAM

Consolidated Schedule of Segment Operations - Schedule 3

For the Year Ended December 31, 2021

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

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Corporation of the Town of Pelham Trust Funds (the "Trust Funds"), which comprise the statement of financial position as at December 31, 2021, and the statements of revenue and expenses and change in fund balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2021, and the results of its operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Trust Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Trust Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Fund's financial reporting process

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, 2021

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

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Statement of Revenue and Expenses and Change in Fund Balances

Year ended December 31, 2021

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

CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

Notes to the Financial Statements

December 31, 2021

1. Accounting policies

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

(a) Basis of accounting

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

(b) Investments

Investments are recorded at cost.

(c) Financial instruments

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

(d) Use of estimates

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

2. Investments

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

3. Due to/from Town of Pelham

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

4. Statement of cash flows

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

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

	2021	2020	2019	2018	2017
Households*	7,400	7,287	7,104	7,064	6,977
Population**	18,192	17,110	17,110	17,110	15,641
Municipal Workforce Profile					
Full-time Positions	77	76	74	69	60
Part-time Positions	34	36	37	27	16
Seasonal Employees	50	45	52	54	47
Number of Building Permits Issued	237	286	235	280	476
Total Value of Building Permits Issued	\$ 132,587,119	\$ 62,695,313	\$ 43,337,503	\$ 68,647,113	\$ 104,245,493

*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

	2021	2020	2019	2018	2017
Both Sexes	9.8	9.8	5.8	6.7	6.7
Males	10.9	10.5	6.7	6.8	7.8
Females	8.7	8.9	4.7	6.5	5.4

Source: Statistics Canada, Labour Force Survey, 2016 census date

Top Ten Businesses in Pelham based on aggregate employee number

CannTrust
Willowbrook Nurseries
Sobeys
United Floral Distributors
Lookout Ridge Retirement Homes
Mossimo's
Peninsula Golf Club
Lookout Point Country Club
Food Basics
McDonald's

Source: Niagara Employment Inventory, 2019

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

Taxation Statistics

	2021	2020	2019	2018	2017
Taxable Assessment					
Residential	2,616,394,467	2,555,511,770	2,409,606,273	2,291,395,631	2,159,252,964
Multi-Residential	18,604,000	17,693,000	17,587,500	17,482,000	17,376,500
New Multi-Residential	544,000	544,000	544,000	-	-
Commercial	100,241,189	90,345,386	87,823,350	80,870,766	69,478,193
Commercial On-Farm Business	4,700	4,700	-	-	-
Commercial Excess/Vacant	4,317,111	1,998,111	2,970,845	3,150,670	4,226,954
Industrial	4,165,800	3,998,000	2,968,951	2,919,272	3,812,348
Industrial On-Farm Business	50,000	50,000			
Industrial Excess/Vacant	146,100	146,100	132,825	119,550	110,525
Pipeline	17,725,000	17,467,000	16,854,093	16,213,500	15,421,250
Farmland	172,072,933	169,321,433	157,009,692	143,204,190	131,658,899
Managed Forest	3,079,300	2,897,100	2,701,293	1,961,922	1,774,825
Total Taxable Assessment	2,937,344,600	2,859,976,600	2,698,198,822	2,557,317,501	2,403,112,458
Taxy Levy					
Town of Pelham	\$ 15,678,883	\$ 14,946,495	\$ 13,674,374	\$ 12,530,627	\$ 11,791,257
Niagara Region	18,556,474	17,721,535	16,366,191	15,584,260	14,977,327
Education	5,213,533	5,131,790	5,116,884	5,109,284	5,011,531
Total Levy	\$ 39,448,890	\$ 37,799,820	\$ 35,157,449	\$ 33,224,171	\$ 31,780,115
Current Year's Tax Collections*	\$ 38,624,570	\$ 36,596,141	\$ 34,245,293	\$ 32,285,504	\$ 30,973,033
Total Arrears	\$ 1,663,629	\$ 1,967,288	\$ 1,751,162	\$ 1,761,963	\$ 1,791,341
Total Arrears as a Percentage of Current Tax Levy	4.2%	5.2%	5.0%	5.3%	5.6%

*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 2021

- FONTHILL GARDENS INC
- NIAGARA PROPERTY INVESTMENTS INC
- PELHAM PORTFOLIO INC
- 968502 ONTARIO INC
- 4 HIGH STREET INC
- 2004424 ONTARIO INC
- 2385746 ONTARIO INC
- FONTHILL PROPERTIES ULC
- 1254392 ONTARIO LIMITED
- 2772033 ONTARIO INC

% of Total Industrial and Commercial Assessment	39.7%
% of Total Taxable Assessment	1.4%

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

Consolidated Statement of Financial Position

	2021	2020	2019	2018	2017
Financial Assets					
Cash and cash equivalents	\$ 18,850,877	\$ 15,859,111	\$ 7,848,224	\$ 1,280,672	\$ 3,885,925
Taxes receivable	1,663,629	1,967,288	1,751,162	1,761,963	1,791,341
User charges receivable	967,228	800,453	684,278	613,935	597,267
Accounts receivable	6,264,347	4,315,848	5,012,259	5,735,179	6,512,813
Tangible capital assets held for sale	-	-	515,697	534,734	885,648
Investments in subsidiary	5,594,552	5,492,757	5,393,644	5,383,816	5,312,718
Total financial assets	33,340,633	28,435,457	21,205,264	15,310,299	18,985,712
Financial Liabilities					
Bank indebtedness	1,033,333	1,166,667	10,294,044	15,960,776	2,577,778
Accounts payable and accrued liabilities	5,005,336	5,676,918	4,726,141	3,922,388	9,633,723
Other Liabilities	2,461,513	2,214,306	1,998,225	2,089,727	1,718,632
Deposits and deferred revenue	419,537	790,484	851,502	547,392	651,775
Deferred revenue- obligatory reserve funds	5,054,470	3,227,028	3,981,023	3,833,187	3,840,767
Long-term debt	31,032,054	33,465,343	32,252,037	30,088,688	31,905,664
Employee benefit obligations	425,250	404,916	398,503	323,027	419,726
Total Financial Liabilities	45,431,493	46,945,662	54,501,475	56,765,185	50,748,065
Net financial assets (net debt)	(12,090,860)	(18,510,205)	(33,296,211)	(41,454,886)	(31,762,353)
Non-financial assets					
Tangible capital assets	140,465,822	134,849,662	132,979,060	135,235,818	125,637,896
Prepaid expenses	305,566	104,650	518,557	321,743	129,401
Total non-financial assets	140,771,388	134,954,312	133,497,617	135,557,561	125,767,297
Accumulated surplus	\$ 128,680,528	\$ 116,444,107	\$ 100,201,406	\$ 94,102,675	\$ 94,004,944

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

Consolidated Statement of Financial Position Statistics

	2021		2020		2019		2018		2017		2016	
Acquisition of tangible capital assets, net of construction in process capitalized	\$	5,660,168	\$	3,946,806	\$	4,158,299	\$	15,675,398	\$	27,281,339	\$	15,761,806
Net Long-term Debt	\$	31,032,054	\$	33,465,343	\$	32,252,037	\$	30,088,688	\$	31,905,664	\$	21,310,239
Per Capita	\$	1,705.81	\$	1,956	\$	1,885	\$	1,759	\$	2,040	\$	1,361
Percentage of Town Tax Levy		197.9%		223.9%		235.9%		240.1%		270.6%		192.6%
Long-term Debt												
Supported by Taxes	\$	17,119,465	\$	18,404,075	\$	16,070,519	\$	12,788,279	\$	13,510,531	\$	14,219,617
Supported by Non-tax Revenue		13,912,589		15,061,268		16,181,518		17,300,409		18,395,133		7,090,622
Net Long-term Liabilities	\$	31,032,054	\$	33,465,343	\$	32,252,037	\$	30,088,688	\$	31,905,664	\$	21,310,239
Debt Charges for the Year												
Principal Payments	\$	2,433,289	\$	2,236,694	\$	1,855,006	\$	1,816,976	\$	1,543,167	\$	1,901,299
Interest Charges	\$	924,280	\$	929,241	\$	937,707	\$	914,663	\$	740,632	\$	320,007
Annual Debt Repayment Limit, excluding Treasurer's Adjustments	\$	2,656,728	\$	2,278,215	\$	2,587,339	\$	3,475,545	\$	3,013,683	\$	2,916,140
Accumulated Surplus	\$	128,680,528	\$	116,444,107	\$	100,201,406	\$	94,102,675	\$	94,004,944	\$	90,765,042
Provincial Debt Repayment Limit as a % of Own-source Revenues		25%		25%		25%		25%		25%		25%
Town Net Debt Charges as a % of Own-source Revenues (Existing Debt Only)		14%		13%		13%		13%		12%		6%

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

Consolidated Statement of Operations

	2021	2020	2019	2018	2017
Revenue by Source					
Taxation	\$ 16,220,412	\$ 15,724,635	\$ 14,342,049	\$ 13,003,056	\$ 12,468,706
User charges	7,965,644	7,168,751	6,576,964	6,066,122	5,896,406
Grants	4,435,549	4,110,579	1,912,212	1,319,945	968,598
Contributions from developers	1,916,379	2,083,217	2,168,354	2,118,168	3,061,990
Contributed tangible capital assets	5,775,896	4,092,908	-	136,505	-
Other	1,201,872	890,208	1,362,205	1,519,085	1,201,394
Equity earnings in subsidiary	142,153	99,113	63,059	123,087	71,012
Gain on disposal of tangible capital assets and assets held for sale	13,586	6,394,140	3,945,364	295,500	434,599
Total revenue by source	37,671,491	40,563,551	30,370,207	24,581,468	24,102,705
Expense by Function					
General government	4,200,643	3,950,174	3,472,230	3,520,358	3,938,935
Protection to persons and property	2,219,754	2,056,453	1,960,146	1,912,943	1,946,632
Transportation services	6,007,186	5,929,468	6,481,990	6,821,947	5,945,354
Environmental services	5,545,852	5,283,920	4,863,889	5,373,591	4,419,347
Health services	107,328	117,052	117,015	114,074	125,306
Recreation and culture services	6,715,269	6,400,982	6,725,057	6,155,062	3,911,721
Planning and development	639,038	582,801	651,149	585,762	575,508
Total expenses by function	25,435,070	24,320,850	24,271,476	24,483,737	20,862,803
Annual Surplus	12,236,421	16,242,701	6,098,731	97,731	3,239,902
Accumulated surplus, beginning	116,444,107	100,201,406	94,102,675	94,004,944	90,765,042
Accumulated surplus, ending	\$ 128,680,528	\$ 116,444,107	\$ 100,201,406	\$ 94,102,675	\$ 94,004,944
Analysis of Expenses by Object					
Salaries and Wages	\$ 9,211,093	\$ 8,616,362	\$ 8,501,131	\$ 7,969,184	\$ 8,058,986
Long term debt interest	924,280	929,241	937,707	914,663	740,632
Materials	3,079,744	3,232,968	3,342,740	3,699,352	2,613,257
Contracted services	6,228,834	5,652,634	5,150,691	5,719,633	4,519,006
Rents & Financials	142,815	196,627	437,491	386,651	92,946
External transfers to others	35,350	11,791	23,668	23,002	44,546
Amortization of tangible assets	5,812,954	5,681,227	5,878,048	5,771,252	4,793,430
Total expenses by object	\$ 25,435,070	\$ 24,320,850	\$ 24,271,476	\$ 24,483,737	\$ 20,862,803



**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