



## **Pelham Finance and Audit Committee**

### **Agenda**

**PFAC-02-2024**

**Wednesday, May 22, 2024**

**9:00 am**

**Council Chambers, Town Hall**

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**1. Call to Order and Declaration of Quorum**

**2. Land Recognition Statement**

We begin this meeting by acknowledging the land on which we gather is the traditional territory of the Haudenosaunee and Anishinaabe peoples, many of whom continue to live and work here today. This territory is covered by the Upper Canada Treaties and is within the land protected by the Dish With One Spoon Wampum agreement. Today this gathering place is home to many First Nations, Metis, and Inuit peoples and acknowledging reminds us that our great standard of living is directly related to the resources and friendship of Indigenous people.

**3. Approval of Agenda**

**4. Declaration of Pecuniary Interest and General Nature**

**5. Approval of Minutes**

January 31, 2024

**6. Audit**

**6.1. 2023 Audited Consolidated Financial Statements**

**6.2. Management Summary of 2023 Financial Overview**

**7. Resolution to Move In-Camera**

THAT the next portion of the meeting be closed to the public in order to consider a matter under Section 239 (2) of the Municipal Act, as follows:

**(b) – personal matters about an identifiable individual, including municipal employees; and**

**(j) – a trade secret or scientific, technical, commercial or financial information that belongs to the municipality or local board and has monetary value or potential monetary value.**

**8. Rise from In-Camera**

**9. Operating Financial Reports**

**9.1. Report to Council: May 29, 2024, December 2023  
Financial Reporting**

**10. MCC Operating Financial Reports**

**10.1. December 31, 2023 MCC Report**

**11. Capital Report**

**11.1. December 31, 2023 Capital Report**

**12. Regular Business**

**12.1. 2025 Draft Budget Schedule**

**12.2. Meeting Dates**

**12.3. Staffing Levels Report**

**13. Financial Risks**

**14. Adjournment**

Date: 31, January, 2024

Time: 4:00 pm

Location: Council Chambers, Town Hall

Attendance: Wayne Olson, Councillor  
John Wink, Councillor  
Brian Eckhardt, Councillor  
Bill Crumm, Chair  
Michael Cottenden, Member  
Caroline Mann, Member

Staff Present: David Cribbs, CAO  
Teresa Quinlin-Murphy, Director of Corporate Services & Treasurer  
Usama Seraj, Manager of Financial Services & Deputy Treasurer

Other:

Regrets:

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## **1. Call to Order and Declaration of Quorum**

Noting that quorum was present, Chair Bill Crumm called the meeting to order at approximately 4:00 p.m.

## **2. Land Recognition Statement**

We begin this meeting by acknowledging the land on which we gather is the traditional territory of the Haudenosaunee and Anishinaabe peoples, many of whom continue to live and work here today. This territory is covered by the Upper Canada Treaties and is within the land protected by the Dish With One Spoon Wampum agreement. Today this gathering place is home to many First Nations, Metis, and Inuit peoples and

acknowledging reminds us that our great standard of living is directly related to the resources and friendship of Indigenous people.

### **3. Approval of Agenda**

Through discussion the Chair brought forth an amendment to the agenda to include discussion on Pelham Finance and Audit Committee Meeting Dates and alignment with Terms of Reference with Committee Expectations. This item will be 8.1 on the Agenda.

**Moved by** Member Caroline Mann  
**Seconded by** Councillor Wayne Olson

**THAT the agenda for the January 31, 2024 regular meeting of the Pelham Finance and Audit Committee be adopted, as amended.**

**Carried**

### **4. Declaration of Pecuniary Interest and General Nature**

There were no pecuniary interests disclosed by any of the members present.

### **5. Approval of Minutes**

**Moved by** Member Michael Cottenden  
**Seconded by** Councillor John Wink

**THAT the minutes of the November 22, 2023 Pelham Finance and Audit Committee meeting be approved.**

**Carried**

### **6. Unfinished Business**

**None.**

### **7. Regular Business**

### **7.1. 2024 Water and Wastewater Budgets**

Treasurer noted that the Finance and Audit Committee (PFAC) have been given the 2024 Water and Wastewater Budgets and provided the PowerPoint presentations that will be shown to Council at the February 7, 2024 meeting.

The Deputy Treasurer went over the 2024 Water and Wastewater Budgets with the Finance and Audit Committee.

A Committee Member asked when the Region provides the Town of Pelham with the approved rates. The Treasurer, Teresa Quinlin-Murphy responded that the rates were given to them in November this year and that this is the regular scheduled time frame for the Region to provide the rates to municipalities. The Treasurer further explained that there was a lot of push from the Municipalities to get the rates in earlier. Furthermore, the Treasurer explained that the Town of Pelham waits for the Region's rates; twelve (12) months of actuals on the amounts of flows that the Town purchases from the Region and what the billing was before bringing in the budget.

A member of the committee questioned what the water loss in the system was due to. The Treasurer commented that in 2019 there was a recording error, the Region was probably undercharging us that's why the rate was one point five percent (1.5%). The norm is between fourteen and twenty percent (14-20%). The Deputy Treasurer added that loss is not necessarily the correct word it should be unbilled water. For several reasons, some amount of water is lost due to leakage, flushing, fire when tapped into the hydrant for example. The Deputy Treasurer further commented that it is not uncommon to have fifteen to twenty percent (15-20%) water loss and this amount is reasonable from what he has seen in other municipalities. A Committee Member commented that it would be interesting to do an estimate on the Fire Department's usage. The Treasurer noted that staff could investigate that. Water loss is the standard term, but it really is unbilled water.

A member asked staff what the capital spending will be in 2024 and 2025. The capital investments were presented at the last budget meeting and at that point staff were going back to the drawing board to review what projects were really needed and a what projects were a wish that we wanted to have done. The Treasurer noted that for Water and Wastewater whatever was brought to PFAC was approved by Council, there was nothing taken off the list. Teresa Quinlin-Murphy further noted that there were a couple of items taken off the list for Information Technology but nothing for Water and Wastewater. A member asked staff if they could outline the capital expenditures that were causing those numbers to go up exponentially. The CAO commented that this year, the Town of Pelham is redoing the last of the cast iron main north of Tim Hortons on Highway 20. The CAO noted that this neighbourhood has the oldest and worst piping left in the community and there will be virtually zero left in town after the project is completed.

A Member commented that staff committed to doing a Q1 review of previous approved projects. The Treasurer confirmed this and noted that staff are also doing a ten (10) year plan, to see if there is a need to still do these projects or if they need to be postponed.

A Committee Member suggested for adding an update on the Q1 review of previous project approval and the ten (10) year plan as an agenda item at the next meeting in May. The Treasurer agreed that a status update will be provided at the next meeting.

A member commented that in terms of the cost comparison or rates, pelham is at the bottom again. The member further noted that the previous study told the same story with a seven-point five percent (7.5%) or eight percent (8%) annual increase and that the Town of Pelham would get caught up and be more in line with the average. Further to this the updated study seems to be telling the same story. The Treasurer commented that what has happened is an increase in the cost of capital. The last BMA report reflected the rate study that was done in 2018. From 2018 – 2023, the cost of many of these things have gone up and some projects have changed as well.

A member pointed out that the BMA report indicated that the Town of Pelham rate structure and how the loss was reported between billed and unbilled water usage was unique in that it is hybrid. Whereas other municipalities are fixed. The member questioned from a sustainability perspective about how making that decision affects the Town financially because the higher proportional rate is on your variable water usage.

Teresa Quinlin-Murphy commented that historically the push from council at that time was sustainability, to encourage people to reduce the usage of water and to have a higher variable portion to the fixed would encourage people not to use as much water. A member noted that the Region billing is hybrid for water and fixed for wastewater.

A member further mentioned that answers are not needed right now but more guidance. The loss of thirty percent (30%) wastewater and approximately 11 percent (11%) increase in cost should be the focus and there needs to be time and effort spent on understanding what is going on and how to improve this scenario. The member agreed that the consultant would be a great resource for the Town to help with a solution. The Treasurer responded that she would ask the consultant about the different rate structure and what it means financially to the town of Pelham.

**Moved by** Councillor Brian Eckhardt  
**Seconded by** Member Michael Cottenden

**THAT the Committee received the 2024 Water and Wastewater Budgets for information.**

**Carried**

## **7.2. 2024 Water and Wastewater Budgets PowerPoint Presentation**

**Moved by** Member Caroline Mann  
**Seconded by** Councillor John Wink

**THAT the Committee received the 2024 Water and Wastewater Budgets PowerPoint Presentation for information.**

**Carried**

## **8. Next meeting**

Suggested Next Meeting May 22, 2024

### **8.1. Pelham Finance and Audit Committee Meeting Dates/Alignment with Terms of Reference**

Through discussion the Committee reviewed the yearly meeting schedule with regards to alignment with the Terms of Reference for the Pelham Finance and Audit Committee (PFAC) to ensure fulfillment of the committee's duties and responsibilities and that meetings are scheduled accordingly from a sequence and timing perspective. The current meeting schedule is around two major functions at the Town of Pelham, the Audit and budget:

- November Meeting - Audit Planning and Operating and Capital Budgets
- January Meeting - Water and Wastewater budget
- May Meeting – Audited Consolidated Financial Statements

The CAO commented that this year around September Corporate Services will be providing a report on Debt Usage Policy and Guidelines for future decision making around how to fund future projects and deserves a stand alone meeting with this committee.

The Treasurer added that staff bring the Annual Report and Audit Financial Statements and all the budget presentations first to the Pelham Finance and Audit Committee to provide feedback to Council. Staff work hard on the quarterly reports with detailed notes to provide as much information; to provide answers on anticipated questions to save time for Council and ensure the PFAC members are informed. The Treasurer added that staff can do a six (6) month



coordinated meeting with PFAC to go over the actuals in more detail and to answer any questions the members may have. The Treasurer commented that staff are very careful with spending the budget and meet monthly on the capital and they are on top of those numbers.

Staff were directed by the Pelham Finance and Audit Committee to map out a workplan of upcoming items that the committee would be asked to provide feedback on before bringing it to Council and use the workplan to define what the PFAC meeting schedule would be for the rest of the year.

## 9. Adjournment

**Moved by** Member Caroline Mann  
**Seconded by** Councillor Wayne Olsen

**THAT this Regular Meeting of the Pelham Finance and Audit Committee be adjourned at 5:08 pm**

**Carried**

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**Chair, Bill Crumm**

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**Andrea Metler, Admin Assistant,  
 Corporate Services**

Consolidated Financial Statements of

**CORPORATION OF THE TOWN OF PELHAM**

December 31, 2023

# CORPORATION OF THE TOWN OF PELHAM

December 31, 2023

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## Independent Auditor's Report

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

### Opinion

We have audited the consolidated financial statements of the Corporation of the Town of Pelham (the "Town"), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2023, the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards ("PSAS").

### Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Chartered Professional Accountants  
 Licensed Public Accountants  
 [Date]

# CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Financial Position  
December 31, 2023

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

Signed on behalf of the Town:

\_\_\_\_\_  
Marvin Junkin, Mayor



\_\_\_\_\_  
Teresa Quinlin-Murphy, Treasurer



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

## CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Operations  
For the Year Ended December 31, 2023

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

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

## CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Change in Net Debt  
For the Year Ended December 31, 2023

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

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



## CORPORATION OF THE TOWN OF PELHAM

Consolidated Statement of Cash Flows  
For the Year Ended December 31, 2023

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

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

# CORPORATION OF THE TOWN OF PELHAM

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

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## 1. Significant accounting policies

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

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

### a. Basis of consolidation

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

#### i. Niagara Central Airport Commission (Joint Board)

Related party transactions are eliminated (Note 16).

#### ii. Peninsula West Power Inc.

Peninsula West Power Inc., a subsidiary corporation of the Town is accounted for on a modified equity basis, consistent with the generally accepted accounting treatment for government enterprises (Note 3). Under the modified equity basis, the business enterprise's accounting principles are not adjusted to conform with those of the Town, and interorganizational transactions and balances are not eliminated.

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

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

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

### b. Basis of accounting

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

# CORPORATION OF THE TOWN OF PELHAM

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

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## 1. Significant accounting policies (continued)

### c. Deferred revenue - obligatory reserve funds

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

### d. Employee future benefits

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

### e. Cash and cash equivalents

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

### f. Deposits and deferred revenue

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

### g. Non-financial assets

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

# CORPORATION OF THE TOWN OF PELHAM

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

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## 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:

<b>Classification</b>	<b>Useful life</b>
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

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

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

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

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

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

### i. Subdivision infrastructure

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

### j. Reserves for future expenses

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

# CORPORATION OF THE TOWN OF PELHAM

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

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## 1. Significant accounting policies (continued)

### k. Government transfer payments

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

### l. Local improvements

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

### m. Tax revenue

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

### n. Region and school board transactions

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

### o. Development charges

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

# CORPORATION OF THE TOWN OF PELHAM

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

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## 1. Significant accounting policies (continued)

### p. Asset Retirement Obligations

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

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

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

At remediation, the Town derecognizes the liability that was established. In some circumstances, gains or losses may be incurred upon settlement related to the ongoing measurement of the liability and corresponding estimates that were made and are recognized in the statement of operations.

### q. Management estimates

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

# CORPORATION OF THE TOWN OF PELHAM

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

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## 2. Accounting Policies Adopted During the Year

### PS 3280 Asset Retirement Obligations

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

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

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

### PS 1201 – Financial Statement Presentation

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

### PS 2601 – Foreign Currency Translation

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

### PS 3041 - Portfolio Investments

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

### PS 3450 Financial Instruments

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

### Establishing fair value

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

## CORPORATION OF THE TOWN OF PELHAM

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

### 2. Accounting Policies Adopted During the Year (continued)

#### Fair value hierarchy

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

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

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

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

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

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

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

### 3. Subsidiary operations

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

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

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



## CORPORATION OF THE TOWN OF PELHAM

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

### 3. Subsidiary operations (continued)

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

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

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

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

### 4. Bank indebtedness

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

## CORPORATION OF THE TOWN OF PELHAM

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

### 5. Deferred revenue - obligatory reserve funds

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

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

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

## CORPORATION OF THE TOWN OF PELHAM

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

### 6. Long-term debt

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

	2023	2022
The Town has assumed responsibility for the payment of principal and interest charges on certain long-term debt issued by the Region of Niagara. At the end of the year, the outstanding principal amount of this debt is	\$ 26,497,388	\$ 28,745,764

- (b) The net long-term debt:

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

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

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

The Town paid \$862,053 (2022 - \$982,220) of interest on long-term debt during the year.

## CORPORATION OF THE TOWN OF PELHAM

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

### 7. Employee benefit obligations

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

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

Discount rate	beginning of year	4.00%
	end of year	4.00%
Medical cost increases	ultimate trend rate	5.00%

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

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

#### Vested sick leave benefits

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

#### Post-employment benefit liability

The Town sponsors a defined benefit plan for post-employment benefits other than pensions for substantially all of its employees. The plan provides extended health and life insurance coverage to age 65 for full-time employees. The plan is unfunded and requires no contribution from employees. Total benefit payments for retirees during the year were \$30,343 (2022 - \$33,456).

#### Pension agreement

The Town makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 75 members of its staff. The Town also makes contributions to OMERS on behalf of 7 members of its library staff. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The Town accounts for its participation in OMERS as a defined contribution plan. The OMERS Plan ended 2023 with a funding deficit of \$4.2 billion (2022 - \$6.7 billion). The funded ratio increased to 97% in 2023, up from 95% in 2022. The primary reason for the increase in funded ratio is due to net return of 4.6% (\$5.6 billion). The amount the Town contributed to OMERS for 2023 was \$666,913 (2022 - \$641,463) for current service which is included as an expense in the consolidated statement of operations.

## CORPORATION OF THE TOWN OF PELHAM

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

### 8. Accumulated surplus

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

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

## CORPORATION OF THE TOWN OF PELHAM

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

### 9. Reserves and reserve funds

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

# CORPORATION OF THE TOWN OF PELHAM

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

## 10. Taxation

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

## 11. User charges

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

## CORPORATION OF THE TOWN OF PELHAM

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

### 12. Collections for the Region of Niagara and school boards

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

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

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

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

### 13. Grants

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



## CORPORATION OF THE TOWN OF PELHAM

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

### 14. Other revenue

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

### 15. Budget amounts

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

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

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

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

## CORPORATION OF THE TOWN OF PELHAM

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

### 15. Budget amounts (continued)

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

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

## CORPORATION OF THE TOWN OF PELHAM

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

### 16. Niagara Central Airport Commission

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

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

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

## CORPORATION OF THE TOWN OF PELHAM

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

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### 16. Niagara Central Airport Commission (continued)

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

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

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

### 17. Trust funds

Trust funds administered by the Town amounting to \$1,054,574 (2022 - \$1,188,195) have not been included in the Consolidated Statement of Financial Position nor have these operations been included in the Consolidated Statement of Operations.

### 18. Contingencies

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

### 19. Financial instruments

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

## CORPORATION OF THE TOWN OF PELHAM

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

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### 20. Segmented information

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

The services included in each segment are as follows:

(i) General government

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

(ii) Protection services

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

(iii) Transportation services

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

(iv) Environmental services

Environmental is comprised of storm sewer systems and water collection.

(v) Health services

Health services is comprised of cemeteries.

(vi) Recreation and culture services

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

(vii) Planning and development

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

## CORPORATION OF THE TOWN OF PELHAM

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

### 21. Lincoln Pelham Public Library

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

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

## CORPORATION OF THE TOWN OF PELHAM

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

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

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

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

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

The following summarizes the Municipality's related party transactions with the Lincoln Pelham Public Library for the year. All transactions are in the normal course of operations, and are recorded at the exchange value based on normal commercial rates, or as agreed to by the parties.

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

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

## CORPORATION OF THE TOWN OF PELHAM

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

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



## CORPORATION OF THE TOWN OF PELHAM

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

	<b>2022</b>							
	Land	Land improvements	Buildings	Machinery, equipment, furniture, fixtures and computers	Vehicles	Linear assets	Construction in process	Total
<b>Cost</b>								
Beginning of year	\$ 19,036,546	\$ 6,967,551	\$ 47,500,950	\$ 9,131,907	\$ 6,484,234	\$140,850,936	\$ 3,804,139	\$233,776,263
Add additions	-	935,032	18,744	1,016,006	-	6,265,480	6,888,317	15,123,579
Less construction in process capitalized	-	-	-	-	-	-	(3,413,754)	(3,413,754)
Less disposals during the year	(123,650)	-	-	(19,000)	(778,666)	(18,900)	-	(940,216)
<b>End of year</b>	<b>18,912,896</b>	<b>7,902,583</b>	<b>47,519,694</b>	<b>10,128,913</b>	<b>5,705,568</b>	<b>147,097,516</b>	<b>7,278,702</b>	<b>244,545,872</b>
<b>Accumulated amortization</b>								
Beginning of year	-	2,188,053	7,681,295	6,260,146	4,965,241	72,215,705	-	93,310,440
Add amortization during the year	-	367,940	1,311,388	564,020	240,777	3,446,847	-	5,930,972
Less amortization on disposals	-	-	-	(17,500)	(763,275)	(18,900)	-	(799,675)
<b>End of year</b>	<b>-</b>	<b>2,555,993</b>	<b>8,992,683</b>	<b>6,806,666</b>	<b>4,442,743</b>	<b>75,643,652</b>	<b>-</b>	<b>98,441,737</b>
<b>Net book value</b>	<b>\$ 18,912,896</b>	<b>\$ 5,346,590</b>	<b>\$ 38,527,011</b>	<b>\$ 3,322,247</b>	<b>\$ 1,262,825</b>	<b>\$ 71,453,864</b>	<b>\$ 7,278,702</b>	<b>\$146,104,135</b>

## CORPORATION OF THE TOWN OF PELHAM

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

	<b>2023</b>							
	<b>General government</b>	<b>Protection services</b>	<b>Transportation services</b>	<b>Environmental services</b>	<b>Health services</b>	<b>Recreation and cultural services</b>	<b>Planning and development</b>	<b>Total</b>
<b>Revenue</b>								
Taxation	\$ 9,139,321	\$ 1,453,554	\$ 2,371,308	\$ -	\$ (13,643)	\$ 5,231,602	\$ 640,002	\$ 18,822,144
User charges	74,050	762,347	51,432	6,753,713	42,768	1,579,708	167,153	9,431,171
Grants	213,576	32,217	2,862,179	733,910	-	406,114	84,476	4,332,472
Contributions from developers	-	-	2,150,846	1,058,495	-	528,357	69,244	3,806,942
Contributed tangible capital assets	565,023	-	-	-	-	13,735	-	578,758
Other	1,403,961	117,231	176,752	172,145	104,721	361,113	8,025	2,343,948
Equity earnings in subsidiary	164,718	-	-	-	-	-	-	164,718
Loss on disposal of tangible capital assets and assets held for sale	(224,003)	-	-	-	-	-	-	(224,003)
<b>Total revenues</b>	<b>11,336,646</b>	<b>2,365,349</b>	<b>7,612,517</b>	<b>8,718,263</b>	<b>133,846</b>	<b>8,120,629</b>	<b>968,900</b>	<b>39,256,150</b>
<b>Expenses</b>								
Salaries and wages	2,666,858	1,657,910	1,220,370	1,540,050	93,169	3,529,828	569,510	11,277,695
Long term debt interest	-	15,159	139,484	4,804	-	698,055	4,551	862,053
Materials	1,360,030	240,575	766,126	441,421	26,819	1,560,086	84,159	4,479,216
Contracted services	776,417	236,820	1,440,041	3,705,843	7,180	409,607	242,765	6,818,673
Rents & financials	68,027	-	92,407	-	-	1,566	-	162,000
External transfers to others	33,923	-	-	-	-	483,415	-	517,338
Amortization of tangible assets	139,906	276,361	2,676,000	1,049,645	11,536	1,741,529	67,915	5,962,892
	<b>5,045,161</b>	<b>2,426,825</b>	<b>6,334,428</b>	<b>6,741,763</b>	<b>138,704</b>	<b>8,424,086</b>	<b>968,900</b>	<b>30,079,867</b>
<b>Annual surplus</b>	<b>\$ 6,291,485</b>	<b>\$ (61,476)</b>	<b>\$ 1,278,089</b>	<b>\$ 1,976,500</b>	<b>\$ (4,858)</b>	<b>\$ (303,457)</b>	<b>\$ -</b>	<b>\$ 9,176,283</b>

## CORPORATION OF THE TOWN OF PELHAM

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

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



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## Independent Auditor's Report

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

### Opinion

We have audited the financial statements of the Corporation of the Town of Pelham Trust Funds (the "Trust Funds"), which comprise the statement of financial position as at December 31, 2023, and the statements of revenue and expenses and change in fund balances for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Funds as at December 31, 2023, and the results of its operations for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

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

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

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

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

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

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

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

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

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

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

Chartered Professional Accountants  
 Licensed Public Accountants  
 [Date]

# CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

## Statement of Financial Position

As at December 31, 2023

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

## CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

### Statement of Revenue and Expenses and Change in Fund Balances

Year ended December 31, 2023

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

# CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

## Notes to the Financial Statements

December 31, 2023

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### 1. Accounting policies

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

#### (a) Basis of accounting

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

#### (b) Investments

Investments are recorded at cost.

#### (c) Financial instruments

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

#### (d) Use of estimates

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

### 2. Investments

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

### 3. Due to/from Town of Pelham

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

### 4. Statement of cash flows

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



# CORPORATION OF THE TOWN OF PELHAM TRUST FUNDS

## Notes to the Financial Statements

December 31, 2023

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### 5. Lincoln Pelham Public Library Trust

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

## **2023 Financial Overview**

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

The consolidated financial statements include the Lincoln Pelham Public Library Board, which is a joint board, is proportionately consolidated. On January 1, 2023 the Lincoln Pelham Library Board took over the operations of the Pelham Library. Niagara Central Airport Commission, which is a joint board, is proportionately consolidated. Peninsula West Power Inc., a subsidiary corporation of the Town, is accounted for on a modified equity basis consistent with the generally accepted accounting treatment for government enterprises.

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

### **Consolidated Statement of Financial Position**

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

#### **Financial Assets**

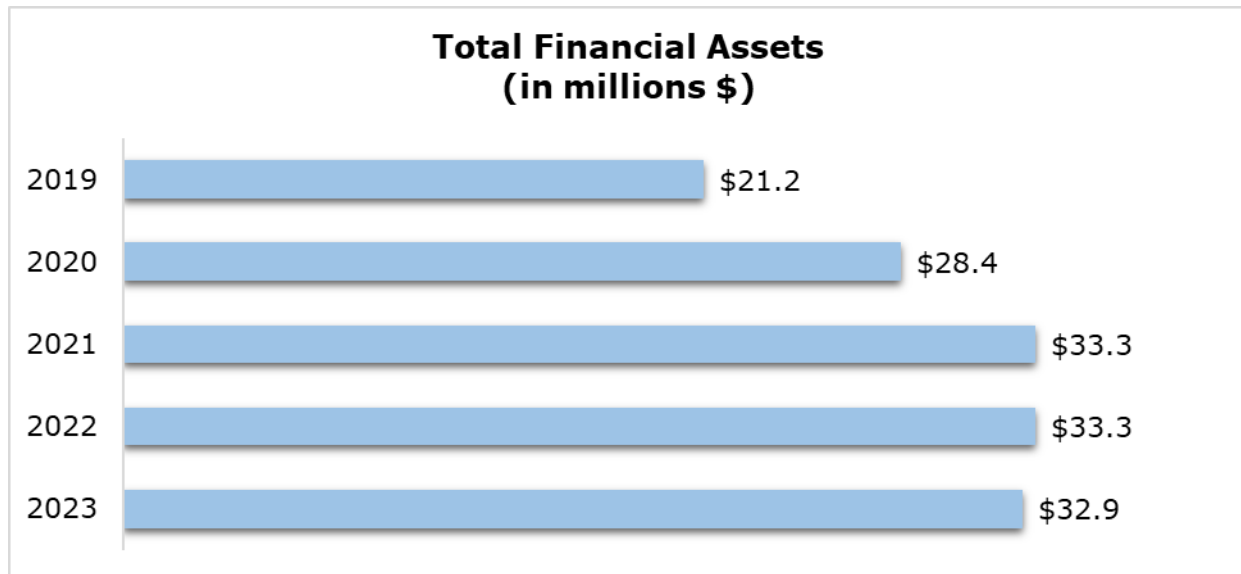
Financial assets in 2023 were \$32.9 million (2022: \$34.6 million), a \$1.7 million decrease over the prior year. This was primarily due to decrease in grant receivables and taxes receivable.

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

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

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

The investment in subsidiary, Peninsula West Power Inc. (PWPI), increased because of equity earnings in the subsidiary that exceeded dividends received by \$0.07 million. The chart illustrates the 5-year trend in total financial assets.



### **Financial Liabilities**

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

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

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

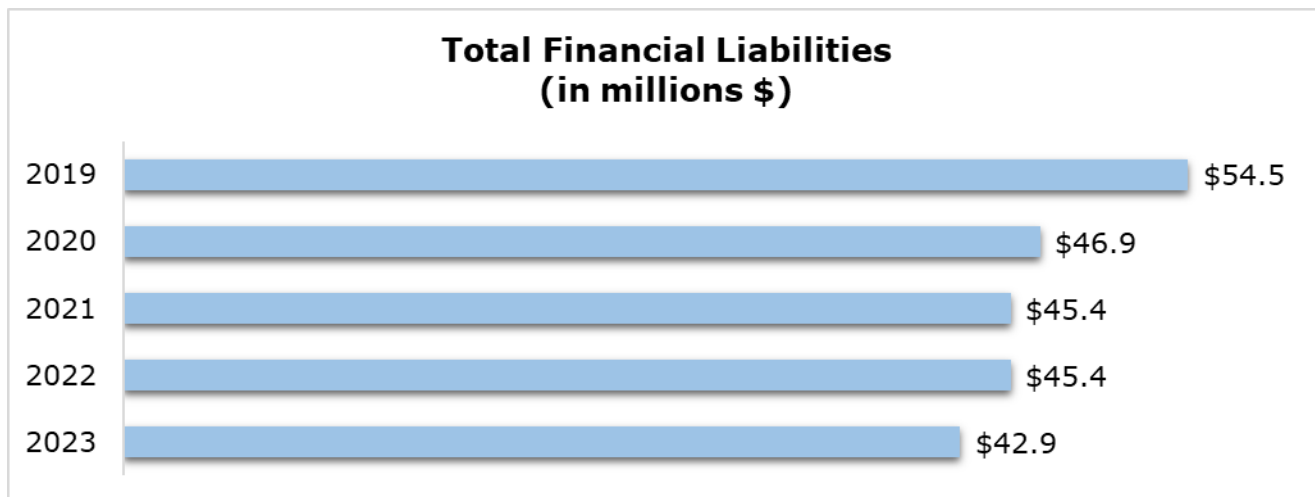
Other liabilities increased by \$0.13 million due to lower deposits held in trust.

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

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

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

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



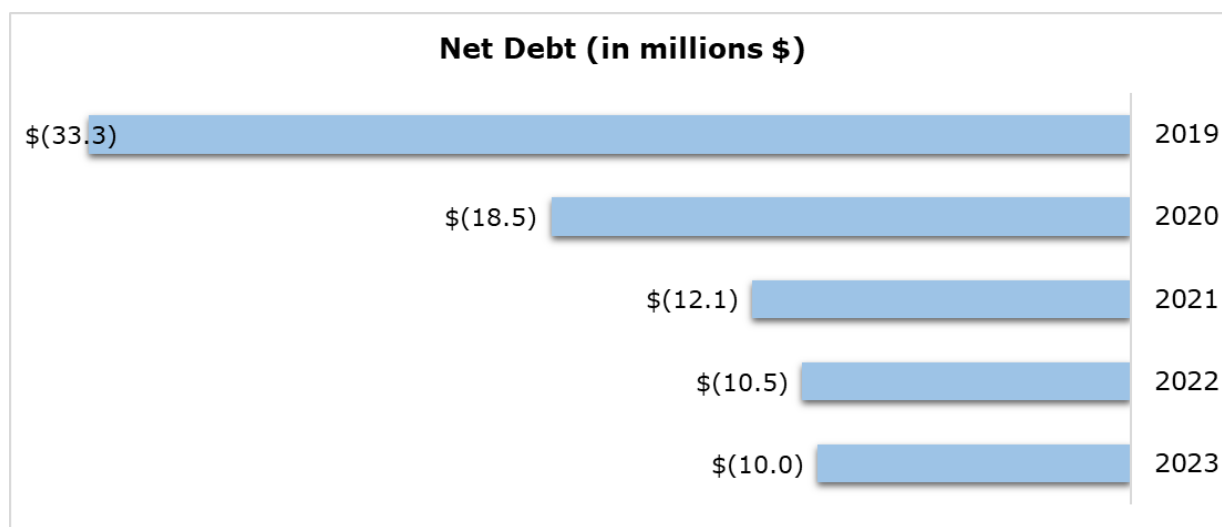
### Net Financial Assets (Net Debt)

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

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

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

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



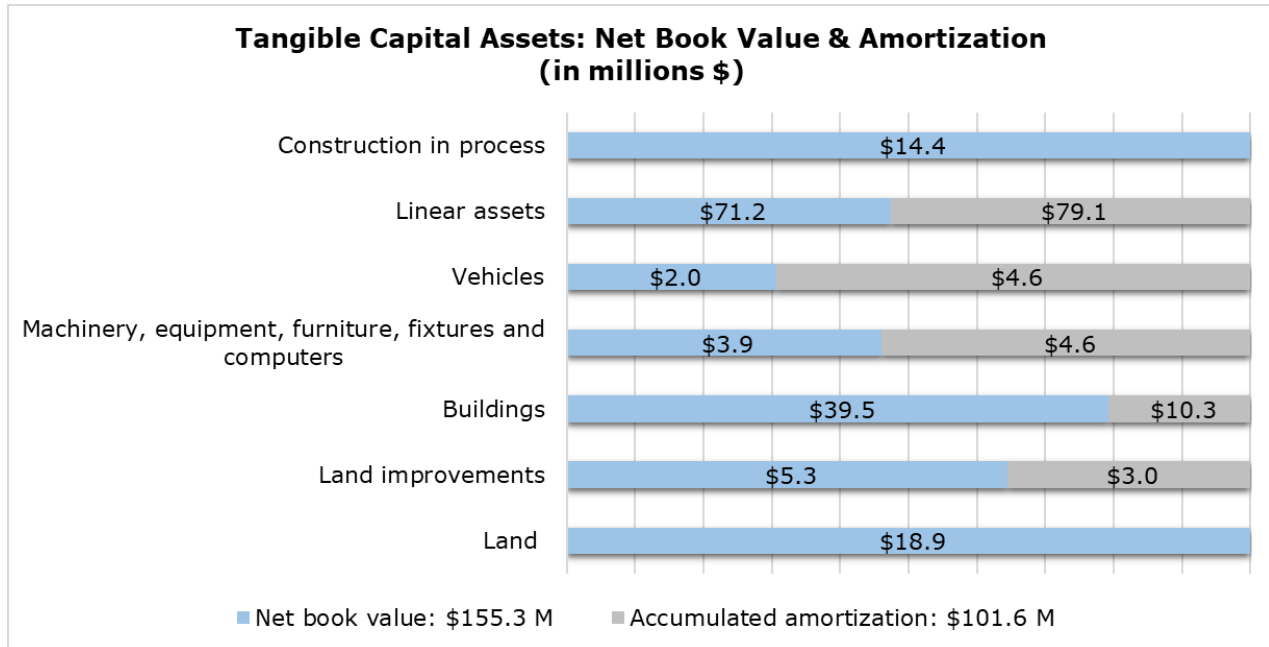
## **Non-Financial Assets**

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

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

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

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



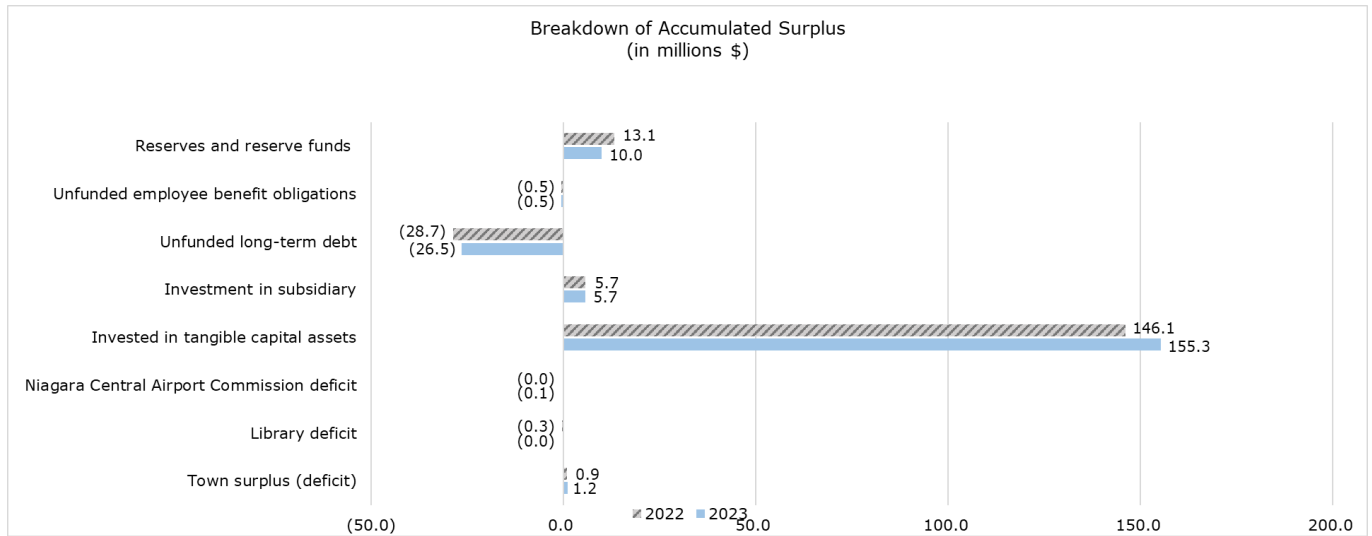
### Accumulated Surplus

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

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

Several capital projects were delayed due to some projects being deferred to 2024. The Town has approximately \$7.5 million in projects carrying forward to be completed in 2024 which were budgeted in prior years, of which \$6.0 million will be funded from these reserves. The remaining reserves and reserve funds are needed to fund future planned capital expenditures within the capital forecast, and some, such as the Building Department, Water, and Wastewater, are rate-supported and must be used for expenditures related to their rate charges.

The following chart illustrates the breakdown of accumulated surplus.



## Consolidated Statement of Operations

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

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

### Revenues

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

Property taxation for the year was 48% of total revenues, being the Town's most significant source of revenue. Property tax revenue was higher than budget because of supplemental taxation revenue, which is a result of growth in the Town,

as well as additions, renovations and class changes that were not previously recorded on the assessment roll and are updated by MPAC.

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

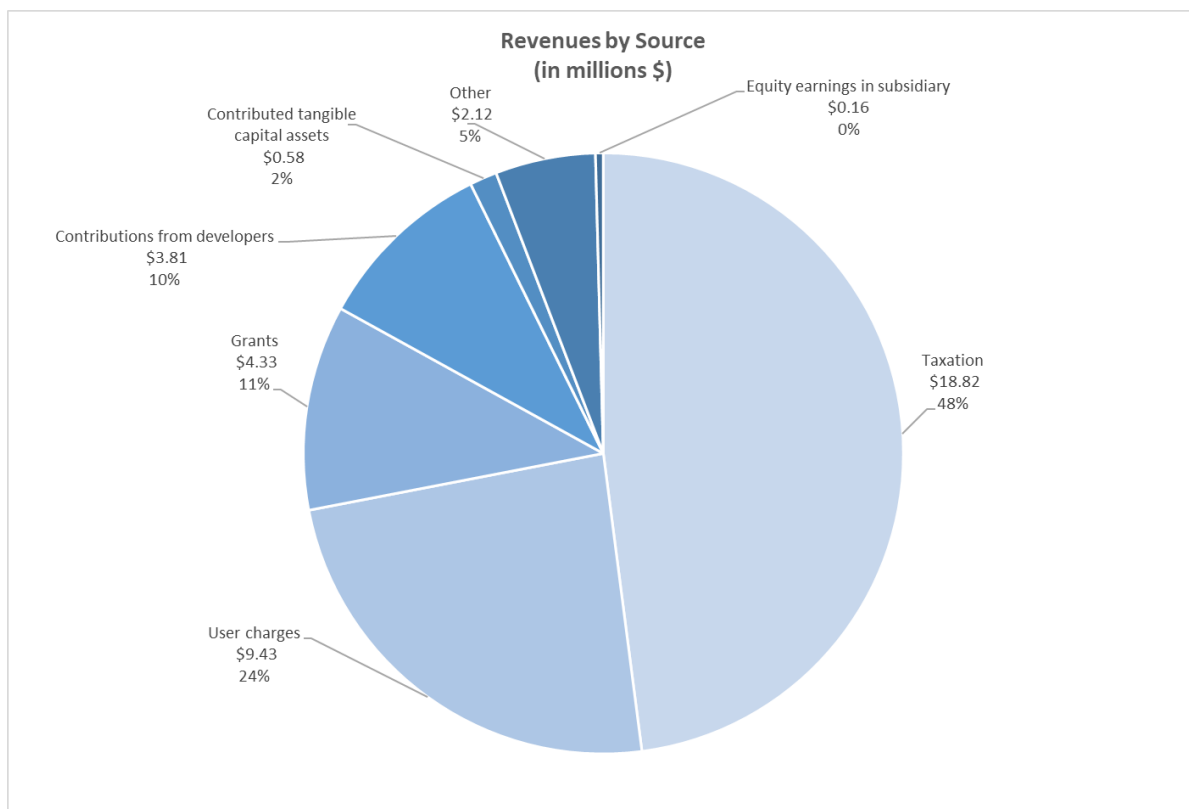
Grants for 2023 were 11% of total revenues and were fewer grants received in 2023 as projects were completed in 2023. Capital grants were lower than budget due to delays in capital projects and will be applied in the future when projects are completed.

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

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

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

Below is a breakdown of revenues by source.





## Expenses

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

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

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

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

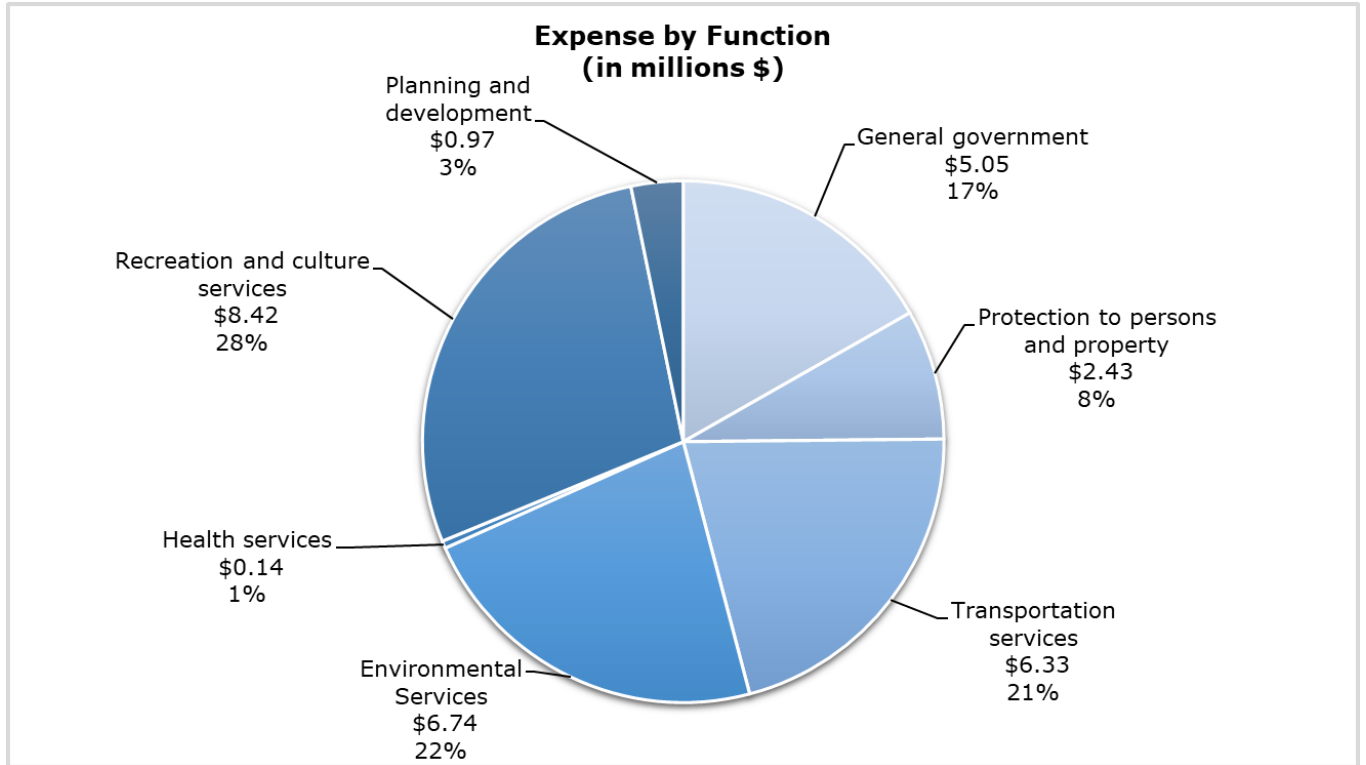
Environmental services are 22% of the total and is comprised of water and wastewater expenses. Environmental Services expenses were underbudget than budget due to additional increased cost of contract services paid to the Region and increased water meter maintenance.

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

Recreation and culture services is 28% of the total and includes parks, recreation programs, recreation facilities, libraries, and cultural services. Recreation and culture services expenses exceeded budget, due to increase in program activities and all special events such as Summerfest and Chill on the Hill – Thursday Night Event were back for the first time since 2019. Even though the month of January 2023, the Meridian Community Centre was closed due to COVID-19, the activities still surpassed budget.

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

Below is a breakdown of expenses by function.



### Annual Surplus

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

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

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

## **Consolidated Statement of Change in Net Debt**

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

## **Consolidated Statement of Cash Flows**

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

## **Trust Funds**

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

## **Conclusion**

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

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

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

**Subject:** December 2023 Financial Reporting**Recommendation:**

**BE IT RESOLVED THAT Council receive Report #2024-0110-Corporate Services, December 2023 Financial Reporting, for information.**

**Background:**

The Corporate Services Department has prepared the attached financial reports, as at December 31, 2023, for the information of Council. The MCC report also include non-financial indicators such as hydro usage.

**Analysis:**

Appendix 1 to this report summarizes operating revenues compared to budget as at December 31, 2023, with 100% of the year lapsed. Total revenues were at approximately 111% of budget.

Finance Department Revenues were 276% of budget and the main driving factors were as follows: increased penalty and interest due to higher taxes receivable balance, increased supplemental taxation revenue due to ongoing growth of Town, and increase in investment income due to significant improvement in interest rates and larger unspent capital balance from prior year approved projects.

Administration and Clerk's revenue is higher than budgeted due to greater than anticipated fees for affidavits, death certificates, lottery and marriage licenses

Fire and By-law revenues were above budget due to an unanticipated grant of \$35,800 from Firehouse Subs Foundation.

Public Works Revenues are higher than budget driven by 2 additional grants for tree planting (\$24,682), unbudgeted contributions from developers for street & trail signage, benches etc. (\$34,500) and higher than anticipated revenue from cemetery operations.

Revenues for Recreation, Culture, and Wellness are higher by approximately \$500,000 or 30% above budgeted. The primary reason for increased revenues continues to be higher demand for recreation programming and services and generally strong attendance and special events such as Summerfest and Thursday Night Experience (Chill on the Hill).

The Town is transferring library reserve funds to the new Lincoln Pelham Public Library. Recreation, Culture, and Wellness revenues include a \$480,615 transfer from the library reserve. This is offset by the payment of \$480,615 to the new Lincoln Pelham Public Library on the expenditure side.

Community Planning and Development revenues include approximately \$90,000 of interest earned on the building reserve fund. This interest revenue is transferred to the building reserve fund as part of the department's expenses. Excluding this interest revenue, the remaining revenues in Community Planning and Development department were lower than budgeted. This is due to a slowdown in economic activity which has led to lower than anticipated revenues for both planning and building. Shortfall in building revenues was drawn from building reserve.

Water and Wastewater revenues were slightly above budgeted due to change in consumption trends.

Appendix 2 to this report summarizes operating expenditures compared to budget as at December 31, 2023. Total expenses were at approximately 111% of budget. Most expenditures are in line with budget and detailed explanations of variances are found on the report. Specific identifiable savings or excess revenues were transferred to reserves by the Treasurer in accordance with the Delegation of Authority by-law, most of which are detailed in the report. Finance Department Expenditures are 139% of budget due to \$668,000 transfer to various reserves at year end. This transfer was offset by additional revenues from penalty and interest, investment income and supplemental taxes.

Public Works expenditures are higher than budget primarily due to an extra \$768,000 principal payment to payoff the short-term loan. This was possible due to savings in other areas as well as higher than anticipated revenues from various areas in the budget.

Recreation, Culture, and Wellness expenditures are higher than budget due to increased cost of programs and services which is offset by additional revenues for these programs and services.

The expenditures for the Library are higher by \$480,615. This amount is the external transfer to the new Lincoln Pelham Public Library for their reserve fund

that the town previously held. This expenditure is offset by a draw from the library reserve of \$480,615.

Appendix 3 summarizes the revenues and expenditures related to the MCC as at December 31, 2023. MCC revenues were at 139 % of budget. Increased recreation activity resulted in higher than budgeted revenues for arenas, programming, and space rentals. Grant revenue was also significantly over budget due to new unbudgeted grants such as the Seniors Horizon grant and additional special grant for Seniors Active Living. MCC Expenses were 114% of budget and main drivers were Materials and Supplies for programming and higher cost for utilities such as Water and Fuel. \$268,333 of the principal portion of the demand loan paid off in 2023 is added to the Tax Levy Debenture Principal line. This was an unbudgeted amount, that if it was not included in the total the MCC net deficit would be \$992,343 which is under the budget of \$1,009,068.

Appendix 4 is the capital report for 2023 budgeted capital projects and prior years' carryforward of capital projects. The total amount spent and committed for 2023 capital projects of \$21,263,116 is 89% of the adjusted budget of \$23,857,829. Capital projects that will be carried forward to 2024 total \$7,484,405 which is lower than the carryforward amount in 2023 by \$4 million. A detail listing of the carryforward projects is in Appendix 4.

### **Financial Considerations:**

There are no specific financial considerations with respect to this report as it is for information purposes.

### **Alternatives Reviewed:**

Not applicable.

### **Strategic Plan Relationship: Strong Organization**

By reviewing the monthly financial reports, Council can remain informed about whether there are any significant budget variances that would impact year-end financial results.

### **Consultation:**

These reports have been provided to the Pelham Finance and Audit Committee for review.

### **Other Pertinent Reports/Attachments:**

Appendix 1 – Monthly Revenue Report at December 31, 2023

Appendix 2 – Monthly Expenditure Report at December 31, 2023

Appendix 3 – Meridian Community Centre Report at December 31, 2023

Appendix 4- Capital Projects with Carryforward to 2024 as at December 31, 2023

**Prepared and Recommended by:**

Usama Seraj, B.Com, CPA, CMA  
Manager Financial Services/Deputy Treasurer

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

**Prepared and Submitted by:**

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



## Appendix 1

## Monthly Revenue Report at December 31, 2023 (100% of time lapsed)

	Notes	2023			2022	
		Budget	Actual at Dec 31	Actual as a % of Budget	Budget	Actual at Dec 31
<b>Taxation</b>						
General Tax Levy		\$ 17,786,836	\$ 17,786,845	100 %	\$ 16,578,640	\$ 16,578,644
Payments in Lieu		350,471	304,558	87 %	300,471	304,501
<b>Total Taxation</b>		18,137,307	18,091,403	100 %	16,879,111	16,883,145
<b>Finance Department</b>						
Penalties and Interest	(1)	278,000	446,537	161 %	270,000	380,139
Supplemental Taxation Revenues	(2)	200,000	730,738	365 %	180,000	300,370
Transfer from Building Department		184,832	239,861	130 %	184,832	184,832
Grants	(3)	78,500	98,086	125 %	84,400	93,333
Miscellaneous		62,000	128,742	134 %	66,000	140,254
Investment Income	(5)	10,000	878,762	8,788 %	10,000	420,845
Transfer from Working Funds and HR Capacity Building Reserve		160,000	160,000	100 %	227,000	232,000
<b>Total Finance Department</b>		973,332	2,682,726	276 %	1,022,232	1,751,773
<b>Administration and Clerk's</b>						
Committee of Adjustment	(6)	34,500	54,816	159 %	44,500	42,754
Clerk's Miscellaneous	(7)	16,750	23,178	138 %	14,250	20,388
<b>Total Administration and Clerk's</b>		51,250	77,994	152 %	58,750	63,142
<b>Fire and By-law Services</b>						
Fire Department Revenues	(8)	41,286	73,133	177 %	40,786	42,609
By-law and Parking Enforcement	(9)	22,300	33,578	151 %	21,300	28,835
Provincial Offences Act Revenue		-	-	- %	30,000	(6,677)
<b>Total Fire and By-law Services</b>		63,586	106,711	168 %	92,086	64,767
<b>Public Works</b>						
Non-recreation Facilities and Beautification	(10)	10,000	29,798	298 %	10,000	43,729
Aggregate Resource Grant	(11)	40,000	33,190	83 %	40,000	33,106
Contributions from Developers	(12)	-	34,500	- %	-	-
Transfer from Reserve - Roads	(12)	-	-	- %	-	164,370
Miscellaneous		23,000	32,732	121 %	69,000	80,985
Fonhill/Hillside Cemeteries	(13)	91,500	147,489	161 %	81,500	121,742
<b>Total Public Works</b>		164,500	277,709	169 %	200,500	443,932
<b>Recreation, Culture and Wellness</b>						
Recreation and Wellness		440,150	752,194	155 %	663,700	974,644
Special Events and Festivals	(15)	156,270	173,154	111 %	147,770	167,831
Culture and Community Enhancement	(15)	71,500	53,906	75 %	73,500	112,998
Public Transit	(16)	130,000	103,683	80 %	130,000	130,035
MCC Facility	(17)	845,000	1,049,548	124 %	693,242	886,777
Transfer from Reserve	(18)	-	480,615	- %	-	461,503
<b>Total Recreation, Culture and Wellness</b>		1,642,920	2,613,100	159 %	1,708,212	2,733,788
<b>Community Planning and Development</b>						
Building Department Revenues	(19)	749,909	805,084	107 %	650,500	1,000,222
Transfer from Building Reserves	(19)	-	13,403	- %	650,500	1,000,222
Planning Fees	(20)	170,000	120,362	71 %	170,340	464,360
Municipal Drainage		8,000	17,099	214 %	4,000	-
<b>Total Community Planning and Development</b>		927,909	955,948	103 %	1,475,340	2,464,804
<b>Water and Wastewater</b>						
Water Revenues		3,763,086	3,858,580	102 %	7,196,960	6,936,198
Wastewater Revenues		2,996,458	3,101,766	104 %	2,732,861	2,730,965
<b>Total Water and Wastewater</b>		6,759,544	6,960,346	103 %	9,929,821	9,667,163
<b>GRAND TOTAL</b>		\$ 28,720,348	\$ 31,765,937	111 %	\$ 31,366,052	\$ 34,072,514





Appendix 1  
 Monthly Revenue Report at December 31, 2023 (100% of time lapsed)

Explanatory Notes:

- (1) Taxes receivable have increased. Partly due to an increase in supplemental taxes and unpaid utility bills that are now added to taxes.
- (2) The supplemental revenue for 2023 has exceeded budget due to unanticipated additions, renovations, construction, and so on.  
 Supplementary/omitted taxes result from an addition, renovation, construction or class change that occurred on a property that was not previously recorded on the assessment roll. When supplementary/omitted assessment is added to the roll, additional property taxes can be collected for the current year, and if applicable, for any part of all of the two previous years as described in Section 34 of the Assessment Act.
- (3) Ontario Municipal Provincial Funding (OMPF) and Ontario Community Infrastructure Fund (OCIF) grant to partially fund the Asset Management/GIS Analyst.
- (4) Fees being charged for mortgage company administration and ownership changes have been higher than anticipated. Additional one-time revenue from tax sale proceedings was also recognized in 2023.
- (5) Investment income is higher than budgeted due to increase in interest rates and high bank balances as a result of capital projects being carried forward from previous years. Interest has been allocated to obligatory reserves and other reserves/reserve funds.
- (6) Committee of Adjustment revenue fluctuates year-to-year depending on applications received.
- (7) Revenue has increased in affidavits fees, death certificates, lottery and marriage licenses.
- (8) Firehouse Subs Foundation Grant of \$35,800 was received to purchase equipment.
- (9) Both Pool permits and sign permits are unpredictable in timing and volume but have exceeded budget for the year.
- (10) There have been two grants relating to tree planting in the amount of \$24,682.
- (11) Aggregate resource grant is declining from previous years, but in 2023, it is comparable to 2022 actual.
- (12) Unbudgeted contributions from a developer for street & trail signage, benches, waste receptacles, etc.
- (13) An increase in unanticipated activity has led to higher revenue.
- (14) Swim, Youth, and other Recreation and Wellness programs had an increase in revenue due to higher than anticipated activity. Expenditures have also increased due to this increase in activity.
- (15) Higher than anticipated revenue due to strong attendance at special events and festivals, such as Summerfest.
- (16) Provincial gas tax of \$30,000 no longer available for transit since the Niagara Region has taken over transit services.
- (17) Increase in activity has led to higher revenue but is offset by increase in expenditures.
- (18) Draw from library reserve fund to offset the external transfer of funds to the library.
- (19) Across the province, there has been a decline in building permits being issued due to a slowdown of the economy as a result of higher interest rates. Shortfall in revenue for the building department has been funded by the Building Fund Reserve in the amount of \$13,403.
- (20) Slowdown in economic & building activity has led to lower than anticipated planning revenues.



## Appendix 2

## Monthly Expenditure Report at December 31, 2023 (100% of time lapsed)

	Notes	2023			2022	
		Budget	Actual at Dec 31	Actual as a % of Budget	Budget	Actual at Dec 31
<b>Administration Services</b>						
Members of Council		\$ 284,315	\$ 261,821	92 %	\$ 281,440	\$ 242,842
CAO's Office		491,396	487,839	99 %	355,955	377,372
Human Resources		180,868	172,620	95 %	135,003	138,069
Marketing and Communication		180,252	181,687	101 %	139,680	133,205
<b>Total Administration Services</b>		1,136,831	1,103,967	97 %	912,078	891,488
<b>Clerk's Department</b>						
Clerk's Department and COA		444,946	432,378	97 %	387,006	382,197
<b>Corporate Services</b>						
Finance Department	(1)	994,302	1,760,400	177 %	936,155	1,748,471
Shared Administrative Overhead	(2)	856,747	1,040,008	121 %	924,343	736,996
Shared Information Technology	(3)	707,930	767,865	108 %	653,121	666,938
<b>Total Corporate Services</b>		2,558,979	3,568,273	139 %	2,513,619	3,152,405
<b>Fire and By-law Services</b>						
Fire Services	(4)	1,869,044	1,983,880	106 %	1,689,899	1,764,169
By-law and Parking Enforcement		219,072	207,448	95 %	206,530	198,855
Health and Safety		8,130	5,800	71 %	8,130	3,487
Crossing Guards		70,314	71,100	101 %	52,021	57,216
Animal Control		39,000	39,000	100 %	39,000	39,000
<b>Total Fire and By-law Services</b>		2,205,560	2,307,228	105 %	1,995,580	2,062,727
<b>Public Works</b>						
General Administration	(5)	1,260,216	1,763,718	140 %	1,247,506	1,226,701
Roadway Maintenance		5,182,943	5,266,609	102 %	4,724,863	4,937,523
Non-recreation Facilities and Beautification	(6)	2,918,958	3,117,614	107 %	2,584,507	2,821,628
Street Lighting	(7)	194,000	241,665	125 %	260,000	288,678
Fonhill and Hillside Cemeteries		159,851	215,840	135 %	145,102	182,367
Niagara Central Airport		27,621	27,849	101 %	27,621	25,854
<b>Total Public Works</b>		9,743,589	10,633,295	109 %	8,989,599	9,482,751
<b>Recreation, Culture and Wellness</b>						
General Administration		378,910	401,389	106 %	289,477	311,699
Recreation and Wellness	(8)	500,922	679,493	136 %	452,507	542,219
Special Events and Festivals	(9)	312,416	264,796	85 %	293,114	320,373
Culture and Community Enhancement	(10)	185,157	201,171	109 %	182,163	249,345
Public Transit		142,360	130,727	92 %	309,137	304,361
MCC Facility	(10)	2,026,538	2,236,107	110 %	1,837,582	2,029,891
Libraries	(11)	865,962	1,346,577	156 %	894,707	894,707
<b>Total Recreation, Culture and Wellness</b>		4,412,265	5,260,260	119 %	4,258,687	4,652,595
<b>Community Planning and Development</b>						
Building Department	(12)	749,908	818,487	109 %	650,500	1,000,222
Planning and Zoning		671,997	648,271	96 %	632,637	639,707
Municipal Drainage		36,730	33,435	91 %	35,174	68,095
<b>Total Community Planning and Development</b>		1,458,635	1,500,193	103 %	1,318,311	1,708,024
<b>Water and Wastewater</b>						
Water	(13)	3,763,086	3,858,579	103 %	3,598,480	3,468,100
Wastewater	(13)	2,996,457	3,101,764	104 %	2,732,861	2,730,964
<b>Total Water and Wastewater</b>		6,759,543	6,960,343	103 %	6,331,341	6,199,064
<b>GRAND TOTAL</b>		\$ 28,720,348	\$ 31,765,937	111 %	\$ 26,706,221	\$ 28,531,251



## Appendix 2

### Monthly Expenditure Report at December 31, 2023 (100% of time lapsed)

#### Explanatory Notes:

- (1) The increase of \$668,000 is a transfer to reserves from the additional interest and supplemental revenues. Additional expenses were incurred for consulting services required for the new accounting standard Asset Retirement Obligation and taxes written off from MPAC property assessment changes.
- (2) Savings in legal expenses are offset by the increase in insurance claims. A \$147,000 transfer to reserves from in-year surplus to the Land Improvement Reserve as per the Reserve Policy.
- (3) Increase in IT license agreements.
- (4) Volunteer Firefighter stipends increased by \$61,000 due to training for new volunteers and responding to fire calls. An increase in equipment expense of \$32,000 is offset by a grant.
- (5) Increase of \$500,000 in debenture principal because of paying off the short-term loan in December 2023.
- (6) Increase of \$268,000 in debenture principal because of paying off the short-term loan in December 2023.
- (7) Street lights savings due to LED conversion is lower by \$48,000 due to the conversion of phase 1 finishing later in the year.
- (8) Swim, Youth and Recreation and Wellness programs expenses are higher due to an increase in activity. This is offset by an increase in revenue.
- (9) Special events and Festival expenses are lower since the Saturday event at SummerFest was rained out. This is usually the busiest night of SummerFest.
- (10) Higher expenses due to increase in contracted services and salaries.
- (11) Contribution to the library includes the annual approved funding of \$865,962 and \$480,615 external transfer of library reserves. Prior to 2023, the Town controlled the library reserve, however as a result of library unification (Lincoln Pelham Public Library), the town is transferring over the library reserve funds to the new library board.
- (12) \$13,000 is transferred from the Building Department Reserve to cover revenue shortfall.
- (13) Increase in material and supplies for the Water budget. Increase in reserve transfer to Wastewater reserve by \$169,000 due to savings and higher than anticipated interest revenue.

## Meridian Community Centre

## Appendix 3

Actual Results to Budget at December 31, 2023 (100% of time lapsed)

	Notes	2023			Actual 2023											
		Budget	Actual YTD Total	Actual as a % of Budget	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>MCC Revenues</b>																
Arena Revenues	(1)	\$ 648,000	\$ 756,961	117 %	\$ 84,287	\$ 69,449	\$ 63,463	\$ 35,903	\$ 35,650	\$ 38,439	\$ 42,565	\$ 71,760	\$ 59,504	\$ 78,552	\$ 86,655	\$ 90,732
Multi-Purpose Space Revenues	(1)	149,000	270,636	182 %	31,656	23,993	27,762	25,359	14,586	17,875	13,494	12,152	14,788	23,582	28,484	36,906
Gymnasium Revenues	(1)	90,000	97,452	108 %	9,069	8,302	8,162	10,645	12,250	4,997	7,754	2,391	4,978	19,505	3,720	5,681
Programming Revenues	(1)	135,000	200,303	148 %	7,996	720	12,398	-	730	1,940	89,043	83,167	2,701	660	910	38
Grants - Other	(2)	42,700	116,888	274 %	10,675	-	-	25,000	19,413	-	31,075	-	1,875	20,675	-	8,175
Other Rev. - Miscellaneous	(3)	60,550	159,516	263 %	21,493	17,817	8,288	9,422	14,842	16,858	8,938	5,481	11,186	13,912	18,942	12,336
Other Revenues - Advertising	(4)	50,000	31,269	63 %	9,633	4,000	250	10,350	1,450	-	3,800	-	-	1,000	692	94
<b>Total Revenues</b>	(a)	1,175,250	1,633,025	139 %	174,809	124,281	120,323	116,679	98,921	80,109	196,669	174,951	95,032	157,886	139,403	153,962
<b>MCC Expenditures</b>																
Salaries and Benefits	(5)	1,686,250	1,758,642	104 %	90,838	126,789	128,577	118,750	121,439	182,499	168,497	170,475	155,773	134,346	198,289	162,372
Professional Development		12,000	15,218	127 %	1,423	9,422	90	-	2,996	75	-	-	1,114	-	59	40
Associations and Memberships		5,000	3,474	69 %	598	1,959	450	229	-	-	(1,959)	-	300	-	1,857	40
Travel		3,600	2,121	59 %	-	-	35	11	2,075	-	-	-	-	-	-	-
Hydro	(6)	371,000	350,765	95 %	24,566	22,885	25,671	24,943	22,582	28,970	40,348	33,537	-	66,248	29,407	31,608
Natural Gas		90,000	90,611	101 %	14,096	12,541	10,383	6,145	5,182	3,447	5,837	7,447	-	10,250	6,143	9,140
Water	(7)	45,000	73,438	163 %	-	13,638	-	11,385	-	11,107	-	13,232	-	11,458	-	12,618
Telephone		11,000	8,681	79 %	707	706	675	707	707	706	742	721	736	708	787	777
Materials and Supplies	(8)	83,850	233,142	278 %	15,926	17,197	17,441	27,688	9,729	14,716	35,056	13,786	12,578	13,832	36,132	19,061
Furniture and Equipment	(9)	6,000	11,166	186 %	-	-	-	-	2,415	-	4,803	-	-	3,948	-	-
Materials and Supplies - Janitorial		50,000	34,431	69 %	2,912	2,804	2,054	2,987	2,454	3,156	3,721	2,572	2,984	887	4,440	3,460
Fuel		6,000	9,778	163 %	893	1,035	1,056	430	539	784	604	890	859	735	1,140	815
Internet		13,300	11,509	87 %	1,037	1,037	1,037	1,037	1,037	903	904	904	903	904	904	904
Insurance		62,189	62,476	100 %	-	-	-	-	-	-	62,476	-	-	-	-	-
Contract Services - Other	(10)	164,450	316,605	193 %	18,781	31,846	20,588	15,483	50,326	11,567	45,278	25,936	20,519	42,464	21,624	12,192
Repairs and Maintenance		29,500	21,227	72 %	-	2,635	236	3,691	2,099	-	1,646	-	-	4,181	1,814	4,925
<b>Total Expenditures before Debt and Other</b>	(b)	2,639,139	3,003,284	114 %	171,777	244,494	208,293	213,486	223,580	257,930	367,953	269,500	195,766	289,961	302,596	257,952
<b>Net Surplus (Deficit) before Debt and Other</b>	(c) = (a) - (b)	(1,463,889)	(1,370,259)	94 %	3,032	(120,213)	(87,970)	(96,807)	(124,659)	(177,821)	(171,284)	(94,549)	(100,734)	(132,075)	(163,193)	(103,990)
<b>MCC Debt Activity</b>																
Tax Levy Debenture Interest	(11)	(269,087)	(274,612)	102 %	123,845	-	(3,299)	-	(131,837)	(1,699)	-	(3,408)	-	(125,360)	(1,665)	(131,190)
Tax Levy Debenture Principal	(11)	(265,604)	(533,937)	201 %	(3,889)	(3,889)	(3,889)	(3,889)	(108,562)	(3,889)	(3,889)	(3,888)	(3,889)	(3,889)	(3,889)	(386,486)
Development Charge Revenue	(12)	629,936	629,800	100 %	316,023	-	-	-	-	-	313,777	-	-	-	-	-
Development Charge Debenture Interest	(12)	(351,383)	(342,206)	97 %	(173,374)	-	-	-	-	-	(168,832)	-	-	-	-	-
Development Charge Debenture Principal	(12)	(278,553)	(287,594)	103 %	(142,649)	-	-	-	-	-	(144,945)	-	-	-	-	-
Donation Revenue Applied to Debenture	(13)	209,015	137,032	66 %	-	-	-	-	-	-	-	-	16,667	-	60,000	60,365
Donation Pledge Debenture Interest	(13)	(64,055)	(60,560)	95 %	-	-	-	(30,280)	-	-	-	-	-	(30,280)	-	-
Donation Pledge Debenture Principal	(13)	(144,960)	(147,848)	102 %	-	-	-	(73,560)	-	-	-	-	-	(74,288)	-	-
<b>Pre-MCC RCW and Facility Net Costs</b>		989,512	989,508	100 %	82,459	82,459	82,459	82,459	82,459	82,459	82,459	82,459	82,459	82,459	82,459	82,459
<b>Net Debt and Other Items</b>	(d)	454,821	109,583	24 %	202,415	78,570	75,271	(25,270)	(157,940)	76,871	78,570	75,163	95,237	(151,358)	136,905	(374,852)
<b>NET SURPLUS (DEFICIT)</b>	(e) = (c) + (d)	\$(1,009,068)	\$1,260,676	125 %	\$ 205,447	\$ (41,643)	\$ (12,699)	\$(122,077)	\$(282,599)	\$(100,950)	\$ (92,714)	\$ (19,386)	\$ (5,497)	\$(283,433)	\$ (26,288)	\$(478,842)



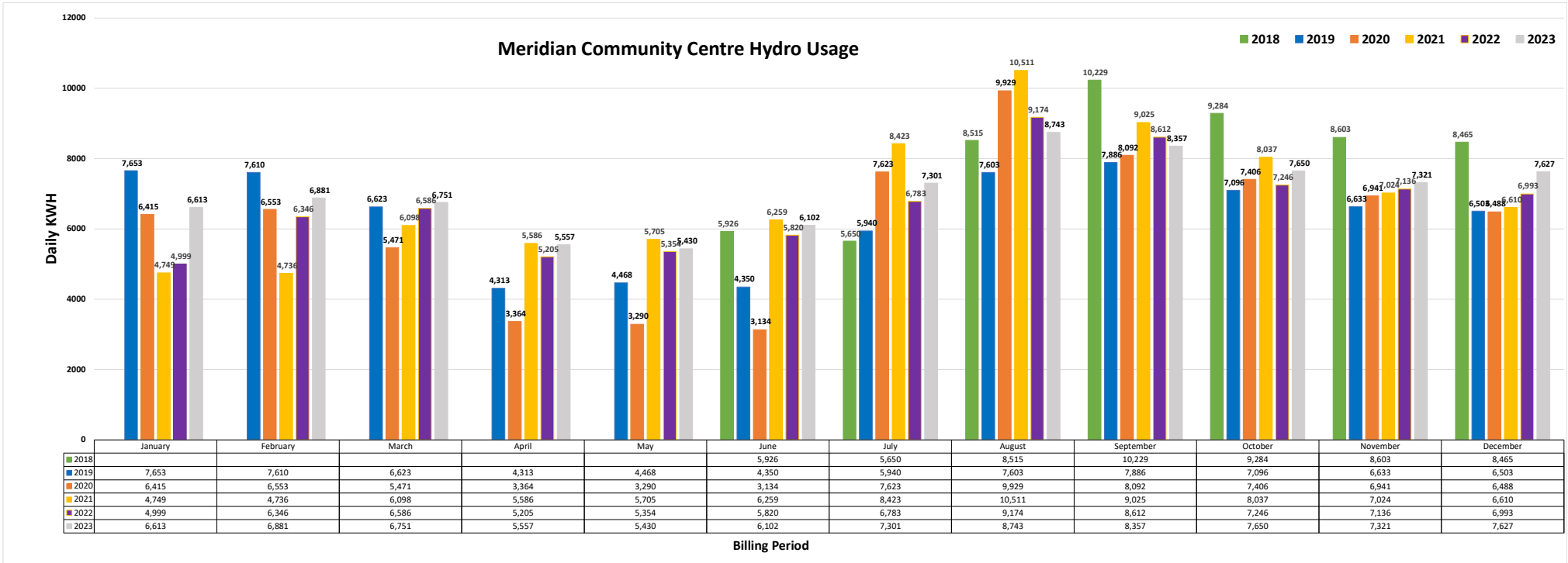
Meridian Community Centre

Appendix 3

Actual Results to Budget at December 31, 2023 (100% of time lapsed)

Explanatory Notes:

- (1) Increased Recreation activity has led to higher revenue.
- (2) Grant Revenue is higher due to unbudgeted Senior Active Living Centre special grant for capital (approximately \$21.3K), New Horizon Seniors Grant (\$45.4K), and HelpAge Canada grant (\$10K).
- (3) Miscellaneous revenue includes cost recoveries, equipment rentals, event revenue, donations, servery sales, and other items that are individually too small to classify separately. Significant increase in concession sales.
- (4) Advertising revenues are lower than anticipated due to economic strain on many advertisers.
- (5) Due to maternity leaves, general turnover, and additional approved FTEs..
- (6) Hydro savings due to a relatively mild summer as well as the consumption trend being lower than anticipated.
- (7) Water usage was higher than anticipated due to increased activity in MCC.
- (8) Increase in expenses due to replenishment of low inventory levels early in the year and increased costs.
- (9) Installation of unanticipated audio-video equipment, to assist with Council and other meetings.
- (10) Additional costs incurred due to unforeseen breakdowns and additional services required to meet increased demand in recreation programs.
- (11) Tax levy debenture payments for the MCC are due in June and December and are paid before the end of the previous month. CIBC loan payments occur throughout the year. CIBC loan was paid in full during 2023 which resulted in additional principal payment of approximately \$268,000 above the budgeted amount.
- (12) Development charge debenture payments for the MCC occur in January and July.
- (13) MCC Donation debenture payments occur in April and October.



Town of Pelham												Appendix 4
2023 projects including carryforward projects												
As At December 31, 2023												
Expenditures												
		Year	Cost Centre	Original Budget	Revised Budget	2023 Approved Budget and Carryforward Amounts to 2023	Actual 2023	Committed	2023 Total to date (Actual & Committed)	Total to date as a % of Revised Carry Forward	Status	Carryforward to 2024
<b>INFORMATION TECHNOLOGY</b>												
IT 04-19	Backup Generator for IT Server Room (Town Hall)	2019	100165	46,000		30,912	35,616	-	35,616	115%	Completed.	
IT 04-21	MFA (Multi Factor Authentication) or 2FA Software.	2021	100247	3,500		3,500	-	-	-	0%	Completed.	
IT 05-21	Winfluid Server and Software Upgrade.	2021	100248	9,000		4,248	-	4,620	4,620	109%	In progress.	4,248
IT 02-22	Server Replacement	2022	100184	16,000		11,533	4,467	-	4,467	0.39	Completed.	
IT 04-22	Innovation Technology	2022	100186	40,000		40,000	29,521	-	29,521	74%	In progress.	10,479
IT 01-23	Annual Equipment PSAB adds/replacement	2023	100189	33,000		33,000	49,934	-	49,934	151%	Completed.	
IT 02-23	Innovation Technology	2023	100190	50,000		50,000	-	-	-	0%	In progress.	50,000
IT 03-23	e-Permitting	2023	100191	30,000		30,000	61,056	100,500	161,556	539%	Completed.	
IT 04-23	Claims and Risk Management Solution	2023	100192	12,500		12,500	-	-	-	0%	Not started.	12,500
IT 05-23	Asset Management Solutions Module	2023	100256	140,000		140,000	43,876	12,333	56,210	40%	In progress.	96,124
IT 06-23	FOI Request Management System	2023	100260	4,000		4,000	7,021	-	7,021	176%	Completed.	
IT 07-23	QA and AODA Website Solution	2023	100261	6,000		6,000	-	-	-	0%	Completed.	
IT 08-23	GHD Form Builder	2023	100262	8,500		8,500	8,650	-	8,650	102%	Completed.	
<b>Total Information Technology</b>				<b>398,500</b>	<b>-</b>	<b>374,193</b>	<b>240,142</b>	<b>117,453</b>	<b>357,595</b>	<b>96%</b>		<b>173,350</b>
<b>FIRE &amp; BY-LAW SERVICES</b>												
FD 02-22	Rescue 2	2022	200125	600,000		600,000	610,494	-	610,494	102%	Completed.	
FD 01-23	Pumper 3	2023	200126	900,000	922,314	922,314	-	906,375	906,375	0%	In progress.	922,314
FD 02-23	Station 3 Utility response vehicle	2023	200127	100,000		100,000	-	-	-	0%	In progress.	100,000
FD 03-23	Hurst Jaws Station 2	2023	200128	150,000		150,000	128,894	13,603	142,497	0%	Completed.	
FD 04-23	Digital Pager Upgrade - Year 2	2023	200155	40,000		40,000	45,588	-	45,588	0%	Completed.	
<b>Total Fire &amp; By-Law Services</b>				<b>1,790,000</b>	<b>922,314</b>	<b>1,812,314</b>	<b>784,977</b>	<b>919,978</b>	<b>1,704,955</b>	<b>94%</b>		<b>1,022,314</b>
<b>ROADS</b>												
RD 10-19	Stormwater Facility Maintenance	2019	300469	30,000		15,423	-	-	-	0%	In progress.	15,423
RD 07-20	Effingham Storm Design - Hwy 20 to Canboro	2020	300496	50,000		50,000	41,132	8,219	49,351	99%	In progress.	8,868
RD 14-20	Station Street Storm Pond	2020	300503	300,000		283,139	-	119,466	119,466	42%	In progress.	283,139
RD 02-21	Concrete Repair & Replacement Program.	2021	300586	80,000		17,670	-	-	-	0%	Completed.	
RD 03-21	Culvert Replacement Program.	2021	300587	60,000		60,000	60,837	-	60,837	101%	Completed.	
RD 04-21	Engineering.	2021	300590	25,000		12,990	14,299	850	15,149	117%	In progress.	
RD 09-21	Stormwater Facility Maintenance Repairs.	2021	300597	20,000		19,501	-	-	-	0%	In progress.	19,501

Town of Pelham												Appendix 4
2023 projects including carryforward projects												
As At December 31, 2023												
		Year	Cost Centre	Expenditures		2023 Approved Budget and Carryforward Amounts to 2023	Actual 2023	Committed	2023 Total to date (Actual & Committed)	Total to date as a % of Revised Carry Forward	Status	Carryforward to 2024
				Original Budget	Revised Budget							
RD 11-21	Easement for Station Street storm outlet (previously RD 08-17).	2021	300601	35,000		35,000	-	-	-	0%	In progress.	35,000
RD 01-22	Bridge Design (Cream Street, Roland Road) - Constructing in 2023 and 2024	2022	300606	75,000		65,399	51,088	13,524	64,612	99%	In progress.	14,311
RD 19-21	Erosion Mitigation Project Storm Pond Outlet Hwy 20 & Rice Road	2021	350001	70,000	90,400	90,400	70,758	70,000	140,758	156%	In progress.	19,642
RD 05-22	Culvert Replacement Program	2022	300616	60,000		60,000	34,912	22,631	57,543	96%	Completed.	
RD 06-22	Design - Quaker Rd: Pelham St to Line Ave	2022	300617	50,000		42,872	-	-	-	0%	In progress.	42,872
RD 07-22	Engineering	2022	300618	30,000		8,125	4,204	1,800	6,004	74%	Completed.	
RD 10-22	Stormwater Facility Maintenance	2022	300626	25,000		23,840	2,610	1,295	3,905	16%	In progress.	21,230
RD 11-22	Road Reconstruction - 22R01 - Pelham St: John Street to Spruceside Crescent (Sth Entr.)	2022	300629	4,706,517	1,037,302	1,037,302	944,777	947,679	1,892,455	182%	In progress.	92,525
RD 12-22	Design - 22R03 - Canboro: Haist St to Highway 20	2022	300637	150,000		147,688	31,500	114,404	145,904	99%	In progress.	116,188
RD 15-22	LED Streetlight Replacement Year 1	2022	300599	250,000		10,106	44,806	-	44,806	443%	Completed.	
RD 01-23	Pavement Condition Assessment	2023	300591	30,000		30,000	28,289	-	28,289	100%	Completed.	
RD 02-23	Cream Street Bridge Replacement	2023	300595	750,000	1,081,616	1,081,616	1,020,752	4,147	1,024,899	0%	In progress.	60,864
RD 03-23	Design - Pancake: Pelham St to Haist St	2023	300613	300,000		300,000	33,518	46,000	79,518	0%	In progress.	266,482
RD 04-23	LED Streetlight Replacement Year 2	2023	300631	700,000		700,000	618,418	85,382	703,799	0%	In progress.	81,582
RD 05-23	Concrete Repair & Replacement Program.	2023	300633	110,000		110,000	99,643	-	99,643	0%	Completed.	
RD 06-23	Culvert Replacement Program	2023	300636	60,000	15,019	15,019	10,299	4,897	15,197	0%	Completed.	



Town of Pelham												Appendix 4
2023 projects including carryforward projects												
		Year	Cost Centre	Expenditures		2023 Approved Budget and Carryforward Amounts to 2023	Actual 2023	Committed	2023 Total to date (Actual & Committed)	Total to date as a % of Revised Carry Forward	Status	Carryforward to 2024
				Original Budget	Revised Budget							
As At December 31, 2023												
RD 07-23	Engineering	2023	300639	35,000		35,000	19,215	2,293	21,508	0%	In progress.	15,785
RD 08-23	Road Base and Surface Repair Program	2023	300641	200,000		200,000	118,334	-	118,334	0%	Completed.	
RD 09-23	Road Rehabilitation	2023	300643	1,000,000	1,118,667	1,118,667	436,956	669,933	1,106,889	0%	In progress.	681,711
RD 10-23	Sign Retro-Reflectivity Assessment	2023	300648	25,000		25,000	17,119	-	17,119	0%	Completed.	
RD 11-23	Stormwater Facility Maintenance	2023	300650	100,000		100,000	67,583	25,324	92,907	0%	In progress.	32,417
RD 14-23	Design for Road Rehabilitation	2023	301024	85,000		85,000	-	26,093	26,093	0%	In progress.	85,000
RD 15-23	Summersides Blvd secondary servicing	2023	301063	263,200		263,200	255,124	-	255,124	0%	In progress.	8,076
RD 16-23	Bridge Design - Constructing 2024 and 2025	2023	301074	75,000	-	-	1,179	-	1,179	0%	Completed.	
RD 17-23	Road/Slope Failure Investigation- Sulphur Springs	2023	301075	250,000	387,000	387,000	61,056	304,000	365,056	0%	In progress.	325,944
RD 18-23	Construction - Additional Parking- Ridgeville	2023	301076	50,000		50,000	50,880	-	50,880	0%	Completed.	
RD 19-23	Parking Lots at Emerald Trails	2023	301078	75,000		75,000	-	-	-	0%	In progress.	75,000
RD 20-23	Wellington Height School crossing	2023	301079	50,000		50,000	21,084	-	21,084	0%	Completed.	
RD 21-23	Pelham St Phase 4	2023	300649		3,516,976	3,516,976	3,024,829	468,365	3,493,194	0%	In progress.	492,147
<b>Total Roads</b>				<b>10,174,717</b>	<b>7,246,980</b>	<b>10,121,933</b>	<b>7,185,199</b>	<b>2,936,302</b>	<b>10,121,502</b>	<b>100%</b>		<b>2,793,708</b>
<b>FACILITIES</b>												
FAC 02-21	Centennial Park Electrical Upgrades (Switch Gear inside).	2021	300509	10,000		934	8,700	-	8,700	932%	Completed.	

Town of Pelham												Appendix 4
2023 projects including carryforward projects												
		Year	Cost Centre	Expenditures		2023 Approved Budget and Carryforward Amounts to 2023	Actual 2023	Committed	2023 Total to date (Actual & Committed)	Total to date as a % of Revised Carry Forward	Status	Carryforward to 2024
				Original Budget	Revised Budget							
As At December 31, 2023												
FAC 08-21	Fire Station #1 Design Consultant.	2021	300523	50,000		42,419	-	9,275	9,275	22%	In progress.	42,419
FAC 03-22	Model Railway Building - Exterior Window Replacement	2022	301090	12,000		12,000	-	-	-	0%	In progress.	12,000
FAC 04-22	Town Hall - Fire Protection System	2022	301089	20,000		20,000	36,456	391	36,847	184%	Completed.	
FAC 07-22	Community Event Space for Peace Park	2022	301105	1,824,000	1,239,652	1,239,652	1,227,851	14,195	1,242,046	100%	Completed.	
FAC 01-23	Concrete & Asphalt Repairs - Various Facilities	2023	300529	50,000		50,000	20,340	-	20,340	0%	Completed.	
FAC 02-23	Town Hall - Asphalt Parking Lot repaving	2023	301100	34,000		34,000	34,598	-	34,598	0%	Completed.	
FAC 03-23	Operations Centre - Replace Furnace & HVAC	2023	301102	12,000		12,000	7,428	-	7,428	0%	Completed.	
FAC 04-23	Rental Table & Chair Replacement	2023	301104	10,000		10,000	8,865	-	8,865	0%	Completed.	
FAC 05-23	Fonthill Library - Architectural design	2023	301174	200,000		200,000	-	165,000	165,000	0%	In progress.	200,000
FAC 06-23	Centennial Park Concession Design and Construction	2023	301176	185,000	387,000	387,000	192,908	235,625	428,533	0%	In progress.	194,092
<b>Total Facilities</b>				<b>2,407,000</b>	<b>1,626,652</b>	<b>2,008,005</b>	<b>1,537,147</b>	<b>424,486</b>	<b>1,961,634</b>	<b>98%</b>		<b>448,511</b>
<b>CEMETERIES</b>												
CEM 01-23	Fonthill and Hillside Cemetery	2023	400025	-		12,000	7,123	-	7,123	90%	Completed.	
<b>Total Cemeteries</b>				<b>-</b>	<b>-</b>	<b>12,000</b>	<b>7,123</b>	<b>-</b>	<b>7,123</b>	<b>59%</b>		<b>-</b>
<b>FLEET</b>												
VEH 07-21	Purchase one-tonne truck.	2021	300989	90,000		90,000	-	-	-	0%	In progress.	90,000

Town of Pelham												Appendix 4
2023 projects including carryforward projects												
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				Original Budget	Revised Budget							
As At December 31, 2023												
VEH 01-22	Electric Vehicle - Building Department (Replaces Unit 101 - 2009 Ford Ranger)	2022	300876	55,000		54,550	42,657	-	42,657	78%	Completed.	
VEH 02-22	Work Truck (Replaces Truck 129 - 2008 Dodge 1500) - deferred from 2020	2022	300882	55,000		55,000	56,763	-	56,763	103%	Completed.	
VEH 06-22	Crew-Cab Truck with Landscape box (Replaces unit 132 - 2009 Dodge 2500)	2022	300888	75,000		75,000	67,671	-	67,671	90%	Completed.	
VEH 07-22	Baseball Diamond Grooming Tractor (Replaces unit 518 2001 Kubota B7500 & unit 525 2013 Kubota B2920)	2022	300892	48,000		48,000	49,415	-	49,415	103%	Completed.	
VEH 01-23	Small SUV By-Law (Replaces Unit 104-2009 Ford Ranger)	2023	300875	55,000		55,000	42,548	-	42,548	0%	Completed.	
VEH 02-23	1-ton truck with landscape box (replaces unit 303)	2023	300877	80,000		80,000	-	-	-	0%	In progress.	80,000
VEH 03-23	Utility Van Water (Replaces 2009 Dodge Sprinter)	2023	300878	80,000		80,000	-	-	-	0%	In progress.	80,000
VEH 04-23	Backhoe (Replaces unit 519 - 2003 Case 580 Super M)	2023	300889	240,000		240,000	240,359	-	240,359	0%	Completed.	
VEH 05-23	Combination Snow Plow & Spreader (Replaces Truck 4)	2023	300890	350,000		350,000	-	331,342	331,342	0%	In progress.	350,000
VEH 06-23	2018 Lease Payments-Heavy Duty Work Truck with Landscape)	2023	300893	28,740		28,740	28,763	-	28,763	0%	Completed.	
VEH 07-23	Seasonal rental of summer fleet (4 seasonal vehicles)	2023	300894	32,000		32,000	19,121	-	19,121	0%	Completed.	
VEH 08-23	(2) Tractors w/plow & spreader (replaced Truck 422) Lease	2023	300895	25,550		25,550	17,132	4,450	21,582	0%	Completed.	
VEH 09-23	Electric Vehicle Charging Stations	2023	301080	195,000		195,000	247,382	10,400	257,782	0%	Completed.	
<b>Total Fleet</b>				<b>1,409,290</b>	<b>-</b>	<b>1,408,840</b>	<b>811,810</b>	<b>346,192</b>	<b>1,158,002</b>	<b>82%</b>		<b>600,000</b>
<b>HEALTH SERVICES</b>												
				-	-	-	-	-	-			
<b>Total Health Services</b>				<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>WASTEWATER</b>												
WST 01-19	Design - Church Street Upgrade - connected to WST 05-20 and CC 700182 (2022 Project for \$1.5M to do the Church Street work)	2019	700162	60,000		10,577	-	1,000	1,000	9%	Completed.	

Town of Pelham												Appendix 4
2023 projects including carryforward projects												
As At December 31, 2023												
		Year	Cost Centre	Expenditures		2023 Approved Budget and Carryforward Amounts to 2023	Actual 2023	Committed	2023 Total to date (Actual & Committed)	Total to date as a % of Revised Carry Forward	Status	Carryforward to 2024
				Original Budget	Revised Budget							
WST 05-20	Church St Sanitary Upgrades - Permits and Reports - connected to WST 01-19 and CC 700182 (2022 Project for \$2.5M to do the Church Street work	2020	700174	50,000		7,129	-	-	-	0%	Completed.	
WST 03-21	Sanitary I/I Study Program - Planned Replacements and Rehabilitation.	2021	700180	100,000		51,377	30,000	-	30,000	58%	Completed.	
WST 01-22	Church Street Upgrade existing sewer from 250 to 350mm diameter	2022	700182	2,500,000		2,491,054	2,239,494	305,301	2,544,795	102%	In progress.	251,560
WST 02-22	Sanitary I/I Study Program - Planned Replacements and Rehabilitation	2022	700186	60,500		50,324	33,581	6,500	40,081	80%	In progress.	16,743
WST 03-22	Sanitary Sewer Inspection, CCTV and Flushing Program	2022	700189	115,000		93,927	16,918	-	16,918	18%	In progress.	77,009
WST 04-22	Sanitary Sewer Capital Construction Repairs	2022	700192	140,000		108,663	32,453	8,983	41,436	38%	In progress.	76,210
WST 02-23	Sanitary I/I Study Program - Planned Replacements	2023	700194	70,000		70,000	-	-	-	0%	In progress.	70,000
WST 03-23	Sanitary Sewer Inspection, CCTV and Flushing Program	2023	700199	115,000		115,000	16,287	4,598	20,885	0%	In progress.	98,713
WST 04-23	Sanitary Sewer Capital Construction Repairs	2023	700200	140,000		140,000	65,896	-	65,896	0%	In progress.	74,104
WST 05-23	Church Street Sanitary Upgrades	2023	700347	1,500,000	1,000,000	1,000,000	272,417	129,142	401,559	0%	In progress.	727,583
WST 07-23	Foss Rd Sanitary Sewer Design & Excess Soil management	2023	700359	300,000		300,000	66,843	103,456	170,299	0%	In progress.	233,157
<b>Total Wastewater</b>				<b>5,150,500</b>	<b>1,000,000</b>	<b>4,438,051</b>	<b>2,773,889</b>	<b>558,979</b>	<b>3,332,868</b>	<b>75%</b>		<b>1,625,079</b>
<b>WATER</b>												
WTR 01-18	Backflow Prevention Program	2018	700158	50,000		36,015	-	-	-	0%	In progress.	36,015
WTR 03-21	Clare Avenue Watermain Replacement - development driven.	2021	700276	250,000	48,000	48,000	1,516	46,240	47,756	99%	In progress.	46,484

Town of Pelham												Appendix 4
2023 projects including carryforward projects												
		Year	Cost Centre	Expenditures		2023 Approved Budget and Carryforward Amounts to 2023	Actual 2023	Committed	2023 Total to date (Actual & Committed)	Total to date as a % of Revised Carry Forward	Status	Carryforward to 2024
				Original Budget	Revised Budget							
As At December 31, 2023												
WTR 04-21	Station St: Hurricane Rd to Hwy 20, Watermain Replacement.	2021	700277	175,000	362,972	362,972	346,024	-	346,024	95%	Completed.	
WTR 05-21	Neptune Software Upgrade.	2021	700352	14,000		14,000	-	-	-	0%	In progress.	14,000
WTR 02-22	Water System Repair Equipment	2022	700284	30,000		22,861	7,139	-	7,139	31%	In progress.	
WTR 03-22	Design: Canboro Road, Haist St to Highway 20, Watermain Replacement	2022	700354	100,000		81,436	24,512	56,201	80,713	99%	In progress.	56,924
WTR 04-22	Design: Watermain Replacement - Daleview, Strathcona, Moote, Pinecrest, Hwy. 20	2022	700366	100,000		81,297	50,747	25,967	76,714	94%	In progress.	30,550
WTR 02-23	Water System Repair Equipment	2023	700287	30,000		30,000	29,439	-	29,439	98%	In progress.	561
WTR 03-23	Water Rate Study	2023	700289	20,000		20,000	19,075	-	19,075	95%	Completed.	
WTR 04-23	Pelham St Watermain replacement phase 4	2023	700286		1,129,358	1,129,358	1,129,358	-	1,129,358	100%	Completed.	0
<b>Total Water</b>				<b>769,000</b>	<b>1,540,330</b>	<b>1,825,939</b>	<b>1,607,810</b>	<b>128,407</b>	<b>1,736,217</b>	<b>95%</b>		<b>184,534</b>
<b>PARK FACILITIES</b>												
PRK 01-21	MSSP- Splash Pad	2021	500188	491,815	421,705	421,705	1,270	-	1,270	0%	Completed.	
PRK 07-21	Centennial Park Diamond 3 Lighting.(parkland dedication)	2021	500198	145,000		144,695	147,242	-	147,242	102%	Completed.	-
PRK 01-22	Update Parks & Recreation Master Plan	2022	500200	120,000		70,302	68,247	-	68,247	97%	Completed.	
PRK 03-22	Centennial Park Soccer Field #2 Lighting	2022	500203	220,000		219,695	223,694	24,425	248,119	113%	Completed.	-
PRK 05-22	General Park Furniture (Benches/Picnic Tables/Receptacles)	2022	500206	10,000		7,638	2,362	-	2,362	31%	In progress.	5,276
PRK 07-22	Park Entry Sign Replacements (6)	2022	500222	30,000		30,000	1,613	28,422	30,035	100%	In progress.	28,387
PRK 08-22	Centennial Park Diamond 2 - Foul Ball Netting	2022	500298	25,000		4,699	-	-	-	0%	Completed.	

Town of Pelham												Appendix 4
2023 projects including carryforward projects												
		Year	Cost Centre	Expenditures		2023 Approved Budget and Carryforward Amounts to 2023	Actual 2023	Committed	2023 Total to date (Actual & Committed)	Total to date as a % of Revised Carry Forward	Status	Carryforward to 2024
				Original Budget	Revised Budget							
As At December 31, 2023												
PRK 01-23	Ball Diamond Upgrades - Bulk Clay	2023	500210	5,000		5,000	4,084	-	4,084	0%	Completed.	
PRK 02-23	General Park Furniture (Benches/Picnic Tables/Receptacles)	2023	500217	20,000		20,000	16,202	-	16,202	0%	Completed.	
PRK 03-23	Playground Turf Repair	2023	500218	5,000		5,000	4,731	1,297	6,028	0%	Completed.	
PRK 05-23	Park Entry Sign Replacements (6)	2023	500317	30,000		30,000	12,264	30,000	42,264	0%	In progress.	17,736
PRK 06-23	Centennial Park Diamond 3 Lighting.	2023	500324	155,000		155,000	-	-	-	0%	In progress.	155,000
<b>Total Park Facilities</b>				<b>1,256,815</b>	<b>421,705</b>	<b>1,113,734</b>	<b>481,708</b>	<b>84,144</b>	<b>565,852</b>	<b>51%</b>		<b>206,399</b>
<b>COMMUNITY PLANNING &amp; DEVELOPMENT</b>												
PLN 01-19	Complete East Fenwick SP	2019	600117	20,000		13,731	643	13,099	13,742	100%	In progress.	13,088
PLN 01-20	Community Benefits Charge Strategy	2020	600119	40,000		40,000	-	-	-	0%	In progress.	40,000
PLN 05-21	East Fenwick Secondary Plan.	2021	600142	10,000		10,000	11,097	1,519	12,616	126%	Completed.	
PLN 01-22	Official Plan Review and Update	2022	600123	225,000		225,000	63,415	2,289	65,704	29%	In Progress	161,585
PLN 01-23	Development Charge Background	2023	600124	40,000		40,000	54,014	3,941	57,955	0%	Completed.	
PLN 02-23	Natural Heritage Inventory and Management Plan	2023	600147	100,000		100,000	97,940	-	97,940	0%	In Progress.	2,060
PLN 03-23	Secondary Plan for South Fonthill	2023	600148	150,000		150,000	-	-	-	0%	Not started.	150,000
PLN 04-23	Ward Boundary & Council composition review	2023	600149	51,000		51,000	12,053	16,585	28,638	0%	In Progress.	38,947
<b>Total Community Planning &amp; Development</b>				<b>636,000</b>	<b>-</b>	<b>629,731</b>	<b>239,162</b>	<b>37,434</b>	<b>276,596</b>	<b>44%</b>		<b>405,680</b>
LIB 01-22	Computer Services Development	2022	500280	10,000		3,630	6,370	-	6,370	175%	LLPL	
LIB 01-23	Computer Services Development	2023	500281	10,000		10,000	-	-	-	0%	LLPL	
<b>Total Library</b>				<b>20,000</b>	<b>-</b>	<b>13,630</b>	<b>6,370</b>	<b>-</b>	<b>6,370</b>	<b>47%</b>		<b>-</b>
<b>MUNICIPAL DRAINAGE</b>												
DRN 01-21	Ridgeville and Nunn Municipal Drains Update to Assessment Schedule.	2021	600140	50,000		24,830	-	25,000	25,000	101%	In Progress.	24,830
DRN 01-22	Drainage Study for Webber Rd and Farr Rd	2022	600146	50,000		34,629	7,713	-	7,713	22%	Completed.	
DRN 01-23	Replace Road Culvert	2023	600133	40,000		40,000	1,690	-	1,690	0%	Completed.	

Town of Pelham											Appendix 4	
2023 projects including carryforward projects												
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				Original Budget	Revised Budget							
As At December 31, 2023												
<b>Total Municipal Drainage</b>				140,000	-	99,459	9,403	25,000	34,403	35%		24,830
<b>Total Projects for 2023</b>				24,151,822	12,757,981	23,857,829	15,684,741	5,578,375	21,263,116	89%		7,484,405
<b>DEFERRED OR CANCELLED PROJECTS</b>												
RD 12-20	Stormsewer Extension - Along Quaker	2020	300501	200,000		200,000						
RD 15-20	Foss Resurfacing (linked to WST 06-20)	2020	300504	500,000		500,000						
RD 13-23	Road Reconstruction - Quaker Rd	2023	300683	2,100,000	(2,100,000)	-						
WST 04-18	Foss Road Upgrade existing sewer from 350 to 450mm diameter	2018	700156	592,800		527,523						
WST 06-20	Foss Rd - Sanitary Sewer Installation (linked to RD 15-20)	2020	700175	800,000		800,000						
WST 01-23	Sewage Pumping Station Northwest Fenwick	2023	700185	600,000		600,000						
WST 06-23	Quaker Road Sanitary Replacement	2023	700357	1,050,000	(1,050,000)	-						
WTR 01-23	Quaker Rd: Pelham St to Line Ave., Watermain replacement	2023	700272	800,000	(800,000)	-						
RD 12-23	Canboro Road Cycling Initiative (Red Circled)	2023	300669	843,750	(843,750)	-						
PRK 04-23	Redevelopment of Peace Park (Red Circled)	2023	500266	200,000		-						
LIB 02-23	Library Bookmobile (Red Circled)	2023	500304	58,500		-						
<b>Total Deferred or Cancelled Projects</b>				7,745,050	(4,793,750)	2,627,523						
<b>Grand Total</b>				\$ 31,896,872	\$ 7,964,231	\$ 26,485,352	\$ 15,684,741	\$ 5,578,375	\$ 21,263,116	80%		\$ 7,484,405



## 2025 Budget Schedule

DATE	PURPOSE
<b>Wednesday, October 2, 2024</b> <b>9:00 a.m.</b>	<b>Council Meeting</b> A public meeting portion dedicated to receiving input into Town's 2025 Budget
<b>Wednesday, October 23, 2024</b>	<b>Draft Capital and Operating Budgets</b> Available for Council & Pelham Finance and Audit Committee Review
<b>Wednesday, October 30, 2024</b> <b>9:00 a.m.</b>	<b>Draft Capital and Operating Budgets</b> Finance and Audit Committee Review
<b>Monday, November 18, 2024</b> <b>9:00 a.m.</b>	<b>Capital Budget Special Meeting</b> Presentation at Committee of the Whole
<b>Wednesday, November 27, 2024</b> <b>9:00 am</b>	<b>Operating Budget Special Meeting</b> Presentation at Committee of the Whole
<b>Wednesday, December 4, 2024</b> <b>9:00 a.m.</b>	<b>Capital &amp; Operating Budget Consideration for Approval at Council</b>
<b>Wednesday, January 22, 2025</b>	<b>Draft Water and Wastewater Budgets</b> Available for Council & Pelham Finance and Audit Committee Review
<b>Wednesday, January 29, 2025</b> <b>9:00 a.m.</b>	<b>Water &amp; Wastewater Budgets</b> Finance and Audit Committee Review
<b>Wednesday, February 5, 2025</b> <b>9:00 a.m.</b>	<b>Water &amp; Wastewater Budgets Special Meeting</b> Presentation at Committee of the Whole
<b>Wednesday, February 19, 2025</b> <b>9:00 a.m.</b>	<b>Water &amp; Wastewater Budgets Consideration for Approval at Council</b>





**People Services**  
Wednesday, May 15, 2024

**Subject:** Present & Historical Staffing Levels

**Recommendation:**

**BE IT RESOLVED THAT Council receive Report #2024-0080 Present and Historical Staffing Levels, for information.**

**Background:**

At the March 6, 2024, regular Council meeting, staff were asked to provide a report on historical staffing level information. This report details the changes to Pelham's staff compliment from 2019 to date.

**Analysis:**

The chart below outlines changes to the full-time, part-time, fixed-term, seasonal, and student positions from 2019 to 2024.

Staffing Changes (2019 to Present)							
	2018	2019	2020	2021	2022	2023	2024
Full-Time	66	64	67	71	72	77	80
Part-Time	20	21	21	14	19	20	18
Fixed-Term	6	6	5	6	4	3	2
Seasonal/Student	61	61	55	50	66	61	68
<b>Total</b>	153	152	148	141	161	161	168
<b>Difference (#)</b>	-	-1	-4	-7	20	0	7
<b>Difference (%)</b>	-	-0.65%	-2.63%	-4.73%	14.18%	0.00%	4.35%

In 2019, the Town received grant funding to hire a Climate Change Coordinator on a two-year fixed-term basis and a part-time Maintenance Assistant was added to the Public Works Department.

Additionally, the Director of Human Resources, the Manager of Facilities, and the fixed-term Health and Safety Coordinator positions became vacant and were ultimately eliminated, resulting in an overall decrease in total staff that year compared to 2018.

In 2020 the addition of a Policy Planner and Building Inspector positions were approved, and a part-time Bylaw Enforcement Officer position was made full-time. Additionally, the Town received a grant to hire an Asset Management/GIS Analyst on a fixed-term basis.

New positions in 2021 included a shared Town Solicitor, a Training Officer in the Fire Department, an additional Engineering Technologist, and the Information Technology Technician position went from part-time to full-time.

It should be noted that 2020 and 2021 also saw an overall decrease in total staff due to fewer part-time and/or seasonal workers being needed as the result of COVID-19 related facility closures and service reductions.

In 2022, the Town hired a part-time People Services Administrator and a fixed-term, part-time Elections Coordinator (which is a recurring position during each election year). The temporary Asset Management/GIS Analyst was also approved on a permanent basis.

Although the overall percentage increase this year appears larger, the majority of the increase was due to part-time and seasonal positions, mainly at the MCC, returning to their pre-COVID levels. The Town also ran an additional camp program that summer which focused on science, technology, engineering and math (STEM). The curriculum and equipment were provided by Innova STEM Labs Inc.

Pelham offers superior summer camp and day camp programs, which are well regarded across Niagara. Spots quickly fill each year. The available spots in 2022 filled immediately, with quite an extensive wait list. The new positions added that year were offset by the additional registration fees and produced additional revenue for the MCC's operations. Day camps and summer camps are both revenue and profit generating activities.

New positions added in 2023 included a Seniors and Community Services Programmer, an additional Facilities Operator, a Supervisor of Recreation Programs, two full-time Customer Service Representatives and a part-time Grant Writer. The Supervisor and Customer Service positions were partially offset by eliminating the Recreation Facilities Coordinator and two part-time Customer Service Representative positions.

This year Council approved an additional Equipment Operator, the Maintenance Assistant and Grant Writer from part-time to full-time, and the Community Centre Ambassador from temporary to permanent.

For comparative purposes, the levy growth numbers for each period from 2019 to present is provided below.

Levy Growth Comparison (%)		
Year	Levy Growth	Employment Growth
2019	2.01	-0.65
2020	3.38	-2.63
2021	2.82	-4.73
2022	1.75	14.18
2023	1.55	0.00
2024	3.16	4.35

It remains true that Pelham continues to lag behind in total staff count in comparison to similarly sized municipalities in a number of departments, including Engineering, Clerks, and Human Resources. For comparative purposes, a random sampling of Pelham's main comparators' staffing levels in these departments is included below.

DEPARTMENT	MUNICIPALITY					
	Pelham	Thorold	Port Colborne	NOTL	Lincoln	Tillsonburg
Clerks	3	5	4	4	4	4
Engineering	5	7	6	6	5	5
Human Resources	1.5	4	5	3	2.5	3

To provide some additional compensation related context, in 2021 the Town undertook a full compensation review for the non-union group. At this time, the Town was having significant challenges with recruitment and retention, having received over 20 resignations that year alone.

Key staff were leaving Pelham primarily to work for neighbouring municipalities to do the same work for an increase in pay. Dissatisfaction pertaining to compensation was noted in almost every exit interview conducted from 2018 to 2021.

The results of the 2021 review indicated the Town was not paying competitively. The majority of salaries fell below the 50<sup>th</sup> percentile, and many were below the 40<sup>th</sup> in comparison to the market, meaning that over 60 percent of the Town's comparator organizations paid wages above Pelham's. At that time, Council endorsed a new compensation model which targeted the 55<sup>th</sup> percentile. The salary increases required to transition to this new model have been partially offset each year by the Human Resources Capacity Reserve.

The City of Welland has recently adopted a compensation model targeting the 60<sup>th</sup> percentile and the Town of Fort Erie is now targeting the 70<sup>th</sup>. In accordance with the Non-Union Compensation Policy S600-30, the Town is due for a compensation review by the end of 2025. As the Town's neighbours adjust their compensation

models it may be time to reconsider Pelham's target to ensure the Town remains competitive and retention rates do not revert back to 2021 levels.

### **Management and Leadership Staffing**

To further illustrate how Pelham's staff composition relates to its comparators, an analysis of Sunshine List salaries is included in this report. The Sunshine List is released annually and includes the names of all public sector employees who earn salaries of at least \$100,000 per year. Pelham has the least number of names on the list.

<b>Sunshine List of Official Municipal Comparators (2023)</b>	
<b>Municipality</b>	<b># of Names</b>
Pelham	13
NOTL	23
Lincoln	24
West Lincoln	14
Thorold	34
Port Colborne	33
Grimsby	20
Fort Erie	35
Tillsonburg	16
Kingsville	17

Ultimately Pelham is running very efficiently with respect to employment levels and compensation in comparison to its neighbours; management positions and the overall staff compliment is lean, the compensation target at the 55<sup>th</sup> percentile is modest, and staffing increases have been well below the levy growth in most years.

### **Financial Considerations:**

The additional compliments are approved annually by Council during the budget process. Any new hires mid-way through the year are financed either by gapping dollars or the Human Resources Capacity Reserve.

### **Alternatives Reviewed:**

None. The Town will continue presenting new staffing needs to Council on an annual basis. Only approved positions are added to the budget.

### **Strategic Plan Relationship: Enhancing Capacity and Future Readiness**

As the Town continues to grow, staffing levels need to increase as well to ensure efficient, effective and responsive service delivery, new and/or expanded services and enhanced productivity.

**Consultation:**

The Corporate Services Department provided the levy increase information included in this report.

**Other Pertinent Reports/Attachments:**

None.

**Prepared and Submitted by:**

Brianna Langohr, BA, CHRL  
Manager of People Services

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