

TOWN OF STRATFORD
Consolidated Financial Statements
March 31, 2021

TOWN OF STRATFORD
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March 31, 2021

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MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Town of Stratford are the responsibility of management and have been prepared in accordance with Canadian accounting standards for the public sector. A summary of the significant accounting policies are described in the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current period cannot be finalized with a certainty until future periods.

To meet its responsibility, management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

Mayor and Council meet with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by MRSB Chartered Professional Accountants Inc., independent external auditors appointed by the Town of Stratford. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Town of Stratford



Mayor

INDEPENDENT AUDITOR'S REPORT

To the Mayor and Councillors of the Town of Stratford

Opinion

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

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

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 those 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 Canadian accounting standards for the public sector, 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 relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or 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.

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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 generally accepted auditing standards 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 generally accepted auditing standards, 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.

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.

MRSB Chartered Professional Accountants Inc.

MRSB CHARTERED PROFESSIONAL ACCOUNTANTS INC.


Charlottetown, PE

September 27, 2021

TOWN OF STRATFORD
Consolidated Statement of Financial Position
March 31, 2021

	2021	2020
Financial assets		
Cash	\$ 2,314,155	\$ 961,274
Restricted cash	1,105,125	420,921
Loans and contributions receivable (Note 3)	148,110	160,098
Accounts receivable (Note 4)	4,422,025	4,464,591
Land held for resale	153,797	163,367
Long term investments (Note 5)	243,235	220,046
	8,386,447	6,390,297
Liabilities		
Short term indebtedness	-	236,303
Accounts payable and accrued liabilities	2,224,716	2,960,197
Deferred revenue (Note 6)	493,870	200,092
Long term debt (Note 7)	15,230,450	14,680,047
	17,949,036	18,076,639
Lease commitment (Note 8)		
Commitments (Note 9)		
Net debt (Statement 6)	(9,562,589)	(11,686,342)
Non-financial assets		
Inventory	14,158	14,715
Prepaid expense	26,157	23,521
Tangible capital assets (Schedules 1 and 2)	66,841,486	60,427,779
	66,881,801	60,466,015
Accumulated surplus and municipal position (Statement 5)	\$ 57,319,212	\$ 48,779,673

ON BEHALF OF COUNCIL


 _____ Mayor
 _____ Councillor

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Consolidated Statement of Operations
Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Revenues			
Property tax	\$ 4,702,100	\$ 4,807,573	\$ 4,152,661
Government transfers			
Provincial municipal support	1,242,600	1,237,751	1,197,564
Rental	754,800	647,479	402,914
Development permits	172,200	165,309	124,912
Recreation programs	94,500	59,674	83,852
Police fines	60,000	42,481	54,574
Income from government business enterprises (Note 5)	-	23,189	20,752
Miscellaneous	15,300	20,426	5,803
Seniors' complex wage allocation	10,000	10,000	10,000
Maintenance fee levy	-	8,215	9,255
Animal control	-	365	3,779
Donations	-	-	732,702
Interest	100	-	-
Stratford Utility Corporation (Schedule 11)	2,996,600	3,022,072	2,754,721
Stratford Business Park (Schedule 12)	-	20,075	494,101
	10,048,200	10,064,609	10,047,590
Cost of sales			
Stratford Business Park (Schedule 12)	-	16,478	284,861
	10,048,200	10,048,131	9,762,729
Expenditures			
General (Schedule 6)	3,920,400	3,666,831	3,436,957
Finance (Schedule 7)	790,500	674,334	684,736
Recreation (Schedule 8)	748,300	621,017	645,600
Infrastructure (Schedule 9)	1,231,000	1,112,237	983,044
Planning (Schedule 10)	361,300	351,693	332,534
Stratford Utility Corporation (Schedule 11)	2,996,200	2,633,662	2,517,049
Stratford Business Park (Schedule 12)	-	16,435	20,465
	10,047,700	9,076,209	8,620,385
Surplus from operations	500	971,922	1,142,344
Other revenues			
Stratford Utility Corporation (Schedule 11)	-	5,439,053	3,086,336
Town (Note 13)	-	2,128,564	2,133,905
	-	7,567,617	5,220,241
Annual surplus	500	8,539,539	6,362,585
Accumulated surplus - beginning of year	-	48,779,673	42,417,088
Accumulated surplus - end of year (Note 10)	\$ 500	\$ 57,319,212	\$ 48,779,673

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Consolidated Statement of Changes in Net Debt
Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Annual surplus	\$ 500	\$ 8,539,539	\$ 6,362,585
Amortization of tangible capital assets	1,933,000	1,954,339	1,738,564
Increase in prepaid expense	-	(2,640)	(3,751)
Decrease in inventory	-	559	749
Purchase of tangible capital assets	<u>(12,386,000)</u>	<u>(8,368,044)</u>	<u>(11,707,049)</u>
	<u>(10,453,000)</u>	<u>(6,415,786)</u>	<u>(9,971,487)</u>
(Increase) decrease in net debt	(10,452,500)	2,123,753	(3,608,902)
Net debt - beginning of year	(11,686,342)	(11,686,342)	(8,077,440)
Net debt - end of year	\$ (22,138,842)	\$ (9,562,589)	\$ (11,686,342)

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Consolidated Statement of Cash Flows
Year Ended March 31, 2021

	Actual 2021	Actual 2020
Cash flows from operating activities		
Annual surplus	\$ 8,539,539	\$ 6,362,585
Item not affecting cash:		
Amortization of tangible capital assets	<u>1,954,339</u>	<u>1,738,564</u>
	<u>10,493,878</u>	<u>8,101,149</u>
Changes in non-cash working capital:		
Accounts receivable	42,566	(2,857,832)
Loans and contributions receivable	11,988	13,882
Prepaid expense	(2,651)	(3,750)
Inventory	559	749
Land held for resale	9,570	882,797
Accounts payable and accrued liabilities	(735,469)	1,448,979
Deferred revenue	<u>293,778</u>	<u>(329,300)</u>
	<u>(379,659)</u>	<u>(844,475)</u>
	<u>10,114,219</u>	<u>7,256,674</u>
Cash flows from capital activities		
Purchase of tangible capital assets	(8,368,044)	(11,707,049)
Long term investments	<u>(23,189)</u>	<u>(20,753)</u>
	<u>(8,391,233)</u>	<u>(11,727,802)</u>
Cash flows from financing activities		
Proceeds from long term debt	2,905,000	7,022,000
Repayment of long term debt	<u>(2,354,598)</u>	<u>(1,181,725)</u>
	<u>550,402</u>	<u>5,840,275</u>
Increase in cash	<u>2,273,388</u>	<u>1,369,147</u>
Cash - beginning of year	<u>1,145,892</u>	<u>(223,255)</u>
Cash - end of year	<u>\$ 3,419,280</u>	<u>\$ 1,145,892</u>
Cash consists of:		
Cash	\$ 2,314,155	\$ 961,274
Restricted cash	1,105,125	420,921
Short term indebtedness	<u>-</u>	<u>(236,303)</u>
	<u>\$ 3,419,280</u>	<u>\$ 1,145,892</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

1. DESCRIPTION OF BUSINESS

The Town of Stratford was incorporated under the Municipalities Act of Prince Edward Island. Its principal activities include the provision of local government services to residents of the incorporated area. The Town is a non-profit organization under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements of the Town of Stratford are the representations of management prepared in accordance with Canadian accounting standards for the public sector.

The consolidated financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting recognizes revenue as it is earned and measurable. Expenditures are recognized as they are incurred and measurable based upon receipt of goods or services and/or the legal obligation to pay.

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers, contributions and other amounts are received from third parties pursuant to legislation, regulation or agreement and may only be used for certain programs and in the completion of specific work. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the year when the related expenditures are incurred, services are performed or the tangible capital assets are acquired.

The consolidated financial statements reflect the assets, liabilities, revenues and expenditures of all municipal organizations, committees and boards which are owned or controlled by the Town. The following entities have been consolidated:

Town of Stratford
Stratford Utility Corporation
Stratford Business Park Corporation Inc.
One Governance Foundation

The financial activities of a certain entity associated with the Town of Stratford are considered to be a separate organizational entity and is not consolidated. The Town's transactions with this entity are recorded in the consolidated statement of operations. The following entity has not be consolidated:

Stratford Community Senior's Complex Ltd.

A government business enterprise is a self-sustaining organization that has the financial and operating authority to sell goods and services to individuals and non-government organizations as its principal activity and source of revenue. Government business enterprises are accounted for on the modified equity basis. Their accounting principles are not adjusted to conform with those of the Town. The total net assets of all government business enterprises are reported as a separate item on the Consolidated Statement of Financial Position. The total net income from all government business enterprises is reported as a separate item on the Consolidated Statement of Operations. The Town's investment in government business enterprises include the following:

The Charlottetown Area Development Corporation (CADC)

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TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

Cash is comprised of unrestricted, internally restricted and restricted balances on deposits with banks and short term indebtedness.

Accounts receivable

Accounts receivable arise from Utility billings, government funding receivable, Harmonized Sales Tax receivable and other miscellaneous receivables. An allowance for bad debts has been calculated through discussions with management, assessment of the other circumstances influencing the collectibility of amounts, and using historical loss experience. Amounts deemed uncollectible are written off and deducted from the carrying value of the receivable. Amounts subsequently recovered from accounts previously written off are credited to the allowance account in the period of recovery.

Inventory

Inventories are stated at the lower of cost and net realizable value. Cost includes the costs to purchase and other costs directly attributable to the inventories. Cost is determined using the first in, first out method. Net realizable value represents the amount that may be realized from the sale of an inventory item under normal business conditions. When inventories are sold, the carrying amount of those inventories are recognized as an expenditure in the year in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expenditure in the year the loss or write-down occurs. The amount of reversal of any write-downs, arising from an increase in net realizable value, shall be recognized as a reduction in the amount of inventories recognized as an expenditure in the year in which the reversal occurs.

Land held for resale

Inventories of land are lower of cost and net realizable value. Cost includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

Tangible capital assets

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

Buildings and facilities	40 and 50 years
Sidewalks, parks and paving	25 years
Machinery and equipment	10 years
Vehicles	7 years
Small equipment	5 years
Computer hardware and software	4 years
Sewer systems	20 and 50 years
Water systems	50 years

Interest on capital projects is capitalized during the period of construction.

One-half of the annual rate is recorded in the year of acquisition; no amortization is recorded in the year of disposal.

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TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of long lived assets

The Town tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Employee benefits

Employees accumulate sick leave at a rate of 1.25 days per month. Employees who reach the age of 60 may take a lump sum payment of half of their accumulated sick leave credits up to a maximum of 75 days' payment at retirement. At March 31, 2021, the liability for unused sick leave, that is required to be paid out upon severance or retirement, amounted to \$91,296 (2020 - \$81,051). No actuarial valuation has been performed pertaining to this liability.

Employees accumulate vacation time based on their years of service. Employees are required to use their vacation time within 12 months of being earned. Employees who leave the organization are paid out for their total accrued vacation time. At March 31, 2021, the liability for unused vacation time that is required to be paid out upon an employee leaving the organization amounted to \$132,623 (2020 - \$126,386). No actuarial valuation has been performed pertaining to this liability.

The Town has a defined contribution pension plan for employees consisting of a registered retirement pension plan (RRSP) matching program. The Town's pension costs are charged to operations as contributions are due. The Town matches employees' contributions to a maximum of 6% of their annual salary. During the year, there was \$79,754 (2020 - \$76,419) contributed to RRSP plans.

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for the use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the annual surplus, provides the consolidated change in net debt for the year.

Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return.

Government transfers are recognized in the consolidated financial statements as revenue in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates on the amounts can be determined.

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TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in surplus. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issuance of financial instruments that are subsequently measured at amortized cost are shown as an adjustment to the carrying value of the related financial instrument.

Revenue recognition

Property tax billings are received directly from the Province of Prince Edward Island. Taxes are billed based on the assessment rolls provided by the Province of Prince Edward Island at rates set by the Town. Taxation revenue is recorded as it is received in monthly installments from the Province of Prince Edward Island. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized.

Utility revenues are recognized when the significant risks and rewards of the service are transferred to the customer, which generally coincides with the time of billing, collectability is reasonably assured, persuasive evidence of an arrangement exists and the sales price is fixed and determinable.

Rent becomes due each month and is recognized on a monthly basis as paid. Price is fixed based on the contract signed for each year, and significant risks and rewards have been transferred. Other revenues are recognized when the significant risks and rewards are transferred to the customer, collectability is reasonably assured, persuasive evidence of an arrangement exists and the sales price is fixed and determinable.

The Town follows the deferral method of accounting for grants and contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred, with recognition of excess amounts being deferred until the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Measurement uncertainty

The presentation of the consolidated financial statements in conformity with Canadian accounting standards for the public sector requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. The following are areas in which management makes significant accounting estimates:

- The amounts recorded for amortization of tangible capital assets on the statement of operations and schedules is subject to management's assessment of the estimated useful life of the Town's tangible capital assets;
- The recognized amounts of potential claims and liabilities depend on management's assessment of future costs and the probability these events will occur.

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

3. LOANS AND CONTRIBUTIONS RECEIVABLE

	2021	2020
Donald Baker, Bakerridge Properties Inc, George Bagnall and K-Right Communications Limited, non-interest bearing until April 2016, at which time interest began to accrue at a rate equal to the Town's cost of borrowing, repayable at the earlier of any sale, transfer or development of certain property, at cost	\$ 125,000	\$ 125,000
Utility capital contributions receivable	23,110	35,098
	\$ 148,110	\$ 160,098

4. ACCOUNTS RECEIVABLE

	2021	2020
Government transfers	\$ 3,204,318	\$ 3,198,972
Utility billings	842,663	752,210
HST	192,117	268,141
Trade	160,085	242,768
Due from Stratford Community Senior's Complex Ltd.	22,842	2,500
	\$ 4,422,025	\$ 4,464,591

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

5. INVESTMENTS

The Town of Stratford holds a 2% portion of the Charlottetown Area Development Corporation (CADC). Condensed financial information for CADC for the years ended March 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
<u>Consolidated Statement of Financial Position</u>		
Assets		
Current assets	\$ 10,416,573	\$ 10,893,093
Property inventory	3,235,217	3,424,515
Mortgages receivable	425,798	4,923,525
Property and equipment	40,530	38,765
Investment properties	<u>54,065,503</u>	<u>50,404,015</u>
	<u>68,183,621</u>	<u>69,683,913</u>
Liabilities		
Current liabilities	12,910,327	18,758,870
Long term debt	8,980,954	6,285,537
Deferred revenues	<u>35,729,764</u>	<u>35,236,402</u>
	<u>57,621,045</u>	<u>60,280,809</u>
Shareholders' equity		
Capital stock	2,500	2,500
Contributed surplus	4,526,706	4,526,706
Retained earnings	<u>6,033,370</u>	<u>4,873,898</u>
	<u>10,562,576</u>	<u>9,403,104</u>
Total liabilities and shareholders' equity	<u>\$ 68,183,621</u>	<u>\$ 69,683,913</u>
<u>Consolidated Statement of Comprehensive Income</u>		
Revenue		
Operating income	\$ 1,864,176	\$ 1,667,147
Management fee	147,017	152,400
Interest	137,683	171,359
Miscellaneous	<u>25,951</u>	<u>35,715</u>
	<u>2,174,827</u>	<u>2,026,621</u>
Expenses		
	<u>1,015,355</u>	<u>989,002</u>
Net earnings for the year	1,159,472	1,037,619
Retained earnings - beginning of year	4,873,898	3,836,279
Retained earnings - end of year	<u>6,033,370</u>	<u>4,873,898</u>
Investment - beginning of year	\$ 220,046	\$ 199,294
Share of net income (2%)	23,189	20,752
Investment - end of year	<u>\$ 243,235</u>	<u>\$ 220,046</u>

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

5. INVESTMENTS (continued)

Key Activities and Commitments:

Demand loans of \$10,326,067 (2020 - \$13,255,067) are due on demand, interest at prime minus 0.1% and bankers' acceptance rate plus 0.75%. Interest paid monthly.

The corporation renewed \$2,689,849 and \$2,028,107 of its maturing mortgages payable during the year.

The 2.48%, 2.92%, 2.95%, 3.11% and 4.18% mortgages and the demand loans are secured by general security agreement representing a first charge on all assets, continuing collateral mortgages representing a first charge on all real property known as Harbourside Complex and an undertaking not to encumber or mortgage the property at 119 Euston Street, assignment of mortgage receivable and fire insurance for Harbourside Complex and general assignment of rents representing a first charge on rent on the Harbourside Complex.

The Province of Prince Edward Island is the majority shareholder of the The Charlottetown Area Development Corporation and the City of Charlottetown and the Town of Stratford are minority shareholders. Included in accounts payable was \$Nil (2020 - \$1,292) due to Stratford Utility Corporation.

6. DEFERRED REVENUE

During the year, the Town was allocated \$1,406,056 (2020 - \$1,321,792) under the New Deal Gas Tax Funding for Incorporated Communities agreement. Total proceeds of \$1,407,045 received by the Town as at March 31, 2021 is comprised of \$1,406,056 plus interest of \$989. The Town must use their allocation of the New Deal Gas Tax funds for eligible infrastructure and capacity building projects.

Under the Agreement on the Transfer of Federal Gas Tax Revenues through the New Deal for Cities and Communities, the Town has received revenues which are restricted for expenditures on eligible projects. During the year, \$899,126 (2020 - \$1,862,476) was spent on eligible projects. The Town has prepared, and the governmental regulating body has accepted, a Capital Investment Plan which details anticipated expenditures.

	2021	2020
<u>Town</u>		
New Deal Gas Tax	\$ 292,268	\$ -
Unearned revenue	12,255	21,310
Deferred revenue	-	15,813
Stratford Youth Council	-	2,198
	304,523	39,321
 <u>Utility</u>		
Deferred capital contributions	160,990	160,771
Deferred revenue	28,357	-
	189,347	160,771
Total deferred revenue	\$ 493,870	\$ 200,092

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

7. LONG TERM DEBT

	2021	2020
<u>Town</u>		
Royal Bank of Canada - 2.07%; Bankers Acceptance; repayable in quarterly principal payments of \$63,000 to \$69,000 for 2020 to 2024. The loan matures on December 20, 2030.	\$ 5,785,000	\$ 6,038,000
TD Canada Trust - 2.99%; repayable in monthly blended installments of \$24,035. The loan matures on June 22, 2023.	626,993	892,396
TD Canada Trust - 2.98%; repayable in monthly blended installments of \$11,972. The loan matures on March 21, 2023.	278,594	411,827
TD Canada Trust - 2.66%; repayable in monthly blended installments of \$3,418. The loan matures on May 20, 2025.	161,707	197,893
TD Canada Trust - 2.9%; repayable in monthly blended installments of \$2,169. The loan matures on January 23, 2023.	46,406	70,702
	6,898,700	7,610,818
<u>Utility</u>		
TD Canada Trust - 3.81%; repayable in monthly blended installments of \$7,075. The loan matures on April 24, 2038.	1,065,000	1,108,410
TD Canada Trust - 3.31%; repayable in quarterly blended installments of \$6,180. The loan matures on May 20, 2035.	839,405	885,004
TD Canada Trust - 3.45%; repayable in monthly blended installments of \$4,943. The loan matures on May 20, 2034.	628,144	665,127
TD Canada Trust - 3.2%; repayable in monthly blended installments of \$3,598. The loan matures on June 14, 2036.	520,560	546,669
TD Canada Trust - 3.11%; repayable in monthly blended installments of \$6,291. The loan matures on January 23, 2028.	464,076	524,104
TD Canada Trust - 3.3%; repayable in monthly blended installments of \$2,960. The loan matures on June 19, 2037.	446,376	466,797
TD Canada Trust - 2.57%; repayable in monthly blended installments of \$4,081. The loan matures on June 19, 2027.	282,540	323,648
TD Canada Trust - 2.63%; repayable in annual blended installments of \$4,335. The loan matures on January 18, 2026.	235,883	281,052
Royal Bank of Canada - 2.61%; repayable in monthly blended installments of \$5,581. The loan matures on June 28, 2024.	208,494	269,176
TD Canada Trust - 3.48%; repayable in monthly blended installments of \$5,455. The loan matures on November 23, 2023.	166,485	225,028
TD Canada Trust - 2.86%; repayable in monthly blended installments of \$3,077. The loan matures on December 17, 2024.	131,186	163,865
CMHC - 3.92%; repayable in annual blended installments of \$23,005. The loan matures on March 1, 2026.	102,647	126,606
CMHC - 3.92%; repayable in annual blended installments of \$19,097. The loan matures on March 1, 2026.	85,208	105,097

(continues)

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

7. LONG TERM DEBT (continued)

	2021	2020
CMHC - 3.98%; repayable in annual blended installments of \$19,054. The loan matures on February 1, 2025.	69,125	89,982
Royal Bank of Canada - 2.73%; repayable in monthly blended installments of \$4,982. The loan matures on April 10, 2022.	63,751	120,934
Bank of Montreal - 3.03%; repayable in monthly blended installments of \$2,708. The loan matures on May 31, 2023.	62,972	93,064
CMHC - 3.92%, repayable in annual blended installments of \$11,775. The loan matures on March 1, 2026.	52,539	64,803
Bank of Montreal - 3.77%; repayable in monthly blended installments of \$3,547. The loan matures on July 31, 2021.	14,018	55,208
Royal Bank of Canada - 3.07%, repayable in quarterly blended installments of \$37,306. The loan matures on March 30, 2046.	2,731,000	-
TD Bank - 2.4%, repayable in monthly blended installments of \$1,632. The loan matures on June 30, 2030.	162,341	-
Royal Bank of Canada - 2.62%; repaid during the year.	-	750,000
Bank of Montreal - 5.18%; repaid during the year.	-	174,668
TD Canada Trust - 1.9%; repaid during the year.	-	29,987
	8,331,750	7,069,229
	\$ 15,230,450	\$ 14,680,047

Principal repayments of long term debt are expected to be repaid over the next five years as follows:

2022	\$ 1,451,055
2023	1,523,113
2024	969,132
2025	1,334,497
2026	758,920

8. LEASE COMMITMENT

The Town has entered into a lease agreement with Parkdale Holdings for the lease of a library space. The minimum lease payments due over the next four years are as follows:

2022	\$ 59,156
2023	59,156
2024	59,156
2025	59,156

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

9. COMMITMENTS

As part of an agreement dated November 28, 2002, the Town agreed to provide fixed capital funding to Capital Area Recreation Inc. (CARI) for the construction of an aquatic facility. As part of the agreement, CARI shall submit an annual business plan and budget for approval by the Town relating to the Town's recreation programs to include scheduling, rates and subsidies. As part of the agreement, the Town can appoint a member to the Board of Directors of CARI.

The Town has made a commitment to CARI to fund 8% of the aquatic facility's operational shortfall to a maximum of \$3,000 per year, as well as contributing 8% to the capital replacement sinking fund to a maximum of \$6,582 per year, adjusted for inflation.

During 2012, the Town signed a 20-year contract with the RCMP, which can be opted out of with two years' notice. The annual cost of the commitment varies as it is based on costs incurred by the RCMP. Expenditures paid by the Town under this contract in 2021 were \$871,861 (2020 - \$879,820).

On November 22, 2017, the Town signed a 20-year agreement with the City of Charlottetown to use the City's wastewater treatment plant for the treatment of the Town's wastewater. The Town is required to pay an annual fee to the City which is a combination of the flow fee and the administrative fee. Expenditures paid by the Town under this agreement in 2021 were \$94,618 (2020 - \$Nil). The infrastructure cost for the project is estimated at \$10,925,000, of which 67% is to be funded by the Federal and Provincial governments.

10. ACCUMULATED SURPLUS

	2021	2020
Unrestricted surplus (deficit)	\$ 3,220,948	\$ (562,079)
Reserve funds (Note 11)	2,487,228	3,584,019
Investment in tangible capital assets (Note 12)	51,611,036	45,757,733
	\$ 57,319,212	\$ 48,779,673

11. RESERVE FUNDS

	2021	2020
<u>Reserve funds</u>		
Balance, beginning of year	\$ 3,584,019	\$ 1,415,024
Allocation to Utility Capital project fund	420,800	2,181,364
Allocation to Town Capital project fund	15,897	223,541
Allocation to Election reserve fund	9,500	9,500
Allocation to Pondsides Park dredging fund	7,000	7,000
Allocation to Stratfords of the World reserve fund	1,000	966
Allocation to Youth Centre reserve fund	56	2,348
Allocation to Emergency Service Centre reserve fund	50,000	-
Allocation to RCMP vehicle reserve fund	15,000	-
Allocation to Arts and Culture reserve fund	5,656	-
RCMP building reserve expenditures	-	(249,721)
Recreation/ GoPEI reserve expenditures	-	(6,003)
Allocation from Town Capital project fund	(260,816)	-
Allocation from Utility Capital project funds	(1,360,884)	-
Balance, end of year	2,487,228	3,584,019

(continues)

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

11. RESERVE FUNDS (continued)

	<u>2021</u>	<u>2020</u>
<u>Town</u>		
Town capital project	114,425	359,344
Utility capital contribution	131,286	131,286
Dedication fees	110,589	110,589
Pondside Park dredging	63,000	56,000
Emergency Service Centre	50,000	-
RCMP vehicle	45,000	30,000
Election	19,000	9,500
Heritage grant reserve	6,198	6,198
Arts and Culture	5,656	-
Stratfords of the World	5,454	4,454
Youth Centre Reserve	2,404	2,348
	<u>553,012</u>	<u>709,719</u>
<u>Utility</u>		
Capital project fund	1,175,112	2,152,200
Utility capital reserve	759,104	722,100
	<u>1,934,216</u>	<u>2,874,300</u>
Total reserve funds	<u>\$ 2,487,228</u>	<u>\$ 3,584,019</u>

12. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	<u>2021</u>	<u>2020</u>
Tangible capital assets (Schedules 1 and 2)	\$ 91,610,652	\$ 83,793,206
Accumulated amortization (Schedules 1 and 2)	(24,769,166)	(23,365,427)
Long term debt (Note 7)	(15,230,450)	(14,680,046)
	<u>\$ 51,611,036</u>	<u>\$ 45,747,733</u>

13. GOVERNMENT TRANSFERS FOR INFRASTRUCTURE

	<u>2021</u>	<u>2020</u>
<u>Town</u>		
New Deal Gas Tax	\$ 1,053,204	\$ 1,145,137
Province of PEI Safe Restart Program	435,000	-
Province of PEI Active Transportation Fund	206,708	-
Investing in Canada Infrastructure Program	191,276	23,735
Municipal Capital Expenditure Grant	173,948	890,850
Province of PEI Climate Challenge Fund	25,830	-
Government of Canada for Stratford Honour Roll Project	22,500	-
Province of PEI Dorian Disaster Financial Assistance	10,640	-
Trans Canada Trail Funding	4,750	7,143
Miscellaneous	4,508	-

(continues)

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

13. GOVERNMENT TRANSFERS FOR INFRASTRUCTURE (continued)

	2021	2020
<u>Town</u>		
Province of PEI Wellness Grant	200	-
Canada Water Wastewater Fund	-	64,360
Province of PEI	-	2,680
	2,128,564	2,133,905
 <u>Utility</u>		
Clean Water Wastewater Fund	4,634,504	2,606,268
Municipal Capital Expenditure Grant	572,758	333,943
Investing in Canada Infrastructure Program	43,603	-
	5,250,865	2,940,211
Total government transfers for infrastructure	\$ 7,379,429	\$ 5,074,116

14. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash, restricted cash, accounts receivable, loans and contributions receivable, short term indebtedness, accounts payable and accrued liabilities, and long term debt.

The Town is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Town's risk exposure and concentration as of March 31, 2021.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Town is exposed to credit risk from customers. In order to reduce its credit risk, the Town reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Town has a significant number of customers which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Town is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, contributions to the pension plan, and accounts payable.

15. ROBERT L. COTTON MEMORIAL PARK

During 1998, the Town received from the Province of Prince Edward Island, for a nominal fee of \$1, the land and buildings currently known as the Robert L. Cotton Memorial Park. The purchase agreement with the Province stipulates that no income can be generated from this property and the property cannot be sold in part or as a whole. The property must be returned to the Province for the same nominal fee of \$1 should the Town no longer desire to own the property.

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

16. LINE OF CREDIT AVAILABILITY

The town has approved lines of credit with Provincial Credit Union Limited of \$2,000,000 and \$750,000, which are due for renewal on January 5, 2022, and were not utilized at year end. The Business Park has an approved line of credit with Provincial Credit Union Limited of \$800,000 which is due for renewal on January 5, 2022, and were not utilized at the end.

17. SEGMENT DISCLOSURE

The Town is a diversified municipal unit that provides a wide range of services to its citizens. For management reporting purposes the Town's operations and activities are organized and reported by segment. The major segments are as follows:

General Government

This department is responsible for the overall local government administration.

Finance

This department is responsible for the overall financial information of the Town. Its tasks includes accounts payable and receivables, budgets and financial statements.

Recreation

This department is responsible for promoting and offering recreation opportunities and activities to the Town's residents.

Infrastructure

This department is responsible for infrastructure and maintenance projects for the Town.

Planning

This department is responsible for the overall planning of the Town.

Stratford Utility Corporation

This department is responsible for the maintenance and operations of the water and sewer services provided to residents and other customers.

Stratford Business Park

This department is responsible for the maintenance and operations of the Stratford Business Park. Internally generated revenues and expenses are eliminated on a consolidated basis.

18. SUBSEQUENT EVENT

The recent outbreak of the Coronavirus Disease 2019, or COVID-19, has spread across the globe and is impacting worldwide economic activity. This global pandemic poses the risk that the Town or its residents, employees, contractors, suppliers and other partners may be unable to conduct regular business activities for an indefinite period of time. While it is not possible at this time to estimate the impact that COVID-19 could have on the Town's business, the continued spread of COVID-19 and the measures taken by the federal and provincial governments to contain its impact could adversely impact the Town's business, financial condition or results of operations. The extent to which the COVID-19 outbreak impacts the Town's results will depend on future developments that are highly uncertain and cannot be predicted, including new information that may emerge concerning the spread of the virus and government actions.

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2021

19. BUDGET FIGURES

Budget figures were not audited or reviewed by external auditor and have been included in the consolidated financial statements for comparative purposes only.

20. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

TOWN OF STRATFORD
Schedules to Consolidated Financial Statements
Tangible Capital Assets
Year Ended March 31, 2021

(Schedule 1)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
Town									
Land	\$ 2,080,615	\$ 12,512	\$ -	\$ 2,093,127	\$ -	\$ -	\$ -	\$ -	\$ 2,093,127
Buildings and facilities	17,113,316	247,234	-	17,360,550	4,088,051	384,789	-	4,472,840	12,887,710
Computer and equipment	787,433	175,614	(289,824)	673,223	685,144	74,745	(289,824)	470,065	203,158
Vehicles	1,310,735	130,763	(93,632)	1,347,866	1,220,394	20,680	(93,632)	1,147,442	200,424
Parks and other	4,245,057	448,897	(69,917)	4,624,037	1,972,296	191,619	(69,917)	2,093,998	2,530,039
Active transportation	6,567,813	790,959	-	7,358,772	3,044,971	198,852	-	3,243,821	4,114,951
	<u>\$ 32,104,969</u>	<u>\$ 1,805,979</u>	<u>\$ (453,373)</u>	<u>\$ 33,457,575</u>	<u>\$ 11,010,856</u>	<u>\$ 870,685</u>	<u>\$ (453,373)</u>	<u>\$ 11,428,166</u>	<u>\$ 22,029,409</u>
Utility									
Land	\$ 783,759	\$ -	\$ -	\$ 783,759	\$ -	\$ -	\$ -	\$ -	\$ 783,759
Computer and equipment	248,183	20,422	-	268,605	146,853	28,316	-	175,169	93,436
Vehicles	236,799	-	(97,225)	139,574	188,433	7,538	(97,225)	98,746	40,828
Sewer	25,856,009	9,632,669	-	35,488,678	7,987,619	530,594	-	8,518,213	26,970,465
Water	21,255,043	217,418	-	21,472,461	4,031,666	517,206	-	4,548,872	16,923,589
Construction in progress	3,308,444	-	(3,308,444)	-	-	-	-	-	-
	<u>\$ 51,688,237</u>	<u>\$ 9,870,509</u>	<u>\$ (3,405,669)</u>	<u>\$ 58,153,077</u>	<u>\$ 12,354,571</u>	<u>\$ 1,083,654</u>	<u>\$ (97,225)</u>	<u>\$ 13,341,000</u>	<u>\$ 44,812,077</u>
Total	<u>\$ 83,793,206</u>	<u>\$ 11,676,488</u>	<u>\$ (3,859,042)</u>	<u>\$ 91,610,652</u>	<u>\$ 23,365,427</u>	<u>\$ 1,954,339</u>	<u>\$ (550,598)</u>	<u>\$ 24,769,166</u>	<u>\$ 66,841,486</u>

Notes 1 to 20 are an integral part of these consolidated financial statements



TOWN OF STRATFORD
Schedules to Consolidated Financial Statements
Tangible Capital Assets
Year Ended March 31, 2020

(Schedule 2)

	Cost beginning of year	Additions	Disposals and write downs	Cost end of year	Accum amort beginning of year	Amort in the year	Disposals and write downs	Accum amort end of year	Net book value
Town									
Land	\$ 1,773,830	\$ 306,785	-	\$ 2,080,615	-	-	-	-	\$ 2,080,615
Buildings and facilities	9,952,703	7,160,613	-	17,113,316	3,488,627	599,424	-	4,088,051	13,025,265
Computer and equipment	715,764	71,669	-	787,433	386,065	299,079	-	685,144	102,289
Vehicles	1,181,532	129,203	-	1,310,735	1,116,240	104,154	-	1,220,394	90,341
Parks and other	4,206,874	38,183	-	4,245,057	2,865,462	(893,166)	-	1,972,296	2,272,761
Active transportation	6,321,587	246,226	-	6,567,813	2,415,369	629,602	-	3,044,971	3,522,842
	\$ 24,152,290	\$ 7,952,679	\$ -	\$ 32,104,969	\$ 10,271,763	\$ 739,093	\$ -	\$ 11,010,856	\$ 21,094,113
Utility									
Land	\$ 783,759	-	-	\$ 783,759	-	-	-	-	\$ 783,759
Computer and equipment	135,965	112,218	-	248,183	133,951	12,902	-	146,853	101,330
Vehicles	184,713	52,086	-	236,799	184,713	3,720	-	188,433	48,366
Sewer	25,705,176	150,833	-	25,856,009	7,473,543	514,076	-	7,987,619	17,868,390
Water	21,124,254	130,789	-	21,255,043	3,562,893	468,773	-	4,031,666	17,223,377
Construction in progress	-	3,308,444	-	3,308,444	-	-	-	-	3,308,444
	\$ 47,933,867	\$ 3,754,370	\$ -	\$ 51,688,237	\$ 11,355,100	\$ 999,471	\$ -	\$ 12,354,571	\$ 39,333,666
Total	\$ 72,086,157	\$ 11,707,049	\$ -	\$ 83,793,206	\$ 21,626,863	\$ 1,738,564	\$ -	\$ 23,365,427	\$ 60,427,779

Notes 1 to 20 are an integral part of these consolidated financial statements



TOWN OF STRATFORD
Schedules to Consolidated Financial Statements
Segment Disclosures
Year Ended March 31, 2021

(Schedule 3)

	General Government	Finance	Recreation	Infrastructure	Planning	Stratford Utility Corporation	Stratford Business Park	Elimination	Consolidated 2021
Revenue									
Property taxes	\$ 4,807,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,807,573
Government transfers									
Support	1,237,751	-	-	-	-	-	-	-	1,237,751
Infrastructure	2,128,564	-	-	-	5,250,865	-	-	-	7,379,429
Rental	647,479	-	-	-	-	-	-	(52,500)	594,979
Third party revenue	52,846	-	59,674	-	173,524	-	-	-	286,044
Other revenue	43,615	-	-	-	-	-	20,075	-	63,690
Interest	-	-	-	-	-	34,576	-	-	34,576
Water and sewer	-	-	-	-	-	3,175,684	-	(16,303)	3,159,381
	\$ 8,917,828	\$ -	\$ 59,674	\$ -	\$ 173,524	\$ 8,461,125	\$ 20,075	\$ (68,803)	\$ 17,563,423
Expenditures									
Salaries and benefits	\$ 324,830	\$ 206,892	\$ 421,145	\$ 452,264	\$ 319,974	\$ 657,735	\$ -	\$ -	\$ 2,382,841
Goods and services	2,471,317	301,168	136,423	659,973	31,719	685,637	-	(68,803)	4,217,434
Amortization	870,684	-	-	-	-	1,083,655	-	-	1,954,338
Interest	-	166,274	-	-	-	206,635	-	-	372,909
Other	-	-	63,449	-	-	-	32,913	-	96,362
	\$ 3,666,831	\$ 674,334	\$ 621,017	\$ 1,112,237	\$ 351,693	\$ 2,633,662	\$ 32,913	\$ (68,803)	\$ 9,023,884
Annual surplus	\$ 5,250,997	\$ (674,334)	\$ (561,343)	\$ (1,112,237)	\$ (178,169)	\$ 5,827,463	\$ (12,838)	\$ -	\$ 8,539,539

Notes 1 to 20 are an integral part of these consolidated financial statements



TOWN OF STRATFORD
Schedules to Consolidated Financial Statements
Segment Disclosures
Year Ended March 31, 2020

(Schedule 4)

	General Government	Finance	Recreation	Infrastructure	Planning	Stratford Utility Corporation	Stratford Business Park	Elimination	Consolidated 2020
Revenues									
Property taxes	\$ 4,152,661	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,152,661
Government transfers									
Support	1,197,564	-	-	-	-	-	-	-	1,197,564
Infrastructure	2,133,905	-	-	-	2,940,211	-	-	-	5,074,116
Donations	732,702	-	-	-	-	-	-	-	732,702
Rental	402,914	-	-	-	-	-	-	(52,500)	350,414
Third party revenue	68,353	-	83,852	-	134,167	-	-	-	286,372
Other revenue	26,555	-	-	-	-	-	494,101	-	520,656
Interest	-	-	-	-	-	35,282	-	-	35,282
Water and sewer	-	-	-	-	-	2,865,564	-	(26,299)	2,839,265
	\$ 8,714,654	\$ -	\$ 83,852	\$ -	\$ 134,167	\$ 5,841,057	\$ 494,101	\$ (78,799)	\$ 15,189,032
Expenditures									
Salaries and benefits	\$ 271,532	\$ 178,611	\$ 412,047	\$ 419,513	\$ 305,978	\$ 608,163	\$ -	\$ -	\$ 2,195,844
Goods and services	2,426,332	289,436	151,601	563,531	26,556	626,412	-	(78,799)	4,005,069
Depreciation	739,093	-	-	-	-	999,471	-	-	1,738,564
Interest	-	216,689	-	-	-	283,003	-	-	499,692
Other	-	-	81,952	-	-	-	305,326	-	387,278
	\$ 3,436,957	\$ 684,736	\$ 645,600	\$ 983,044	\$ 332,534	\$ 2,517,049	\$ 305,326	\$ (78,799)	\$ 8,826,447
Annual surplus	\$ 5,277,697	\$ (684,736)	\$ (561,748)	\$ (983,044)	\$ (198,367)	\$ 3,324,008	\$ 188,775	\$ -	\$ 6,362,585

Notes 1 to 20 are an integral part of these consolidated financial statements



TOWN OF STRATFORD
Consolidated Statement of Operations - Town (Schedule 5)
Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Revenues			
Property tax	\$ 4,702,100	\$ 4,807,573	\$ 4,152,661
Government transfers			
Provincial municipal support	1,242,600	1,237,751	1,197,564
Rental	754,800	647,479	402,914
Development permits	172,200	165,309	124,912
Recreation programs	94,500	59,674	83,852
Police fines	60,000	42,481	54,574
Income from government business enterprise (Note 5)	-	23,189	20,752
Miscellaneous	15,300	20,426	5,803
Seniors' complex wage allocation	10,000	10,000	10,000
Field maintenance fee levy	-	8,215	9,255
Animal control	-	365	3,779
Donations	-	-	732,702
Interest	100	-	-
	<u>7,051,600</u>	<u>7,022,462</u>	<u>6,798,768</u>
Expenditures			
General (Schedule 6)	3,920,400	3,666,831	3,436,957
Finance (Schedule 7)	790,500	674,334	684,736
Recreation (Schedule 8)	748,300	621,017	645,600
Infrastructure (Schedule 9)	1,231,000	1,112,237	983,044
Planning (Schedule 10)	361,300	351,693	332,534
	<u>7,051,500</u>	<u>6,426,112</u>	<u>6,082,871</u>
Surplus from operations	100	596,350	715,897
Other revenues			
Government transfer for infrastructure (Note 13)	-	2,128,564	2,133,905
	<u>-</u>	<u>2,128,564</u>	<u>2,133,905</u>
Annual surplus	\$ 100	\$ 2,724,914	\$ 2,849,802

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Consolidated Statement of Expenditures - General (Schedule 6)
Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Expenditures			
Amortization of tangible capital assets	\$ 900,000	\$ 870,684	\$ 739,093
Animal control	34,000	32,766	33,049
Committee	42,500	24,859	43,194
Community engagement	75,000	55,281	68,315
Covid 19 contingency fund	38,100	-	-
Donations	16,500	12,458	14,450
Elections	9,500	10,142	-
Fire protection	629,300	622,203	539,303
GIS development and maintenance	-	197	381
Library lease	82,500	85,269	80,906
Mayor and council:			
Council development	40,000	3,964	24,699
Council honorariums	137,900	146,192	136,421
Discretionary fund	4,000	2,482	3,460
Municipal dues and fees	21,700	21,799	18,968
Professional fees - consulting	40,000	36,246	32,160
Professional fees - legal	30,000	28,623	28,853
Promotions	12,000	6,271	13,332
Police protection	894,900	894,821	879,820
RCMP office lease	-	-	2,294
Salaries and wages	351,600	301,619	257,131
Staff EAP and incentives	12,300	18,675	7,278
Staff development and travel	12,000	4,536	7,123
Street lighting	230,000	225,510	224,210
Sustainability	60,000	31,039	54,938
Transit	221,600	226,216	220,692
Watershed	25,000	4,979	6,887
	\$ 3,920,400	\$ 3,666,831	\$ 3,436,957

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Consolidated Statement of Expenditures - Finance (Schedule 7)
Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Expenditures			
Advertising	\$ 5,000	\$ 2,400	\$ 2,593
Computer software and internet	91,400	44,595	76,640
Fees and journals	5,000	1,852	5,877
Insurance	53,600	54,869	48,926
Interest and bank charges	25,000	22,422	94,743
Interest on long term debt	240,000	143,852	121,946
Leased equipment	6,500	5,094	2,475
Office supplies	30,000	24,377	27,238
Postage and courier	6,000	5,587	3,040
Professional fees	18,500	15,061	23,452
Property tax	31,600	78,407	43,283
Property tax rebates	11,500	20,392	11,340
Salaries and wages	197,700	191,898	171,733
Staff development and travel	8,000	1,666	3,787
Stratfords of the World	1,000	-	35
Telephone	48,700	48,534	44,537
Workers compensation	11,000	13,328	3,091
	\$ 790,500	\$ 674,334	\$ 684,736

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TOWN OF STRATFORD
Consolidated Statement of Expenditures - Recreation (Schedule 8)
Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Expenditures			
Arts and culture	\$ 32,000	\$ 30,437	\$ 35,561
Events	37,000	21,014	27,208
Grants:			
CARI operating	16,300	15,949	15,952
Glen Stewart playground	7,500	7,500	15,000
Pownal rink	40,000	40,000	50,000
Other	3,400	-	1,000
Maintenance:			
Playground	34,000	28,730	35,353
Sports field	30,500	13,335	13,711
Professional fees	6,500	7,506	218
Programs	37,000	33,981	37,875
Promotion	1,600	-	-
Rink operations	2,500	1,420	1,675
Salaries and wages	495,500	418,845	409,987
Staff development and travel	4,500	2,300	2,060
	<u>\$ 748,300</u>	<u>\$ 621,017</u>	<u>\$ 645,600</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Consolidated Statement of Expenditures - Infrastructure (Schedule 9)
Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Expenditures			
Beautification plans	\$ 25,000	\$ 16,336	\$ 22,415
Building and grounds maintenance	449,100	301,145	195,459
Electricity	103,500	137,978	114,789
Fuel	19,000	13,034	17,488
Grass cutting	25,000	24,881	23,744
Professional fees	1,500	1,650	-
Salaries and wages	451,900	448,710	416,459
Sidewalk maintenance	2,500	5,449	4,038
Signage	6,000	3,136	4,813
Small tools	3,000	2,701	4,713
Snow removal	78,000	101,494	107,811
Staff development and travel	3,000	3,554	3,054
Vehicle and equipment operations	41,200	35,866	42,229
Water and sewer	22,300	16,303	26,032
	<u>\$ 1,231,000</u>	<u>\$ 1,112,237</u>	<u>\$ 983,044</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Consolidated Statement of Expenditures - Planning **(Schedule 10)**
Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Expenditures			
Administrative	\$ 3,000	\$ 2,006	\$ 1,758
Heritage	5,000	4,067	5,055
Professional fees	16,500	25,646	19,743
Salaries and wages	316,800	309,307	294,611
Staff development and travel	20,000	10,667	11,367
	<u>\$ 361,300</u>	<u>\$ 351,693</u>	<u>\$ 332,534</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Consolidated Statement of Operations - Stratford Utility Corporation (Schedule 11)
Year Ended March 31, 2021

	Budget 2021	Actual 2021	Actual 2020
Revenues			
Metered sales	\$ 2,482,300	\$ 2,566,085	\$ 2,278,206
Unmetered sales	381,500	366,465	368,506
Frontage charges	57,800	61,627	58,160
Interest and other	32,000	34,576	35,282
Connection charges	7,000	5,615	5,595
Late penalty charges	36,000	(12,296)	8,972
	<u>2,996,600</u>	<u>3,022,072</u>	<u>2,754,721</u>
Expenditures			
Amortization of tangible capital assets	1,033,000	1,083,655	999,471
Electricity	173,400	218,086	195,584
Honorariums	1,000	400	1,000
Insurance	12,000	13,287	12,037
Interest and bank charges	70,000	27,414	60,350
Interest on long term debt	225,700	179,221	222,653
Office	17,400	15,614	16,316
Postage	16,000	12,751	13,464
Professional fees	70,000	26,386	24,737
Property taxes	7,000	6,989	8,891
Rental	53,000	52,500	52,500
Repairs and maintenance	123,300	167,736	176,743
Salaries and wages	644,600	644,497	601,872
Snow removal	9,200	8,772	8,772
Software maintenance	34,000	19,618	51,319
Telephone	21,000	19,441	22,708
Tools and equipment	8,000	3,709	2,992
Travel	10,000	3,342	5,978
Treatment fees	391,100	94,618	-
Vehicle	42,500	14,503	32,129
Water conservation	18,000	7,885	1,242
Workers compensation	16,000	13,238	6,291
	<u>2,996,200</u>	<u>2,633,662</u>	<u>2,517,049</u>
Surplus from operations	400	388,410	237,672
Other revenues			
Government transfers for infrastructure (Note 13)	-	5,250,865	2,940,211
Donated capital contributions	-	188,188	146,125
	<u>-</u>	<u>5,439,053</u>	<u>3,086,336</u>
Annual surplus	\$ 400	\$ 5,827,463	\$ 3,177,883

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Consolidated Statement of Operations - Stratford Business Park (Schedule 12)
Year Ended March 31, 2021

	Actual 2021	Actual 2020
Revenues		
Sale of properties	\$ 20,075	\$ 494,101
Cost of sales	<u>16,478</u>	<u>284,861</u>
Gross profit	<u>3,597</u>	<u>209,240</u>
Expenditures		
Administrative	330	30
Interest and bank charges	935	5,638
Maintenance	376	376
Professional fees	12,457	9,181
Property tax	2,337	4,973
Water and sewer	<u>-</u>	<u>267</u>
	<u>16,435</u>	<u>20,465</u>
Annual surplus	<u>\$ (12,838)</u>	<u>\$ 188,775</u>

Notes 1 - 20 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Consolidated Statement of Cash Flows by Entity (Schedule 13)
Year Ended March 31, 2021

	Town	Utility	Business Park	Total 2021
Cash flows from operating activities				
Annual surplus	\$ 2,724,914	\$ 5,827,463	\$ (12,838)	\$ 8,539,539
Item not affecting cash:				
Amortization of tangible capital assets	870,684	1,083,654	-	1,954,338
	<u>3,595,598</u>	<u>6,911,117</u>	<u>(12,838)</u>	<u>10,493,877</u>
Changes in non-working capital:				
Accounts receivable	615,167	(572,602)	-	42,565
Loans and contributions receivable	-	11,988	-	11,988
Prepaid expense	(5,614)	2,967	-	(2,647)
Inventory	559	-	-	559
Land held for resale	(1,320)	-	10,890	9,570
Accounts payable and accrued liabilities	(385,382)	(349,836)	(253)	(735,471)
Deferred revenue	265,203	28,575	-	293,778
	<u>488,613</u>	<u>(878,908)</u>	<u>10,637</u>	<u>(379,658)</u>
	<u>4,084,211</u>	<u>6,032,209</u>	<u>(2,201)</u>	<u>10,114,219</u>
Cash flows from capital activity				
Purchases of tangible capital assets	(1,805,980)	(6,562,065)	-	(8,368,045)
Cash flows from financing activities				
Proceeds from long term debt	-	2,905,000	-	2,905,000
Repayment of long term debt	(712,118)	(1,642,480)	-	(2,354,598)
Long term investments	(23,189)	-	-	(23,189)
Advances from (to) related entities	(182,929)	180,513	2,416	-
	<u>(918,236)</u>	<u>1,443,033</u>	<u>2,416</u>	<u>527,213</u>
Increase (decrease) in cash	1,363,469	909,704	215	2,273,388
Cash - beginning of the year	747,322	(92,880)	491,450	1,145,892
Cash - end of year	<u>\$ 2,110,791</u>	<u>\$ 816,824</u>	<u>\$ 491,665</u>	<u>\$ 3,419,280</u>
Cash consists of:				
Cash	\$ 1,005,666	\$ 816,824	\$ 491,665	\$ 2,314,155
Restricted cash	1,105,125	-	-	1,105,125
Bank indebtedness	-	-	-	-
	<u>\$ 2,110,791</u>	<u>\$ 816,824</u>	<u>\$ 491,665</u>	<u>\$ 3,419,280</u>

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