

**TOWN OF STRATFORD**  
**Consolidated Financial Statements**  
**March 31, 2022**

**TOWN OF STRATFORD**  
**Index to Consolidated Financial Statements**  
**March 31, 2022**

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## MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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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

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## INDEPENDENT AUDITOR'S REPORT

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### 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, 2022, 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, 2022, 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

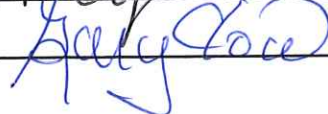
August 31, 2022

**TOWN OF STRATFORD**  
**Consolidated Statement of Financial Position**  
**March 31, 2022**

	2022	2021
<b>Financial assets</b>		
Unrestricted cash	\$ 3,568,239	\$ 2,314,155
Restricted cash	1,735,083	1,105,125
Accounts receivable (Note 3)	2,067,910	4,422,025
Loans and contributions receivable (Note 4)	634,909	148,110
Land held for resale	159,277	153,797
Long term investments (Note 5)	257,838	243,235
	8,423,256	8,386,447
<b>Liabilities</b>		
Accounts payable and accrued liabilities	2,585,301	2,224,744
Deferred revenue (Note 6)	716,980	332,880
Long term debt (Note 7)	16,230,311	15,230,450
	19,532,592	17,788,074
<b>Lease commitment</b> (Note 8)		
<b>Commitments</b> (Note 9)		
<b>Net debt</b> (Statement 6)	(11,109,336)	(9,401,627)
<b>Non-financial assets</b>		
Inventory	15,082	14,158
Prepaid expense	40,767	26,157
Tangible capital assets (Schedules 1 and 2)	74,824,516	66,841,484
	74,880,365	66,881,799
<b>Accumulated surplus</b> (Statement 5)	\$ 63,770,679	\$ 57,480,172

ON BEHALF OF COUNCIL

  
 \_\_\_\_\_ Mayor

  
 \_\_\_\_\_ Councillor

Notes 1 - 19 are an integral part of these consolidated financial statements

**TOWN OF STRATFORD**  
**Consolidated Statement of Operations**  
**Year Ended March 31, 2022**

	Budget 2022	Actual 2022	Actual 2021
<b>Revenues</b>			
Property tax	\$ 5,108,000	\$ 5,137,339	\$ 4,807,573
Government transfers			
Provincial municipal support	1,334,000	1,327,833	1,237,751
Rental	657,200	708,999	647,479
Switch program grant revenue	500,000	393,908	-
Development permits	150,000	160,409	165,309
Recreation programs	96,100	99,628	59,674
Police fines	60,000	48,917	42,481
CMHC housing supply study	-	33,800	-
Miscellaneous	15,700	29,452	20,425
Maintenance fee levy	11,000	16,690	8,215
Income from government business enterprises (Note 5)	-	14,603	23,189
Seniors' complex wage allocation	10,000	10,000	10,000
Donations	-	5,000	-
Animal control	1,000	1,555	365
Stratford Utility Corporation (Schedule 11)	3,178,800	3,128,208	3,022,086
Stratford Business Park (Schedule 12)	-	-	20,075
	<u>11,121,800</u>	<u>11,116,341</u>	<u>10,064,622</u>
Cost of sales			
Stratford Business Park (Schedule 12)	-	6,459	16,478
	<u>11,121,800</u>	<u>11,109,882</u>	<u>10,048,144</u>
Gross margin			
	<u>11,121,800</u>	<u>11,109,882</u>	<u>10,048,144</u>
 <b>Expenditures</b>			
General (Schedule 6)	4,556,500	4,346,979	3,666,831
Finance (Schedule 7)	824,600	702,151	627,651
Recreation (Schedule 8)	739,900	722,310	621,030
Infrastructure (Schedule 9)	1,422,100	1,279,851	1,158,922
Planning (Schedule 10)	398,100	351,311	351,693
Stratford Utility Corporation (Schedule 11)	3,153,400	3,123,452	2,633,676
Stratford Business Park (Schedule 12)	-	7,852	16,435
	<u>11,094,600</u>	<u>10,533,906</u>	<u>9,076,238</u>
Operating surplus	<u>27,200</u>	<u>575,976</u>	<u>971,906</u>
 <b>Other revenues</b>			
Stratford Utility Corporation (Schedule 11)	-	3,132,989	5,439,053
Government transfers for capital (Note 13)	-	2,576,819	2,128,564
Gain on disposal of tangible capital assets	-	4,723	-
	<u>-</u>	<u>5,714,531</u>	<u>7,567,617</u>
Annual surplus	<u>27,200</u>	<u>6,290,507</u>	<u>8,539,523</u>
Accumulated surplus - beginning of year	<u>57,480,172</u>	<u>57,480,172</u>	<u>48,940,649</u>
Accumulated surplus - end of year (Note 10)	<u>\$ 57,507,372</u>	<u>\$ 63,770,679</u>	<u>\$ 57,480,172</u>

Notes 1 - 19 are an integral part of these consolidated financial statements

**TOWN OF STRATFORD**  
**Consolidated Statement of Changes in Net Debt**  
**Year Ended March 31, 2022**

	Budget 2022	Actual 2022	Actual 2021
<b>Annual surplus</b>	<b>\$ 27,200</b>	<b>\$ 6,290,507</b>	<b>\$ 8,539,523</b>
Amortization of tangible capital assets	1,975,000	1,937,665	1,954,339
Proceeds on disposal of tangible capital assets	-	36,939	-
Increase in prepaid expense	-	(14,608)	(2,652)
Gain on disposal of tangible capital assets	-	(36,313)	-
Decrease (increase) in inventory	-	(924)	559
Purchase of tangible capital assets	(11,134,200)	(9,920,975)	(8,368,044)
Prior period adjustment (Note 10)	-	-	160,990
	<u>(9,159,200)</u>	<u>(7,998,216)</u>	<u>(6,254,808)</u>
<b>(Increase) decrease in net debt</b>	<b>(9,132,000)</b>	<b>(1,707,709)</b>	<b>2,284,715</b>
<b>Net debt - beginning of year</b>	<b>(9,401,627)</b>	<b>(9,401,627)</b>	<b>(11,686,342)</b>
<b>Net debt - end of year</b>	<b>\$ (18,533,627)</b>	<b>\$ (11,109,336)</b>	<b>\$ (9,401,627)</b>

Notes 1 - 19 are an integral part of these consolidated financial statements



**TOWN OF STRATFORD**  
**Consolidated Statement of Cash Flows**  
**Year Ended March 31, 2022**

	Actual 2022	Actual 2021
<b>Cash flows from operating activities</b>		
Annual surplus	\$ 6,290,507	\$ 8,539,523
Items not affecting cash:		
Amortization of tangible capital assets	1,937,665	1,954,339
Gain on disposal of tangible capital assets	(36,313)	-
Income from government business enterprise	(14,603)	(23,189)
	<u>8,177,256</u>	<u>10,470,673</u>
 Changes in non-cash working capital:		
Accounts receivable	2,354,115	42,566
Loans and contributions receivable	(486,799)	11,988
Prepaid expense	(14,624)	(2,635)
Inventory	(924)	559
Land held for resale	(5,480)	9,570
Accounts payable and accrued liabilities	360,569	(735,469)
Deferred revenue	384,100	293,778
	<u>2,590,957</u>	<u>(379,643)</u>
	<u>10,768,213</u>	<u>10,091,030</u>
 <b>Cash flows from capital activities</b>		
Purchase of tangible capital assets	(9,920,975)	(8,368,044)
Proceeds on disposal of tangible capital assets	36,939	-
	<u>(9,884,036)</u>	<u>(8,368,044)</u>
 <b>Cash flows from financing activities</b>		
Proceeds from long term debt	2,470,697	2,905,000
Repayment of long term debt	(1,470,832)	(2,354,598)
	<u>999,865</u>	<u>550,402</u>
 Increase in cash	1,884,042	2,273,388
 Cash - beginning of year	<u>3,419,280</u>	<u>1,145,892</u>
 Cash - end of year	<u>\$ 5,303,322</u>	<u>\$ 3,419,280</u>
 Cash consists of:		
Unrestricted cash	\$ 3,568,239	\$ 2,314,155
Restricted cash	1,735,083	1,105,125
	<u>\$ 5,303,322</u>	<u>\$ 3,419,280</u>

Notes 1 - 19 are an integral part of these consolidated financial statements

**TOWN OF STRATFORD**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**1. DESCRIPTION OF BUSINESS**

The Town of Stratford (the "Town") 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.

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 been 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, 2022**

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**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.

Loans receivable

Loans receivable are initially measured at cost. Loans receivable are subsequently measured at amortized cost, less any valuation allowances.

Land held for resale

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

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**TOWN OF STRATFORD**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

Interest capitalization

Interest costs relating to major capital projects in progress are capitalized as part of tangible capital assets. Capitalization of interest ceases when the asset is substantially complete and ready for its intended productive use.

Donated capital

Donated capital is recorded at the fair market value at the time of the donation. During the year, there was \$1,726,941 in donated capital recorded as tangible capital assets and corresponding revenue (2021 - \$188,188).

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.

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**TOWN OF STRATFORD**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

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, 2022, the liability for unused sick leave, that is required to be paid out upon severance or retirement, amounted to \$76,140 (2021 - \$91,296). 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, 2022, the liability for unused vacation time that is required to be paid out upon an employee leaving the organization amounted to \$148,155 (2021 - \$132,623). 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 \$96,108 (2021 - \$79,754) 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.

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.

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**TOWN OF STRATFORD**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

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, 2022**

**3. ACCOUNTS RECEIVABLE**

	2022	2021
Government transfers	\$ 924,367	\$ 3,204,318
Utility billings	835,298	842,663
Trade	169,202	160,085
HST receivable	136,457	192,117
Due from Stratford Community Senior's Complex Ltd.	2,586	22,842
	\$ 2,067,910	\$ 4,422,025

**4. LOANS AND CONTRIBUTIONS RECEIVABLE**

	2022	2021
Loans receivable from residents, non-interest bearing, repayable in monthly principal installments for varying terms, unsecured.	\$ 496,201	\$ -
Donald Baker, Bakerridge Properties Inc, George Bagnall and K-Right Communications Limited, non-interest bearing until April 2016, at which time interest 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.	125,000	125,000
Utility capital contributions receivable	13,708	23,110
	\$ 634,909	\$ 148,110

During the year, the Town received funding from the Federation of Canadian Municipalities' Green Municipal Fund to provide residents with interest free loans to complete home upgrades relating to energy efficiency, renewable energy, and energy storage projects. Residents have access to borrow up to 15% of the assessed value of their home to finance such upgrades. Repayments are made in monthly installments with maximum repayment period of up to 15 years. At March 31, 2022 the Town has not recorded a valuation allowance for any expected collectibility issues.

**TOWN OF STRATFORD**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**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, 2022 and 2021 are as follows:

	2022	2021
<u>Consolidated Statement of Financial Position</u>		
<b>Assets</b>		
Current assets	\$ 8,126,322	\$ 10,601,884
Property inventory	2,573,292	3,235,217
Mortgages receivable	217,499	425,798
Property and equipment	30,478	40,530
Investment properties	69,207,373	54,065,503
	80,154,964	68,368,932
<b>Liabilities</b>		
Current liabilities	16,581,932	13,095,638
Long term debt	12,132,914	8,980,954
Deferred revenues	40,147,368	35,729,764
	68,862,214	57,806,356
<b>Shareholders' equity</b>		
Capital stock	2,500	2,500
Contributed surplus	4,526,706	4,526,706
Retained earnings	6,763,544	6,033,370
	11,292,750	10,562,576
<b>Total liabilities and shareholders' equity</b>	<b>\$ 80,154,964</b>	<b>\$ 68,368,932</b>
<u>Consolidated Statement of Comprehensive Income</u>		
<b>Revenue</b>		
Operating income	\$ 1,345,044	\$ 1,864,176
Management fee	130,887	147,017
Interest	223,877	137,683
Miscellaneous	8,547	25,951
	1,708,355	2,174,827
<b>Expenses</b>		
	978,181	1,015,355
Net earnings for the year	730,174	1,159,472
Retained earnings - beginning of year	6,033,370	4,873,898
Retained earnings - end of year	\$ 6,763,544	\$ 6,033,370
Investment - beginning of year	\$ 243,235	\$ 220,046
Share of net income (2%)	14,603	23,189
Investment - end of year	\$ 257,838	\$ 243,235



**TOWN OF STRATFORD**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**5. INVESTMENTS (continued)**

**Key Activities and Commitments:**

Demand loans of \$11,976,067 (2021 - \$10,326,067) are due on demand, interest at prime minus 0.1% and bankers' acceptance rate plus 0.75%. Interest paid monthly.

The 2.48%, 2.60%, 2.73%, 2.82%, and 3.11% 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.

A first mortgage on land and buildings located in the BioCommons Park, a promissory note and general assignment of rents representing a first charge on rents on the Bio Manufacturing Incubator have been pledged as security for the 3% mortgage due December 2026.

The Province of Prince Edward Island is the majority shareholder of the The Charlottetown Area Development Corporation and the City of Charlottetown, the Town of Stratford and the Town of Cornwall are minority shareholders.

**6. DEFERRED REVENUE**

During the year, the Town was allocated \$1,941,794 (2021 - \$1,406,056) under the Canada Community Building Fund. Total proceeds of \$1,943,345 received by the Town as at March 31, 2022 is comprised of \$1,941,794 plus interest of \$1,551. The Town must use their allocation of the Canada Community Building Fund for eligible infrastructure and capacity building projects.

Under the Agreement on the Transfer of Federal Gas Tax Revenues through the Canada Community Building Fund, the Town has received revenues which are restricted for expenditures on eligible projects. During the year, \$1,616,903 (2020 - \$899,126) was spent on eligible projects. The Town has prepared, and the governmental regulating body has accepted, a Capital Investment Plan which details anticipated expenditures.

	2022	2021
<u>Town</u>		
Canada Community Building Fund	\$ 618,711	\$ 292,268
Unearned revenue	47,005	12,255
	665,716	304,523
 <u>Utility</u>		
Deferred revenue	51,264	28,357
Total deferred revenue	\$ 716,980	\$ 332,880

**TOWN OF STRATFORD**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**7. LONG TERM DEBT**

	2022	2021
<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 September 20, 2039.	\$ 5,527,000	\$ 5,785,000
TD Canada Trust - 2.99%; repayable in monthly blended installments of \$24,035. The loan matures on June 22, 2023.	353,626	626,993
TD Canada Trust - 2.98%, repayable in monthly blended installments of \$11,972. The loan matures on March 21, 2023.	141,357	278,594
TD Canada Trust - 2.9%, repayable in monthly blended installments of \$2,169. The loan matures on January 23, 2023.	21,397	46,406
TD Canada Trust - 2.66%; repayable in monthly blended installments of \$3,418. The loan matures on May 20, 2025.	124,513	161,707
Royal Bank of Canada - 3.52%; Bankers Acceptance; repayable in quarterly principal installments of \$13,000 to \$15,000 from 2022 to 2026. The loan matures on December 9, 2041.	1,500,000	-
Federation of Canadian Municipalities - 0%; repayable in semi-annual principal installments of \$24,267 commencing in 2026. The loan matures on June 1, 2043.	970,697	-
	<b>8,638,590</b>	<b>6,898,700</b>
<u>Utility</u>		
Royal Bank of Canada - 3.07%; Bankers Acceptance; repayable in quarterly blended installments of \$19,000 to \$22,000 from 2022 to 2026. The loan matures on March 30, 2046.	2,657,000	2,731,000
TD Canada Trust - 3.81%; repayable in monthly blended installments of \$7,075. The loan matures on April 24, 2038.	1,019,908	1,065,000
TD Canada Trust - 3.31%; repayable in monthly blended installments of \$6,180. The loan matures on May 20, 2035.	792,048	839,405
TD Canada Trust - 3.2%; repayable in monthly blended installments of \$3,598. The loan matures on June 14, 2036.	493,608	520,560
TD Canada Trust - 3.45%; repayable in monthly blended installments of \$4,943. The loan matures on May 20, 2034.	589,689	628,144
TD Canada Trust - 3.3%; repayable in annual blended installments of \$2,960. The loan matures on June 19, 2037.	425,348	446,376
TD Canada Trust - 3.11%; repayable in monthly blended installments of \$6,291. The loan matures on January 23, 2028.	402,154	464,076
TD Canada Trust - 2.57%; repayable in monthly blended installments of \$4,081. The loan matures on June 19, 2027.	240,369	282,540
TD Canada Trust - 2.63%, repayable in monthly blended installments of \$4,335. The loan matures on January 18, 2026.	189,512	235,883

*(continues)*

**TOWN OF STRATFORD**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**7. LONG TERM DEBT (continued)**

	2022	2021
TD Bank - 2.4%; repayable in monthly blended installments of \$1,632. The loan matures on June 30, 2030.	146,476	162,341
Royal Bank of Canada - 2.61%; repayable in monthly blended installments of \$5,581. The loan matures on June 28, 2024.	146,218	208,494
TD Canada Trust - 3.48%; repayable in monthly blended installments of \$5,455. The loan matures on November 23, 2023.	105,871	166,485
TD Canada Trust - 2.86%; repayable in monthly blended installments of \$3,077. The loan matures on December 17, 2024.	97,566	131,186
CMHC - 3.92%; repayable in annual blended installments of \$23,005. The loan matures on March 1, 2026.	83,665	102,647
CMHC - 3.92%; repayable in annual blended installments of \$19,097. The loan matures on March 1, 2026.	69,451	85,208
CMHC - 3.98%, repayable in annual blended installments of \$19,054. The loan matures on February 1, 2025.	53,070	69,125
CMHC - 3.92%, repayable in annual blended installments of \$11,775. The loan matures on March 1, 2026.	42,823	52,539
Royal Bank of Canada - 2.73%, repayable in monthly blended installments of \$4,982. The loan matures on April 10, 2022.	4,985	63,751
Bank of Montreal - 3.03%, repayable in monthly blended installments of \$2,708. The loan matures on May 31, 2023.	31,960	62,972
Bank of Montreal - 3.77%, repaid during the year.	-	14,018
	7,591,721	8,331,750
	\$ 16,230,311	\$ 15,230,450

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

2023	\$ 1,491,337
2024	1,090,708
2025	941,229
2026	911,455
2027	829,478

**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 three years are as follows:

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

**TOWN OF STRATFORD**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**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 2022 were \$1,055,951 (2021 - \$890,861).

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 2022 were \$532,007 (2021 - \$94,618). 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.

During the year, the Town signed an agreement with the Federation of Canadian Municipalities' Green Municipal Fund to provide residents with interest free loans to complete home upgrades relating to energy efficiency, renewable energy, and energy storage projects. Under the program, the Town is eligible to receive maximum funding of \$2,729,211 to use towards loans to residents as well as eligible operating costs of the program. At March 31, 2022 the Town had issued \$496,201 in loans to residents and incurred \$235,935 in eligible program expenditures.

**10. ACCUMULATED SURPLUS**

	2022	2021
Unrestricted surplus	\$ 1,692,240	\$ 3,220,920
Prior period adjustment	-	160,990
Reserve funds (Note 11)	3,484,234	2,487,228
Investment in tangible capital assets (Note 12)	58,594,205	51,611,034
	\$ 63,770,679	\$ 57,480,172

A prior period adjustment has been recorded under the Stratford Utility Corporation to allocate \$160,990 of deferred revenue to the accumulated surplus. This revenue is from customer contributions to capital projects completed between 2015 and 2017.

**TOWN OF STRATFORD**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**11. RESERVE FUNDS**

	2022	2021
<u>Reserve funds</u>		
Balance, beginning of year	\$ 2,487,228	\$ 3,584,019
Allocation to Town Capital project fund	596,350	15,897
Allocation to Utility Capital project fund	253,615	420,800
Allocation to Emergency Service Centre reserve fund	50,000	50,000
Allocation to Town Hall Capital reserve fund	50,000	-
Allocation to RCMP vehicle reserve fund	15,000	15,000
Allocation to Election reserve fund	9,500	9,500
Allocation to Parkland dedication reserve fund	7,860	-
Allocation to Pondsides Park dredging fund	7,000	7,000
Allocation to Arts and Culture reserve fund	6,492	5,656
Allocation to Stratfords of the World reserve fund	1,000	1,000
Allocation to Youth Centre reserve fund	189	56
Allocation from Town Capital project fund	-	(260,816)
Allocation from Utility Capital project funds	-	(1,360,884)
	<b>3,484,234</b>	<b>2,487,228</b>
 <u>Town</u>		
Town capital project	710,775	114,425
Utility capital contribution	131,286	131,286
Dedication fees	118,449	110,589
Emergency Service Centre	100,000	50,000
Pondsides Park dredging	70,000	63,000
RCMP vehicle	60,000	45,000
Town Hall Capital	50,000	-
Election	28,500	19,000
Arts and Culture	12,147	5,656
Stratfords of the World	6,454	5,454
Heritage grant reserve	6,198	6,198
Youth Centre Reserve	2,593	2,404
	<b>1,296,402</b>	<b>553,012</b>
 <u>Utility</u>		
Capital project fund	1,162,414	1,175,112
Utility capital reserve	1,025,418	759,104
	<b>2,187,832</b>	<b>1,934,216</b>
 Total reserve funds	<b>\$ 3,484,234</b>	<b>\$ 2,487,228</b>

**TOWN OF STRATFORD**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

**12. INVESTMENT IN TANGIBLE CAPITAL ASSETS**

	2022	2021
Tangible capital assets (Schedules 1 and 2)	\$ 101,508,428	\$ 91,610,652
Accumulated amortization (Schedules 1 and 2)	(26,683,912)	(24,769,168)
Long term debt (Note 7)	(16,230,311)	(15,230,450)
	<b>\$ 58,594,205</b>	<b>\$ 51,611,034</b>

**13. GOVERNMENT TRANSFERS FOR INFRASTRUCTURE**

	2022	2021
<u>Town</u>		
Canada Community Building Fund	\$ 1,498,653	\$ 1,053,204
Province of PEI Active Transportation Fund	525,000	206,708
Municipal Capital Expenditure Grant	492,833	173,948
Investing in Canada Infrastructure Program	23,358	191,276
Province of PEI Climate Challenge Fund	16,275	25,830
Province of PEI Safe Restart Program	15,000	435,000
Government of Canada for Stratford Honour Roll Project	2,500	22,500
Trans Canada Trail Funding	2,000	4,750
Efficiency PEI heat pump rebate	1,200	-
Province of PEI Dorian Disaster Financial Assistance	-	10,640
Miscellaneous	-	4,508
Province of PEI Wellness Grant	-	200
	<b>2,576,819</b>	<b>2,128,564</b>
 <u>Utility</u>		
Clean Water Wastewater Fund	899,384	4,634,504
Municipal Capital Expenditure Grant	194,765	572,758
Investing in Canada Infrastructure Program	193,649	43,603
Canada Community Building Fund	118,250	-
	<b>1,406,048</b>	<b>5,250,865</b>
 Total government transfers for infrastructure	<b>\$ 3,982,867</b>	<b>\$ 7,379,429</b>

**TOWN OF STRATFORD**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**14. FINANCIAL INSTRUMENTS**

The Town's financial instruments consist of cash, restricted cash, accounts receivable, loans and contributions receivable, 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, 2022.

(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.

**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, 2023, 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, 2023, and were not utilized at the end.

**17. BUDGET FIGURES**

Budget figures were not audited or reviewed by the external auditor.

A reconciliation of the 2022 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

	<u>2022</u>
Budgeted annual surplus - Town	\$ 800
Budgeted annual surplus - Utility	25,400
Add: transfers to reserves	<u>1,000</u>
	<u>\$ 27,200</u>

**TOWN OF STRATFORD**  
**Notes to Consolidated Financial Statements**  
**Year Ended March 31, 2022**

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**18. 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.

**19. SUBSEQUENT EVENTS**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The overall effect of these events on the Town and its operations is too uncertain to be estimated at this time. The impacts will be accounted for when they are known and may be assessed.



**TOWN OF STRATFORD**  
**Schedules to Consolidated Financial Statements**  
**Tangible Capital Assets**  
**Year Ended March 31, 2022**

(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
<b>Town</b>									
Land	\$ 2,093,127	\$ 2,678,297	-	\$ 4,771,424	-	-	-	-	\$ 4,771,424
Buildings and facilities	17,367,724	435,619	-	17,803,343	4,472,841	388,319	-	4,861,160	12,942,183
Computer and equipment	673,223	44,885	-	718,108	470,065	57,283	-	527,348	190,760
Vehicles	1,347,866	77,278	(16,900)	1,408,244	1,147,442	35,505	(16,900)	1,166,047	242,197
Parks and other	4,616,863	357,725	(6,299)	4,968,289	2,093,998	157,149	(6,019)	2,245,128	2,723,161
Active transportation	7,358,772	2,031,584	-	9,390,356	3,243,821	200,559	-	3,444,378	5,945,978
	<b>\$ 33,457,575</b>	<b>\$ 5,625,388</b>	<b>\$ (23,199)</b>	<b>\$ 39,059,764</b>	<b>\$ 11,428,167</b>	<b>\$ 838,815</b>	<b>\$ (22,919)</b>	<b>\$ 12,244,061</b>	<b>\$ 26,815,703</b>
<b>Utility</b>									
Land	\$ 783,759	-	-	\$ 783,759	-	-	-	-	\$ 783,759
Computer and equipment	268,605	178,820	-	447,425	175,170	27,549	-	202,719	244,706
Vehicles	139,574	-	-	139,574	98,746	7,537	-	106,283	33,291
Sewer	35,488,678	2,994,533	-	38,483,211	8,518,213	554,989	-	9,073,202	29,410,009
Water	21,472,461	1,122,234	-	22,594,695	4,548,872	508,775	-	5,057,647	17,537,048
	<b>\$ 58,153,077</b>	<b>\$ 4,295,587</b>	<b>-</b>	<b>\$ 62,448,664</b>	<b>\$ 13,341,001</b>	<b>\$ 1,098,850</b>	<b>-</b>	<b>\$ 14,439,851</b>	<b>\$ 48,008,813</b>
<b>Total</b>	<b>\$ 91,610,652</b>	<b>\$ 9,920,975</b>	<b>\$ (23,199)</b>	<b>\$ 101,508,428</b>	<b>\$ 24,769,168</b>	<b>\$ 1,937,665</b>	<b>\$ (22,919)</b>	<b>\$ 26,683,912</b>	<b>\$ 74,824,516</b>

Notes 1 to 19 are an integral part of these consolidated financial statements



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

(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
<b>Town</b>									
Land	\$ 2,080,615	\$ 12,512	\$ -	\$ 2,093,127	\$ -	\$ -	\$ -	\$ -	\$ 2,093,127
Buildings and facilities	17,113,316	254,408	-	17,367,724	4,088,051	384,790	-	4,472,841	12,894,883
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	441,723	(69,917)	4,616,863	1,972,296	191,619	(69,917)	2,093,998	2,522,865
Active transportation	6,567,810	790,962	-	7,358,772	3,044,971	198,850	-	3,243,821	4,114,951
	<u>\$ 32,104,966</u>	<u>\$ 1,805,982</u>	<u>\$ (453,373)</u>	<u>\$ 33,457,575</u>	<u>\$ 11,010,856</u>	<u>\$ 870,684</u>	<u>\$ (453,373)</u>	<u>\$ 11,428,167</u>	<u>\$ 22,029,408</u>
<b>Utility</b>									
Land	\$ 783,759	\$ -	\$ -	\$ 783,759	\$ -	\$ -	\$ -	\$ -	\$ 783,759
Computer and equipment	248,183	20,422	-	268,605	146,853	28,317	-	175,170	93,435
Vehicles	236,799	-	(97,225)	139,574	188,433	7,538	(97,225)	98,746	40,828
Sewer	25,110,643	10,378,035	-	35,488,678	7,987,619	530,594	-	8,518,213	26,970,465
Water	21,012,139	460,322	-	21,472,461	4,031,666	517,206	-	4,548,872	16,923,589
Construction in progress	3,308,444	-	(3,308,444)	-	-	-	-	-	-
	<u>\$ 50,699,967</u>	<u>\$ 10,858,779</u>	<u>\$ (3,405,669)</u>	<u>\$ 58,153,077</u>	<u>\$ 12,354,571</u>	<u>\$ 1,083,655</u>	<u>\$ (97,225)</u>	<u>\$ 13,341,001</u>	<u>\$ 44,812,076</u>
<b>Total</b>	<u>\$ 82,804,933</u>	<u>\$ 12,664,761</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>\$ 24,769,168</u>	<u>\$ 66,841,484</u>

Notes 1 to 19 are an integral part of these consolidated financial statements

**TOWN OF STRATFORD**  
**Schedules to Consolidated Financial Statements**  
**Segment Disclosures**  
**Year Ended March 31, 2022**

(Schedule 3)

	General Government	Finance	Recreation	Infrastructure	Planning	Stratford Utility Corporation	Stratford Business Park	Elimination	Consolidated 2022
<b>Revenue</b>									
Property taxes	\$ 5,137,339	\$ -	-	\$ -	-	\$ -	-	\$ -	\$ 5,137,339
Municipal support	1,327,833	-	-	-	-	-	-	-	1,327,833
Rental	708,999	-	-	-	-	-	-	(52,500)	656,499
Third party revenue	60,472	-	116,318	-	160,409	-	-	-	337,199
Other revenue	82,854	-	-	-	-	35,407	-	-	82,854
Interest	-	-	-	-	-	3,092,801	-	(25,479)	3,067,322
Water and sewer	-	-	-	-	-	-	-	-	393,908
Switch program	393,908	-	-	-	-	-	-	-	393,908
	<b>\$ 7,711,405</b>	<b>\$ -</b>	<b>\$ 116,318</b>	<b>\$ -</b>	<b>\$ 160,409</b>	<b>\$ 3,128,208</b>	<b>\$ -</b>	<b>\$ (77,979)</b>	<b>\$ 11,038,361</b>
<b>Expenditures</b>									
Salaries and benefits	\$ 361,568	\$ 204,935	\$ 445,448	\$ 473,520	\$ 334,583	\$ 650,229	\$ -	\$ -	\$ 2,470,283
Goods and services	2,910,661	314,790	140,594	806,331	16,728	1,098,812	-	(77,979)	5,209,937
Amortization of tangible capital assets	838,815	-	-	-	-	1,098,850	-	-	1,937,664
Interest	-	182,426	-	-	-	275,561	-	-	457,987
Other	235,935	-	136,268	-	-	-	14,311	-	386,514
	<b>\$ 4,346,979</b>	<b>\$ 702,151</b>	<b>\$ 722,310</b>	<b>\$ 1,279,851</b>	<b>\$ 351,311</b>	<b>\$ 3,123,452</b>	<b>\$ 14,311</b>	<b>\$ (77,979)</b>	<b>\$ 10,462,385</b>
<b>Operating surplus (deficit)</b>	<b>\$ 3,364,426</b>	<b>\$ (702,151)</b>	<b>\$ (605,992)</b>	<b>\$ (1,279,851)</b>	<b>\$ (190,902)</b>	<b>\$ 4,756</b>	<b>\$ (14,311)</b>	<b>\$ -</b>	<b>\$ 575,976</b>
Government transfers for infrastructure	2,576,819	-	-	-	-	1,406,048	-	-	3,982,867
Donated capital contributions	-	-	-	-	-	1,726,941	-	-	1,726,941
Gain on disposal	4,723	-	-	-	-	-	-	-	4,723
<b>Annual surplus (deficit)</b>	<b>\$ 5,945,968</b>	<b>\$ (702,151)</b>	<b>\$ (605,992)</b>	<b>\$ (1,279,851)</b>	<b>\$ (190,902)</b>	<b>\$ 3,137,745</b>	<b>\$ (14,311)</b>	<b>\$ -</b>	<b>\$ 6,290,507</b>

Notes 1 to 19 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 4)

	General Government	Finance	Recreation	Infrastructure	Planning	Stratford Utility Corporation	Stratford Business Park	Elimination	Consolidated 2021
<b>Revenues</b>									
Property taxes	\$ 4,807,573	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,807,573
Municipal support	1,237,751	-	-	-	-	-	-	-	1,237,751
Rental	647,479	-	-	-	-	-	-	(52,500)	594,979
Third party revenue	52,846	-	67,889	-	165,309	-	-	-	286,044
Other revenue	43,615	-	-	-	-	-	20,075	-	63,690
Interest	-	-	-	-	-	34,576	-	-	34,576
Water and sewer	-	-	-	-	-	2,987,510	-	(16,303)	2,971,207
	<b>\$ 6,789,264</b>	<b>\$ -</b>	<b>\$ 67,889</b>	<b>\$ -</b>	<b>\$ 165,309</b>	<b>\$ 3,022,086</b>	<b>\$ 20,075</b>	<b>\$ (68,803)</b>	<b>\$ 9,995,820</b>
<b>Expenditures</b>									
Salaries and benefits	\$ 324,830	\$ 206,892	\$ 421,145	\$ 452,264	\$ 319,974	\$ 657,735	\$ -	\$ -	\$ 2,382,840
Goods and services	2,471,318	254,485	136,436	706,658	31,719	685,651	-	(68,803)	4,217,464
Amortization of tangible capital assets	870,684	-	-	-	-	1,083,655	-	-	1,954,339
Interest	-	166,274	-	-	-	206,635	-	-	372,909
Other	-	-	63,449	-	-	-	32,913	-	96,362
	<b>\$ 3,666,832</b>	<b>\$ 627,651</b>	<b>\$ 621,030</b>	<b>\$ 1,158,922</b>	<b>\$ 351,693</b>	<b>\$ 2,633,676</b>	<b>\$ 32,913</b>	<b>\$ (68,803)</b>	<b>\$ 9,023,914</b>
<b>Operating surplus (deficit)</b>	<b>\$ 3,122,432</b>	<b>\$ (702,151)</b>	<b>\$ (605,992)</b>	<b>\$ (1,279,851)</b>	<b>\$ (190,902)</b>	<b>\$ 388,410</b>	<b>\$ (12,838)</b>	<b>\$ -</b>	<b>\$ 971,906</b>
Government transfers for infrastructure	2,128,564	-	-	-	-	5,250,865	-	-	7,379,429
Donated capital	-	-	-	-	-	188,188	-	-	188,188
<b>Annual surplus (deficit)</b>	<b>\$ 5,250,995</b>	<b>\$ (702,151)</b>	<b>\$ (605,992)</b>	<b>\$ (1,279,851)</b>	<b>\$ (190,902)</b>	<b>\$ 5,827,463</b>	<b>\$ (12,838)</b>	<b>\$ -</b>	<b>\$ 8,539,523</b>

Notes 1 to 19 are an integral part of these consolidated financial statements 26



**TOWN OF STRATFORD**  
**Statement of Operations - Town**  
**Year Ended March 31, 2022**

(Schedule 5)

	Budget 2022	Actual 2022	Actual 2021
<b>Revenues</b>			
Property tax	\$ 5,108,000	\$ 5,137,339	\$ 4,807,573
Government transfers			
Provincial municipal support	1,334,000	1,327,833	1,237,751
Rental	657,200	708,999	647,479
Switch program grant revenue	500,000	393,908	-
Development permits	150,000	160,409	165,309
Recreation programs	96,100	99,628	59,674
Police fines	60,000	48,917	42,481
CMHC housing supply study	-	33,800	-
Miscellaneous	15,700	29,451	20,441
Field maintenance fee levy	11,000	16,690	8,215
Income from government business enterprise (Note 5)	-	14,603	23,189
Seniors' complex wage allocation	10,000	10,000	10,000
Donations	-	5,000	-
Animal control	1,000	1,555	365
	<u>7,943,000</u>	<u>7,988,132</u>	<u>7,022,477</u>
<b>Expenditures</b>			
General (Schedule 6)	4,556,500	4,346,979	3,666,831
Finance (Schedule 7)	824,600	702,151	627,651
Recreation (Schedule 8)	739,900	722,310	621,030
Infrastructure (Schedule 9)	1,422,100	1,279,851	1,158,922
Planning (Schedule 10)	398,100	351,311	351,693
	<u>7,941,200</u>	<u>7,402,602</u>	<u>6,426,127</u>
<b>Operating surplus</b>	<b>1,800</b>	<b>585,530</b>	<b>596,350</b>
<b>Other revenues</b>			
Government transfer for infrastructure (Note 13)	-	2,576,819	2,128,564
Gain on disposal of tangible capital assets	-	4,723	-
	<u>-</u>	<u>2,581,542</u>	<u>2,128,564</u>
<b>Annual surplus</b>	<b>\$ 1,800</b>	<b>\$ 3,167,072</b>	<b>\$ 2,724,914</b>

Notes 1 - 19 are an integral part of these consolidated financial statements

**TOWN OF STRATFORD**  
**Schedule of Expenditures - Town**  
**Year Ended March 31, 2022**

(Schedule 6)

	Budget 2022	Actual 2022	Actual 2021
<b>General</b>			
Amortization of tangible capital assets	\$ 940,000	\$ 838,815	\$ 870,684
Animal control	33,100	33,359	32,766
Committee	38,000	27,569	24,859
Community engagement	90,000	67,178	55,281
Donations	32,500	20,395	12,458
Elections	29,500	-	10,142
Fire protection	650,900	654,789	622,203
GIS development and maintenance	-	-	197
Library lease	82,500	88,707	85,269
Mayor and council:			
Council development	40,000	25,852	3,964
Council honorariums	141,300	151,651	146,192
Discretionary fund	4,000	3,856	2,482
Municipal dues and fees	21,900	21,989	21,799
Professional fees	75,400	132,711	64,869
Promotions	12,000	8,800	6,271
Police protection	918,000	1,115,951	894,821
Salaries and wages	343,300	336,629	301,619
Staff EAP and incentives	12,500	22,435	18,675
Staff development and travel	12,000	2,504	4,536
Street lighting	236,900	226,513	225,510
Sustainability	80,000	50,370	31,039
Switch program	500,000	235,935	-
Transit	227,700	264,908	226,216
Watershed	35,000	16,063	4,979
	<b>\$ 4,556,500</b>	<b>\$ 4,346,979</b>	<b>\$ 3,666,831</b>

Notes 1 - 19 are an integral part of these consolidated financial statements

**TOWN OF STRATFORD**  
**Schedule of Expenditures - Town**  
**Year Ended March 31, 2022**

(Schedule 7)

	Budget 2022	Actual 2022	Actual 2021
<b>Finance</b>			
Advertising	\$ 5,000	\$ 5,465	\$ 2,400
Computer software and internet	93,000	62,177	44,595
Insurance	60,000	63,472	54,869
Interest and bank charges	30,000	12,285	22,422
Interest on long term debt	231,200	170,141	143,852
Office supplies	48,500	33,959	36,910
Professional fees	33,500	10,479	15,061
Property tax	35,400	36,501	31,724
Property tax rebates	13,200	57,280	20,392
Salaries and wages	204,800	201,337	191,898
Staff development and travel	8,000	1,472	1,666
Telephone	48,000	45,457	48,534
Workers compensation	14,000	2,126	13,328
	<u>\$ 824,600</u>	<u>\$ 702,151</u>	<u>\$ 627,651</u>

Notes 1 - 19 are an integral part of these consolidated financial statements

**TOWN OF STRATFORD**  
**Schedule of Expenditures - Town**  
**Year Ended March 31, 2022**

(Schedule 8)

	Budget 2022	Actual 2022	Actual 2021
<b>Recreation</b>			
Arts and culture	\$ 38,000	\$ 41,483	\$ 30,437
Events	37,000	14,723	21,014
Grants:			
Canada Games	-	80,000	-
CARI operating	19,700	16,268	15,949
Glen Stewart playground	-	-	7,500
Pownal rink	40,000	40,000	40,000
Maintenance:			
Playground	70,000	23,861	28,730
Sports field	-	14,845	13,335
Professional fees	6,500	159	7,506
Programs	40,000	41,218	33,994
Promotion	1,600	-	-
Rink operations	3,000	4,305	1,420
Salaries and wages	479,600	442,798	418,845
Staff development and travel	4,500	2,650	2,300
	<b>\$ 739,900</b>	<b>\$ 722,310</b>	<b>\$ 621,030</b>

Notes 1 - 19 are an integral part of these consolidated financial statements



**TOWN OF STRATFORD**  
**Schedule of Expenditures - Town**  
**Year Ended March 31, 2022**

(Schedule 9)

	Budget 2022	Actual 2022	Actual 2021
<b>Infrastructure</b>			
Beautification plans	\$ 25,000	\$ 25,645	\$ 16,336
Building and grounds maintenance	265,000	227,973	257,203
Electricity	108,700	95,986	81,979
Emergency Services Centre	245,000	168,524	163,650
Fuel	19,000	20,406	12,559
Grass cutting	25,000	23,045	23,282
Professional fees	1,500	1,650	1,650
Salaries and wages	541,200	469,535	448,710
Sidewalk maintenance	23,000	1,366	5,449
Signage	6,000	13,556	3,136
Small tools	3,000	4,230	2,701
Snow removal	85,000	149,661	88,954
Staff development and travel	3,000	3,985	3,554
Vehicle and equipment operations	49,400	52,329	35,866
Water and sewer	22,300	21,960	13,893
	<u>\$ 1,422,100</u>	<u>\$ 1,279,851</u>	<u>\$ 1,158,922</u>

Notes 1 - 19 are an integral part of these consolidated financial statements

**TOWN OF STRATFORD**  
**Schedule of Expenditures - Town**  
**Year Ended March 31, 2022**

(Schedule 10)

	Budget 2022	Actual 2022	Actual 2021
<b>Planning</b>			
Administrative	\$ 3,000	\$ 6,736	\$ 2,006
Heritage	10,000	252	4,067
Professional fees	25,000	9,740	25,646
Salaries and wages	340,100	330,119	309,307
Staff development and travel	20,000	4,464	10,667
	<u>\$ 398,100</u>	<u>\$ 351,311</u>	<u>\$ 351,693</u>

Notes 1 - 19 are an integral part of these consolidated financial statements

**TOWN OF STRATFORD**  
**Statement of Operations - Stratford Utility Corporation (Schedule 11)**  
**Year Ended March 31, 2022**

	Budget 2022	Actual 2022	Actual 2021
<b>Revenues</b>			
Metered sales	\$ 2,656,000	\$ 2,607,591	\$ 2,566,099
Unmetered sales	359,700	342,791	366,465
Frontage charges	61,600	60,603	61,627
Late penalty charges	36,000	41,626	(12,296)
Interest and other	60,500	35,407	34,576
Gain on disposal of tangible capital assets	-	31,590	-
Connection charges	5,000	8,600	5,615
	<u>3,178,800</u>	<u>3,128,208</u>	<u>3,022,086</u>
<b>Expenditures</b>			
Amortization of tangible capital assets	1,035,000	1,098,850	1,083,655
Electricity	153,000	172,505	218,086
Honorariums	1,000	1,000	400
Insurance	14,000	16,017	13,287
Interest and bank charges	50,000	19,709	27,414
Interest on long term debt	253,000	255,852	179,221
Office	18,400	13,239	15,628
Postage	13,000	11,031	12,751
Professional fees	28,000	28,274	26,386
Property taxes	8,000	7,177	6,989
Rental	53,000	52,500	52,500
Repairs and maintenance	98,400	146,247	167,736
Salaries and wages	658,500	645,474	644,497
Snow removal	9,200	9,268	8,772
Software maintenance	40,000	41,431	19,618
Telephone	21,500	17,134	19,441
Tools and equipment	8,000	6,770	3,709
Travel	10,000	4,299	3,342
Treatment fees	620,400	532,007	94,618
Vehicle	43,000	31,284	14,503
Water conservation	18,000	8,629	7,885
Workers compensation	-	4,755	13,238
	<u>3,153,400</u>	<u>3,123,452</u>	<u>2,633,676</u>
<b>Operating surplus</b>	<u>25,400</u>	<u>4,756</u>	<u>388,410</u>
<b>Other revenues</b>			
Donated capital contributions	-	1,726,941	188,188
Government transfers for infrastructure (Note 13)	-	1,406,048	5,250,865
	<u>-</u>	<u>3,132,989</u>	<u>5,439,053</u>
<b>Annual surplus</b>	<u>\$ 25,400</u>	<u>\$ 3,137,745</u>	<u>\$ 5,827,463</u>

Notes 1 - 19 are an integral part of these consolidated financial statements

**TOWN OF STRATFORD**  
**Statement of Operations - Stratford Business Park (Schedule 12)**  
**Year Ended March 31, 2022**

	2022	2021
<b>Revenues</b>		
Sale of properties	\$ -	\$ 20,075
Cost of sales	<u>6,459</u>	<u>16,478</u>
Gross profit	<u>(6,459)</u>	<u>3,597</u>
<b>Expenditures</b>		
Administrative	-	330
Interest and bank charges	935	935
Maintenance	376	376
Professional fees	2,852	12,457
Property tax	<u>3,689</u>	<u>2,337</u>
	<u>7,852</u>	<u>16,435</u>
<b>Operating Surplus (deficit)</b>	<b>\$ (14,311)</b>	<b>\$ (12,838)</b>

Notes 1 - 19 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, 2022**

	Town	Utility	Business Park	2022
<b>Cash flows from operating activities</b>				
Annual surplus (deficit)	\$ 3,167,073	\$ 3,137,745	\$ (14,311)	\$ 6,290,507
Item not affecting cash:				
Amortization of tangible capital assets	838,815	1,098,850	-	1,937,665
Gain on disposal of tangible capital assets	\$ (4,723)	\$ (31,590)	\$ -	\$ (36,313)
Income from government business enterprise	(14,603)	-	-	(14,603)
	<u>3,986,562</u>	<u>4,205,005</u>	<u>(14,311)</u>	<u>8,177,256</u>
<b>Changes in non-working capital:</b>				
Accounts receivable	(201,892)	2,556,054	(47)	2,354,115
Loans and contributions receivable	(496,201)	9,402	-	(486,799)
Prepaid expense	(13,478)	(1,130)	-	(14,608)
Inventory	(924)	-	-	(924)
Land held for resale	-	-	(5,480)	(5,480)
Accounts payable and accrued liabilities	(114,910)	468,710	6,753	360,553
Deferred revenue	361,193	22,907	-	384,100
	<u>(466,212)</u>	<u>3,055,943</u>	<u>1,226</u>	<u>2,590,957</u>
	<u>3,520,350</u>	<u>7,260,948</u>	<u>(13,085)</u>	<u>10,768,213</u>
<b>Cash flows from capital activity</b>				
Purchases of tangible capital assets	(5,625,388)	(4,295,587)	-	(9,920,975)
Proceeds on disposal of tangible capital assets	5,349	31,590	-	36,939
	<u>(5,620,039)</u>	<u>(4,263,997)</u>	<u>-</u>	<u>(9,884,036)</u>
<b>Cash flows from financing activities</b>				
Proceeds from long term debt	2,470,697	-	-	2,470,697
Repayment of long term debt	(730,805)	(740,027)	-	(1,470,832)
Advances from (to) related entities	757,390	(757,814)	424	-
	<u>2,497,282</u>	<u>(1,497,841)</u>	<u>424</u>	<u>999,865</u>
<b>Increase (decrease) in cash</b>	397,593	1,499,110	(12,661)	1,884,042
<b>Cash - beginning of the year</b>	<u>2,110,794</u>	<u>816,823</u>	<u>491,663</u>	<u>3,419,280</u>
<b>Cash - end of year</b>	<u>\$ 2,508,387</u>	<u>\$ 2,315,933</u>	<u>\$ 479,002</u>	<u>\$ 5,303,322</u>

(continues)

Notes 1 - 19 are an integral part of these consolidated financial statements

**TOWN OF STRATFORD**  
**Consolidated Statement of Cash Flows by Entity** *(continued)* **(Schedule 13)**  
**Year Ended March 31, 2022**

	Town	Utility	Business Park	2022
<b>Cash consists of:</b>				
Cash	\$ 773,303	\$ 2,315,934	\$ 479,002	\$ 3,568,239
Restricted cash	1,735,083	-	-	1,735,083
	<b>\$ 2,508,386</b>	<b>\$ 2,315,934</b>	<b>\$ 479,002</b>	<b>\$ 5,303,322</b>

Notes 1 - 19 are an integral part of these consolidated financial statements