

TOWN OF STRATFORD
Consolidated Financial Statements
March 31, 2023

TOWN OF STRATFORD
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March 31, 2023

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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, 2023, 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, 2023, 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 13, 2023

TOWN OF STRATFORD
Consolidated Statement of Financial Position
March 31, 2023

	2023	2022
Financial assets		
Unrestricted cash	\$ 3,309,248	\$ 3,568,239
Restricted cash	2,656,790	1,735,083
Accounts receivable (Note 3)	3,283,672	2,067,910
Loans and contributions receivable (Note 4)	1,934,229	634,909
Land held for resale	159,277	159,277
Long term investments (Note 5)	279,397	257,838
	11,622,613	8,423,256
Liabilities		
Accounts payable and accrued liabilities	2,416,955	2,585,299
Deferred revenue (Note 6)	1,829,449	716,980
Long term debt (Note 7)	15,911,256	16,230,311
	20,157,660	19,532,590
Lease commitment (Note 8)		
Commitments (Note 9)		
Net debt (Statement 6)	(8,535,047)	(11,109,334)
Non-financial assets		
Inventory	13,866	15,082
Prepaid expense	58,928	40,767
Tangible capital assets (Schedules 1 and 2)	76,073,073	74,824,514
	76,145,867	74,880,363
Accumulated surplus (Statement 5)	\$ 67,610,820	\$ 63,771,029

ON BEHALF OF COUNCIL

_____ *Mayor*

_____ *Councillor*

Notes 1 - 18 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Consolidated Statement of Operations
Year Ended March 31, 2023

	Budget 2023	Actual 2023	Actual 2022
Revenues			
Property tax	\$ 5,565,700	\$ 5,809,680	\$ 5,137,339
Government transfers			
Provincial municipal support	1,408,700	1,450,222	1,327,833
Rental	671,100	701,521	708,999
CMHC housing supply study	250,000	361,014	33,800
Switch program grants	250,000	290,480	393,908
Development permits	163,200	142,354	160,409
Recreation programs	101,700	118,019	99,628
Police fines	60,000	78,490	48,917
Income from government business enterprises (Note 5)	-	21,559	14,603
Maintenance fee levy	17,000	15,940	16,690
Seniors' complex wage allocation	10,000	10,000	10,000
Miscellaneous	6,400	6,929	29,452
Animal control	2,000	1,710	1,555
Interest	-	2	-
Donations	-	-	5,000
Stratford Utility Corporation (Schedule 11)	3,257,400	3,110,339	3,128,208
	11,763,200	12,118,259	11,116,341
Cost of sales			
Stratford Business Park (Schedule 12)	-	-	6,459
Gross margin	11,763,200	12,118,259	11,109,882
Expenditures			
General (Schedule 6)	4,656,500	5,518,062	4,346,979
Finance (Schedule 7)	965,100	865,703	702,151
Recreation (Schedule 8)	812,300	815,649	722,310
Infrastructure (Schedule 9)	1,637,700	1,290,487	1,279,851
Planning (Schedule 10)	427,400	393,257	351,311
Stratford Utility Corporation (Schedule 11)	3,256,500	3,342,313	3,123,452
Stratford Business Park (Schedule 12)	-	17,668	7,852
	11,755,500	12,243,139	10,533,906
Operating surplus (deficit)	7,700	(124,880)	575,976
Other revenues			
Stratford Utility Corporation (Schedule 11)	3,475,500	1,993,158	3,132,989
Government transfers for capital (Note 13)	4,015,000	1,969,863	2,576,819
Gain on disposal of tangible capital assets	-	1,650	4,723
	7,490,500	3,964,671	5,714,531
Annual surplus	7,498,200	3,839,791	6,290,507
Accumulated surplus - beginning of year	63,771,029	63,771,029	57,480,522
Accumulated surplus - end of year (Note 10)	\$ 71,269,229	\$ 67,610,820	\$ 63,771,029

Notes 1 - 18 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Consolidated Statement of Changes in Net Debt
Year Ended March 31, 2023

	Budget 2023	Actual 2023	Actual 2022
Annual surplus	\$ 7,498,200	\$ 3,839,791	\$ 6,290,507
Amortization of tangible capital assets	2,035,100	2,182,741	1,937,665
Proceeds on disposal of tangible capital assets	-	1,650	36,939
Increase in prepaid expense	-	(18,161)	(14,608)
Gain on disposal of tangible capital assets	-	(1,650)	(36,313)
Decrease (increase) in inventory	-	1,220	(922)
Purchase of tangible capital assets	(11,278,500)	(3,431,304)	(9,920,975)
	(9,243,400)	(1,265,504)	(7,998,214)
(Increase) decrease in net debt	(1,745,200)	2,574,287	(1,707,707)
Net debt - beginning of year	(11,109,334)	(11,109,334)	(9,401,627)
Net debt - end of year	\$ (12,854,534)	\$ (8,535,047)	\$ (11,109,334)

Notes 1 - 18 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Consolidated Statement of Cash Flows
Year Ended March 31, 2023

	Actual 2023	Actual 2022
Cash flows from operating activities		
Annual surplus	\$ 3,839,791	\$ 6,290,507
Items not affecting cash:		
Amortization of tangible capital assets	2,182,741	1,937,665
Gain on disposal of tangible capital assets	(1,650)	(36,313)
Income from government business enterprise	(21,559)	(14,603)
	5,999,323	8,177,256
Changes in non-cash working capital:		
Accounts receivable	(1,215,762)	2,354,115
Loans and contributions receivable	(1,299,320)	(486,799)
Prepaid expense	(18,161)	(14,624)
Inventory	1,224	(924)
Land held for resale	-	(5,480)
Accounts payable and accrued liabilities	(168,347)	360,569
Deferred revenue	1,112,469	384,100
	(1,587,897)	2,590,957
	4,411,426	10,768,213
Cash flows from capital activities		
Purchase of tangible capital assets	(3,431,304)	(9,920,975)
Proceeds on disposal of tangible capital assets	1,650	36,939
	(3,429,654)	(9,884,036)
Cash flows from financing activities		
Proceeds from long term debt	1,171,542	2,470,697
Repayment of long term debt	(1,490,598)	(1,470,832)
	(319,056)	999,865
Increase in cash	662,716	1,884,042
Cash - beginning of year	5,303,322	3,419,280
Cash - end of year	\$ 5,966,038	\$ 5,303,322
Cash consists of:		
Unrestricted cash	\$ 3,309,248	\$ 3,568,239
Restricted cash	2,656,790	1,735,083
	\$ 5,966,038	\$ 5,303,322

Notes 1 - 18 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

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, 2023

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, 2023

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 \$1,400,284 in donated capital recorded as tangible capital assets and corresponding revenue (2022 - \$1,726,941).

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.

Asset retirement obligations

Liabilities are recognized for statutory, contractual or legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Consolidated Statement of Operations. As at March 31, 2023, no asset retirement obligations have been identified by management.

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TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

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, 2023, the liability for unused sick leave, that is required to be paid out upon severance or retirement, amounted to \$89,370 (2022 - \$76,140). 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, 2023, the liability for unused vacation time that is required to be paid out upon an employee leaving the organization amounted to \$162,934 (2022 - \$148,155). 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 \$97,809 (2022 - \$96,108) 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, 2023

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, 2023

3. ACCOUNTS RECEIVABLE

	2023	2022
Government transfers	\$ 2,183,553	\$ 924,367
Utility billings	859,834	835,298
HST receivable	136,007	136,457
Trade	97,661	169,202
Due from Stratford Community Senior's Complex Ltd.	6,617	2,586
	\$ 3,283,672	\$ 2,067,910

4. LOANS AND CONTRIBUTIONS RECEIVABLE

	2023	2022
Loans receivable from residents, non-interest bearing, repayable in monthly principal installments for varying terms, unsecured.	\$ 1,801,223	\$ 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	8,006	13,708
	\$ 1,934,229	\$ 634,909

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, 2023 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, 2023

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, 2023 and 2022 are as follows:

	2023	2022
<u>Consolidated Statement of Financial Position</u>		
Assets		
Current assets	\$ 4,732,388	\$ 8,126,322
Property inventory	2,392,744	2,573,292
Mortgages receivable	232,671	217,499
Property and equipment	32,948	30,478
Investment properties	73,972,800	69,207,373
	81,363,551	80,154,964
Liabilities		
Current liabilities	10,388,415	16,581,932
Long term debt	18,440,225	12,132,914
Deferred revenues	40,164,228	40,147,368
	68,992,868	68,862,214
Shareholders' equity		
Capital stock	2,500	2,500
Contributed surplus	4,526,706	4,526,706
Retained earnings	7,841,447	6,763,544
	12,370,653	11,292,750
Total liabilities and shareholders' equity	\$ 81,363,551	\$ 80,154,964
<u>Consolidated Statement of Comprehensive Income</u>		
Revenue		
Operating income	\$ 1,702,916	\$ 1,345,044
Management fee	147,236	130,887
Interest	127,612	223,877
Miscellaneous	28,133	8,547
	2,005,897	1,708,355
Expenses		
	927,994	978,181
Net earnings for the year	1,077,903	730,174
Retained earnings - beginning of year	6,763,544	6,033,370
Retained earnings - end of year	\$ 7,841,447	\$ 6,763,544
Investment - beginning of year	\$ 257,838	\$ 243,235
Share of net income (2%)	21,559	14,603
Investment - end of year	\$ 279,397	\$ 257,838

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TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

5. INVESTMENTS (continued)

Key Activities and Commitments:

Demand loans of \$7,131,601 (2022 - \$11,976,067) 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 \$970,085 (2022 - \$1,941,794) under the Canada Community Building Fund. Total proceeds of \$986,594 received by the Town as at March 31, 2023 is comprised of \$970,085 plus interest of \$16,509. 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, \$187,944 (2022 - \$1,616,903) was spent on eligible projects. The Town has prepared, and the governmental regulating body has accepted, a Capital Investment Plan which details anticipated expenditures.

	2023	2022
<u>Town</u>		
Canada Community Building Fund	\$ 1,417,361	\$ 618,711
Canada Mortgage and Housing Corporation	353,824	47,005
Deferred revenue	7,000	-
	1,778,185	665,716
 <u>Utility</u>		
Customer prepayments	51,264	51,264
Total deferred revenue	\$ 1,829,449	\$ 716,980

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

7. LONG TERM DEBT

	2023	2022
<u>Town</u>		
Royal Bank of Canada - 2.07%; Bankers Acceptance; repayable in quarterly principal payments of \$66,000 to \$73,000 for 2024 to 2028. The loan matures on September 20, 2039.	\$ 5,263,000	\$ 5,527,000
Federation of Canadian Municipalities - 0%; repayable in semi-annual principal installments of \$53,555 commencing in 2026. The loan matures on June 1, 2043.	2,142,239	970,697
Royal Bank of Canada - 3.52%; Bankers Acceptance; repayable in quarterly principal installments of \$13,000 to \$16,000 from 2024 to 2028. The loan matures on December 9, 2041.	1,448,000	1,500,000
TD Canada Trust - 2.66%; repayable in monthly blended installments of \$3,418. The loan matures on May 20, 2025.	86,329	124,513
TD Canada Trust - 2.99%; repayable in monthly blended installments of \$24,035. The loan matures on June 22, 2023.	71,971	353,626
TD Canada Trust - 2.98%, repaid during the year.	-	141,357
TD Canada Trust - 2.9%, repaid during the year.	-	21,397
	9,011,539	8,638,590
<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 2028. The loan matures on March 30, 2046.	2,582,000	2,657,000
TD Canada Trust - 3.81%; repayable in monthly blended installments of \$7,075. The loan matures on April 24, 2038.	973,069	1,019,908
TD Canada Trust - 3.31%; repayable in monthly blended installments of \$6,180. The loan matures on May 20, 2035.	743,120	792,048
TD Canada Trust - 3.2%; repayable in monthly blended installments of \$3,598. The loan matures on June 14, 2036.	465,829	493,608
TD Canada Trust - 3.45%; repayable in monthly blended installments of \$4,943. The loan matures on May 20, 2034.	549,904	589,689
TD Canada Trust - 3.3%; repayable in monthly blended installments of \$2,960. The loan matures on June 19, 2037.	403,496	425,348
TD Canada Trust - 3.11%; repayable in monthly blended installments of \$6,291. The loan matures on January 23, 2028.	338,279	402,154
TD Canada Trust - 2.57%; repayable in monthly blended installments of \$4,081. The loan matures on June 19, 2027.	197,047	240,369
TD Canada Trust - 2.63%, repayable in monthly blended installments of \$4,335. The loan matures on January 18, 2026.	141,927	189,512
TD Bank - 2.4%; repayable in monthly blended installments of \$1,632. The loan matures on June 30, 2030.	130,227	146,476
Royal Bank of Canada - 2.61%; repayable in monthly blended installments of \$5,581. The loan matures on June 28, 2024.	82,313	146,218

(continues)

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

7. LONG TERM DEBT (continued)

	2023	2022
TD Canada Trust - 3.48%; repayable in monthly blended installments of \$5,455. The loan matures on November 23, 2023.	43,115	105,871
TD Canada Trust - 2.86%; repayable in monthly blended installments of \$3,077. The loan matures on December 17, 2024.	62,977	97,566
CMHC - 3.92%; repayable in annual blended installments of \$23,005. The loan matures on March 1, 2026.	64,147	83,665
CMHC - 3.92%; repayable in annual blended installments of \$19,097. The loan matures on March 1, 2026.	53,249	69,451
CMHC - 3.98%, repayable in annual blended installments of \$19,054. The loan matures on February 1, 2025.	36,185	53,070
CMHC - 3.92%, repayable in annual blended installments of \$11,775. The loan matures on March 1, 2026.	32,833	42,823
Royal Bank of Canada - 2.73%, repaid during the year.	-	4,985
Bank of Montreal - 3.03%, repaid during the year.	-	31,960
	6,899,717	7,591,721
	\$ 15,911,256	\$ 16,230,311

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

2024	\$ 1,090,715
2025	941,151
2026	970,516
2027	888,439
2028	861,298

All loans secured by Town borrowing resolution.

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 two years are as follows:

2024	\$ 59,156
2025	59,156

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

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 2023 were \$998,765 (2022 - \$1,055,951).

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 2023 were \$520,413 (2022 - \$532,007). 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 prior 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, 2023 the Town had issued \$1,801,223 in loans to residents and incurred \$473,220 in eligible program expenditures.

10. ACCUMULATED SURPLUS

	2023	2022
Unrestricted surplus	\$ 2,180,760	\$ 1,692,590
Reserve funds (Note 11)	5,268,240	3,484,234
Investment in tangible capital assets (Note 12)	60,161,820	58,594,205
	\$ 67,610,820	\$ 63,771,029

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

11. RESERVE FUNDS

	2023	2022
<u>Reserve funds</u>		
Balance, beginning of year	\$ 3,484,234	\$ 2,487,228
Allocation to Utility Capital project fund	1,869,920	253,615
Allocation to Emergency Service Centre reserve fund	30,993	50,000
Allocation to Town Hall Capital reserve fund	50,000	50,000
Allocation to RCMP vehicle reserve fund	15,000	15,000
Allocation to Election reserve fund	9,500	9,500
Allocation to Pondsides Park dredging fund	7,000	7,000
Allocation to Arts and Culture reserve fund	6,324	6,492
Allocation to Stratfords of the World reserve fund	965	1,000
Allocation to Youth Centre reserve fund	2,614	189
Allocation from Town Capital project fund	(208,310)	-
Allocation to Town Capital project fund	-	596,350
Allocation to Parkland dedication reserve fund	-	7,860
	5,268,240	3,484,234
 <u>Town</u>		
Town capital project	502,464	710,775
Utility capital contribution	131,286	131,286
Dedication fees	118,449	118,449
Emergency Service Centre	130,993	100,000
Pondsides Park dredging	77,000	70,000
RCMP vehicle	75,000	60,000
Town Hall Capital	100,000	50,000
Election	38,000	28,500
Arts and Culture	18,472	12,147
Stratfords of the World	7,418	6,454
Heritage grant reserve	6,198	6,198
Youth Centre Reserve	5,208	2,593
	1,210,488	1,296,402
 <u>Utility</u>		
Capital project fund	2,894,111	1,162,414
Utility capital reserve	1,163,641	1,025,418
	4,057,752	2,187,832
 Total reserve funds	\$ 5,268,240	\$ 3,484,234

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

12. INVESTMENT IN TANGIBLE CAPITAL ASSETS

	2023	2022
Tangible capital assets (Schedules 1 and 2)	\$ 104,939,732	\$ 101,508,428
Accumulated amortization (Schedules 1 and 2)	(28,866,656)	(26,683,912)
Long term debt (Note 7)	(15,911,256)	(16,230,311)
	\$ 60,161,820	\$ 58,594,205

13. GOVERNMENT TRANSFERS FOR INFRASTRUCTURE

	2023	2022
<u>Town</u>		
Province of PEI Active Transportation Fund	\$ 811,713	\$ 525,000
Province of PEI Fiona Disaster Financial Assistance	722,697	-
Canada Community Building Fund	166,320	1,498,653
Municipal Capital Expenditure Grant	112,880	492,833
Investing in Canada Infrastructure Program	110,456	23,358
Atlantic Canada Opportunities Agency	35,068	-
Trans Canada Trail Funding	8,875	2,000
Province of PEI Climate Challenge Fund	1,854	16,275
Efficiency PEI heat pump rebate	-	1,200
Government of Canada for Stratford Honour Roll Project	-	2,500
Province of PEI Safe Restart Program	-	15,000
	1,969,863	2,576,819
<u>Utility</u>		
Investing in Canada Infrastructure Program	299,339	193,649
Municipal Capital Expenditure Grant	133,686	194,765
Canada Community Building Fund	21,625	118,250
Clean Water Wastewater Fund	-	899,384
	454,650	1,406,048
Total government transfers for infrastructure	\$ 2,424,513	\$ 3,982,867

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

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, 2023.

(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, 2024, 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, 2024, 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 2023 fiscal operating budget prepared by Council to the budget figures disclosed in the consolidated financial statements is as follows:

	<u>2023</u>
Budgeted annual surplus - Town	\$ 6,800
Budgeted annual surplus - Utility	900
Budgeted capital funding - Town	4,015,000
Budgeted capital funding - Utility	<u>3,475,500</u>
	<u>\$ 7,498,200</u>

TOWN OF STRATFORD
Notes to Consolidated Financial Statements
Year Ended March 31, 2023

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.

TOWN OF STRATFORD
Schedules to Consolidated Financial Statements
Tangible Capital Assets
Year Ended March 31, 2023

(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	\$ 4,771,424	\$ -	\$ -	\$ 4,771,424	\$ -	\$ -	\$ -	\$ -	\$ 4,771,424
Buildings and facilities	17,803,343	205,101	-	18,008,444	4,861,163	396,032	-	5,257,195	12,751,249
Computer and equipment	718,108	24,601	-	742,709	527,348	55,976	-	583,324	159,385
Vehicles	1,408,244	64,719	-	1,472,963	1,166,047	42,680	-	1,208,727	264,236
Parks and other Active transportation	4,968,289	454,443	-	5,422,732	2,245,128	167,170	-	2,412,298	3,010,434
	9,390,356	469,491	-	9,859,847	3,444,378	202,286	-	3,646,662	6,213,185
	<u>\$ 39,059,764</u>	<u>\$ 1,218,355</u>	<u>\$ -</u>	<u>\$ 40,278,119</u>	<u>\$ 12,244,064</u>	<u>\$ 864,144</u>	<u>\$ -</u>	<u>\$ 13,108,206</u>	<u>\$ 27,169,913</u>
Utility									
Land	\$ 783,759	\$ -	\$ -	\$ 783,759	\$ -	\$ -	\$ -	\$ -	\$ 783,759
Computer and equipment	447,425	-	-	447,425	202,721	70,391	-	273,112	174,313
Vehicles	139,574	-	-	139,574	106,283	7,538	-	113,821	25,753
Sewer	38,483,211	1,200,805	-	39,684,016	9,073,202	720,308	-	9,793,510	29,890,506
Water	22,594,695	1,012,144	-	23,606,839	5,057,647	520,360	-	5,578,007	18,028,832
	<u>\$ 62,448,664</u>	<u>\$ 2,212,949</u>	<u>\$ -</u>	<u>\$ 64,661,613</u>	<u>\$ 14,439,853</u>	<u>\$ 1,318,597</u>	<u>\$ -</u>	<u>\$ 15,758,450</u>	<u>\$ 48,903,163</u>
Total	<u>\$101,508,428</u>	<u>\$ 3,431,304</u>	<u>\$ -</u>	<u>\$104,939,732</u>	<u>\$ 26,683,917</u>	<u>\$ 2,182,741</u>	<u>\$ -</u>	<u>\$ 28,866,656</u>	<u>\$ 76,073,073</u>

Notes 1 - 18 are an integral part of these consolidated financial statements

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

(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	\$ 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 Active transportation	4,616,863	357,725	(6,299)	4,968,289	2,093,998	157,149	(6,019)	2,245,128	2,723,161
	7,358,772	2,031,584	-	9,390,356	3,243,821	200,559	-	3,444,378	5,945,978
	\$ 33,457,575	\$ 5,625,388	\$ (23,199)	\$ 39,059,764	\$ 11,428,167	\$ 838,815	\$ (22,919)	\$ 12,244,061	\$ 26,815,703
Utility									
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
	\$ 58,153,077	\$ 4,295,587	\$ -	\$ 62,448,664	\$ 13,341,001	\$ 1,098,850	\$ -	\$ 14,439,851	\$ 48,008,813
Total	\$ 91,610,652	\$ 9,920,975	\$ (23,199)	\$ 101,508,428	\$ 24,769,168	\$ 1,937,665	\$ (22,919)	\$ 26,683,912	\$ 74,824,514

Notes 1 - 18 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Schedules to Consolidated Financial Statements
Segment Disclosures
Year Ended March 31, 2023

(Schedule 3)

	General Government	Finance	Recreation	Infrastructure	Planning	Stratford Utility Corporation	Stratford Business Park	Elimination	Consolidated 2023
Revenue									
Property taxes	\$ 5,809,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,809,680
Municipal support	1,450,222	-	-	-	-	-	-	-	1,450,222
Rental	701,521	-	-	-	-	-	-	(52,500)	649,021
Third party revenue	90,200	-	133,959	-	142,354	-	-	-	366,513
Other revenue	389,503	-	-	-	-	-	-	-	389,503
Interest	-	-	-	-	-	27,601	-	-	27,601
Water and sewer Switch program	-	-	-	-	-	3,082,738	-	(24,495)	3,058,243
	290,480	-	-	-	-	-	-	-	290,480
	\$ 8,731,606	\$ -	\$ 133,959	\$ -	\$ 142,354	\$ 3,110,339	\$ -	\$ (76,995)	\$ 12,041,263
Expenditures									
Salaries and benefits	\$ 402,945	\$ 270,707	\$ 485,345	\$ 580,103	\$ 361,167	\$ 724,950	\$ -	\$ -	\$ 2,825,217
Goods and services	2,870,240	341,592	204,222	710,384	32,090	1,084,823	-	(76,995)	5,166,356
Amortization of tangible capital assets	863,712	-	-	-	-	1,316,991	-	-	2,180,702
Interest	-	253,404	-	-	-	215,549	-	-	468,953
Other	1,381,165	-	126,082	-	-	-	17,668	-	1,524,915
	\$ 5,518,062	\$ 865,703	\$ 815,649	\$ 1,290,487	\$ 393,257	\$ 3,342,313	\$ 17,668	\$ (76,995)	\$ 12,166,143
Operating surplus (deficit)	\$ 3,213,544	\$ (865,703)	\$ (681,690)	\$ (1,290,487)	\$ (250,903)	\$ (231,974)	\$ (17,668)	\$ -	\$ (124,880)
Government transfers for infrastructure	1,969,863	-	-	-	-	454,650	-	-	2,424,513
Donated capital contributions	-	-	-	-	-	1,538,508	-	-	1,538,508
Gain on disposal	1,650	-	-	-	-	-	-	-	1,650
Annual surplus (deficit)	\$ 5,185,057	\$ (865,703)	\$ (681,690)	\$ (1,290,487)	\$ (250,903)	\$ 1,761,184	\$ (17,668)	\$ -	\$ 3,839,791

Notes 1 - 18 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 4)

	General Government	Finance	Recreation	Infrastructure	Planning	Stratford Utility Corporation	Stratford Business Park	Elimination	Consolidated 2021
Revenues									
Property taxes	\$ 5,137,339	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,137,339
Municipal support	1,327,833	-	-	-	-	-	-	-	1,327,833
Switch	393,908	-	-	-	-	-	-	-	393,908
Rental	708,999	-	-	-	-	-	-	(52,500)	656,499
Third party revenue	60,472	-	116,318	-	160,409	-	-	-	337,199
Other revenue	82,854	-	-	-	-	-	-	-	82,854
Interest	-	-	-	-	-	47,261	-	-	47,261
Water and sewer	-	-	-	-	-	3,080,948	-	(25,479)	3,055,469
	\$ 7,711,405	\$ -	\$ 116,318	\$ -	\$ 160,409	\$ 3,128,209	\$ -	\$ (77,979)	\$ 11,038,362
Expenditures									
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	-	-	1,937,665
Interest	-	182,426	-	-	-	275,561	-	-	457,987
Other	235,935	-	136,268	-	-	-	14,311	-	386,514
	\$ 4,346,979	\$ 702,151	\$ 722,310	\$ 1,279,851	\$ 351,311	\$ 3,123,452	\$ 14,311	\$ (77,979)	\$ 10,462,386
Operating surplus (deficit)									
Government transfers for infrastructure	\$ 3,364,426	\$ (865,703)	\$ (681,690)	\$ (1,290,487)	\$ (250,903)	\$ 4,757	\$ (14,311)	\$ -	\$ 575,976
Donated capital	2,576,819	-	-	-	-	1,406,048	-	-	3,982,867
Gain on disposal	-	-	-	-	-	1,726,941	-	-	1,726,941
	4,723	-	-	-	-	-	-	-	4,723
Annual surplus (deficit)	\$ 5,945,968	\$ (865,703)	\$ (681,690)	\$ (1,290,487)	\$ (250,903)	\$ 3,137,746	\$ (14,311)	\$ -	\$ 6,290,507

Notes 1 - 18 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Statement of Operations - Town
Year Ended March 31, 2023

(Schedule 5)

	Budget 2023	Actual 2023	Actual 2022
Revenues			
Property tax	\$ 5,565,700	\$ 5,809,680	\$ 5,137,339
Government transfers			
Provincial municipal support	1,408,700	1,450,222	1,327,833
Rental	671,100	701,521	708,999
CMHC housing supply study	250,000	361,014	33,800
Switch program grants	250,000	290,480	393,908
Development permits	163,200	142,354	160,409
Recreation programs	101,700	118,019	99,628
Police fines	60,000	78,490	48,917
Income from government business enterprise (Note 5)	-	21,559	14,603
Field maintenance fee levy	17,000	15,940	16,690
Seniors' complex wage allocation	10,000	10,000	10,000
Miscellaneous	6,400	6,926	29,453
Animal control	2,000	1,710	1,555
Donations	-	-	5,000
	8,505,800	9,007,915	7,988,134
Expenditures			
General (Schedule 6)	4,656,500	5,518,062	4,346,979
Finance (Schedule 7)	965,100	865,703	702,151
Recreation (Schedule 8)	812,300	815,649	722,310
Infrastructure (Schedule 9)	1,637,700	1,290,487	1,279,851
Planning (Schedule 10)	427,400	393,257	351,311
	8,499,000	8,883,158	7,402,602
Operating surplus	6,800	124,757	585,530
Other revenues			
Government transfer for infrastructure (Note 13)	4,015,000	1,969,863	2,576,819
Gain on disposal of tangible capital assets	-	1,650	4,723
	4,015,000	1,971,513	2,576,819
Annual surplus	\$ 4,021,800	\$ 2,096,270	\$ 3,162,349

Notes 1 - 18 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Schedule of Expenditures - Town
Year Ended March 31, 2023

(Schedule 6)

	Budget 2023	Actual 2023	Actual 2022
General			
Amortization of tangible capital assets	\$ 808,300	\$ 863,712	\$ 838,815
Animal control	33,600	33,643	33,359
Committee	47,100	35,702	27,569
Community engagement	78,000	66,532	67,178
Contingency fund	30,000	-	-
Donations	25,500	22,550	20,395
Elections	15,000	40,932	-
Fiona related	-	772,780	-
Fire protection	713,500	736,406	654,789
Housing supply challenge	-	371,099	33,800
Library lease	76,000	86,103	88,707
Mayor and council:			
Council development	40,000	32,492	25,852
Council honorariums	151,000	154,695	151,651
Discretionary fund	4,000	3,827	3,856
Municipal dues and fees	23,000	21,989	21,989
Professional fees	105,300	22,250	98,911
Promotions	12,600	13,121	8,800
Police protection	1,000,000	998,765	1,115,951
Salaries and wages	354,200	367,498	336,629
Staff EAP and incentives	19,100	24,388	22,435
Staff development and travel	12,600	11,059	2,504
Street lighting	250,400	223,214	226,513
Sustainability	82,000	52,384	50,370
Switch program	500,000	237,285	235,935
Transit	240,300	308,277	264,908
Watershed	35,000	17,359	16,063
	\$ 4,656,500	\$ 5,518,062	\$ 4,346,979

Notes 1 - 18 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Schedule of Expenditures - Town
Year Ended March 31, 2023

(Schedule 7)

	Budget 2023	Actual 2023	Actual 2022
Finance			
Advertising	\$ 4,200	\$ 7,793	\$ 5,465
Computer software and internet	75,000	48,285	62,177
Insurance	66,800	77,666	63,472
Interest and bank charges	15,000	15,479	12,285
Interest on long term debt	280,000	237,925	170,141
Office supplies	40,300	45,769	33,959
Professional fees	33,500	39,089	10,479
Property tax	36,900	43,331	36,501
Property tax rebates	66,600	35,399	57,280
Salaries and wages	273,800	247,425	201,337
Staff development and travel	8,000	4,989	1,472
Stratfords of the World	1,000	-	-
Telephone	48,000	44,260	45,457
Workers compensation	16,000	18,293	2,126
	\$ 965,100	\$ 865,703	\$ 702,151

Notes 1 - 18 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Schedule of Expenditures - Town
Year Ended March 31, 2023

(Schedule 8)

	Budget 2023	Actual 2023	Actual 2022
Recreation			
Arts and culture	\$ 39,000	\$ 54,294	\$ 41,483
Events	39,200	34,190	14,723
Grants:			
Canada Games	56,200	54,000	80,000
CARI operating	17,100	17,082	16,268
Pownal rink	55,000	55,000	40,000
School levy	1,400	-	-
Maintenance:			
Playground	43,200	18,476	23,861
Sports field	30,000	32,034	14,845
Professional fees	1,000	1,385	159
Programs	42,600	63,126	41,218
Promotion	1,600	260	-
Rink operations	4,000	457	4,305
Salaries and wages	473,000	478,262	442,798
Staff development and travel	9,000	7,083	2,650
	\$ 812,300	\$ 815,649	\$ 722,310

Notes 1 - 18 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Schedule of Expenditures - Town
Year Ended March 31, 2023

(Schedule 9)

	Budget 2023	Actual 2023	Actual 2022
Infrastructure			
Beautification plans	\$ 25,000	\$ 23,609	\$ 25,645
Building and grounds maintenance	264,600	117,900	198,893
Electricity	105,100	98,964	95,986
Emergency Services Centre	225,200	124,355	168,524
Fuel	20,000	24,496	20,406
Grass cutting	25,000	23,045	23,045
Professional fees	21,700	21,700	1,650
Salaries and wages	701,800	576,596	469,535
Sidewalk maintenance	40,000	27,890	30,446
Signage	10,000	7,285	13,556
Small tools	4,000	3,207	4,230
Snow removal	120,000	155,111	149,661
Staff development and travel	3,200	3,507	3,985
Vehicle and equipment operations	49,000	61,565	52,329
Water and sewer	23,100	21,257	21,960
	\$ 1,637,700	\$ 1,290,487	\$ 1,279,851

Notes 1 - 18 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Schedule of Expenditures - Town
Year Ended March 31, 2023

(Schedule 10)

	Budget 2023	Actual 2023	Actual 2022
Planning			
Administrative	\$ 4,000	\$ 4,763	\$ 6,736
Heritage	5,000	3,831	252
Professional fees	30,000	23,496	9,740
Salaries and wages	368,400	338,522	330,119
Staff development and travel	20,000	22,645	4,464
	\$ 427,400	\$ 393,257	\$ 351,311

Notes 1 - 18 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Statement of Operations - Stratford Utility Corporation (Schedule 11)
Year Ended March 31, 2023

	Budget 2023	Actual 2023	Actual 2022
Revenues			
Metered sales	\$ 2,760,500	\$ 2,647,006	\$ 2,607,591
Unmetered sales	338,100	333,273	342,791
Frontage charges	58,600	61,890	60,603
Late penalty charges	36,000	34,629	29,772
Interest and other	57,000	27,601	47,261
Connection charges	7,200	5,940	8,600
Gain on disposal of tangible capital assets	-	-	31,590
	<u>3,257,400</u>	<u>3,110,339</u>	<u>3,128,208</u>
Expenditures			
Amortization of tangible capital assets	1,226,800	1,316,991	1,098,850
Electricity	158,300	169,649	172,505
Honorariums	1,000	1,000	1,000
Insurance	17,500	19,881	16,017
Interest and bank charges	24,000	21,066	19,709
Interest on long term debt	231,000	194,483	255,852
Office	15,500	15,237	13,239
Postage	12,000	9,715	11,031
Professional fees	21,000	7,636	28,274
Property taxes	7,600	7,345	7,177
Rental	52,500	52,500	52,500
Repairs and maintenance	103,600	151,008	146,247
Salaries and wages	708,400	710,314	645,474
Snow removal	11,000	9,020	9,268
Software maintenance	45,000	35,716	41,431
Telephone	21,400	23,920	17,134
Tools and equipment	6,000	6,350	6,770
Travel	7,000	8,512	4,299
Treatment fees	530,400	520,413	532,007
Vehicle	29,500	34,696	31,284
Water conservation	14,000	12,225	8,629
Workers compensation	13,000	14,636	4,755
	<u>3,256,500</u>	<u>3,342,313</u>	<u>3,123,452</u>
Operating surplus (deficit)	<u>900</u>	<u>(231,974)</u>	<u>4,756</u>
Other revenues			
Donated capital contributions	-	1,538,508	1,726,941
Government transfers for infrastructure (Note 13)	3,475,500	454,650	1,406,048
	<u>3,475,500</u>	<u>1,993,158</u>	<u>3,132,989</u>
Annual surplus	<u>\$ 3,476,400</u>	<u>\$ 1,761,184</u>	<u>\$ 3,137,745</u>

Notes 1 - 18 are an integral part of these consolidated financial statements

TOWN OF STRATFORD
Statement of Operations - Stratford Business Park (Schedule 12)
Year Ended March 31, 2023

	2023	2022
Cost of sales	\$ -	\$ 6,459
Expenditures		
Administrative	30	-
Interest and bank charges	900	935
Maintenance	376	376
Professional fees	3,364	2,852
Property tax	12,998	3,689
	17,668	7,852
Operating deficit	\$ (17,668)	\$ (14,311)

Notes 1 - 18 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, 2023

	Town	Utility	Business Park	2023
Cash flows from operating activities				
Annual surplus (deficit)	\$ 2,096,276	\$ 1,761,183	\$ (17,668)	\$ 3,839,791
Item not affecting cash:				
Amortization of tangible capital assets	864,144	1,318,597	-	2,182,741
Gain on disposal of tangible capital assets	(1,650)	-	-	(1,650)
Income from government business enterprise	(21,559)	-	-	(21,559)
	<u>2,937,211</u>	<u>3,079,780</u>	<u>(17,668)</u>	<u>5,999,323</u>
Changes in non-working capital:				
Accounts receivable	(1,209,374)	10,311	-	(1,199,063)
Loans and contributions receivable	(1,305,023)	5,703	-	(1,299,320)
Prepaid expense	(16,767)	(1,394)	-	(18,161)
Inventory	1,224	-	-	1,224
Accounts payable and accrued liabilities	225,152	(403,746)	(6,452)	(185,046)
Deferred revenue	1,112,469	-	-	1,112,469
	<u>(1,192,319)</u>	<u>(389,126)</u>	<u>(6,452)</u>	<u>(1,587,897)</u>
	<u>1,744,892</u>	<u>2,690,654</u>	<u>(24,120)</u>	<u>4,411,426</u>
Cash flows from capital activity				
Purchases of tangible capital assets	(1,218,355)	(2,212,949)	-	(3,431,304)
Proceeds on disposal of tangible capital assets	(1,650)	-	-	(1,650)
	<u>(1,220,005)</u>	<u>(2,212,949)</u>	<u>-</u>	<u>(3,432,954)</u>
Cash flows from financing activities				
Proceeds from long term debt	1,171,542	-	-	1,171,542
Repayment of long term debt	(798,596)	(692,002)	-	(1,490,598)
Advances from (to) related entities	(400,818)	400,403	415	-
	<u>(27,872)</u>	<u>(291,599)</u>	<u>415</u>	<u>(319,056)</u>
Increase (decrease) in cash	500,315	186,106	(23,705)	662,716
Cash - beginning of the year	<u>2,508,386</u>	<u>2,315,934</u>	<u>479,002</u>	<u>5,303,322</u>
Cash - end of year	<u>\$ 3,008,701</u>	<u>\$ 2,502,040</u>	<u>\$ 455,297</u>	<u>\$ 5,966,038</u>

Notes 1 - 18 are an integral part of these consolidated financial statements