



Consolidated Financial Statements

Town of Stratford

December 31, 2009

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Auditors' report

Grant Thornton LLP
Suite 501
199 Grafton Street
PO Box 187
Charlottetown, PE
C1A 7K4
T (902) 892-6547
F (902) 566-5358
www.GrantThornton.ca

His Worship the Mayor and

Members of Town Council

We have audited the consolidated statement of financial position of the Town of Stratford as at December 31, 2009 and consolidated statements of operations, change in net debt and cash flows for the year then ended. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town of Stratford as at December 31, 2009 and the results of its operations and changes in net debt and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Charlottetown, Prince Edward Island

March 16, 2010

Chartered Accountants

Town of Stratford

Consolidated statement of operations

Year ended December 31		2009		Restated (Note 14) 2008
	<u>Page</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue				
General Fund	18	\$ 3,576,000	\$ 3,671,337	\$ 3,569,694
Stratford Utility Corporation	24	1,423,000	1,582,177	1,440,289
Stratford Business Park	25	<u>135,000</u>	<u>-</u>	<u>203,669</u>
		<u>5,134,000</u>	<u>5,253,514</u>	<u>5,213,652</u>
Expenses				
General Fund	18	3,579,300	3,533,321	3,381,221
Stratford Utility Corporation	24	1,232,900	1,264,180	1,164,803
Stratford Business Park	25	<u>189,600</u>	<u>18,435</u>	<u>197,756</u>
		<u>5,001,800</u>	<u>4,815,936</u>	<u>4,743,780</u>
Excess of revenue over expenses		<u>\$ 132,200</u>	437,578	469,872
Accumulated surplus, beginning of year, as previously reported			2,453,721	1,939,417
Change in accounting policy (Note 14)			<u>(30,959)</u>	<u>13,473</u>
Accumulated surplus, beginning of year, as restated			<u>2,422,762</u>	<u>1,952,890</u>
Accumulated surplus, end of year			<u>\$ 2,860,340</u>	<u>\$ 2,422,762</u>

See accompanying notes to the consolidated financial statements.

Town of Stratford

Consolidated statement of financial position

December 31	2009	Restated (Note 14) 2008
Financial assets		
Cash and cash equivalents		
Unrestricted	\$ 68,841	\$ 67,153
Restricted (Note 6)	184,107	208,931
Receivables		
Trade	790,381	788,818
Federal and Provincial grants	609,341	1,982,345
Leases, loans, and contributions receivable (Note 3)	277,384	268,879
Land held for resale, at cost	249,917	249,917
Long term investments (Note 4)	517,500	517,500
Advances to Stratford Community Seniors' Complex Ltd., non-interest bearing, no set terms of repayment	1,604	12,281
	<u>2,699,075</u>	<u>4,095,824</u>
Liabilities		
Bank indebtedness and short term borrowings (Note 5)	651,725	1,634,526
Payables and accruals		
Trade	551,179	400,250
Capital assets	170,398	507,619
Holdbacks	217,463	352,460
Deferred revenue (Note 6)	184,107	208,931
Employee benefits payable (Note 7)	53,732	45,078
Long term debt (Note 8)	11,436,185	11,687,615
	<u>13,264,789</u>	<u>14,836,479</u>
Net debt	(10,565,714)	(10,740,655)
Non-financial assets		
Inventories of materials and supplies, at cost	6,166	5,474
Prepays	41,738	41,407
Tangible capital assets - Town (Page 16)	7,886,032	7,055,794
Tangible capital assets - Utility (Page 17)	23,867,842	22,536,660
Contributions in aid of construction (Note 9)	(18,375,723)	(16,475,918)
	<u>\$ 2,860,341</u>	<u>\$ 2,422,762</u>
Accumulated surplus		
Municipal position		
Reserve funds (Note 10)	\$ 869,954	\$ 888,258
Operating funds	1,990,387	1,534,504
	<u>\$ 2,860,341</u>	<u>\$ 2,422,762</u>

Commitments (Note 13)

On behalf of the Council

Mayor

Chief Administrative Officer

See accompanying notes to the consolidated financial statements.

Town of Stratford

Consolidated statement of change in net debt

Year ended December 31	2009	Restated (Note 14) 2008
Decrease (increase) in net debt		
Net revenue	\$ 437,578	\$ 469,872
Acquisition of tangible capital assets	(3,127,556)	(2,537,647)
Proceeds from sale of capital assets	2,226	-
Contributions in aid of construction	2,390,813	1,523,671
Depreciation and amortization	<u>472,903</u>	<u>625,466</u>
	<u>175,964</u>	<u>81,362</u>
Acquisition of supplies inventories	(6,166)	(5,474)
Acquisition of prepaid expenses	(41,738)	(41,407)
Consumption of supplies inventories	5,474	6,266
Use of prepaid expenses	<u>41,407</u>	<u>45,448</u>
	<u>(1,023)</u>	<u>4,833</u>
Change in net debt	174,941	86,195
Net debt, beginning of year	<u>(10,740,655)</u>	<u>(10,826,850)</u>
Net debt, end of year	<u>\$ (10,565,714)</u>	<u>\$ (10,740,655)</u>

See accompanying notes to the consolidated financial statements.

Town of Stratford

Consolidated statement of cash flows

Year ended December 31	2009	Restated (Note 14) 2008
Increase (decrease) in cash and cash equivalents		
Operating activities		
Net revenue	\$ 437,578	\$ 469,872
Depreciation and amortization	<u>472,903</u>	<u>625,466</u>
	910,481	1,095,338
Change in non-cash working capital		
Receivables	1,371,441	(645,279)
Leases, loans and contributions receivable	(8,505)	71,861
Prepays	(331)	4,041
Inventories of materials and supplies	(692)	792
Land held for resale	-	148,993
Payables, accruals, and deferred revenue	<u>(337,459)</u>	<u>449,114</u>
	<u>1,934,935</u>	<u>1,124,860</u>
Financing activities		
Payment of long term debt		
Town	(350,141)	(422,207)
Utility	(363,787)	(323,525)
Business park	(43,456)	(41,363)
Proceeds from issuance of long term debt		
Utility	505,954	-
(Decrease) increase in bank indebtedness	(982,801)	248,052
Advances from Stratford Community Seniors' Complex Ltd.	<u>10,677</u>	<u>3,082</u>
	<u>(1,223,554)</u>	<u>(535,961)</u>
Investing activities		
Purchase of tangible capital assets	(3,127,556)	(2,537,647)
Proceeds from sale of capital assets	2,226	-
Contributions in aid of construction	<u>2,390,813</u>	<u>1,523,671</u>
	<u>(734,517)</u>	<u>(1,013,976)</u>
Net decrease in cash and cash equivalents	(23,136)	(425,077)
Cash and cash equivalents,		
Beginning of year	<u>276,084</u>	<u>701,161</u>
End of year	<u>\$ 252,948</u>	<u>\$ 276,084</u>

See accompanying notes to the consolidated financial statements.

Town of Stratford

Notes to the consolidated financial statements

December 31, 2009

1. Summary of significant accounting policies

The consolidated financial statements of the Town of Stratford “the Town” are prepared by management in accordance with Canadian generally accepted accounting principles for local governments, as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants. Significant aspects of the accounting policies adopted by the Town are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues, expenditures, and changes in net debt and in financial position of the reporting entity. The reporting entity is comprised of all organizations and committees that are accountable to the Town for administration of their financial affairs and resources, and which are owned or controlled by the Town. This includes the Stratford Utility Corporation and Stratford Business Park Corporation Inc. Interdepartmental and organizational transactions and balances are eliminated.

The financial activities of certain entities associated with the Town of Stratford are considered to be separate government business enterprises and are not consolidated. The Town’s transactions with these entities are recorded in the consolidated statement of financial activities. These entities include:

Stratford Community Seniors’ Complex Ltd.

Basis of accounting

The basis of accounting followed in the financial statement presentation includes revenues in the period in which the transactions or events occurred that gave rise to the revenues and expenditures in the period the goods and services are acquired and a liability is incurred.

Fund accounting

Funds within the consolidated financial statements consist of the operating and reserve funds for the general operations, the water and sewer utility, and the business park. Transfers between funds are recorded as adjustments to the appropriate fund balance.

Revenue recognition

The accrual basis of accounting is used for all funds. The accrual basis of accounting recognizes revenues as they are earned and measurable; expenditures are recognized as they are incurred and measurable as a result of legal obligation to pay.

The Town follows the deferral method for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses 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.

Inventories of materials and supplies

Inventories are valued at the lower of cost and net realizable value.

Land held for resale

Inventories of land are valued at original cost plus any development costs incurred to date.

Town of Stratford

Notes to the consolidated financial statements

December 31, 2009

1. Summary of significant accounting policies (cont'd)

Tangible capital assets

Effective January 1, 2009, the Town changed their accounting policy with regards to tangible capital assets and adopted Section 3150, Tangible Capital Assets, of the Public Sector Accounting Board Handbook (see Note 13). Tangible capital assets are recorded at cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

Half of the annual amortization is charged in the year of acquisition. Assets under construction are not amortized until the asset is available for productive use.

Equipment, furniture, software, buildings, and improvements with a cost in excess of \$2,500 and an estimated useful life of two years or more are capitalized at cost. All civil infrastructure assets with construction costs over \$25,000 are capitalized.

All costs associated with placing an asset in service, including freight, installation costs, site preparation costs, alterations, and professional fees are included in the capitalized value.

Interest expense on capital debt incurred during the construction or renovation of an asset is included in the capitalized value.

a) Depreciation - general

Rates and bases of depreciation applied to write-off the cost of property and equipment over their estimated lives are as follows:

Multi purpose facility	40 year straight line
Buildings	40 year straight line
Other assets	10-50 year straight line
Sidewalks, parks, and paving	25 year straight line
Vehicles	7 year straight line
Machinery and equipment	10 year straight line
Small equipment	5 year straight line
Computer hardware and software	4 year straight line

b) Depreciation – sewer and water utility

Rates and bases of depreciation applied to write-off the cost of capital assets over their estimated lives are as follows:

Sewer systems	50 year straight line
Water systems	50 year straight line
Computer software	4 year straight line
Machinery and equipment	10 year straight line
Small equipment	5 year straight line
Vehicles	7 year straight line

c) Contributions in aid of construction

Infrastructure and other program grants and rebates related to capital asset purchases are recorded as contributions in aid of construction on the statement of financial position and are amortized to income using the same method and annual rates as the related assets are depreciated.

Town of Stratford

Notes to the consolidated financial statements

December 31, 2009

1. Summary of significant accounting policies (cont'd)

Management estimates

The presentation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those reported.

Reserves

The reserve funds are credited by specific charges as a direct transfer from surplus.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances on deposit with banks.

2. Change in accounting estimate

During 2009 management reassessed the useful lives of the Town's assets and have determined new useful lives as shown in Note 1. This change in accounting estimate has been recognized prospectively on a straight line basis over the remaining estimated useful lives of the assets effective January 1, 2009. The effect of the change on 2009 is an decrease in depreciation and increase in accumulated surplus of \$127,114. The effect in future periods is not disclosed because estimating it is impracticable.

3. Leases, loans, and contributions receivable	<u>2009</u>	<u>2008</u>
CHANCES Inc., 5.48% capital lease, repayable in equal monthly instalments of \$1,020 consisting of principal and interest.	\$ 84,930	\$ 92,296
Stratford Soccer Association, non-interest bearing, repayable in annual principal instalments of \$10,000.	20,000	20,000
Capital contributions receivable	<u>172,454</u>	<u>156,583</u>
	<u>\$ 277,384</u>	<u>\$ 268,879</u>

4. Long term investments, at cost	<u>2009</u>	<u>2008</u>
Capital Area Recreation Inc.	\$ 385,000	\$ 385,000
Charlottetown Area Development Corporation (CADC), 50 common shares	<u>132,500</u>	<u>132,500</u>
	<u>\$ 517,500</u>	<u>\$ 517,500</u>

Town of Stratford

Notes to the consolidated financial statements

December 31, 2009

5. Bank indebtedness and short term borrowings

The Town has total authorized operating lines of credit of \$750,000, of which \$644,149 was unused at December 31, 2009, \$2,000,000, of which \$1,889,406 was unused at December 31, 2009, and \$350,000, of which \$77,827 was unused at December 31, 2009. Bank indebtedness consists of:

	<u>2009</u>	<u>2008</u>
Bank indebtedness	\$ (488,618)	\$ (964,144)
Outstanding cheques	(244,695)	(530,085)
Outstanding deposits	25,237	6,080
Outstanding transfer to New Deal Gas Tax account	<u>56,351</u>	<u>(146,377)</u>
	<u>\$ (651,725)</u>	<u>\$ (1,634,526)</u>

6. Deferred revenue

During the year the Town was allocated \$660,748 (2008 - \$332,187) under the New Deal Gas Tax Funding for Incorporated Communities agreement. Total proceeds of \$660,748 received by the Town as at December 31, 2009 is comprised of \$659,976 plus interest of \$772. The Town must use their allocation of the New Deal Gas Tax funds for eligible infrastructure and capacity building projects as outlined in the agreement dated November 22, 2005.

	<u>2009</u>	<u>2008</u>
Deferred, beginning of year	\$ 208,931	\$ 60,945
Received	660,748	332,187
Spent	<u>(685,572)</u>	<u>(184,201)</u>
Deferred, end of year	<u>\$ 184,107</u>	<u>\$ 208,931</u>

Under the Agreement on the Transfer of Federal Gas Tax Revenues through the New Deal for Cities and Communities, the Town has received revenues which are restricted for expenditure on eligible projects. During the year, \$685,572 (2008 - \$184,201) was spent on eligible projects. The Town has prepared, and the governmental regulating body has accepted, a Capital Investment Plan which details determined expenditures.

7. Employee benefits

The liability of \$53,732 (2008 - \$45,078) has been accrued for future employee benefits for sick leave and vacation pay.

The Town matches employee's contributions to a Registered Retirement Savings Plan (RRSP) up to a maximum of 6% of their annual salary. During the year there was \$115,043 (2008 - \$103,271) contributed to RRSP plans. This represented both the Town's and the employees' portion of the contribution and was included in expenses for the year.

Town of Stratford

Notes to the consolidated financial statements

December 31, 2009

8. Long term debt	<u>2009</u>	<u>2008</u>
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Town of Stratford

5.25% Bank of Montreal loan payable in equal monthly instalments of \$1,002 including interest, maturing in and amortized to September 2011.	\$ 19,969	\$ 30,644
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4.67% Bank of Montreal loan payable in equal monthly instalments of \$2,685 including interest, maturing in December 2017, amortized to December 2022.	295,136	313,125
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4.16% Royal Bank loan payable in equal monthly instalments of \$12,484 including interest, maturing in March 2013, amortized to December 2022.	1,521,906	1,606,662
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4.54% Royal Bank loan payable in equal monthly instalments of \$24,903 including interest, maturing in May 2013, amortized to January 2024.	3,014,694	3,175,465
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3.46% Bank of Montreal loan payable in equal monthly instalments of \$7,463 including interest, maturing in and amortized to March 2014.	<u>347,161</u>	<u>423,112</u>
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	<u>5,198,866</u>	<u>5,549,008</u>
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Stratford Utility Corporation

5.32% Bank of Montreal loan payable in equal monthly instalments of \$5,225 including interest, maturing in and amortized to April 2016.	336,580	380,117
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4.73% Bank of Montreal loan payable in equal monthly instalments of \$2,582 including interest, maturing in November 2016, and amortized to November 2021.	181,867	203,692
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4.63% Pacific and Western loan payable in equal monthly instalments of \$5,617 including interest, maturing in October 2018, amortized to June 2023.	683,484	718,359
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4.90% Metro Credit Union Limited loan payable in equal monthly instalments of \$4,033 including interest, maturing in July 2011, amortized to July 2020.	397,627	425,786
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4.67% Bank of Montreal loan payable in equal monthly instalments of \$3,249 including interest, maturing in November 2015, amortized to November 2020.	332,397	355,281
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Town of Stratford

Notes to the consolidated financial statements

December 31, 2009

8. Long term debt (cont'd)	<u>2009</u>	<u>2008</u>
4.73% Bank of Montreal loan payable in equal monthly instalments of \$2,847 including interest, maturing in November 2016 and amortized to November 2021.	200,522	224,584
4.51% Royal Bank loan payable in equal monthly instalments of \$2,896 including interest, maturing in February 2013, amortized to December 2022.	344,605	363,351
4.88% Bank of Montreal loan payable in equal monthly instalments of \$1,073 including interest, maturing in March 2017, amortized to March 2022.	118,262	125,189
4.97% Bank of Montreal loan payable in equal monthly instalments of \$3,423 including interest, maturing in November 2014, amortized to October 2024.	430,359	449,546
4.63% Bank of Montreal loan payable in equal monthly instalments of \$3,205 including interest, maturing in January 2019, amortized to December 2023.	397,406	415,256
4.72% Bank of Montreal loan payable in equal monthly instalments of \$4,762 including interest, maturing in December 2015, amortized to December 2025.	639,822	666,097
4.72% Pacific & Western loan payable in equal monthly instalments of \$4,519 including interest, maturing in March 2017, amortized to March 2027.	637,786	661,304
5.05% Royal Bank loan payable in equal monthly instalments of \$6,830 including interest, maturing in December 2012, amortized to December 2028.	970,906	1,003,479
4.87% Royal Bank loan payable in equal monthly Instalments of \$3,302 including interest, maturing in April 2019, amortized to April 2029.	495,863	-
Repaid during year	<u>-</u>	<u>33,277</u>
	<u>6,167,486</u>	<u>6,025,318</u>
Stratford Business Park Corporation Inc.		
5.00% mortgage payable in equal monthly instalments of \$4,011 including interest, maturing in June 2011.	<u>69,833</u>	<u>113,289</u>
	<u>\$ 11,436,185</u>	<u>\$ 11,687,615</u>

As security for the loans, the Town has provided a first charge on specific equipment and a first mortgage on specific property.

Town of Stratford

Notes to the consolidated financial statements

December 31, 2009

8. Long term debt (cont'd)

Based on current repayment amounts, principal repayments in each of the next five years are due as follows:

	<u>General</u>	<u>Utility</u>	<u>Business Park</u>	<u>Total</u>
2010	\$ 365,127	\$ 353,846	\$ 45,520	\$ 764,493
2011	377,516	371,170	24,312	772,998
2012	384,361	389,530	-	773,891
2013	400,602	408,800	-	809,402
2014	<u>342,058</u>	<u>429,025</u>	<u>-</u>	<u>771,083</u>
	<u>\$ 1,869,664</u>	<u>\$ 1,952,371</u>	<u>\$ 69,832</u>	<u>\$ 3,891,867</u>

9. Contributions in aid of construction

2009

2008

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Federal grants	\$ 8,171,644	\$ 759,486	\$ 7,412,158	\$ 6,957,395
Provincial grants	7,197,785	780,259	6,417,526	6,553,648
Privately contributed	<u>5,964,278</u>	<u>1,418,239</u>	<u>4,546,039</u>	<u>2,964,875</u>
	<u>\$ 21,333,707</u>	<u>\$ 2,957,984</u>	<u>\$ 18,375,723</u>	<u>\$16,475,918</u>

10. Reserve funds

2009

2008

Balance, beginning of year	\$ 888,258	\$ 726,910
Allocations (from) to reserves (net)	<u>(18,304)</u>	<u>161,348</u>
Balance, end of year	<u>\$ 869,954</u>	<u>\$ 888,258</u>
Comprising of:		
Town		
Soccer complex	\$ -	\$ 150,000
Dedication fees	31,608	31,608
Election	25,500	17,000
Utility capital contribution	176,327	184,569
Town capital project	135,803	135,803
Heritage grant reserve	10,000	-
Arts and culture needs assessment reserve	15,000	-
Utility		
Water supply capital contribution	<u>475,716</u>	<u>369,278</u>
	<u>\$ 869,954</u>	<u>\$ 888,258</u>

Town of Stratford

Notes to the consolidated financial statements

December 31, 2009

11. 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.

12. External restrictions

The Town has agreements with external parties that stipulate the purpose for which certain funds can be used. The subdivision dedication fees received totalling \$31,608 (2008 - \$31,608) are to be used only for parkland development and are shown in reserves.

13. 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.

Town of Stratford

Notes to the consolidated financial statements

December 31, 2009

14. Change in accounting policy

Effective January 1, 2009, the Town has restated its financial statements to comply with the provisions of Section 3150, Tangible Capital Assets, of the Public Sector Accounting Board Handbook. This section has established standards on how to account for and report tangible capital assets. Tangible capital assets are a significant economic resource managed by government and a key component in the delivery of many government programs. The standard requires tangible capital to be recorded at historical cost on the balance sheet and to allocate their costs to future accounting periods through annual amortization expenses based on the tangible capital assets estimated useful life. The Town was required to record the historical cost of their tangible capital assets and accumulated amortization on a retrospective basis with restatement of prior years. The Town determined historical cost based on historical accounting records, discounted replacement cost or discounted appraisal costs. If historical cost could not be determined, the asset was recorded at a nominal value. Under previous accounting standards, the Town had different options on how to record their tangible capital assets which included expense as incurred in the statement of operations, record as an addition in the capital fund without annual amortization, or capitalize and amortize over their estimated useful lives. Previous standards also permitted the Town to expense debt repayments as incurred in the statement of operations. This is no longer an option under section 3150, Tangible Capital Assets. The December 31, 2008 figures presented for comparative purposes have been restated from those previously reported. The following adjustments were made to the prior periods:

	<u>2009</u>	<u>2008</u>
Adjustments to opening accumulated surplus:		
As previously reported	\$ 2,453,721	\$ 1,939,417
Adjustment to capital assets - Town	259,833	259,833
Adjustment to accumulated depreciation - Utility	(377,585)	(398,874)
Adjustment to accumulated amortization - Utility	86,793	152,514
Total adjustment required	<u>(30,959)</u>	<u>13,473</u>
As restated	\$ <u>2,422,762</u>	\$ <u>1,952,890</u>
Adjustment to net revenue		
As previously stated		\$ 514,304
Adjustment to capital contributions in aid of construction		(65,721)
Adjustment to depreciation		21,289
As restated		\$ <u>469,872</u>
Adjustments to tangible capital assets:		
As previously reported		\$ 26,741,486
Adjustment to historical cost of tangible capital assets		4,452,284
Accumulated depreciation recorded		<u>(1,601,316)</u>
As restated		\$ <u>29,592,454</u>
Adjustments to contributions in aid of construction:		
As previously reported		\$ (13,593,726)
Adjustment to contributions in aid of construction		(4,192,451)
Accumulated amortization recorded		<u>1,310,259</u>
As restated		\$ <u>(16,475,918)</u>

Town of Stratford

Notes to the consolidated financial statements

December 31, 2009

15. Budget

The budget figures have not been audited and have been included on the financial statements for comparative purposes only.

16. Comparative figures

Certain of the figures on the 2008 financial statements have been reclassified to conform to the 2009 financial statement presentation.

Town of Stratford

Schedule of tangible capital assets - Town

Year ended December 31, 2009

	Land	Buildings	Equipment	Other	Vehicle	Multipurpose facility	Computer Equipment	Sidewalks, trails and parks	2009	2008
Cost										
Opening Balance, as previously reported	\$ 811,500	\$ 614,048	\$ 605,056	\$ 730,014	\$ 96,004	\$ 5,274,338	\$ 179,340	\$ 1,209,939	\$ 9,520,239	\$ 8,784,438
Adjustment (Note 14)	259,833	50,378	-	334,499	462,311	743,300	-	726,641	2,576,962	2,576,963
As restated	1,071,333	664,426	605,056	1,064,513	558,315	6,017,638	179,340	1,936,580	12,097,201	11,361,401
Acquisition of tangible capital assets	-	-	13,326	-	492,767	30,482	18,456	680,165	1,235,196	735,800
Disposal of tangible capital assets	-	-	(1,476)	-	(750)	-	-	-	(2,226)	-
Balance, end of year	1,071,333	664,426	616,906	1,064,513	1,050,332	6,048,120	197,796	2,616,745	13,330,171	12,097,201
Accumulated Amortization										
Opening Balance, as previously reported	-	323,359	543,587	675,320	96,004	1,159,424	145,017	995,944	3,938,655	3,513,106
Adjustment (Note 14)	-	38,173	-	303,638	-	163,394	-	597,547	1,102,752	1,202,442
As restated	-	361,532	543,587	978,958	96,004	1,322,818	145,017	1,593,491	5,041,407	4,715,548
Annual Amortization	-	12,415	39,997	3,750	114,904	150,660	32,037	48,969	402,732	325,859
Balance, end of year	-	373,947	583,584	982,708	210,908	1,473,478	177,054	1,642,460	5,444,139	5,041,407
Net Book value of tangible capital assets	\$ 1,071,333	\$ 290,479	\$ 33,322	\$ 81,805	\$ 839,424	\$ 4,574,642	\$ 20,742	\$ 974,285	\$ 7,886,032	\$ 7,055,794

Town of Stratford

Schedule of tangible capital assets - Utility

Year ended December 31, 2009

	Land	Equipment	Vehicles	Computer Software	Sewer	Water	2009	2008
Cost								
Opening Balance, as previously reported	\$ 175,324	\$ 43,362	\$ 97,225	\$ 39,918	\$ 16,053,944	\$ 8,002,898	\$ 24,412,671	\$ 21,870,568
Adjustment (Note 14)	-	-	-	-	1,320,189	555,132	1,875,321	1,875,321
As restated	175,324	43,362	97,225	39,918	17,374,133	8,558,030	26,287,992	23,745,889
Acquisition of tangible capital assets	-	7,212	-	-	1,166,241	719,089	1,892,542	2,542,103
Balance, end of year	175,324	50,574	97,225	39,918	18,540,374	9,277,119	28,180,534	26,287,992
Accumulated Amortization								
Opening Balance, as previously reported	-	24,500	36,106	27,316	2,526,924	637,785	3,252,631	2,835,820
Adjustment (Note 14)	-	11,372	(15,273)	12,601	401,014	88,987	498,701	398,874
As restated	-	35,872	20,833	39,917	2,927,938	726,772	3,751,332	3,234,694
Annual Amortization	-	9,393	13,889	1	359,755	178,322	561,360	516,638
Balance, end of year	-	45,265	34,722	39,918	3,287,693	905,094	4,312,692	3,751,332
Net book value of tangible capital assets	<u>\$ 175,324</u>	<u>\$ 5,309</u>	<u>\$ 62,503</u>	<u>\$ -</u>	<u>\$ 15,252,681</u>	<u>\$ 8,372,025</u>	<u>\$ 23,867,842</u>	<u>\$ 22,536,660</u>

Town of Stratford

General account

Schedule of operations

Year ended December 31	Budget	2009	2008
Revenue			
Real property tax – Town levy, net	\$2,308,800	\$2,343,284	\$2,230,471
Municipal support grant	919,100	924,185	901,516
Rental	198,000	204,272	208,245
Police fines	50,000	61,043	57,402
Development permits	50,000	76,643	51,088
Miscellaneous	-	14,071	11,992
Interest	6,700	5,378	14,898
Equalization grant	11,600	11,631	13,084
Recreation programs	14,500	13,198	10,540
Fire rated water	-	-	54,017
Seniors Complex wage allocation	9,000	9,000	9,000
Field maintenance levy	4,300	4,208	4,461
Animal control	<u>4,000</u>	<u>4,424</u>	<u>2,980</u>
	<u>3,576,000</u>	<u>3,671,337</u>	<u>3,569,694</u>
Expenses			
Depreciation	400,000	257,117	425,550
Finance and administration (page 19)	618,800	592,969	605,406
General government (page 20)	1,394,700	1,368,884	1,196,354
Planning (page 21)	251,100	227,520	210,980
Public works (page 22)	481,600	510,647	462,904
Recreation (page 23)	<u>433,100</u>	<u>576,184</u>	<u>480,027</u>
	<u>3,579,300</u>	<u>3,533,321</u>	<u>3,381,221</u>
Excess revenue over expenses	<u>\$ 3,300</u>	138,016	188,473
Allocations and transfers			
Allocation from Utility for rent		37,300	37,300
Transfer to election reserve		(8,500)	(8,500)
Transfer to heritage grants reserve		(10,000)	-
Transfer to arts and culture needs assessment reserve		(15,000)	-
Transfer from indoor soccer complex reserve		150,000	-
Transfer to utility capital contribution reserve		-	(150,000)
Transfer from town capital project reserve		<u>-</u>	<u>63,200</u>
Change in general account fund balance		<u>\$ 291,816</u>	<u>\$ 130,473</u>

Town of Stratford

General account

Schedule of expenses

Year ended December 31	Budget	2009	2008
Finance and administration			
Advertising	\$ 9,500	\$ 10,948	\$ 8,933
Bank charges and interest	12,000	5,165	17,847
Community group support	500	1	1,499
Computer support services	40,200	30,358	41,691
Fees and journals	3,200	3,331	3,214
Insurance	55,000	54,037	53,210
Interest on long term debt	238,000	241,741	237,453
Leased equipment	7,900	7,698	7,524
Office supplies	27,400	26,077	29,786
Postage and courier	4,500	3,281	4,079
Professional fees	14,000	11,824	13,130
Property taxes	29,500	23,844	28,751
Property tax rebates	12,700	21,267	13,546
Salaries and benefits	114,900	107,261	101,457
Staff development and travel	9,000	6,769	6,909
Telephone and fax	28,000	27,493	26,956
Workers compensation	12,500	11,876	9,421
	<u>\$ 618,800</u>	<u>\$ 592,969</u>	<u>\$ 605,406</u>

Town of Stratford

General account

Schedule of expenses

Year ended December 31	Budget	2009	2008
General government			
Animal control	\$ 25,000	\$ 24,848	\$ 23,769
Committee expenses	21,500	21,206	19,641
Donations and gifts	10,000	10,266	7,375
Dues - Federations of PEI and Canadian Municipalities	13,500	13,581	10,544
Sustainable economic development	45,000	36,030	69,172
Fire protection	166,000	165,950	159,700
GIS development and maintenance	10,000	17,159	16,813
Mayor and council expenses			
Council honorariums	58,200	52,422	56,415
Discretionary fund	4,000	3,615	3,254
Council development and travel	37,000	36,648	39,444
RCMP contract	525,000	519,564	443,808
RCMP office lease	8,800	8,800	8,800
Professional fees			
Consulting	15,000	16,970	25,838
Legal	14,000	14,005	11,194
Promotional expenditures	16,000	10,018	34,168
Salaries and benefits	125,000	123,204	126,350
Staff development and travel	12,900	12,132	10,404
Staff EAP and incentives	9,500	7,138	6,687
Street lighting	145,000	137,737	122,978
Transit	<u>133,300</u>	<u>137,591</u>	<u>-</u>
	1,394,700	1,368,884	1,196,354
Transfers			
Election reserve	<u>8,500</u>	<u>8,500</u>	<u>8,500</u>
	<u>\$1,403,200</u>	<u>\$ 1,377,384</u>	<u>\$ 1,204,854</u>

Town of Stratford

General account

Schedule of expenses

Year ended December 31	Budget	2009	2008
Planning			
Administrative expenses	\$ 2,000	\$ 453	\$ 2,657
Heritage	1,600	936	939
Newsletter	14,000	16,825	12,167
Professional fees	23,000	12,336	24,149
Salaries and benefits	196,900	188,450	160,237
Staff development and travel	<u>13,600</u>	<u>8,520</u>	<u>10,831</u>
	251,100	227,520	210,980
Transfers			
Heritage grant reserve	<u>10,000</u>	<u>10,000</u>	<u>-</u>
	<u>\$ 276,100</u>	<u>\$ 237,520</u>	<u>\$ 210,980</u>

Town of Stratford

General account

Schedule of expenses

Year ended December 31	Budget	2009	2008
Public works			
Beautification plan	\$ 8,200	\$ 7,777	\$ 10,147
Buildings maintenance	116,000	119,316	125,145
Electricity	74,000	87,451	77,130
Fuel	14,000	12,171	16,827
Grass cutting	22,300	21,610	21,502
Professional fees	2,000	6,115	-
Salaries and benefits	157,500	156,653	134,767
Sewer charges	10,000	10,242	11,525
Sidewalk maintenance	2,500	770	443
Signage	2,000	894	1,162
Small tools	3,000	1,993	1,823
Snow removal	41,100	62,381	33,828
Staff development and travel	4,000	2,407	3,682
Vehicle and equipment operating	<u>25,000</u>	<u>20,867</u>	<u>24,923</u>
	<u>\$ 481,600</u>	<u>\$ 510,647</u>	<u>\$ 462,904</u>

Town of Stratford

General account

Schedule of expenses

Year ended December 31	Budget	2009	2008
Recreation			
Arts and culture	\$ 2,500	\$ 4,095	\$ 2,054
Events	19,000	21,018	19,118
Grants and agreements			
CARI operating	15,000	15,000	15,000
Glen Stewart playground	10,000	10,000	14,000
Pownal rink	32,000	32,000	32,000
School levy	700	700	700
PEI Soccer Association	-	150,000	63,200
Maintenance			
Playground	11,500	9,369	13,108
Sports fields	18,500	14,378	13,370
Trails	4,000	10,498	5,303
Professional fees	4,000	4,427	3,324
Programs	11,000	8,282	9,331
Promotion	1,000	1,595	1,215
Rink operations	1,000	1,768	696
Salaries and benefits	295,900	286,142	278,501
Staff development and travel	<u>7,000</u>	<u>6,912</u>	<u>9,107</u>
	433,100	576,184	480,027
Transfers from			
Indoor soccer complex reserve	-	(150,000)	-
Arts and culture needs			
assessment reserve	15,000	15,000	-
Town capital project reserve	<u>-</u>	<u>-</u>	<u>(63,200)</u>
	<u>\$ 448,100</u>	<u>\$ 441,184</u>	<u>\$ 416,827</u>

Town of Stratford

Utility

Schedule of operations

Year ended December 31	Budget	2009	2008
Revenue			
Unmetered sales	\$ 1,265,100	\$ 1,298,471	\$ 1,180,842
Late penalty charges	25,000	23,875	34,001
Frontage charges	51,600	42,528	40,295
Metered sales	76,100	90,629	84,427
Miscellaneous	1,500	1,191	30
Connection fees	3,700	8,850	7,290
Water supply capital contribution	-	106,438	81,557
Interest	-	10,195	11,847
	<u>1,423,000</u>	<u>1,582,177</u>	<u>1,440,289</u>
Expenses			
Consulting	-	-	1,490
Contingency	3,000	2,235	4,683
Depreciation	180,000	215,785	199,917
Electricity	110,000	124,862	116,361
Honorariums	500	500	500
Insurance	13,700	13,144	13,429
Interest and bank charges	50,000	18,375	36,907
Interest on long term debt	328,000	295,325	319,355
Office	10,000	8,430	9,989
Postage	7,500	6,698	6,573
Professional fees	30,500	39,547	10,691
Property taxes	3,000	2,984	4,009
Repairs and maintenance			
Sewer	80,300	137,354	38,639
Water	50,000	37,045	49,639
Software maintenance	6,400	6,400	3,000
Snow removal	6,300	5,462	5,252
Telephone	13,000	16,401	13,736
Tools and equipment	3,000	4,019	3,241
Travel	10,000	9,471	7,686
Wages and employee benefits	312,400	301,081	305,151
Workers compensation	7,300	5,967	5,543
Vehicle	8,000	13,095	9,012
	<u>1,232,900</u>	<u>1,264,180</u>	<u>1,164,803</u>
Excess revenue over expenses	<u>\$ 190,100</u>	317,997	275,486
Allocations and transfers			
Allocation to Town for rent		(37,300)	(37,300)
Transfer to water supply capital contribution reserve		(106,438)	(81,557)
1% capital contribution from general account		<u>8,242</u>	<u>15,509</u>
Change in utility fund balance		<u>\$ 182,501</u>	<u>\$ 172,138</u>

Town of Stratford **Business Park** **Schedule of operations**

Year ended December 31	Budget	2009	2008
Lot sales	\$ 135,000	\$ -	\$ 203,669
Expenses			
Annual fee	100	30	30
Cost of sales	78,500	-	148,993
Interest and bank charges	8,500	5,956	14,984
Interest on long term debt	4,800	4,496	6,610
Marketing	500	-	-
Professional fees	12,000	1,823	17,101
Property taxes	2,500	1,286	2,483
Repairs and maintenance	4,200	4,844	7,555
	<u>111,100</u>	<u>18,435</u>	<u>197,756</u>
Excess expenses over revenues	<u>\$ 23,900</u>	<u>\$ (18,435)</u>	<u>\$ 5,913</u>