



Consolidated Financial Statements

Town of Stratford

December 31, 2011

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Grant Thornton

Independent auditors' report

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To His Worship the Mayor and members of the Town Council of

The Town of Stratford

We have audited the accompanying consolidated financial statements of the Town of Stratford, which comprise the statement of financial position as at December 31, 2011, and the consolidated statements of operations, cash flows and changes in net debt for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditor's responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Town of Stratford as at December 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The signature of Grant Thornton LLP is written in a black, cursive script. The letters are fluid and connected, with a prominent 'G' and 'T'.

Charlottetown, Prince Edward Island

April 20, 2012

Chartered Accountants

Town of Stratford

Consolidated statement of operations

Year ended December 31

2011

2010

	<u>Page</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue				
General Fund	18	\$ 3,920,600	\$ 4,043,716	\$ 3,838,862
Stratford Utility Corporation	24	1,621,200	1,959,881	1,687,237
Stratford Business Park	25	<u>46,000</u>	<u>46,000</u>	<u>89,000</u>
		<u>5,587,800</u>	<u>6,049,597</u>	<u>5,615,099</u>
Expenses				
General Fund	18	3,786,400	3,843,244	3,612,201
Stratford Utility Corporation	24	1,450,200	1,336,723	1,259,808
Stratford Business Park	25	<u>49,397</u>	<u>36,951</u>	<u>75,003</u>
		<u>5,285,997</u>	<u>5,216,918</u>	<u>4,947,012</u>
Excess of revenue over expenses		<u>\$ 301,803</u>	<u>832,679</u>	668,087
Accumulated surplus, beginning of year			<u>3,528,428</u>	<u>2,860,341</u>
Accumulated surplus, end of year			<u>\$ 4,361,107</u>	<u>\$ 3,528,428</u>

Town of Stratford**Consolidated statement of financial position**

December 31

2011**2010**

Financial assets

Cash and cash equivalents

Unrestricted \$ 697,068 \$ 60,311

Restricted (Note 5) 982,782 680,900

Receivables

Trade 1,064,591 810,675

Federal and Provincial grants 74,948 1,027,779

Leases, loans, and contributions receivable (Note 2) 359,941 322,453

Land held for resale, at cost 179,758 198,185

Long term investments (Note 3) 517,500 517,500

Advances to Stratford Community Seniors' Complex Ltd.,
non-interest bearing, no set terms of repayment 5,181 10,3523,881,769 3,628,155**Liabilities**

Bank indebtedness and short term borrowings (Note 4) 279,454 1,167,444

Payables and accruals

Trade 760,499 469,041

Capital assets 285,715 351,909

Holdbacks 138,986 219,095

Deferred revenue (Note 5) 982,782 680,900

Employee benefits payable (Note 6) 98,025 81,847

Long term debt (Note 7) 10,970,709 11,155,65013,516,170 14,125,886**Net debt**

(9,634,401) (10,497,731)

Non-financial assets

Inventories of materials and supplies, at cost 10,940 10,380

Prepays 35,967 36,361

Tangible capital assets - Town (Page 16) 8,247,052 7,892,724

Tangible capital assets - Utility (Page 17) 27,136,598 25,791,106

Contributions in aid of construction (Note 8) (21,435,049) (19,704,412)**Accumulated surplus**\$ 4,361,107 \$ 3,528,428**Municipal position**

Reserve funds (Note 9) \$ 1,226,155 \$ 976,419

Operating funds 3,134,952 2,552,009**Accumulated surplus**\$ 4,361,107 \$ 3,528,428

Commitments (Note 12)

On behalf of the Council

Mayor

Chief Administrative Officer

Town of Stratford**Consolidated statement of change in net debt**

Year ended December 31

2011**2010**

Decrease (increase) in net debt

Net revenue	\$ 832,679	\$ 668,087
Acquisition of tangible capital assets	(2,804,916)	(2,953,357)
Contributions in aid of construction	2,353,657	1,902,343
Depreciation and amortization	<u>482,076</u>	<u>449,747</u>
	<u>863,496</u>	<u>66,820</u>
Acquisition of supplies inventories	(10,940)	(10,380)
Acquisition of prepaid expenses	(35,967)	(36,361)
Consumption of supplies inventories	10,380	6,166
Use of prepaid expenses	<u>36,361</u>	<u>41,738</u>
	<u>(166)</u>	<u>1,163</u>
Decrease in net debt	863,330	67,983
Net debt, beginning of year	<u>(10,497,731)</u>	<u>(10,565,714)</u>
Net debt, end of year	<u>\$ (9,634,401)</u>	<u>\$ (10,497,731)</u>

Town of Stratford

Consolidated statement of cash flows

Year ended December 31

2011

2010

Increase (decrease) in cash and cash equivalents

Operating activities

Net revenue	\$ 832,679	\$ 668,087
Depreciation and amortization	<u>482,076</u>	<u>449,747</u>
	1,314,755	1,117,834
Change in non-cash working capital		
Receivables	698,915	(438,732)
Leases, loans and contributions receivable	(37,488)	(45,069)
Prepays	394	5,377
Inventories of materials and supplies	(560)	(4,214)
Land held for resale	18,427	51,732
Payables, accruals, and deferred revenue	<u>463,215</u>	<u>625,913</u>
	<u>2,457,658</u>	<u>1,312,841</u>

Financing activities

Payment of long term debt		
Town	(377,718)	(365,127)
Utility	(385,466)	(359,138)
Business park	(24,154)	(45,893)
Proceeds from issuance of long term debt		
Utility	602,397	489,623
(Decrease) increase in bank indebtedness	(887,990)	515,719
Advances from (to) Stratford Community Seniors' Complex Ltd.	<u>5,171</u>	<u>(8,748)</u>
	<u>(1,067,760)</u>	<u>226,436</u>

Investing activities

Purchase of tangible capital assets	(2,804,916)	(2,953,357)
Contributions in aid of construction	<u>2,353,657</u>	<u>1,902,343</u>
	<u>(451,259)</u>	<u>(1,051,014)</u>

Net increase in cash and cash equivalents 938,639 488,263

Cash and cash equivalents,

Beginning of year	<u>741,211</u>	<u>252,948</u>
End of year	<u>\$ 1,679,850</u>	<u>\$ 741,211</u>

Town of Stratford

Notes to the consolidated financial statements

December 31, 2011

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 organizational entities 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, 2011

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

Tangible capital assets

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, 2011

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. Leases, loans, and contributions receivable	<u>2011</u>	<u>2010</u>
CHANCES Inc., 5.48% capital lease, repayable in equal monthly instalments of \$1,020 consisting of principal and interest.	\$ 68,933	\$ 77,150
T.S. Magnum Ltd., non-interest bearing, repayable in full in January 2012.	26,000	-
Donald Baker, Bakeridge Properties Inc., George Bagnall, and K-Right Communications Limited, non-interest bearing until April 2016, at which time interest will begin 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	-
Stratford Soccer Association, non-interest bearing, repayable in annual principal instalments of \$10,000.	15,000	15,000
Capital contributions receivable.	125,008	178,803
Repaid during the year	-	51,500
	<u>\$ 359,941</u>	<u>\$ 322,453</u>

3. Long term investments, at cost	<u>2011</u>	<u>2010</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, 2011

4. Bank indebtedness and short term borrowings

The Town has total authorized operating lines of credit of \$750,000, of which \$750,000 was unused at December 31, 2011 (2010 - \$264,905), \$2,000,000, of which \$2,000,000 was unused at December 31, 2011 (2010 - \$1,572,171), and \$350,000, of which \$70,546 was unused at December 31, 2011 (2010 - \$48,448). Bank indebtedness consists of:

	<u>2011</u>	<u>2010</u>
Operating line balance	\$ (279,454)	\$ (1,214,476)
Outstanding cheques	-	(58,122)
Outstanding deposits	-	62,126
Outstanding transfer from New Deal Gas Tax account	-	43,028
	<u>\$ (279,454)</u>	<u>\$ (1,167,444)</u>

5. Deferred revenue

During the year the Town was allocated \$679,388 (2010 - \$679,388) under the New Deal Gas Tax Funding for Incorporated Communities agreement. Total proceeds of \$687,322 received by the Town as at December 31, 2011 is comprised of \$679,388 plus interest of \$7,934. 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>2011</u>	<u>2010</u>
Deferred, beginning of year	\$ 680,900	\$ 184,107
Received	687,322	680,464
Spent	<u>(385,440)</u>	<u>(183,671)</u>
Deferred, end of year	<u>\$ 982,782</u>	<u>\$ 680,900</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, \$385,440 (2010 - \$183,671) was spent on eligible projects. The Town has prepared, and the governmental regulating body has accepted, a Capital Investment Plan which details determined expenditures.

6. Employee benefits

The liability of \$98,025 (2010 - \$81,847) 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 \$127,207 (2010 - \$121,610) contributed to RRSP plans. This represented both the Town's and the employees' portion of the contribution.

Town of Stratford

Notes to the consolidated financial statements

December 31, 2011

7. Long term debt	<u>2011</u>	<u>2010</u>
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Town of Stratford

4.67% Bank of Montreal loan payable in equal monthly instalments of \$2,685 including interest, maturing in December 2017, amortized to December 2022.	\$ 256,541	\$ 276,289
4.16% Royal Bank loan payable in equal monthly instalments of \$12,484 including interest, maturing in March 2013, amortized to December 2022.	1,341,842	1,433,744
4.45% Royal Bank loan payable in equal monthly instalments of \$24,903 including interest, maturing in May 2013, amortized to January 2024.	2,670,906	2,846,614
3.46% Bank of Montreal loan payable in equal monthly instalments of \$7,463 including interest, maturing in and amortized to March 2014.	186,733	268,371
Repaid during the year	-	8,721
	<u>4,456,022</u>	<u>4,833,739</u>

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.	242,251	290,668
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.	134,999	158,986
4.63% Pacific and Western loan payable in equal monthly instalments of \$5,617 including interest, maturing in October 2018, amortized to June 2023.	608,709	646,960
3.77% Metro Credit Union Limited loan payable in equal monthly instalments of \$3,537 including interest, maturing in and amortized to July 2021.	341,897	368,057
4.67% Bank of Montreal loan payable in equal monthly instalments of \$3,249 including interest, maturing in November 2015, amortized to November 2020.	283,299	308,420
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.	148,850	175,296

Town of Stratford

Notes to the consolidated financial statements

December 31, 2011

7. Long term debt (cont'd)	<u>2011</u>	<u>2010</u>
4.51% Royal Bank loan payable in equal monthly instalments of \$2,896 including interest, maturing in February 2013, amortized to December 2022.	304,484	324,996
4.88% Bank of Montreal loan payable in equal monthly instalments of \$1,073 including interest, maturing in March 2017, amortized to March 2022.	103,353	110,989
4.97% Bank of Montreal loan payable in equal monthly instalments of \$3,423 including interest, maturing in November 2014, amortized to October 2024.	389,005	410,195
4.63% Royal Bank loan payable in equal monthly instalments of \$3,205 including interest, maturing in January 2014, amortized to December 2023.	355,393	376,906
4.72% Bank of Montreal loan payable in equal monthly instalments of \$4,762 including interest, maturing in December 2015, amortized to December 2025.	583,406	612,279
4.72% Pacific & Western loan payable in equal monthly instalments of \$4,519 including interest, maturing in March 2017, amortized to March 2027.	587,291	613,133
5.01% Royal Bank loan payable in equal monthly instalments of \$6,830 including interest, maturing in December 2012, amortized to December 2028.	900,840	936,681
4.87% Royal Bank loan payable in equal monthly instalments of \$3,302 including interest, maturing in April 2014, amortized to April 2029.	463,410	480,031
3.98% CMHC loan payable in equal annual instalments of \$19,054 including interest, maturing in February 2025, amortized to February 2025.	201,532	212,142
3.92% CMHC loan payable in equal annual instalments of \$53,878 including interest, maturing in March 2026, amortized to March 2026.	602,397	-
5.18% Bank of Montreal loan payable in equal monthly instalments of \$1,859 including interest, maturing in April 2020, amortized to April 2030.	<u>263,571</u>	<u>272,018</u>
	<u>6,514,687</u>	<u>6,297,757</u>

Town of Stratford

Notes to the consolidated financial statements

December 31, 2011

7. Long term debt (cont'd) 2011 2010

Stratford Business Park Corporation

Repaid during the year	<u>-</u>	<u>24,154</u>
	<u>\$ 10,970,709</u>	<u>\$ 11,155,650</u>

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

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>Total</u>
2012	\$ 384,870	\$ 437,145	\$ 822,015
2013	401,240	458,028	859,268
2014	341,935	479,919	821,854
2015	342,177	502,867	845,044
2016	<u>357,410</u>	<u>477,338</u>	<u>834,748</u>
	<u>\$ 1,827,632</u>	<u>\$ 2,355,297</u>	<u>\$ 4,182,929</u>

8. Contributions in aid of construction 2011 2010

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Federal grants	\$ 8,887,138	\$ 1,105,257	\$ 7,781,881	\$ 7,830,078
Provincial grants	7,963,448	1,088,579	6,874,869	6,904,556
Privately contributed	<u>8,739,114</u>	<u>1,960,815</u>	<u>6,778,299</u>	<u>4,969,778</u>
	<u>\$ 25,589,700</u>	<u>\$ 4,154,651</u>	<u>\$ 21,435,049</u>	<u>\$ 19,704,412</u>

9. Reserve funds 2011 2010

Balance, beginning of year	\$ 976,419	\$ 869,954
Allocations to reserves (net)	<u>249,736</u>	<u>106,465</u>
Balance, end of year	<u>\$ 1,226,155</u>	<u>\$ 976,419</u>

Town of Stratford

Notes to the consolidated financial statements

December 31, 2011

9. Reserve funds (cont'd)	<u>2011</u>	<u>2010</u>
Comprising of:		
Town		
Dedication fees	\$ 66,608	\$ 61,608
Election	11,000	-
Utility capital contribution	176,327	176,327
Town capital project	135,803	135,803
Heritage grant reserve	15,000	15,000
Arts and culture needs assessment reserve	-	7,500
Utility		
Water supply capital contribution	<u>821,417</u>	<u>580,181</u>
	<u>\$1,226,155</u>	<u>\$ 976,419</u>

10. 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.

11. 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 \$66,608 (2010 - \$61,608) are to be used only for parkland development and are shown in reserves.

12. 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, 2011

13. Budget

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

Town of Stratford

Schedule of tangible capital assets - Town

Year ended December 31, 2011

	Land	Buildings	Equipment	Other	Vehicle	Multipurpose facility	Computer Equipment	Roads and Paving	2011	2010
Cost										
Opening Balance	\$ 1,077,518	\$ 675,884	\$ 624,610	\$ 1,118,925	\$ 1,050,332	\$ 6,086,216	\$ 223,506	\$ 2,910,952	\$ 13,767,943	\$ 13,330,174
Acquisition of tangible capital assets	-	278,090	27,729	-	29,596	-	17,435	459,371	812,222	437,769
Balance, end of year	<u>1,077,518</u>	<u>953,974</u>	<u>652,339</u>	<u>1,118,925</u>	<u>1,079,929</u>	<u>6,086,216</u>	<u>240,941</u>	<u>3,370,323</u>	<u>14,580,165</u>	<u>13,767,943</u>
Accumulated Amortization										
Opening Balance	-	386,526	606,933	987,118	360,956	1,625,320	190,298	1,718,068	5,875,218	5,444,304
Annual Amortization	-	16,178	23,183	5,110	152,162	152,155	18,639	90,468	457,894	430,915
Balance, end of year	<u>-</u>	<u>402,703</u>	<u>630,117</u>	<u>992,228</u>	<u>513,117</u>	<u>1,777,475</u>	<u>208,937</u>	<u>1,808,535</u>	<u>6,333,112</u>	<u>5,875,218</u>
Net Book value of tangible capital assets	<u>\$ 1,077,518</u>	<u>\$ 551,271</u>	<u>\$ 22,222</u>	<u>\$ 126,697</u>	<u>\$ 566,811</u>	<u>\$ 4,308,741</u>	<u>\$ 32,004</u>	<u>\$ 1,561,788</u>	<u>\$ 8,247,052</u>	<u>\$ 7,892,724</u>

Town of Stratford

Schedule of tangible capital assets - Utility

Year ended December 31, 2011

	Land	Equipment	Vehicles	Computer Software	Sewer	Water	2011	2010
Cost								
Opening Balance	\$ 175,324	\$ 50,575	\$ 97,225	\$ 39,918	\$ 19,818,652	\$ 10,514,142	\$ 30,695,835	\$ 28,180,247
Acquisition of tangible capital assets	-	14,539	29,596	-	1,159,357	789,202	1,992,694	2,515,588
Balance, end of year	175,324	65,113	126,821	39,918	20,978,009	11,303,344	32,688,529	30,695,835
Accumulated Amortization								
Opening Balance	-	42,316	48,612	39,918	3,671,842	1,102,042	4,904,729	4,313,296
Annual Amortization	-	5,036	16,003	-	407,967	218,196	647,202	591,433
Balance, end of year	-	47,352	64,615	39,918	4,079,809	1,320,238	5,551,931	4,904,729
Net book value of tangible capital assets	\$ 175,324	\$ 17,762	\$ 62,206	\$ -	\$ 16,898,200	\$ 9,983,106	\$ 27,136,598	\$ 25,791,106

Town of Stratford

General account

Schedule of operations

Year ended December 31	Budget	2011	2010
Revenue			
Real property tax – Town levy, net	\$2,570,900	\$2,666,037	\$2,479,531
Municipal support grant	944,000	941,642	932,318
Rental	241,300	224,287	225,271
Police fines	55,000	65,979	54,866
Dedication fees	-	5,000	30,000
Development permits	70,000	74,236	63,625
Miscellaneous	5,800	12,891	2,646
Interest	4,600	7,528	5,260
Equalization grant	-	1,454	7,269
Recreation programs	11,500	24,890	20,178
Seniors Complex wage allocation	9,000	9,000	9,000
Field maintenance levy	3,500	4,278	3,600
Animal control	<u>5,000</u>	<u>6,494</u>	<u>5,298</u>
	<u>3,920,600</u>	<u>4,043,716</u>	<u>3,838,862</u>
Expenses			
Depreciation	252,000	244,207	232,623
Finance and administration (page 19)	595,300	565,266	581,672
General government (page 20)	1,602,300	1,545,046	1,505,317
Planning (page 21)	282,000	288,643	294,022
Public works (page 22)	554,800	708,737	532,856
Recreation (page 23)	<u>500,000</u>	<u>491,345</u>	<u>465,711</u>
	<u>3,786,400</u>	<u>3,843,244</u>	<u>3,612,201</u>
Excess revenue over expenses	<u>\$ 134,200</u>	200,472	226,661
Allocations and transfers			
Allocation from Utility for rent		37,300	37,300
Transfer (to) from election reserve		(11,000)	25,500
Transfer to heritage grants reserve		-	(5,000)
Transfer from arts and culture needs assessment reserve		7,500	7,500
Transfer to dedication fees reserve		<u>(5,000)</u>	<u>(30,000)</u>
Change in general account fund balance		<u>\$ 229,272</u>	<u>\$ 261,961</u>

Town of Stratford

General account

Schedule of expenses

Year ended December 31	Budget	2011	2010
Finance and administration			
Advertising	\$ 11,000	\$ 11,120	\$ 11,172
Bank charges and interest	5,000	9,704	4,839
Computer support services	34,000	32,825	33,593
Fees and journals	4,500	4,471	2,609
Insurance	53,100	45,711	50,943
Interest on long term debt	205,000	202,111	216,829
Leased equipment	7,300	7,176	7,235
Office supplies	30,000	25,354	29,020
Postage and courier	5,000	3,891	4,619
Professional fees	17,000	10,177	14,674
Property taxes	25,000	25,286	24,149
Property tax rebates	24,000	24,092	23,722
Salaries and benefits	118,400	108,492	107,113
Staff development and travel	10,000	9,894	9,997
Telephone and fax	32,000	31,171	28,306
Workers compensation	14,000	13,791	12,852
	<u>\$ 595,300</u>	<u>\$ 565,266</u>	<u>\$ 581,672</u>

Town of Stratford

General account

Schedule of expenses

Year ended December 31	Budget	2011	2010
General government			
Animal control	\$ 26,000	\$ 26,594	\$ 25,047
Committee expenses	28,500	28,801	25,924
Donations and gifts	15,000	9,465	9,905
Dues - Federations of PEI and Canadian Municipalities	13,400	13,386	13,347
Election	-	-	36,073
Sustainable economic development	57,000	46,092	48,404
Fire protection	183,000	183,000	174,000
GIS development and maintenance	15,000	12,311	1,823
Mayor and council expenses			
Council honorariums	61,700	58,947	53,543
Discretionary fund	4,000	3,336	4,092
Council development and travel	26,000	21,481	31,852
RCMP contract	583,200	569,063	505,798
RCMP office lease	8,800	8,800	8,800
Professional fees			
Consulting	40,000	35,150	28,321
Legal	15,000	7,012	38,251
Promotional expenditures	10,000	8,881	25,364
Salaries and benefits	175,400	178,443	147,235
Staff development and travel	15,000	11,084	16,807
Staff EAP and incentives	8,500	9,214	9,650
Street lighting	154,000	151,178	153,273
Transit	162,800	162,808	147,808
	1,602,300	1,545,046	1,505,317
Transfers			
Election reserve	11,000	11,000	(25,500)
	<u>\$1,613,300</u>	<u>\$ 1,556,046</u>	<u>\$ 1,479,817</u>

Town of Stratford **General account** **Schedule of expenses**

Year ended December 31	Budget	2011	2010
Planning			
Administrative expenses	\$ 2,000	\$ 1,415	\$ 1,559
Heritage	8,000	7,739	5,784
Newsletter	15,000	21,015	17,945
Professional fees	17,000	16,958	50,025
Salaries and benefits	227,000	229,348	207,262
Staff development and travel	<u>13,000</u>	<u>12,168</u>	<u>11,447</u>
	282,000	288,643	294,022
Transfers			
Heritage grant reserve	<u>-</u>	<u>-</u>	<u>5,000</u>
	<u>\$ 282,000</u>	<u>\$ 288,643</u>	<u>\$ 299,022</u>

Town of Stratford

General account

Schedule of expenses

Year ended December 31	Budget	2011	2010
Public works			
Beautification plan	\$ 12,000	\$ 11,928	\$ 11,062
Buildings maintenance	138,000	275,036	147,002
Electricity	82,000	78,532	87,325
Fuel	13,000	16,988	12,612
Grass cutting	18,400	18,460	18,340
Professional fees	4,000	119	-
Salaries and benefits	184,300	192,287	166,856
Sewer charges	12,000	14,064	13,613
Sidewalk maintenance	3,000	1,050	1,211
Signage	2,200	497	1,310
Small tools	3,000	2,554	2,148
Snow removal	53,900	61,650	45,762
Staff development and travel	4,000	3,439	4,739
Vehicle and equipment operating	<u>25,000</u>	<u>32,133</u>	<u>20,876</u>
	<u>\$ 554,800</u>	<u>\$ 708,737</u>	<u>\$ 532,856</u>

Town of Stratford

General account

Schedule of expenses

Year ended December 31	Budget	2011	2010
Recreation			
Arts and culture	\$ 14,000	\$ 13,631	\$ 24,727
Events	21,000	21,063	24,739
Grants and agreements			
CARI operating	15,000	15,000	15,000
Glen Stewart playground	2,400	5,000	1,550
Pownal rink	40,000	40,000	34,000
School levy	1,000	1,400	1,400
Maintenance			
Playground	12,000	15,081	14,444
Sports fields	22,500	22,255	27,415
Trails	5,000	5,608	5,000
Professional fees	5,000	5,560	3,314
Programs	11,500	19,483	15,120
Promotion	1,000	1,018	496
Rink operations	1,000	1,074	690
Salaries and benefits	323,600	304,594	291,570
Staff development and travel	10,000	5,741	6,246
Watershed	<u>15,000</u>	<u>14,837</u>	<u>-</u>
	500,000	491,345	465,711
Transfers from			
Arts and culture needs			
assessment reserve	<u>-</u>	<u>(7,500)</u>	<u>(7,500)</u>
	<u>\$ 500,000</u>	<u>\$ 483,845</u>	<u>\$ 458,211</u>

Town of Stratford

Utility

Schedule of operations

Year ended December 31	Budget	2011	2010
Revenue			
Unmetered sales	\$ 1,439,000	\$ 1,491,705	\$ 1,377,262
Late penalty charges	20,000	32,779	29,507
Frontage charges	57,600	46,687	44,264
Metered sales	100,900	112,660	113,118
Connection fees	3,700	7,090	7,970
Water supply capital contribution	-	241,236	104,465
Interest and other income	-	27,724	10,651
	<u>1,621,200</u>	<u>1,959,881</u>	<u>1,687,237</u>
Expenses			
Water conservation	19,000	12,865	5,850
Depreciation	265,000	237,869	217,124
Electricity	165,000	118,824	144,197
Honorariums	500	1,000	500
Insurance	15,300	11,779	12,185
Interest and bank charges	12,000	18,254	17,024
Interest on long term debt	330,000	312,896	305,949
Office	11,000	9,727	9,617
Postage	7,700	10,113	6,284
Professional fees	124,000	95,328	39,937
Property taxes	2,000	1,568	(601)
Repairs and maintenance			
Sewer	56,000	66,867	71,186
Water	40,000	43,645	37,524
Software maintenance	10,500	7,122	5,750
Snow removal	7,200	5,167	5,669
Telephone	16,200	17,394	16,602
Tools and equipment	8,000	3,192	6,323
Travel	11,500	8,944	10,223
Wages and employee benefits	327,100	330,957	327,822
Workers compensation	9,200	9,388	6,450
Vehicle	13,000	13,824	14,193
	<u>1,450,200</u>	<u>1,336,723</u>	<u>1,259,808</u>
Excess revenue over expenses	<u>\$ 171,000</u>	623,158	427,429
Allocations and transfers			
Allocation to Town for rent		(37,300)	(37,300)
Transfer to water supply capital contribution reserve		<u>(241,236)</u>	<u>(104,465)</u>
Change in utility fund balance		<u>\$ 344,622</u>	<u>\$ 285,664</u>

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

Year ended December 31	Budget	2011	2010
Lot sales	\$ 46,000	\$ 46,000	\$ 89,000
Expenses			
Annual fee	100	30	30
Cost of sales	29,063	18,427	51,732
Interest and bank charges	10,114	9,189	8,549
Interest on long term debt	-	257	2,263
Professional fees	4,350	3,954	6,471
Property taxes	1,100	1,247	1,247
Repairs and maintenance	4,670	3,847	4,711
	49,397	36,951	75,003
Excess revenues over expenses	\$ (3,397)	\$ 9,049	\$ 13,997