

Grant Thornton

Consolidated Financial Statements

Town of Stratford

December 31, 2012

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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, 2012, 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, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The image shows a handwritten signature in black ink that reads "Grant Thornton LLP". The signature is written in a cursive, flowing style.

Charlottetown, Prince Edward Island

March 27, 2013

Chartered Accountants

Town of Stratford

Consolidated statement of operations

Year ended December 31

2012

2011

	<u>Page</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>
Revenue				
General Fund	18	\$ 4,227,400	\$ 4,320,491	\$ 4,043,716
Stratford Utility Corporation	24	1,714,800	1,837,992	1,959,881
Stratford Business Park	25	<u>-</u>	<u>-</u>	<u>46,000</u>
		<u>5,942,200</u>	<u>6,158,483</u>	<u>6,049,597</u>
Expenses				
General Fund	18	4,041,400	4,026,552	3,843,244
Stratford Utility Corporation	24	1,385,600	1,295,656	1,336,723
Stratford Business Park	25	<u>15,009</u>	<u>18,826</u>	<u>36,951</u>
		<u>5,442,009</u>	<u>5,341,034</u>	<u>5,216,918</u>
Excess of revenue over expenses		<u>\$ 500,191</u>	817,449	832,679
Accumulated surplus, beginning of year			<u>4,361,107</u>	<u>3,528,428</u>
Accumulated surplus, end of year			<u>\$ 5,178,556</u>	<u>\$ 4,361,107</u>

Town of Stratford

Consolidated statement of financial position

December 31

2012

2011

Financial assets

Cash and cash equivalents		
Unrestricted	\$ 257,741	\$ 697,068
Restricted (Note 5)	984,447	982,782
Receivables		
Trade	677,042	1,064,591
Federal and Provincial grants	689,504	74,948
Leases, loans, and contributions receivable (Note 2)	272,788	359,941
Land held for resale, at cost	179,758	179,758
Long term investments (Note 3)	517,500	517,500
Advances to Stratford Community Seniors' Complex Ltd., non-interest bearing, no set terms of repayment	2,751	5,181
	<u>3,581,531</u>	<u>3,881,769</u>

Liabilities

Bank indebtedness and short term borrowings (Note 4)	517,573	279,454
Payables and accruals		
Trade	610,768	760,499
Capital assets	628,152	285,715
Holdbacks	156,656	138,986
Deferred revenue (Note 5)	984,447	982,782
Employee benefits payable (Note 6)	106,578	98,025
Long term debt (Note 7)	10,150,370	10,970,709
	<u>13,154,544</u>	<u>13,516,170</u>

Net debt (9,573,013) (9,634,401)

Non-financial assets

Inventories of materials and supplies, at cost	13,625	10,940
Prepays	37,512	35,967
Tangible capital assets - Town (Page 16)	8,837,993	8,247,052
Tangible capital assets - Utility (Page 17)	28,385,803	27,136,598
Contributions in aid of construction (Note 8)	(22,523,364)	(21,435,049)

Accumulated surplus \$ 5,178,556 \$ 4,361,107

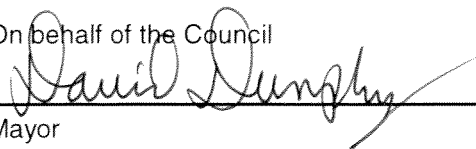
Municipal position

Reserve funds (Note 9)	\$ 707,647	\$ 1,226,155
Operating funds	4,470,909	3,134,952

Accumulated surplus \$ 5,178,556 \$ 4,361,107

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

2012**2011**

Decrease (increase) in net debt

Net revenue	\$ 817,449	\$ 832,679
Acquisition of tangible capital assets	(3,002,887)	(2,804,916)
Contributions in aid of construction	1,764,641	2,353,657
Depreciation and amortization	<u>486,409</u>	<u>482,076</u>
	<u>65,612</u>	<u>863,496</u>
Acquisition of supplies inventories	(13,625)	(10,940)
Acquisition of prepaid expenses	(37,506)	(35,967)
Consumption of supplies inventories	10,940	10,380
Use of prepaid expenses	<u>35,967</u>	<u>36,361</u>
	<u>(4,224)</u>	<u>(166)</u>
Decrease in net debt	61,388	863,330
Net debt, beginning of year	<u>(9,634,401)</u>	<u>(10,497,731)</u>
Net debt, end of year	<u>\$ (9,573,013)</u>	<u>\$ (9,634,401)</u>

Town of Stratford

Consolidated statement of cash flows

Year ended December 31

2012

2011

Increase (decrease) in cash and cash equivalents

Operating activities

Net revenue	\$ 817,449	\$ 832,679
Depreciation and amortization	<u>486,407</u>	<u>482,076</u>
	1,303,856	1,314,755
Change in non-cash working capital		
Receivables	(227,414)	698,915
Leases, loans and contributions receivable	87,153	(37,488)
Prepays	(1,136)	394
Inventories of materials and supplies	(2,685)	(560)
Land held for resale	-	18,427
Payables, accruals, and deferred revenue	<u>220,597</u>	<u>463,215</u>
	<u>1,380,371</u>	<u>2,457,658</u>

Financing activities

Payment of long term debt		
Town	(383,527)	(377,718)
Utility	(436,809)	(385,466)
Business park	-	(24,154)
Proceeds from issuance of long term debt		
Utility	-	602,397
Increase (decrease) in bank indebtedness	238,119	(887,990)
Advances from Stratford Community Seniors' Complex Ltd.	<u>2,430</u>	<u>5,171</u>
	<u>(579,787)</u>	<u>(1,067,760)</u>

Investing activities

Purchase of tangible capital assets	(3,002,887)	(2,804,916)
Contributions in aid of construction	<u>1,764,641</u>	<u>2,353,657</u>
	<u>(1,238,246)</u>	<u>(451,259)</u>

Net (decrease) increase in cash and cash equivalents (437,662) 938,639

Cash and cash equivalents,

Beginning of year	<u>1,679,850</u>	<u>741,211</u>
End of year	<u>\$ 1,242,188</u>	<u>\$ 1,679,850</u>

Town of Stratford

Notes to the consolidated financial statements

December 31, 2012

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, 2012

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, 2012

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>2012</u>	<u>2011</u>
CHANCES Inc., 5.48% capital lease, repayable in equal monthly instalments of \$1,020 consisting of principal and interest.	\$ 60,254	\$ 68,933
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	125,000
Stratford Soccer Association, non-interest bearing, repayable in annual principal instalments of \$5,000.	5,000	15,000
Capital contributions receivable.	82,534	125,008
Repaid during the year, T.S. Magnum	-	26,000
	<u>\$ 272,788</u>	<u>\$ 359,941</u>

3. Long term investments, at cost	<u>2012</u>	<u>2011</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, 2012

4. Bank indebtedness and short term borrowings

The Town has total authorized operating lines of credit of \$750,000, of which \$296,066 was unused at December 31, 2012 (2011 - \$750,000), \$2,000,000, of which \$2,000,000 was unused at December 31, 2012 (2011 - \$2,000,000), and \$350,000, of which \$350,000 was unused at December 31, 2012 (2011 - \$70,546). Bank indebtedness consists of:

	<u>2012</u>	<u>2011</u>
Operating line balance	\$ (453,934)	\$ (279,454)
Outstanding cheques	(63,768)	-
Outstanding deposits	<u>129</u>	<u>-</u>
	<u>\$ (517,573)</u>	<u>\$ (279,454)</u>

5. Deferred revenue

During the year the Town was allocated \$679,388 (2011 - \$679,388) under the New Deal Gas Tax Funding for Incorporated Communities agreement. Total proceeds of \$682,972 received by the Town as at December 31, 2012 is comprised of \$679,388 plus interest of \$3,584. 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>2012</u>	<u>2011</u>
Deferred, beginning of year	\$ 982,782	\$ 680,900
Received	682,972	687,322
Spent	<u>(681,307)</u>	<u>(385,440)</u>
Deferred, end of year	<u>\$ 984,447</u>	<u>\$ 982,782</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, \$681,307 (2011 - \$385,440) 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 \$106,578 (2011 - \$98,025) has been accrued for future employee benefits for sick leave and vacation pay.

The Town matches employees' contributions to a Registered Retirement Savings Plan (RRSP) up to a maximum of 6% of their annual salary. During the year there was \$130,358 (2011 - \$127,207) 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, 2012

7. Long term debt	<u>2012</u>	<u>2011</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.	\$ 235,855	\$ 256,541
4.16% Royal Bank loan payable in equal monthly instalments of \$12,484 including interest, maturing in March 2013, amortized to December 2022.	1,246,204	1,341,842
4.45% Royal Bank loan payable in equal monthly instalments of \$24,903 including interest, maturing in May 2018, amortized to January 2024.	2,488,161	2,670,906
3.46% Bank of Montreal loan payable in equal monthly instalments of \$7,463 including interest, maturing in and amortized to March 2014.	<u>102,276</u>	<u>186,733</u>
	<u>4,072,496</u>	<u>4,456,022</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.	191,202	242,251
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.	109,855	134,999
4.63% Pacific and Western loan payable in equal monthly instalments of \$5,617 including interest, maturing in October 2018, amortized to June 2023.	568,728	608,709
3.77% Bank of Montreal loan payable in equal monthly instalments of \$3,537 including interest, maturing in and amortized to July 2021.	311,698	341,897
4.67% Bank of Montreal loan payable in equal monthly instalments of \$3,249 including interest, maturing in November 2015, amortized to November 2020.	256,983	283,299
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.	121,129	148,850

Town of Stratford

Notes to the consolidated financial statements

December 31, 2012

7. Long term debt (cont'd)	<u>2012</u>	<u>2011</u>
4.51% Royal Bank loan payable in equal monthly instalments of \$2,896 including interest, maturing in February 2013, amortized to December 2022.	283,138	304,484
4.88% Bank of Montreal loan payable in equal monthly instalments of \$1,073 including interest, maturing in March 2017, amortized to March 2022.	95,336	103,353
4.97% Bank of Montreal loan payable in equal monthly instalments of \$3,423 including interest, maturing in November 2014, amortized to October 2024.	366,742	389,005
4.63% Royal Bank loan payable in equal monthly instalments of \$3,205 including interest, maturing in January 2019, amortized to December 2023.	332,915	355,393
4.72% Bank of Montreal loan payable in equal monthly instalments of \$4,762 including interest, maturing in December 2015, amortized to December 2025.	553,146	583,406
4.72% Pacific & Western loan payable in equal monthly instalments of \$4,519 including interest, maturing in April 2017, amortized to March 2027.	560,280	587,291
5.01% Royal Bank loan payable in equal monthly instalments of \$6,830 including interest, maturing in December 2017, amortized to December 2028.	863,288	900,840
4.87% Royal Bank loan payable in equal monthly instalments of \$3,302 including interest, maturing in April 2019, amortized to April 2029.	446,084	463,410
3.98% CMHC loan payable in equal annual instalments of \$19,054 including interest, maturing in February 2025, amortized to February 2025.	190,499	201,532
3.92% CMHC loan payable in equal annual instalments of \$53,878 including interest, maturing in March 2026, amortized to March 2026.	572,133	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>254,718</u>	<u>263,571</u>
	<u>6,077,874</u>	<u>6,514,687</u>
	<u>\$ 10,150,370</u>	<u>\$ 10,970,709</u>

Town of Stratford

Notes to the consolidated financial statements

December 31, 2012

7. Long term debt (cont'd)

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>
2013	\$ 400,919	\$ 458,364	\$ 859,283
2014	342,387	480,120	822,507
2015	342,122	503,294	845,416
2016	357,397	477,779	835,176
2017	373,345	419,178	792,523
	<u>\$ 1,816,170</u>	<u>\$ 2,338,735</u>	<u>\$ 4,154,905</u>

8. Contributions in aid of construction

			<u>2012</u>	<u>2011</u>
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Federal grants	\$ 9,200,334	\$ 1,286,131	\$ 7,914,203	\$ 7,781,881
Provincial grants	8,276,645	1,250,979	7,025,666	6,874,869
Privately contributed	<u>9,877,352</u>	<u>2,293,857</u>	<u>7,583,495</u>	<u>6,778,299</u>
	<u>\$ 27,354,331</u>	<u>\$ 4,830,967</u>	<u>\$ 22,523,364</u>	<u>\$21,435,049</u>

9. Reserve funds

	<u>2012</u>	<u>2011</u>
Balance, beginning of year	\$1,226,155	\$ 976,419
Allocations (from) to reserves (net)	<u>(518,508)</u>	<u>249,736</u>
Balance, end of year	<u>\$ 707,647</u>	<u>\$1,226,155</u>

Town of Stratford

Notes to the consolidated financial statements

December 31, 2012

9. Reserve funds (cont'd)	2012	2011
Comprising of:		
Town		
Dedication fees	\$ 86,608	\$ 66,608
Election	22,000	11,000
Utility capital contribution	176,327	176,327
Town capital project	135,803	135,803
Heritage grant reserve	10,000	15,000
Pondside park dredging reserve	7,000	-
Utility		
Water supply capital contribution	269,909	821,417
	<u>\$ 707,647</u>	<u>\$1,226,155</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 \$96,608 (2011 - \$66,608) 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.

During 2012 the Town signed a 20 year contract with the RCMP, which can be opted out of with 2 years' notice. The annual cost of the commitment varies as it is based on costs incurred by the RCMP. Expenses paid by the Town under this contract in 2012 were \$638,089 (2011 - \$569,063).

Town of Stratford

Notes to the consolidated financial statements

December 31, 2012

13. Government assistance

The Town received \$1,307,700 (2011 - \$642,012) in government assistance to aid in the construction and improvement of tangible capital assets.

14. Budget

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

15. Comparative figures

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

Town of Stratford **Schedule of tangible capital assets - Town**

Year ended December 31, 2012

Cost	Land	Buildings	Equipment	Other	Vehicle	Multipurpose facility	Computer Equipment	Roads and Paving	2012	2011
Opening Balance	\$ 1,077,518	\$ 953,974	\$ 652,339	\$ 1,118,925	\$ 1,079,929	\$ 6,086,216	\$ 240,941	\$ 3,370,323	\$ 14,580,165	\$ 13,767,943
Acquisition of tangible capital assets	53,150	121,419	29,445	-	-	-	29,927	835,523	1,069,464	812,222
Balance, end of year	1,130,668	1,075,393	681,784	1,118,925	1,079,929	6,086,216	270,868	4,205,846	15,649,629	14,580,165
Accumulated Amortization										
Opening Balance	-	402,703	630,117	992,228	513,117	1,777,475	208,937	1,808,535	6,333,112	5,875,218
Annual Amortization	-	21,171	26,269	5,110	143,323	152,155	24,559	105,937	478,524	457,894
Balance, end of year	-	423,874	656,386	997,338	656,440	1,929,630	233,496	1,914,472	6,811,636	6,333,112
Net Book value of tangible capital assets	\$ 1,130,668	\$ 651,519	\$ 25,398	\$ 121,587	\$ 423,489	\$ 4,156,586	\$ 37,372	\$ 2,291,374	\$ 8,837,993	\$ 8,247,052

Town of Stratford **Schedule of tangible capital assets - Utility**

Year ended December 31, 2012

Cost	Land	Equipment	Vehicles	Computer Software	Sewer	Water	2012	2011
Opening Balance	\$ 175,324	\$ 65,113	\$ 126,821	\$ 39,918	\$ 20,978,009	\$ 11,303,344	\$ 32,688,529	\$ 30,695,835
Acquisition of tangible capital assets	608,525	9,228	-	-	251,193	1,064,477	1,933,423	1,992,694
Balance, end of year	783,849	74,341	126,821	39,918	21,229,202	12,367,821	34,621,952	32,688,529
Accumulated Amortization								
Opening Balance	-	47,352	64,615	39,918	4,079,809	1,320,237	5,551,931	4,904,729
Annual Amortization	-	7,081	18,117	-	422,072	236,948	684,218	647,202
Balance, end of year	-	54,433	82,732	39,918	4,501,881	1,557,185	6,236,149	5,551,931
Net book value of tangible capital assets	\$ 783,849	\$ 19,908	\$ 44,089	\$ -	\$ 16,727,321	\$ 10,810,636	\$ 28,385,803	\$ 27,136,598

Town of Stratford

General account

Schedule of operations

Year ended December 31	Budget	2012	2011
Revenue			
Real property tax – Town levy, net	\$ 2,829,800	\$ 2,897,374	\$ 2,666,037
Municipal support grant	944,000	908,579	941,642
Rental	244,300	217,556	224,287
Donated land	-	38,250	-
Police fines	70,000	56,239	65,979
Dedication fees	-	20,000	5,000
Development permits	85,000	99,279	74,236
Miscellaneous	-	19,982	12,891
Interest	4,000	5,258	7,528
Equalization grant	-	-	1,454
Recreation programs	31,800	38,319	24,890
Seniors Complex wage allocation	9,000	9,000	9,000
Field maintenance levy	3,500	3,723	4,278
Animal control	6,000	6,932	6,494
	<u>4,227,400</u>	<u>4,320,491</u>	<u>4,043,716</u>
Expenses			
Depreciation	250,000	238,740	244,207
Finance and administration (page 19)	581,500	549,064	565,266
General government (page 20)	1,770,400	1,797,756	1,545,046
Planning (page 21)	303,900	314,736	267,628
Public works (page 22)	580,300	582,180	708,737
Recreation (page 23)	553,300	531,538	491,345
	<u>4,039,400</u>	<u>4,026,552</u>	<u>3,843,244</u>
Excess revenue over expenses	<u>\$ 188,000</u>	293,939	200,472
Allocations and transfers			
Allocation from Utility for rent		37,300	37,300
Transfer to election reserve		(11,000)	(11,000)
Transfer from heritage grant reserve		5,000	-
Transfer to pond dredging reserve		(7,000)	-
Transfer from arts and culture needs assessment reserve		-	7,500
Transfer to dedication fees reserve		(20,000)	(5,000)
Change in general account fund balance		<u>\$ 298,239</u>	<u>\$ 229,272</u>

Town of Stratford

General account

Schedule of expenses

Year ended December 31	Budget	2012	2011
Finance and administration			
Advertising	\$ 14,500	\$ 10,842	\$ 11,120
Bank charges and interest	12,000	6,822	9,704
Computer support services	31,000	22,872	32,825
Fees and journals	3,200	3,504	4,471
Insurance	47,100	47,128	45,711
Interest on long term debt	188,000	184,056	202,111
Leased equipment	7,300	7,373	7,176
Office supplies	26,000	24,441	25,354
Postage and courier	5,000	2,625	3,891
Professional fees	16,000	10,274	10,177
Property taxes	26,500	27,025	25,286
Property tax rebates	25,100	28,367	24,092
Salaries and benefits	120,800	117,067	108,492
Staff development and travel	10,000	9,356	9,894
Telephone and fax	34,000	32,815	31,171
Workers compensation	15,000	14,497	13,791
	<u>\$ 581,500</u>	<u>\$ 549,064</u>	<u>\$ 565,266</u>

Town of Stratford

General account

Schedule of expenses

Year ended December 31	Budget	2012	2011
General government			
Animal control	\$ 27,000	\$ 27,043	\$ 26,594
Committee expenses	29,500	28,524	28,801
Donations and gifts	15,000	12,060	9,465
Dues - Federations of PEI and Canadian Municipalities	15,800	13,610	13,386
Sustainable economic development	57,000	42,483	46,092
Fire protection	220,800	244,433	183,000
GIS development and maintenance	17,000	6,398	12,311
Mayor and council expenses			
Council honorariums	63,800	62,973	58,947
Discretionary fund	4,000	3,865	3,336
Council development and travel	22,000	23,574	21,481
RCMP contract	612,000	638,089	569,063
RCMP office lease	8,800	8,800	8,800
Newsletter	15,000	12,538	21,015
Professional fees			
Consulting	60,000	100,934	35,150
Legal	40,000	30,627	7,012
Promotional expenditures	18,000	17,563	8,881
Salaries and benefits	195,200	194,698	178,443
Staff development and travel	15,000	16,793	11,084
Staff EAP and incentives	8,500	8,392	9,214
Street lighting	154,000	157,076	151,178
Transit	<u>161,000</u>	<u>159,821</u>	<u>162,808</u>
	1,759,400	1,810,295	1,566,061
Transfer to Election reserve	<u>11,000</u>	<u>11,000</u>	<u>11,000</u>
	<u>\$1,770,400</u>	<u>\$ 1,821,295</u>	<u>\$1,577,061</u>

Town of Stratford
General account
Schedule of expenses

Year ended December 31	Budget	2012	2011
Planning			
Administrative expenses	\$ 2,000	\$ 303	\$ 1,415
Heritage	6,000	14,232	7,739
Professional fees	27,000	26,959	16,958
Salaries and benefits	247,400	257,381	229,348
Staff development and travel	<u>21,500</u>	<u>15,861</u>	<u>12,168</u>
	<u>\$ 303,900</u>	<u>\$ 314,736</u>	<u>\$ 267,628</u>
 Transfers from			
Heritage grant reserve	<u>-</u>	<u>(5,000)</u>	<u>-</u>
	<u>\$ 303,900</u>	<u>\$ 309,736</u>	<u>\$ 267,628</u>

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

Year ended December 31	Budget	2012	2011
Public works			
Beautification plan	\$ 15,000	\$ 9,305	\$ 11,928
Buildings maintenance	124,500	169,254	279,435
Electricity	82,000	72,423	74,132
Fuel	20,000	18,714	16,989
Grass cutting	20,500	19,875	18,460
Professional fees	14,000	8,589	119
Salaries and benefits	198,100	191,468	192,287
Sewer charges	14,000	14,729	14,064
Sidewalk maintenance	2,500	2,123	1,050
Signage	2,200	362	497
Small tools	3,000	1,176	2,554
Snow removal	48,000	45,388	61,650
Staff development and travel	4,000	1,701	3,439
Vehicle and equipment operating	<u>32,500</u>	<u>27,071</u>	<u>32,133</u>
	<u>\$ 580,300</u>	<u>\$ 582,180</u>	<u>\$ 708,737</u>

Town of Stratford

General account

Schedule of expenses

Year ended December 31	Budget	2012	2011
Recreation			
Arts and culture	\$ 20,000	\$ 18,391	\$ 13,631
Events	21,000	21,501	21,063
Grants and agreements			
CARI operating	15,000	15,000	15,000
Glen Stewart playground	5,000	5,000	5,000
Pownal rink	42,000	42,000	40,000
School levy	1,400	1,400	1,400
Other	5,000	5,000	-
Maintenance			
Playground	15,000	15,145	15,081
Sports fields	21,500	21,583	22,255
Trails	5,000	5,225	5,608
Professional fees	5,000	5,465	5,560
Programs	24,000	30,273	19,483
Promotion	1,000	989	1,018
Rink operations	1,100	1,009	1,074
Salaries and benefits	342,300	322,365	304,594
Staff development and travel	10,000	8,943	5,741
Watershed	<u>19,000</u>	<u>12,249</u>	<u>14,837</u>
	553,300	531,538	491,345
Transfers to (from)			
Pond dredging reserve	-	7,000	-
Arts and culture needs assessment reserve	<u>-</u>	<u>-</u>	<u>(7,500)</u>
	<u>\$ 553,300</u>	<u>\$ 538,538</u>	<u>\$ 483,845</u>

Town of Stratford

Utility

Schedule of operations

Year ended December 31	Budget	2012	2011
Revenue			
Unmetered sales	\$ 1,519,600	\$ 1,563,956	\$ 1,491,705
Late penalty charges	25,000	30,285	32,779
Frontage charges	60,500	47,492	46,687
Metered sales	102,200	118,100	112,660
Connection fees	2,500	5,670	7,090
Water supply capital contribution	-	57,017	241,236
Interest and other income	<u>5,000</u>	<u>15,472</u>	<u>27,724</u>
	<u>1,714,800</u>	<u>1,837,992</u>	<u>1,959,881</u>
Expenses			
Water conservation	23,000	19,697	12,865
Depreciation	250,000	247,666	237,869
Electricity	120,000	127,323	118,824
Honorariums	500	1,000	1,000
Insurance	12,000	11,960	11,779
Interest and bank charges	20,000	11,938	18,254
Interest on long term debt	300,000	292,809	312,896
Office	11,000	10,227	9,727
Postage	8,500	5,803	10,113
Professional fees	89,000	42,493	95,328
Property taxes	1,700	4,455	1,568
Repairs and maintenance			
Sewer	62,900	63,669	66,867
Water	40,000	39,339	43,645
Software maintenance	10,500	8,893	7,122
Snow removal	5,800	5,171	5,167
Telephone	16,200	18,543	17,394
Tools and equipment	8,000	4,411	3,192
Travel	11,500	9,411	8,944
Wages and employee benefits	348,500	347,440	330,957
Workers compensation	9,800	9,055	9,388
Vehicle	<u>14,000</u>	<u>14,352</u>	<u>13,824</u>
	<u>1,362,900</u>	<u>1,295,655</u>	<u>1,336,723</u>
Excess revenue over expenses	<u>\$ 329,200</u>	542,337	623,158
Allocations and transfers			
Allocation to Town for rent		(37,300)	(37,300)
Transfer from (to) water supply capital contribution reserve, net		<u>551,508</u>	<u>(241,236)</u>
Change in utility fund balance		<u>\$1,056,545</u>	<u>\$ 344,622</u>

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

Year ended December 31	Budget	2012	2011
Lot sales	\$ -	\$ -	\$ 46,000
Expenses			
Annual fee	100	30	30
Cost of sales	-	-	18,427
Interest and bank charges	7,804	4,049	9,189
Interest on long term debt	-	-	257
Professional fees	1,685	1,925	3,954
Property taxes	1,247	1,247	1,247
Repairs and maintenance	4,173	11,575	3,847
	<u>15,009</u>	<u>18,826</u>	<u>36,951</u>
Excess (expenses over revenues) revenues over expenses	\$ <u>(15,009)</u>	\$ <u>(18,826)</u>	\$ <u>9,049</u>