Grant Thornton

Consolidated Financial Statements

Town of Stratford

December 31, 2013

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Independent auditors' report

Grant Thornton LLP
Suite 701
98 Fitzroy Street
PO Box 187
Charlottetown, PE
C1A 7K4

T (902) 892-6547
F (902) 566-5358
www.GrantThornton.ca

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, 2013, 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 consolidated financial statements in accordance with Canadian Public Sector Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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, 2013, and the results of its operations and its cash flows for the year then ended in accordance with Canadian Public Sector Accounting Standards.

Grant Thornton LLP

Charlottetown, Prince Edward Island

April 24, 2014

Chartered Accountants

Town of Stratford
Consolidated statement of operations

Year ended December 31

	Page	Budget 2013	**Actual 2013**	Actual 2012
Revenue				
Real property tax – Town levy, net	18	$ 3,111,100	**$ 3,095,074**	$ 2,897,374
Government transfers				
Municipal support grant	18	896,800	**896,780**	908,579
Infrastructure	18	1,050,000	**552,050**	791,398
Rental	18	209,000	**195,901**	217,556
Other revenue	18	197,400	**193,500**	296,982
Stratford Utility Corporation	24	1,799,200	**1,875,605**	2,181,263
Infrastructure	24	1,466,700	**882,653**	626,393
Stratford Business Park	25	-	**-**	-
		8,730,200	**7,691,563**	7,919,545
Expenses (Note 7)				
Depreciation	18	490,000	**511,357**	476,111
Finance and administration	19	583,400	**561,406**	550,064
General government	20	1,895,300	**1,885,419**	1,809,295
Planning	21	315,000	**325,880**	314,736
Public works	22	633,500	**605,301**	587,404
Recreation	23	589,400	**588,469**	526,313
Stratford Utility Corporation	24	1,336,900	**1,234,722**	1,047,989
Stratford Utility Depreciation	24	680,000	**712,080**	684,321
Stratford Business Park	25	3,473	**4,564**	18,826
		6,526,973	**6,429,199**	6,015,057
Annual surplus		$ 2,203,227	**$ 1,262,364**	$ 1,904,488

	2013	2012
Accumulated surplus, beginning of year, as previously reported	**$ 5,178,556**	$ 4,361,107
Prior period adjustment (Note 2)	**22,138,364**	21,051,326
As restated	**27,316,920**	25,412,433
Annual surplus	**1,262,364**	1,904,487
Accumulated surplus, end of year	**$ 28,579,284**	$ 27,316,920

See accompanying notes and schedules to the consolidated financial statements.

Town of Stratford
Consolidated statement of financial position

December 31	2013	2012
Financial assets		
Cash and cash equivalents		
Unrestricted	**$ 51,421**	$ 257,741
Receivables		
Trade	**838,357**	677,042
Federal and Provincial grants	**620,977**	689,504
Restricted cash (Note 7)	**1,222,010**	984,447
Leases, loans and contributions receivable (Note 3)	**232,093**	272,788
Land held for resale, at cost	**179,758**	179,758
Long term investments (Note 4)	**132,500**	132,500
Advances to Stratford Community Seniors' Complex Ltd., non-interest bearing, no set terms of repayment	**14,840**	2,751
	3,291,956	3,196,531
Liabilities		
Bank indebtedness and short term borrowings (Note 6)	**1,237,079**	517,573
Payables and accruals		
Trade	**687,205**	610,360
Capital assets	**208,206**	628,152
Holdbacks	**72,953**	156,656
Deferred revenue (Note 7)	**1,222,010**	984,447
Employee benefits payable (Note 8)	**116,603**	106,578
Long term debt (Note 9)	**9,306,965**	10,150,370
	12,851,021	13,154,136
Net debt	**(9,559,065)**	(9,957,605)
Non-financial assets		
Inventories of materials and supplies, at cost	**12,868**	13,625
Prepaids	**41,695**	37,104
Tangible capital assets - Town (Page 16)	**9,105,836**	8,837,993
Tangible capital assets - Utility (Page 17)	**28,977,950**	28,385,803
Accumulated surplus (Note 10)	**$ 28,579,284**	$ 27,316,920

Commitments (Note 13)

On behalf of the Council

Mayor

Chief Administrative Officer

See accompanying notes and schedules to the consolidated financial statements.

Town of Stratford
Consolidated statement of change in net debt

Year ended December 31	Budget	**2013**	2012
Decrease (increase) in net debt			
Net revenue	$ 2,203,227	**$ 1,262,363**	$ 1,904,487
Acquisition of tangible capital assets	(3,584,000)	**(2,083,425)**	(3,002,871)
Depreciation and amortization	1,170,000	**1,223,436**	1,160,432
	$ (210,773)	**402,374**	62,048
Change in inventories of materials and supplies		**(4,591)**	(1,539)
Change in prepaid		**757**	(2,685)
		(3,834)	(4,224)
Decrease in net debt		**398,540**	57,824
Net debt, beginning of year		**(9,957,605)**	(10,015,429)
Net debt, end of year		**$ (9,559,474)**	$ (9,957,605)

See accompanying notes and schedules to the consolidated financial statements.

Town of Stratford
Consolidated statement of cash flows

Year ended December 31	2013	2012
Increase (decrease) in cash and cash equivalents		
Operating activities		
Net revenue	**$ 1,262,363**	$ 1,904,489
Depreciation and amortization	**1,223,436**	1,160,432
	2,485,799	3,064,921
Change in non-cash working capital		
Receivables	**(91,713)**	(227,179)
Leases, loans and contributions receivable	**40,695**	87,153
Prepaids	**(4,590)**	(1,137)
Inventories of materials and supplies	**757**	(2,685)
Payables, accruals and deferred revenue	**(417,850)**	222,258
	2,013,098	3,143,331
Financing activities		
Payment of long term debt		
Town	**(408,112)**	(383,527)
Utility	**(435,299)**	(436,809)
Increase in bank indebtedness	**719,506**	238,119
Advances from Stratford Community Seniors' Complex Ltd.	**(12,089)**	2,430
	(135,993)	(579,787)
Investing activities		
Purchase of tangible capital assets	**(2,083,425)**	(3,002,871)
Net decrease in cash and cash equivalents	**(206,320)**	(439,327)
Cash and cash equivalents,		
Beginning of year	**257,741**	697,068
End of year	**$ 51,421**	$ 257,741

See accompanying notes and schedules to the consolidated financial statements.

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.

Government transfers are the transfer of assets from the senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future or are not the result of a direct financial return.

Government transfers are recognized in the consolidated financial statements as revenue in the financial period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined.

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.

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

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

Management estimates
The presentation of consolidated 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. Changes in accounting policy

Effective January 1, 2013 the Town has restated its consolidated financial statements to comply with the provisions of the new PSA Handbook Section PS 3410 "Government Transfers", which replaced the existing standard of the same name. Government transfers are the transfer of funds from senior levels of government that are not expected to be repaid in the future or are not the result of a direct financial return. The standard requires that government transfers be recognized in the consolidated financial statements as revenue in the financial period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met including performance and return requirements, and reasonable estimates of the amounts can be determined. The standard can be applied on a prospective or retrospective basis. The Town chose to record government transfers on a retrospective basis, with restatement of prior years. Under previous standards, the Town had the option to defer and amortize government contributions received for capital over the useful life of the related assets. This is no longer an option under PS 3410. The Town's initial investment in the CARI complex had been recorded as an investment, with the application of PS 3410 this accounting treatment was no longer appropriate and has been included in the prior period adjustment. This accounting change had the following impact on the Town's consolidated financial statements:

	Previously stated 2012	Adjustment 2012	Restated 2012
Statement of operations and surplus:			
Revenue	$ 6,158,483	$ 1,761,062	$ 7,919,545
Expenses	486,406	674,024	1,160,430
Annual Surplus	817,449	1,087,039	1,904,488
Accumulated surplus,			
Beginning of year	4,361,107	21,051,326	25,412,433
End of year	5,178,556	22,138,364	27,316,920
Statement of financial position:			
Long Term Investments	517,500	(385,000)	132,500
Contributions in aid of construction	(22,523,556)	22,523,556	-

3. Leases, loans and contributions receivable

	2013	2012
CHANCES Inc., 5.48% capital lease, repayable in equal monthly instalments of $1,020 consisting of principal and interest.	**$ 51,088**	$ 60,254
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
Capital contributions receivable.	**56,005**	82,534
	$ 232,093	$ 272,788

4. Long term investments, at cost

	2013	2012
Charlottetown Area Development Corporation (CADC), 50 common shares	**$ 132,500**	$ 132,500

5. Budget

Public Sector Accounting Standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the consolidated statement of operations and consolidated statement of changes in net debt has been adjusted to be presented on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the consolidated financial statements:

	Approved fiscal plan	Adjustments	Fiscal plan per consolidated financial statements
Revenue	$6,213,500	$2,516,700	$ 8,730,200
Expenses	5,846,973	680,000	6,526,973
Annual surplus	$ 366,527	$1,836,700	$ 2,203,227

6. Bank indebtedness and short term borrowings

The Town of Stratford has total authorized operating lines of credit of $750,000, of which $341,877 was unused at December 31, 2013 (2012 - $296,066), $2,000,000, of which $1,634,329 was unused at December 31, 2013 (2012 - $2,000,000), and $350,000, of which $350,000 was unused at December 31, 2013 (2012 - $350,000). Bank indebtedness consists of:

	2013	2012
Operating line balance	**$ (773,794)**	$ (453,934)
Outstanding cheques	**(470,885)**	(63,768)
Outstanding deposits	**7,599**	129
	$ (1,237,080)	$ (517,573)

7. Deferred revenue

During the year the Town was allocated $679,388 (2012 - $679,388) under the New Deal Gas Tax Funding for Incorporated Communities agreement. Total proceeds of $685,800 received by the Town as at December 31, 2013 is comprised of $679,387 plus interest of $6,413. 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.

	2013	2012
Deferred, beginning of year	**$ 984,447**	$ 982,782
Received	**685,800**	682,972
Spent	**(448,237)**	(681,307)
Deferred, end of year	**$1,222,010**	$ 984,447

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, $448,237 (2012 - $681,307) was spent on eligible projects. The Town has prepared, and the governmental regulating body has accepted, a Capital Investment Plan which details determined expenditures.

8. Employee benefits

The liability of $116,603 (2012 - $106,578) 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 $142,422 (2012 - $130,258) contributed to RRSP plans. This represented both the Town's and the employees' portion of the contribution.

9. Long term debt

	2013	2012
Town of Stratford		
4.67% Bank of Montreal loan payable in equal monthly instalments of $2,685 including interest, maturing in December 2017, amortized to December 2022.	**$ 214,180**	$ 235,855
2.31% Royal Bank loan payable in equal monthly instalments of $11,410 including interest, maturing in March 2018, amortized to April 2023.	**1,139,542**	1,246,204
4.45% Royal Bank loan payable in equal monthly instalments of $24,903 including interest, maturing in May 2018, amortized to January 2024.	**2,295,817**	2,488,161
3.46% Bank of Montreal loan payable in equal monthly instalments of $7,463 including interest, maturing in and amortized to March 2014.	**14,846**	102,276
	3,664,385	4,072,496
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.	**137,367**	191,202
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.	**83,495**	109,855
4.63% Pacific and Western loan payable in equal monthly instalments of $5,617 including interest, maturing in October 2018, amortized to June 2023.	**526,776**	568,728
3.77% Bank of Montreal loan payable in equal monthly instalments of $3,537 including interest, maturing in and amortized to July 2021.	**280,335**	311,698
4.67% Bank of Montreal loan payable in equal monthly instalments of $3,249 including interest, maturing in November 2015, amortized to November 2020.	**229,409**	256,983
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.	**92,066**	121,129

9. Long term debt (cont'd)	**2013**	2012
3.03% Bank of Montreal loan payable in equal monthly instalments of $2,708 including interest, maturing in March 2023, amortized to March 2023.	**261,844**	283,138
4.88% Bank of Montreal loan payable in equal monthly instalments of $1,073 including interest, maturing in March 2017, amortized to March 2022.	**86,920**	95,336
4.97% Bank of Montreal loan payable in equal monthly instalments of $3,423 including interest, maturing in November 2014, amortized to October 2024.	**343,345**	366,742
4.63% Royal Bank loan payable in equal monthly instalments of $3,205 including interest, maturing in January 2019, amortized to December 2023.	**309,375**	332,915
4.72% Bank of Montreal loan payable in equal monthly instalments of $4,762 including interest, maturing in December 2015, amortized to December 2025.	**521,424**	553,146
4.72% Pacific & Western loan payable in equal monthly instalments of $4,519 including interest, maturing in April 2017, amortized to March 2027.	**531,889**	560,280
5.01% Royal Bank loan payable in equal monthly instalments of $6,830 including interest, maturing in December 2017, amortized to December 2028.	**823,686**	863,288
4.87% Royal Bank loan payable in equal monthly instalments of $3,302 including interest, maturing in April 2019, amortized to April 2029.	**427,711**	446,084
3.98% CMHC loan payable in equal annual instalments of $19,054 including interest, maturing in February 2025, amortized to February 2025.	**184,985**	190,499
3.92% CMHC loan payable in equal annual instalments of $53,878 including interest, maturing in March 2026, amortized to March 2026.	**556,579**	572,133
5.18% Bank of Montreal loan payable in equal monthly instalments of $1,859 including interest, maturing in April 2020, amortized to April 2030.	**245,374**	254,718
	5,642,580	6,077,874
	$ 9,306,965	$ 10,150,370

9. 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:

	General	Utility	**Total**
2014	$ 350,055	$ 481,439	**$ 831,494**
2015	348,019	506,372	**854,391**
2016	361,355	480,530	**841,885**
2017	375,332	421,610	**796,942**
2018	389,700	440,869	**830,569**
	$ 1,824,461	$ 2,330,820	**$ 4,155,281**

10. Reserve funds

	2013	2012
Balance, beginning of year	**$ 707,647**	$ 1,226,155
Allocations (from) to reserves (net)	**22,206**	(518,508)
Balance, end of year	**$ 729,853**	$ 707,647
Comprising of:		
Town		
Dedication fees	**$ 86,608**	$ 86,608
Election	**33,000**	22,000
Utility capital contribution	**152,126**	176,327
Town capital project	**135,803**	135,803
Heritage grant reserve	**10,000**	10,000
Pondside park dredging reserve	**14,000**	7,000
Stratford's of the World	**7,295**	-
Utility		
Water supply capital contribution	**291,021**	269,909
	$ 729,853	$ 707,647

Municipal position		
Reserve funds	**$ 729,853**	$ 707,647
Operating funds	**27,849,431**	26,609,273
	$28,579,284	**$ 27,316,920**

Town of Stratford
Notes to the consolidated financial statements
December 31, 2013

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 $86,608 (2012 - $86,608) 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.

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 2013 were $653,932 (2012 - $638,089).

14. Expenses by function

	2013	2012
Salaries and benefits	**$ 1,578,724**	$ 1,459,301
Goods and services	**3,182,406**	2,918,462
Amortization of tangible capital assets	**1,223,438**	1,160,432
Interest on long term debt	**443,815**	476,865
	$ 6,428,383	$ 6,015,060

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, 2013

	Land	Buildings	Equipment	Other	Vehicle	Multipurpose facility	Computer Equipment	Roads and Paving	**2013**	2012
Cost										
Opening Balance	$ 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
Acquisition of tangible capital assets	-	-	86,898	-	-	14,726	18,522	659,050	**779,200**	1,069,464
Balance, end of year	1,130,668	1,075,393	768,682	1,118,925	1,079,929	6,100,942	289,390	4,864,896	**16,428,829**	15,649,629
Accumulated Amortization										
Opening Balance	-	423,874	656,386	997,338	656,440	1,929,630	233,496	1,914,472	**6,811,636**	6,333,112
Annual Amortization	-	22,105	26,918	5,110	130,432	152,339	28,666	145,784	**511,357**	478,524
Balance, end of year	-	445,979	683,304	1,002,448	786,872	2,081,969	262,162	2,060,256	**7,322,993**	6,811,636
Net Book value of tangible capital assets	$ 1,130,668	$ 629,412	$ 85,378	$ 116,478	$ 293,057	$ 4,018,973	$ 27,229	$ 2,804,641	**$ 9,105,836**	$ 8,837,993

Town of Stratford
Schedule of tangible capital assets - Utility
Year ended December 31, 2013

	Land	Equipment	Vehicles	Computer Software	Sewer	Water	**2013**	2012
Cost								
Opening Balance	$ 783,849	$ 74,341	$ 126,821	$ 39,918	$ 21,229,202	$ 12,367,802	**$ 34,621,932**	$ 32,688,529
Acquisition of tangible capital assets	-	4,322	-	-	8,474	1,291,234	**1,304,030**	1,933,423
Balance, end of year	783,849	78,663	126,821	39,918	21,237,676	13,659,036	**35,925,962**	34,621,952
Accumulated Amortization								
Opening Balance	-	54,433	82,732	39,918	4,501,881	1,557,185	**6,236,149**	5,551,828
Annual Amortization	-	8,768	18,117	-	424,710	260,268	**711,863**	684,321
Balance, end of year	-	63,201	100,849	39,918	4,926,591	1,817,453	**6,948,012**	6,236,149
Net book value of tangible capital assets	$ 783,849	$ 15,462	$ 25,972	$ -	$ 16,311,085	$ 11,841,582	**$ 28,977,950**	$ 28,385,803

Town of Stratford
General account
Schedule of operations

Year ended December 31	Budget	**2013**	2012
Revenue			
Real property tax – Town levy, net	$3,111,100	**$3,095,074**	$2,897,374
Government transfers			
Municipal support grant	896,800	**896,780**	908,579
Infrastructure	1,050,000	**552,050**	791,398
Rental	209,000	**195,901**	217,556
Donated land	-	**-**	38,250
Police fines	55,000	**60,709**	56,239
Dedication fees	-	**-**	20,000
Development permits	80,000	**45,510**	99,279
Miscellaneous	-	**14,550**	19,982
Interest	4,100	**3,148**	5,258
Recreation programs	38,800	**51,711**	38,319
Seniors Complex wage allocation	9,000	**9,000**	9,000
Field maintenance levy	3,600	**3,787**	3,723
Animal control	6,900	**5,084**	6,932
	5,464,300	**4,933,306**	5,111,889
Expenses			
Depreciation	490,000	**511,357**	476,111
Finance and administration (page 19)	583,400	**561,406**	550,064
General government (page 20)	1,895,300	**1,885,419**	1,809,295
Planning (page 21)	315,000	**325,880**	314,736
Public works (page 22)	633,500	**605,301**	587,404
Recreation (page 23)	589,400	**588,469**	526,313
	4,506,600	**4,477,832**	4,263,921
Surplus before other income (expense)	$ 957,700	**455,472**	847,968
Other income (expense)			
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)**	(7,000)
Transfer to dedication fees reserve		**-**	(20,000)
Transfer to Stratford's of the World reserve		**7,295**	-
Annual Surplus		**$ 482,067**	$ 852,268

Town of Stratford
General account
Schedule of expenses

Year ended December 31	Budget	**2013**	2012
Finance and administration			
Advertising	$ 8,000	**$ 7,537**	$ 10,842
Bank charges and interest	7,000	**10,694**	6,822
Community group support	1,000	**875**	1,000
Computer support services	38,400	**31,645**	22,872
Fees and journals	3,800	**4,557**	3,504
Insurance	49,100	**55,208**	47,128
Interest on long term debt	178,000	**152,924**	184,056
Leased equipment	7,000	**6,263**	7,373
Office supplies	25,000	**29,099**	24,441
Postage and courier	3,400	**3,789**	2,625
Professional fees	18,000	**11,124**	10,274
Property taxes	29,100	**26,449**	27,025
Property tax rebates	26,000	**32,972**	28,367
Salaries and benefits	124,600	**127,634**	117,067
Staff development and travel	12,000	**10,950**	9,356
Sratfords of the World	1,000	**-**	-
Telephone and fax	36,000	**33,599**	32,815
Workers compensation	16,000	**16,087**	14,497
	$ 583,400	**$ 561,406**	$ 550,064
Transfers from			
Stratford's of the World reserve	$ -	**$ (7,295)**	$ -
	$ 583,400	**$ 554,111**	$ 550,064

Town of Stratford
General account
Schedule of expenses

Year ended December 31	Budget	**2013**	2012
General government			
Animal control	$ 28,000	**$ 28,000**	$ 27,043
Committee expenses	30,500	**30,122**	28,524
Donations and gifts	18,000	**14,035**	12,060
Dues - Federations of PEI and Canadian Municipalities	15,500	**17,376**	13,610
Sustainable economic development	55,000	**41,391**	42,483
Fire protection	279,600	**279,595**	244,433
GIS development and maintenance	10,000	**7,324**	6,398
Library lease	25,000	**33,733**	-
Mayor and council expenses			
Council honorariums	65,600	**65,203**	62,973
Discretionary fund	4,000	**3,822**	3,865
Council development and travel	25,000	**26,733**	22,574
RCMP contract	659,300	**653,932**	638,089
RCMP office lease	14,300	**8,800**	8,800
Newsletter	16,000	**21,328**	12,538
Professional fees			
Consulting	60,000	**42,985**	100,934
Legal	15,000	**19,867**	30,627
Promotional expenditures	10,000	**14,060**	17,563
Salaries and benefits	199,800	**203,482**	194,698
Staff development and travel	15,000	**13,519**	16,793
Staff EAP and incentives	8,500	**8,359**	8,392
Street lighting	167,400	**173,484**	157,076
Transit	173,800	**178,269**	159,822
	1,895,300	**1,885,419**	1,809,295
Transfer to			
Election reserve	11,000	**11,000**	11,000
	$1,906,300	**$ 1,896,419**	$1,820,295

Town of Stratford
General account
Schedule of expenses

Year ended December 31	Budget	**2013**	2012
Planning			
Administrative expenses	$ 2,000	**$ 2,216**	$ 303
Heritage	9,500	**7,250**	14,232
Professional fees	20,000	**29,344**	26,959
Salaries and benefits	267,500	**275,874**	257,381
Staff development and travel	16,000	**11,196**	15,861
	$ 315,000	**$ 325,880**	$ 314,736
Transfers from Heritage grant reserve	$ -	**$ -**	$ (5,000)
	$ 315,000	**$ 325,880**	$ 309,736

Town of Stratford
General account
Schedule of expenses

Year ended December 31	Budget	**2013**	2012
Public works			
Beautification plan	$ 20,500	**$ 18,644**	$ 9,305
Buildings maintenance	141,200	**124,415**	174,479
Electricity	86,000	**79,138**	72,423
Fuel	22,000	**21,709**	18,714
Grass cutting	22,000	**20,525**	19,875
Professional fees	12,000	**5,592**	8,589
Salaries and benefits	214,300	**221,834**	191,468
Sewer charges	14,800	**14,913**	14,729
Sidewalk maintenance	2,600	**437**	2,123
Signage	2,300	**1,894**	362
Small tools	3,000	**3,669**	1,176
Snow removal	52,800	**61,939**	45,388
Staff development and travel	4,000	**1,084**	1,702
Vehicle and equipment operating	36,000	**29,508**	27,072
	$ 633,500	**$ 605,302**	$ 587,404

Town of Stratford
General account
Schedule of expenses

Year ended December 31	Budget	**2013**	2012
Recreation			
Arts and culture	$ 27,000	**$ 27,755**	$ 18,391
Events	22,000	**20,108**	21,501
Grants and agreements			
CARI operating	15,000	**15,000**	15,000
Glen Stewart playground	5,000	**-**	5,000
Pownal rink	45,000	**45,000**	42,000
School levy	1,400	**1,400**	1,400
Other	2,500	**3,500**	5,000
Maintenance			
Playground	13,000	**18,076**	15,145
Sports fields	22,500	**22,402**	21,583
Professional fees	15,500	**16,439**	5,465
Programs	14,000	**21,730**	30,273
Promotion	1,000	**840**	989
Rink operations	1,100	**458**	1,009
Salaries and benefits	374,700	**374,320**	322,365
Staff development and travel	10,000	**7,874**	8,943
Watershed	19,700	**13,567**	12,249
	589,400	**588,470**	526,314
Transfers to (from)			
Pond dredging reserve	-	**7,000**	7,000
	$ 589,400	**$ 595,470**	$ 533,314

Town of Stratford
Utility
Schedule of operations

Year ended December 31	Budget	**2013**	2012
Revenue			
Unmetered sales	$1,603,600	**$ 1,621,103**	$ 1,563,956
Government transfers - infrastructure	1,466,700	**882,653**	626,393
Donated capital contributions	-	**38,716**	343,270
Late penalty charges	25,000	**30,341**	30,285
Frontage charges	47,500	**47,382**	47,492
Metered sales	115,600	**124,064**	118,100
Connection fees	4,000	**2,890**	5,670
Water supply capital contribution	-	**8,452**	57,017
Interest and other income	3,500	**2,657**	15,472
	3,265,900	**2,758,258**	2,807,655
Expenses			
Water conservation	22,800	**21,278**	19,697
Depreciation	680,000	**712,080**	684,321
Electricity	145,000	**144,796**	127,323
Honorariums	1,000	**1,000**	1,000
Insurance	12,100	**12,563**	11,960
Interest and bank charges	15,000	**18,103**	11,938
Interest on long term debt	300,000	**290,891**	292,809
Office	11,400	**9,780**	10,227
Postage	8,900	**10,400**	5,803
Professional fees	92,600	**52,845**	42,493
Property taxes	2,300	**5,047**	4,455
Repairs and maintenance			
Sewer	169,200	**201,258**	63,669
Water	114,000	**33,068**	39,339
Software maintenance	10,800	**9,260**	8,893
Snow removal	6,300	**5,537**	5,171
Telephone	16,700	**18,068**	18,543
Tools and equipment	7,900	**6,750**	4,411
Travel	12,100	**9,470**	9,411
Wages and employee benefits	363,600	**360,296**	347,440
Workers compensation	10,000	**9,720**	9,055
Vehicle	15,200	**14,592**	14,352
	$ 2,016,900	**$ 1,946,802**	$ 1,732,310
Surplus before other income (expense)	1,249,000	**811,456**	1,075,345
Other income (expense)			
Allocation to Town for rent	(37,000)	**(37,300)**	(37,300)
Utility Capital Contribution	-	**24,201**	-
Transfer from (to) water supply capital contribution reserve, net	-	**(21,112)**	551,508
Annual surplus	$1,212,000	**$ 777,245**	$1,589,553

Town of Stratford
Business Park
Schedule of operations

Year ended December 31	Budget	**2013**	2012
Lot sales	$ -	**$ -**	$ -
Expenses			
Annual fee	30	**30**	30
Cost of sales	-	**-**	-
Interest and bank charges	25	**25**	4,049
Interest on long term debt	-	**-**	-
Professional fees	1,769	**2,343**	1,925
Property taxes	1,289	**1,247**	1,247
Repairs and maintenance	360	**919**	11,575
	3,473	**4,564**	18,826
Annual deficit	$ (3,473)	**$ (4,564)**	$ (18,826)