

Consolidated Financial Statements of

TOWN OF STRATFORD

Year ended December 31, 2015

Town of Stratford

Management's Responsibility for Financial Reporting

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards, and the integrity and objectivity of these consolidated financial statements and schedules are management's responsibility. Management is also responsible for all of the notes to the consolidated financial statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the consolidated financial statements. A summary of the significant accounting policies is described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgement, particularly when transactions affecting the current period cannot be finalized with certainty until future periods.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for the preparation of consolidated financial statements.

The Council is responsible for ensuring that management fulfils its responsibilities for financial reporting and internal control, and exercises these responsibilities through the Council. The Council reviews internal financial statements on a monthly basis and external audited consolidated financial statements yearly. The Council also discusses any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The external auditors, BDO Canada LLP, conduct an independent examination, in accordance with Canadian auditing standards, and express their opinion on consolidated financial statements. The external auditors have full and free access to the financial management of the Town of Stratford and meet when required. The accompanying Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the consolidated financial statements.

On behalf of the Town of Stratford:

Mayor

Chief Administrative Officer



Tel: 902 892 5365
Fax: 902 892 0383
www.bdo.ca

BDO Canada LLP
155 Belvedere Avenue, Suite 200
PO Box 2158
Charlottetown PE C1A 8B9 Canada

INDEPENDENT AUDITOR'S REPORT

To His Worship the Mayor and the Members of Town Council of Town of Stratford

We have audited the accompanying consolidated financial statements of Town of Stratford which comprise the consolidated statement of financial position as at December 31, 2015 and the consolidated statements of operations, change in net debt and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated 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 the 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 Town of Stratford as at December 31, 2015 and the results of its operations, change in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Other Matter

The consolidated financial statements of the Town of Stratford for the year ended December 31, 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 12, 2015.

BDO Canada LLP

Chartered Professional Accountants

Charlottetown, Prince Edward Island
April 20, 2016

TOWN OF STRATFORD

Consolidated Statement of Financial Position

December 31, 2015, with comparative figures for 2014

	2015	2014
Financial Assets		
Cash	\$ 414,025	\$ 190,093
Accounts receivable (note 2)	817,916	1,251,034
Temporary investments (note 3)	1,079,093	663,287
Inventory held for resale	8,525	10,361
Leases, loans and contributions receivable (note 4)	192,007	198,387
Land held for resale, at cost	1,038,215	876,089
Long-term investments (note 5)	132,500	132,500
	3,682,281	3,321,751
Liabilities		
Bank indebtedness (note 6)	1,078,682	894,384
Accounts payable and accrued liabilities (note 7)	1,037,293	1,887,765
Deferred revenue (note 8)	-	663,287
Employee benefits payable (note 9)	106,497	101,247
Long-term debt (note 10)	9,844,749	9,316,634
	12,067,221	12,863,317
Net debt	(8,384,940)	(9,541,566)
Non-financial Assets		
Prepaid expenses	36,232	43,396
Tangible capital assets (page 19)	40,909,170	40,444,972
	40,945,402	40,488,368
Accumulated surplus	\$ 32,560,462	\$ 30,946,802

The accompanying notes are an integral part of these consolidated financial statements.

On Behalf of the Council:

Mayor

Chief Administrative Officer

TOWN OF STRATFORD

Consolidated Statement of Operations

Year ended December 31, 2015, with comparative figures for 2014

	2015 Budget	2015 Actual	2014 Actual
Revenue:			
Property taxes (note 11)	\$ 3,361,200	\$ 3,368,421	\$ 3,238,441
Government transfers			
- provincial municipal support	905,700	905,747	905,748
- infrastructure (note 12)	1,722,400	1,591,848	2,235,711
Rental	194,000	221,539	202,789
Third party revenue	207,900	322,405	219,685
Interest	2,100	40,059	22,681
Stratford Utility Corporation	1,857,600	2,032,562	2,197,142
Stratford Business Park	111,400	2,245	1
	8,362,300	8,484,826	9,022,198
Expenses:			
Amortization	511,000	611,339	576,503
General government	2,132,400	2,064,681	2,046,728
Finance	559,900	523,228	533,344
Recreation	668,200	644,425	624,579
Public Works	656,900	660,508	650,842
Planning	300,400	279,157	306,494
Stratford Utility Corporation	2,018,500	2,058,932	1,909,740
Stratford Business Park	42,030	28,896	6,436
	6,889,330	6,871,166	6,654,666
Annual surplus	1,472,970	1,613,660	2,367,532
Accumulated surplus, beginning of year	30,946,802	30,946,802	28,579,270
Accumulated surplus, end of year	\$ 32,419,772	\$ 32,560,462	\$ 30,946,802

The accompanying notes are an integral part of these consolidated financial statements.

TOWN OF STRATFORD

Consolidated Statement of Change in Net Debt

Year ended December 31, 2015, with comparative figures for 2014

	2015 Budget	2015	2014
Annual surplus	\$ 1,472,970	\$ 1,613,660	\$ 2,367,532
Acquisition of tangible capital assets	(3,595,500)	(1,849,271)	(3,691,372)
Proceeds on disposal of tangible capital assets	-	-	954
Amortization of tangible capital assets	1,223,000	1,385,073	1,329,229
	(2,372,500)	(464,198)	(2,361,189)
Change in prepaid expenses	-	7,164	(1,700)
Change in net debt	(899,530)	1,156,626	4,643
Net debt, beginning of year	(9,541,566)	(9,541,566)	(9,546,209)
Net debt, end of year	\$ (10,441,096)	\$ (8,384,940)	\$ (9,541,566)

The accompanying notes are an integral part of these consolidated financial statements.

TOWN OF STRATFORD

Consolidated Statement of Cash Flows

Year ended December 31, 2015, with comparative figures for 2014

	2015	2014
Cash flows from operating activities		
Annual surplus	\$ 1,613,660	\$ 2,367,532
Item not involving cash:		
Amortization	1,385,073	1,329,230
	2,998,733	3,696,762
Change in non-cash working capital		
Accounts receivable	433,118	229,043
Leases, loans and contributions receivable	6,380	33,706
Prepays	7,164	(1,701)
Inventories held for resale	1,836	2,508
Development of land held for resale	(162,126)	(696,331)
Payables, accruals and deferred revenue	(1,508,509)	339,404
	1,776,596	3,603,391
Cash flows from capital activities		
Purchase of tangible capital assets	(1,849,271)	(3,691,370)
Proceeds on disposal of tangible capital assets	-	954
	(1,849,271)	(3,690,416)
Cash flows from financing activities		
Increase (decrease) in bank indebtedness	184,298	(342,697)
Proceeds from long-term debt	1,446,000	857,887
Repayment of long-term debt - Town	(366,532)	(350,420)
Repayment of long-term debt - Utility	(551,353)	(497,796)
	712,413	(333,026)
Cash flows from investing activities		
Decrease (increase) in temporary investments	(415,806)	558,723
Increase in cash position	223,932	138,672
Cash, beginning of year	190,093	51,421
Cash, end of year	\$ 414,025	\$ 190,093

The accompanying notes are an integral part of these consolidated financial statements.

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

1. Significant accounting policies:

(a) Basis of accounting:

The consolidated financial statements of the Town of Stratford have been prepared in accordance with Canadian public sector accounting standards established by the Public Sector Accounting Board.

(b) Basis of consolidation:

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of all municipal organizations, committees and boards which are owned or controlled by the Town. The following entities have been consolidated:

Stratford Utility Corporation
Stratford Business Park Corporation Inc.

All inter-entity transactions and balances have been eliminated.

The financial activities of a certain entity associated with the Town of Stratford is considered to be a separate organizational entity and is not consolidated. The Town's transactions with this entity are recorded in the consolidated statement of operations. The following entity has not been consolidated:

Stratford Community Seniors' Complex Ltd.

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

1. Significant accounting policies (continued):

(c) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all amounts directly attributable to acquisition or construction of the tangible capital asset. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated useful life of the tangible capital asset commencing once the asset is available for productive use as follows:

Asset	Rate
General:	
Multi purpose facility	40 years
Buildings	40 years
Sidewalks, parks and paving	25 years
Vehicles	7 years
Machinery and equipment	10 years
Small equipment	5 years
Computer hardware and software	4 years
Other assets	10 - 50 years
Sewer and Water Utility:	
Sewer systems	50 years
Water systems	50 years
Computer software	4 years
Machinery and equipment	10 years
Small equipment	5 years
Vehicles	7 years

During the year, the Town received contributions of land valued at \$ 126,070. (2014 - \$ Nil.). This amount is included in third party revenue.

(d) Budget:

The budget figures contained in these financial statements were approved by Council on February 11, 2015 in its original fiscal plan.

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

1. Significant accounting policies (continued):

(e) Revenue recognition:

Tax revenue is property tax billings which are received directly from the Province of Prince Edward Island. Taxes are billed based on the assessment rolls provided by the Province of Prince Edward Island at rates set by the Town. Taxation revenue is recorded as it is received in monthly installments from the Province of Prince Edward Island. For property taxes, the taxable event is the period for which the tax is levied. As taxes recorded are initially based on management's best estimate of the taxes that will be received, it is possible that changes in future conditions, such as reassessments due to audits, appeals and court decisions, could result in a change in the amount of tax revenue recognized.

Utility revenues are recognized when the significant risks and rewards of the service are transferred to the customer, which generally coincides with the time of billing, collectability is reasonably assured, persuasive evidence of an arrangement exists and the sales price is fixed and determinable.

Rent becomes due each month and is recognized on a monthly basis as paid. Price is fixed based on the contract signed for each year, and significant risks and rewards have been transferred.

Other revenues are recognized when the significant risks and rewards are transferred to the customer, collectability is reasonably assured, persuasive evidence of an arrangement exists and the sales price is fixed and determinable.

(f) Government transfers:

When the organization is the recipient, government transfers are recognized as revenue in the consolidated financial statements when the transfer is authorized and any eligibility criteria are met, except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability. Transfers are recognized as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the consolidated statement of operations as the stipulation liabilities are settled.

When the organization is the transferor, government transfers are recognized as an expense in the consolidated statement of operations when they are authorized and all eligibility criteria have been met by the recipient.

(g) Land held for sale:

Inventories of land are valued at original cost, which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

1. Significant accounting policies (continued):

(h) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for the use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, together with the excess of revenue over expenses, provides the consolidated change in net debt for the year.

(i) Use of estimates:

The preparation of consolidated financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Management provides estimates on the depreciation of tangible capital assets and employee benefits payable.

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

2. Accounts receivable:

	2015	2014
Trade	\$ 670,265	\$ 560,410
HST	70,784	173,536
Government transfers	43,415	497,346
Due from Stratford Community Seniors' Complex Ltd.	33,452	19,742
	\$ 817,916	\$ 1,251,034

3. Temporary investments:

The Town has New Deal Gas Tax funds which are only available to be used for eligible infrastructure and capacity building projects. The funds are being held in a separate deposit receipt account that bears interest at a rate of 0.60%.

4. Leases, loans and contributions receivable:

	2015	2014
CHANCES Inc., 5.48% capital lease, receivable in equal monthly installments of \$ 1,020. including interest	\$ 31,181	\$ 41,407
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, at cost	125,000	125,000
Capital contributions receivable	35,826	31,980
	\$ 192,007	\$ 198,387

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

5. Long-term investments, at cost:

	2015	2014
Charlottetown Area Development Corporation (CADC), 50 common shares	\$ 132,500	\$ 132,500

6. Bank indebtedness and short-term borrowings:

The Town of Stratford has total authorized operating lines of credit as follows:

- \$ 750,000. authorized with an interest rate of 2.7%, of which \$ 424,781. was used at December 31, 2015 (2014 - \$ 245,585.)
- \$ 2,000,000. authorized with an interest rate of 2.7%, of which \$ Nil. was used at December 31, 2015 (2014 - \$ Nil.)
- \$ 800,000. authorized with an interest rate of 2.7%, of which \$ 653,901. was used at December 31, 2015 (2014 - \$ 648,799.)

7. Accounts payable and accrued liabilities:

	2015	2014
Trade	\$ 538,287	\$ 633,932
Tangible capital assets	192,220	663,346
Holdbacks	306,786	590,487
	\$ 1,037,293	\$ 1,887,765

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

8. Deferred revenue:

During the year, the Town was allocated \$ 767,006. (2014 - \$ 767,006.) under the New Deal Gas Tax Funding for Incorporated Communities agreement. Total proceeds of \$ 772,343. received by the Town as at December 31, 2015 is comprised of \$ 767,006. plus interest of \$ 5,337. The Town must use their allocation of the New Deal Gas Tax funds for eligible infrastructure and capacity building projects.

	2015	2014
Deferred, beginning of the year	\$ 663,287	\$ 1,222,010
Received	772,343	776,997
Recognized	(1,435,630)	(1,335,720)
Deferred, end of the year	\$ -	\$ 663,287

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 expenditures on eligible projects. During the year, \$ 631,245. (2014 - \$ 1,335,720.) was spent on eligible projects. The Town has prepared, and the governmental regulating body has accepted, a Capital Investment Plan which details anticipated expenditures.

9. Employee benefits:

Employees accumulate sick leave at a rate of 1.25 days per month. Employees who reach the age of 60 may take a lump sum payment of half of their accumulated sick leave credits up to a maximum of 75 days payment at retirement. At December 31, 2015, the liability for unused sick leave, that is required to be paid out upon severance or retirement, amounted to \$ 48,204. (2014 - \$ 43,596.). No actuarial valuation has been performed pertaining to this liability.

Employees accumulate vacation time based on their years of experience. Employees are required to use their vacation time within 12 months of being earned. Employees who leave the organization are paid out for their total accrued vacation time. At December 31, 2015, the liability for unused vacation time that is required to be paid out upon an employee leaving the organization amounted to \$ 58,293. (2014 - \$ 57,651.).

The Town has a defined contribution pension plan for employees consisting of a registered retirement pension plan (RRSP) matching program. The Town's pension costs are charged to operations as contributions are due. The Town matches employees' contributions to a maximum of 6% of their annual salary. During the year, there was \$ 69,762. (2014 - \$ 71,756.) contributed to RRSP plans. This represents both the Town's and the employees' portion of the contribution.

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

10. Long-term debt:

	2015	2014
Town of Stratford:		
4.67% Bank of Montreal loan payable in equal monthly installments of \$ 2,685. including interest, maturing in December 2017, amortized to November 2021	\$ 167,677	\$ 191,470
4.45% Royal Bank loan payable in equal monthly installments of \$ 24,903. including interest, maturing in May 2018, amortized to May 2023	1,884,953	2,094,807
2.31% Royal Bank loan payable in equal monthly installments of \$ 11,410. including interest, maturing in March 2018, amortized to March 2023	913,240	1,027,687
2.66% Toronto Dominion loan payable in equal monthly installments of \$ 3,418. including interest, maturing in May 2025, amortized to May 2025	341,563	-
	\$ 3,307,433	\$ 3,313,964

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

10. Long-term debt (continued):

	2015	2014
Stratford Utility Corporation:		
Prime plus 3% (currently 4.72%) Bank of Montreal loan payable in equal monthly installments of \$ 4,762. including interest, refinanced subsequent to year end	\$ 458,075	\$ 488,169
5.18% Bank of Montreal loan payable in equal monthly installments of \$ 1,859. including interest, maturing in April 2020, amortized to April 2030	225,175	235,533
3.77% Bank of Montreal loan payable in equal monthly installments of \$ 3,537. including interest, maturing in July 2021, amortized to July 2021	213,959	247,768
3.03% Bank of Montreal loan payable in equal monthly installments of \$ 2,708. including interest, maturing in March 2023, amortized to March 2023	211,260	236,933
Prime plus 3% (currently 4.67%) Bank of Montreal loan payable in equal monthly installments of \$ 3,249. including interest, refinanced subsequent to year end	173,645	200,518
4.88% Bank of Montreal loan payable in equal monthly installments of \$ 1,073. including interest, maturing in March 2017, amortized to March 2022	68,804	78,082
4.73% Bank of Montreal loan payable in equal monthly installments of \$ 2,847. including interest, maturing in November 2016, amortized to November 2016	29,657	61,597
4.73% Bank of Montreal loan payable in equal monthly installments of \$ 2,582. including interest, maturing in November 2016, amortized to November 2016	26,887	55,858
5.32% Bank of Montreal loan payable in equal monthly installments of \$ 5,225. including interest, maturing in April 2016, amortized to April 2016	20,729	80,596
5.01% Royal Bank loan payable in equal monthly installments of \$ 6,830. including interest, maturing in December 2017, amortized to December 2028	738,384	782,267

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

10. Long-term debt (continued):

4.87% Royal Bank loan payable in equal monthly installments of \$ 3,302. including interest, maturing in April 2019, amortized to April 2029	388,299	408,484
4.63% Royal Bank loan payable in equal monthly installments of \$ 3,205. including interest, maturing in January 2019, amortized to December 2023	258,970	284,795
3.92% CMHC loan payable in equal annual installments of \$ 53,878. including interest, maturing in March 2026, amortized to March 2026	489,521	522,935
3.98% CMHC loan payable in equal annual installments of \$ 19,054. including interest, maturing in February 2025, amortized to February 2025	160,339	172,641
3.45% Toronto Dominion loan payable in equal monthly installments of \$ 4,943. including interest, maturing in May 2024, amortized to May 2024	809,431	840,526
2.86% Toronto Dominion loan payable in equal monthly installments of \$ 3,077. including interest, maturing in December 2015, amortized to December 2024	292,843	321,000
4.72% Pacific & Western loan payable in equal monthly installments of \$ 4,519. including interest, maturing in April 2017, amortized to March 2027	470,932	502,128
4.63% Pacific and Western loan payable in equal monthly installments of \$ 5,617. including interest, maturing in October 2018, amortized to August 2023	436,827	482,840
3.31% Toronto Dominion loan payable in equal monthly installments of \$ 6,180. including interest, maturing in May 2035, amortized to May 2035	1,063,579	-
	\$ 6,537,316	\$ 6,002,670
Total debt	\$ 9,844,749	\$ 9,316,634

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

10. Long-term debt (continued):

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

	General	Utility	Total
2016	\$ 393,693	\$ 568,279	\$ 961,972
2017	408,450	488,112	896,562
2018	423,803	509,373	933,176
2019	439,778	531,589	971,367
2020	456,402	554,920	1,011,322
	\$ 2,122,126	\$ 2,652,273	\$ 4,774,399

11. Property taxes:

	2015	2014
Commercial property tax	\$ 302,099	\$ 298,919
Non-commercial property tax	3,035,014	2,939,552
	\$ 3,337,113	\$ 3,238,471

12. Government transfers:

	2015	2014
Province of P.E.I.:		
Gas Tax - Capital Investment Plan	\$ 1,430,293	\$ 1,457,365
Gas Tax - Build Canada	25,339	182,043
Provincial Infrastructure Fund	150,000	300,000
Federal Government:		
Trans Canada Trail	(13,784)	296,303
P.E.I. 2014	-	119,982
	\$ 1,591,848	\$ 2,235,711

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

13. 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.

14. Commitments:

As part of an agreement dated November 28, 2002, the Town agreed to provide fixed capital funding to Capital Area Recreation Inc. (CARI) for the construction of an aquatic facility. As part of the agreement, CARI shall submit an annual business plan and budget for approval by the Town relating to the Town's recreation programs to include scheduling, rates and subsidies. As part of the agreement, the Town can appoint a member to the Board of Directors of CARI.

The Town has made a commitment to CARI to fund 8% of the aquatic facility's operational shortfall to a maximum of \$ 3,000. per year, as well as contributing 8% to the capital replacement sinking fund to a maximum of \$ 6,582. per year, adjusted for inflation.

During 2012, the Town signed a 20 year contract with the RCMP, which can be opted out of with two years' notice. The annual cost of the commitment varies as it is based on costs incurred by the RCMP. Expenses paid by the Town under this contract in 2015 were \$ 728,289. (2014 - \$ 699,163.).

15. Segment disclosures:

The Town is a diversified municipal unit that provides a range of services to its citizens. For management reporting purposes, the Town's operations and activities are organized and reported by fund. Funds were created for the purpose of recording specific activities to attain certain objectives in accordance with special regulations, restrictions or limitations.

Town services are provided by departments and their activity is reported in these funds. The services provided by these departments are as follows:

General Government

This department is responsible for the overall local government administration.

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

15. Segment disclosures (continued):

Finance

This department is responsible for the overall financial information of the Town. Its tasks include accounts payable and receivables, budgets and financial statements.

Recreation

This department is responsible for promoting and offering recreation opportunities and activities to the Town's residents.

Public Works

This department is responsible for road maintenance and infrastructure projects for the Town.

Planning

This department is responsible for the overall planning of the Town.

Stratford Utility Corporation

This department is responsible for the maintenance and operations of the water and sewer services provided to residents and other customers.

Stratford Business Park

This department is responsible for the maintenance and operations of the Stratford Business Park.

Internally generated revenues and expenses are eliminated on a consolidated basis.

16. Comparative figures:

Certain December 31, 2014 comparative figures have been restated to conform with presentation adopted for 2015.

TOWN OF STRATFORD

Notes to Consolidated Financial Statements

Year ended December 31, 2015

17. Accumulated surplus:

	2015	2014
Municipal position		
Reserve funds	\$ 1,949,520	\$ 782,838
Operating fund	30,610,942	30,163,964
	\$ 32,560,462	\$ 30,946,802
Reserve funds		
Balance, beginning of the year	\$ 782,838	\$ 729,853
Allocations to reserves (net)	1,377,445	52,985
Balance, end of the year	\$ 2,160,283	\$ 782,838
Comprising of:		
Town:		
Dedication fees	103,078	93,078
Election	19,360	8,360
Utility capital contribution	131,286	131,286
Town capital project	135,803	135,803
Heritage grant reserve	15,523	15,523
Pondside Park dredging	28,000	21,000
Stratfords of the World	5,845	4,845
New Deal Gas Tax funds	1,079,093	-
RCMP building	249,721	-
Utility:		
Water supply capital contribution	392,574	372,943
	\$ 2,160,283	\$ 782,838

TOWN OF STRATFORD

Schedule of Tangible Capital Assets

Year ended December 31, 2015, with comparative figures for 2014

	Cost Beginning of the Year	Additions	Disposals and Write downs	Cost End of the Year	Accumulated Amortization Beginning of the Year	Disposals and Write downs	Amortization	Accumulated Amortization End of the Year	Net Book Value 2015	Net Book Value 2014
Town:										
Land	\$ 1,137,846	\$ 126,070	\$ -	\$ 1,263,916	\$ -	\$ -	\$ -	\$ -	\$ 1,263,916	\$ 1,137,846
Buildings and facility	7,331,367	78,684	-	7,410,051	2,705,862	-	182,660	2,888,522	4,521,529	4,625,505
Computer and equipment	1,168,833	74,076	-	1,242,909	1,025,275	-	82,009	1,107,284	135,625	143,558
Vehicle	1,078,975	12,279	-	1,091,254	917,303	-	130,432	1,047,735	43,519	161,672
Other	1,118,925	203,871	-	1,322,796	1,007,559	-	9,436	1,016,995	305,801	111,366
Roads and paving	5,655,542	389,323	-	6,044,865	2,243,502	-	206,803	2,450,305	3,594,560	3,412,040
Sewer utility:										
Land	783,849	-	-	783,849	-	-	-	-	783,849	783,849
Computer and equipment	128,992	11,064	-	140,056	113,617	-	7,155	120,772	19,284	15,375
Vehicle	126,821	-	-	126,821	118,967	-	7,854	126,821	-	7,854
Sewer	23,526,503	781,608	-	24,308,111	5,374,192	-	476,535	5,850,727	18,457,384	18,152,311
Water	13,987,557	172,296	-	14,159,853	2,093,961	-	282,189	2,376,150	11,783,703	11,893,596
	\$ 56,045,210	\$ 1,849,271	\$ -	\$ 57,894,481	\$ 15,600,238	\$ -	\$ 1,385,073	\$ 16,985,311	\$ 40,909,170	\$ 40,444,972

TOWN OF STRATFORD

Schedule of Consolidated Segment Disclosures

Year ended December 31, 2015

	General Government	Finance	Recreation	Public Works	Planning	Stratford Utility Corporation	Stratford Business Park	Elimination	Consolidated 2015
Revenue:									
Property taxes	\$ 1,984,679	\$ 272,947	\$ 454,755	\$ 459,047	\$ 196,993	\$ -	\$ -	\$ -	\$ 3,368,421
Government transfer:									
Support Grant Program	415,085	113,842	128,797	201,461	46,562	-	-	-	905,747
Infrastructure	1,219,571	-	-	-	-	372,277	-	-	1,591,848
Rental	258,839	-	-	-	-	-	-	(37,300)	221,539
Third party revenue	225,929	-	60,874	-	35,602	-	-	-	322,405
Interest	7,375	-	-	-	-	32,683	2,246	-	42,304
Water and sewer	-	-	-	-	-	2,032,562	-	-	2,032,562
	4,111,478	386,789	644,426	660,508	279,157	2,437,522	2,246	(37,300)	8,484,826
Expenditures:									
Salaries and benefits	188,196	138,579	407,085	234,740	251,142	438,475	-	-	1,658,217
Goods and services	1,876,485	248,210	163,440	425,768	28,015	600,577	28,897	(37,300)	3,334,092
Depreciation	611,339	-	-	-	-	773,734	-	-	1,385,073
Interest	136,439	-	-	-	-	283,444	-	-	419,883
Other	-	-	73,901	-	-	-	-	-	73,901
	2,812,459	386,789	644,426	660,508	279,157	2,096,230	28,897	(37,300)	6,871,166
	\$ 1,299,019	\$ -	\$ -	\$ -	\$ -	\$ 341,292	\$ (26,651)	\$ -	\$ 1,613,660

TOWN OF STRATFORD

Schedule of Consolidated Segment Disclosures

Year ended December 31, 2014

	General Government	Finance	Recreation	Public Works	Planning	Stratford Utility Corporation	Stratford Business Park	Elimination	Consolidated 2014
Revenue:									
Property taxes	\$ 1,892,714	\$ 264,595	\$ 426,858	\$ 444,807	\$ 209,467	\$ -	\$ -	\$ -	\$ 3,238,441
Government transfer:									
Support Grant Program	391,912	122,560	138,702	206,035	46,539	-	-	-	905,748
Infrastructure	1,070,368	-	-	-	-	1,165,343	-	-	2,235,711
Rental	240,089	-	-	-	-	-	-	(37,300)	202,789
Third party revenue	110,179	-	59,019	-	50,487	-	-	-	219,685
Interest	2,598	-	-	-	-	20,084	-	-	22,682
Water and sewer	-	-	-	-	-	2,197,142	-	(14,274)	2,182,868
	3,707,860	387,155	624,579	650,842	306,493	3,382,569	-	(51,574)	9,007,924
Expenditures:									
Salaries and benefits	192,144	133,115	378,852	231,138	271,963	390,623	-	-	1,597,835
Goods and services	1,854,584	254,040	176,827	419,704	34,530	526,129	6,439	(51,574)	3,220,679
Depreciation	576,503	-	-	-	-	752,726	-	-	1,329,229
Interest	146,188	-	-	-	-	277,561	-	-	423,749
Other	-	-	68,900	-	-	-	-	-	68,900
	2,769,419	387,155	624,579	650,842	306,493	1,947,039	6,439	(51,574)	6,640,392
	\$ 938,441	\$ -	\$ -	\$ -	\$ -	\$ 1,435,530	\$ (6,439)	\$ -	\$ 2,367,532