

THE CORPORATION OF THE CITY OF STRATFORD

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

THE CORPORATION OF THE CITY OF STRATFORD

For the year ended December 31, 2021

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Responsibility for Financial Reporting

MANAGEMENT'S REPORT

The integrity, relevance and comparability of data in the accompanying consolidated financial statements are the responsibility of management.

The consolidated financial statements are prepared by management, in accordance with generally accepted accounting principles established by the Public Sector Accounting Board (PSAB) of CPA Canada. They necessarily include some amounts that are based on the best estimates and judgments of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

City Council fulfils its responsibility for financial reporting through the Finance and Labour Relations Committee. This committee, and City Council consist of the Mayor and ten Councillors.

Millard Rouse & Rosebrugh LLP, Chartered Professional Accountants, have been appointed by City Council to express an opinion on The City's consolidated financial statements. Their report follows.

Karmen Krueger, CPA, CA
Director of Corporate Services/Treasurer

Joan Thomson
Chief Administrative Officer

Stratford, Ontario, Canada

February 15, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of
The Corporation of the City of Stratford

Opinion

We have audited the consolidated financial statements of The Corporation of the City of Stratford (the 'Corporation'), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2021, and the consolidated results of its operations, its consolidated changes and net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

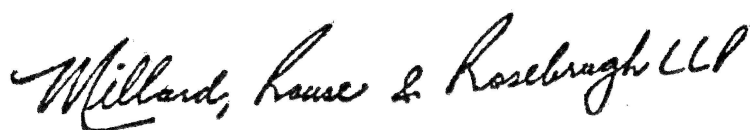
Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



February 12, 2024
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

THE CORPORATION OF THE CITY OF STRATFORD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31	2021	2020
Financial Assets		
Cash and cash equivalents (Note 2)	43,201,943	40,503,113
Taxes receivable	2,224,491	2,385,054
Trade and other receivable	10,857,984	6,852,422
Loans receivable (Note 3)	1,101,008	1,292,051
Investments (Note 4)	26,394,975	24,945,091
Investment in government business enterprises (Note 5)	47,484,869	45,070,404
Land held for resale	347,651	347,651
	<u>131,612,921</u>	<u>121,395,786</u>
Financial Liabilities		
Accounts payable and accrued liabilities	21,452,173	16,126,935
Deferred revenue (Note 7)	26,726,239	23,435,706
Solid waste landfill closure and post closure liability (Note 8)	3,620,000	3,336,907
Employee benefits payable (Note 10)	15,234,090	14,011,993
Long-term debt (Note 11)	49,775,859	56,029,731
	<u>116,808,361</u>	<u>112,941,272</u>
Net Financial Assets	<u>14,804,560</u>	<u>8,454,514</u>
Non-Financial Assets		
Tangible capital assets (Note 20)	317,863,185	301,452,985
Inventory	317,629	331,867
Prepaid expenses	715,791	1,534,482
Other non-financial assets (Spruce Lodge)	46,119	148,238
	<u>318,942,724</u>	<u>303,467,572</u>
Total Net Assets	<u>333,747,284</u>	<u>311,922,086</u>
Accumulated Surplus (Note 13)	<u>333,747,284</u>	<u>311,922,086</u>

Contractual Obligations (Note 9)

Contingencies (Note 14)

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

THE CORPORATION OF THE CITY OF STRATFORD

CONSOLIDATED STATEMENT OF OPERATIONS

For the year ended December 31	2021 Budget (Note 21)	2021	2020
Revenue			
Net municipal taxation	64,003,089	63,776,067	61,486,067
Payments-in-lieu of taxation	-	492,423	475,316
Conditional grants	27,461,845	38,518,425	35,566,834
Revenue from other municipalities	7,101,237	11,759,586	10,338,095
User fees and service charges	24,842,952	24,384,711	23,528,677
Licenses, permits and rents	4,785,569	4,507,268	6,195,157
Fines and penalties	594,000	489,345	568,801
Other revenue	2,590,715	4,268,903	8,225,131
Income from government business enterprises	-	2,414,465	1,358,200
	131,379,407	150,611,193	147,742,278
Expenses			
General government	9,558,107	8,874,662	8,515,785
Protection services	22,853,614	23,143,078	22,425,611
Transportation services	12,656,265	14,429,286	15,633,552
Environmental services	9,324,317	12,604,808	14,060,395
Health services	8,207,272	10,085,063	8,687,353
Social and family services	26,178,778	28,410,278	24,414,561
Social housing	9,930,760	13,780,260	17,372,158
Recreation and cultural services	11,598,583	11,367,789	11,616,670
Planning and development	5,701,723	6,090,771	7,436,319
	116,009,419	128,785,995	130,162,404
Annual Surplus	15,369,988	21,825,198	17,579,874
Net effect of restructuring transaction (Note 16)	-	-	931,034
Increase (decrease) in Net Municipal Position	15,369,988	21,825,198	18,510,908
Change in proportionate consolidation (Note 18)	-	(229,968)	(423,299)
Opening Accumulated Surplus	293,834,477	311,922,086	293,834,477
Ending Accumulated Surplus (Note 13)	309,204,465	333,747,284	311,922,086

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

THE CORPORATION OF THE CITY OF STRATFORD
CONSOLIDATED STATEMENT OF CHANGES IN NET FINANCIAL ASSETS

For the year ended December 31	2021 Budget (Note 21)	2021	2020
Annual Surplus	15,369,988	21,825,198	18,510,908
Acquisition of tangible capital assets	(65,424,500)	(23,924,812)	(13,426,535)
Acquisition of tangible capital assets - WIP	-	(2,743,865)	(1,088,106)
Amortization of tangible capital assets	9,879,261	9,879,261	9,342,038
(Gain)/loss on disposal of tangible capital assets	-	191,319	(9,063)
Proceeds from sale of tangible capital assets	-	37,618	45,904
Net effect of restructuring transaction	-	-	814,940
	(40,175,251)	5,264,719	14,190,086
Change in inventory	-	14,238	(4,149)
Change in other non-financial assets	-	102,119	(15,231)
Change in prepaid expenses	-	818,691	(656,442)
Change in Net Financial Assets (Debt)	(40,175,251)	6,199,767	13,514,264
Net Financial Assets (Debt), Beginning of the Year	8,454,514	8,454,514	(5,034,939)
Change in proportional consolidation (Note 18)	-	150,279	(24,811)
Net Financial Assets (Debt), End of the Year	(31,720,737)	14,804,560	8,454,514

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

THE CORPORATION OF THE CITY OF STRATFORD

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31	2021	2020
Cash Provided By (Used In)		
Operating Activities		
Annual Surplus	21,825,198	18,510,908
Items not involving cash:		
Amortization of tangible capital assets	9,879,261	9,342,038
Loss/(Gain) on disposal of tangible capital assets	191,319	(9,063)
Government business enterprise net earnings	(3,305,351)	(1,358,200)
Net effect of restructuring transaction (Note 16)	-	814,940
Changes in non-cash operating working capital:		
Trade and other receivables	(4,005,562)	(1,060,907)
Taxes receivable	160,563	279,884
Inventory	14,238	(4,149)
Prepaid expenses	818,691	(656,442)
Other non-financial assets	102,119	(15,231)
Accounts payable and accrued liabilities	5,325,238	1,394,401
Deferred revenue	3,290,533	3,385,091
Employee benefits payable	1,222,097	2,086,993
Land held for resale	-	697,899
Solid waste landfill closure and post closure liability	283,093	1,242,610
	<u>35,801,437</u>	<u>34,650,772</u>
Financing Activities		
Repayment of long-term debt	(6,253,872)	(6,298,403)
	<u>(6,253,872)</u>	<u>(6,298,403)</u>
Investing Activities		
Dividends from Government business enterprises	890,886	505,582
Net increase in investments	(1,449,884)	(239,024)
Net (increase)/decrease in loans receivable	191,043	216,962
	<u>(367,955)</u>	<u>483,520</u>
Capital transactions		
Purchase of tangible capital assets	(26,668,677)	(14,514,641)
Proceeds from the sale of tangible capital assets	37,618	45,904
	<u>(26,631,059)</u>	<u>(14,468,737)</u>
Change in Cash and Cash Equivalents	2,548,551	14,367,152
Cash and Cash Equivalents, Beginning of Year	40,503,113	26,160,772
Change in proportionate consolidation (Note 18)	150,279	(24,811)
Cash and Cash Equivalents, End of Year	43,201,943	40,503,113

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

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the City of Stratford (the “Corporation”) are prepared by management in accordance with Canadian public sector accounting standards for local governments as recommended by the Public Sector Accounting Board ("PSAB") of Chartered Professional Accountants Canada. Significant aspects of accounting policies are as follows:

(a) Reporting entities

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the Corporation and include the activities of all committees of Council and the following local boards, municipal enterprises and utilities which are accountable to the Corporation for the administration of their financial affairs and resources and are owned or controlled by the Corporation.

(i) Consolidated entities:

- Stratford Public Library
- Police Services Board
- Board of Parks
- Downtown Stratford BIA
- Perth & Stratford Housing Corporation
- SEED Co.

(ii) Proportionally consolidated entities:

The following entities are proportionally consolidated with the financial statements of the Corporation based on an approved funding agreement effective January 1, 2021.

	2021	2020
Perth District Health Unit	23.40%	23.58%
Spruce Lodge Home for the Aged	41.13%	41.59%
Spruce Lodge Home Assistance Corporation	41.13%	41.59%
Spruce Lodge Foundation	41.13%	41.59%

The method of consolidation is based on notional weighted assessment as stated in the new shared services costing agreement.

(iii) Equity accounting:

Government business enterprises are accounted for by the modified equity method. Under the modified equity method, the accounting principles of government business enterprises are not adjusted to conform to the Corporation's accounting principles and inter-organizational transactions and balances are not eliminated. However, inter-organizational gains and losses are eliminated on assets remaining with the government reporting entities at the reporting date.

The government business enterprises include:

- Festival Hydro Inc.
- Festival Hydro Services Inc.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of accounting:

Revenues and expenditures are reported on the accrual basis of accounting. 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 the receipt of goods or services and the creation of a legal obligation to pay.

(c) Cash and cash equivalents:

Cash and cash equivalents are comprised of cash on hand, cash held in financial institutions and temporary investments with maturities of 60 days or less.

(d) Bank indebtedness:

Bank indebtedness is a fluctuating short term line of credit held in a financial institution.

(e) 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, and include interest charges when these charges are directly attributable to the capital project. Donated or contributed assets are capitalized and recorded at their estimated fair value upon acquisition. Leased capital assets are valued at the present value of the future minimum lease payments. Certain tangible capital assets for which historical cost information is not available have been recorded at current replacement cost deflated by a relevant inflation factor.

Works of art and other historical treasures are accounted for in the same method as the other tangible capital assets, with the exception that they are not amortized.

Work in progress identified in this and subsequent notes relates to assets under construction. The costs, less residual value, of the tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	20 to 30 years
Buildings and building equipment	15 to 50 years
Computer equipment	5 years
Furniture and fixtures	15 to 30 years
Vehicles	2 to 25 years
Machinery and equipment	5 to 25 years
Linear assets	20 to 40 years
Other capital assets	50 years
Roads	15 to 60 years
Bridges	60 to 75 years
Water and wastewater facilities	35 to 100 years
Underground and other networks	100 years

(f) Land held for resale:

The land held for resale is recorded at the lower of cost and net realizable value.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Tax revenues:

In 2021, the Corporation billed over \$63.5 million in property tax revenue for municipal purposes. A further \$11.3 million in provincial education taxes were collected on behalf of the Province of Ontario for education purposes and remitted to the Province during the year, and do not form part of these financial statements. The authority to levy and collect property taxes is established under the Municipal Act, 2001, the Assessment Act, the Education Act and other legislation.

The amount of the total annual property tax levy is determined each year through Council's approval of the annual operating budget. Municipal tax rates are set annually by Council for each class or type of property, in accordance with provincial legislation and Council approved policies, in order to raise the revenues required to meet operating and capital budget requirements. Education tax rates are established by the Province of Ontario each year in order to fund the costs of education on a Province-wide basis.

Taxation revenues are recorded at the time tax billings are issued. Additional property tax revenue can be added throughout the year, related to new properties that become occupied, or that become subject to property tax, after the return of the annual assessment roll used for billing purposes. The Corporation may receive supplementary assessment information over the course of the year from MPAC that identify new or previously omitted assessments. Property taxes for these supplemental/omitted amounts are then billed according to the approved tax rate for the applicable property class.

Taxation revenues in any given year may also be reduced as a result of reductions in assessment values rising from assessment appeals. Each year, an amount is identified in the budget to cover the estimated amount of revenue loss attributable to assessment appeals, tax appeals, or other deficiencies in tax revenue.

(h) Deferred revenue:

The recreational land (Planning Act), development charges fund, and sub divider contributions are prescribed by legislation, or agreement and are reported as deferred revenue on the consolidated statement of financial position. Grants that are received in the year, but are subject to external restrictions that have not been fulfilled, are recorded in deferred revenue until those obligations are met. In addition, certain user charges and fees are collected for which the related services have yet to be performed. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred or services performed.

(i) Long-term investments:

Long-term investments are recorded at cost less any amounts written-off to reflect a permanent decline in market value below cost. Investments consist of authorized investments pursuant to provisions of the Municipal Act and comprise government and corporate bonds, debentures, pooled investment funds and short-term instruments of various financial institutions.

Investment income earned is reported as revenue in the period earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of the respective deferred revenue balances.

(j) Inventory:

Inventory is valued at the lower of cost and net realizable value on a first-in, first-out basis.

(k) Employee benefits payable:

The Corporation provides post-retirement health care, life insurance and unused sick leave benefits to eligible retired employees. The benefits earned by employees are actuarially determined using management's best estimate of salary escalation, retirement ages of employees and expected benefit costs.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Employee benefits payable (Continued):

Past service costs from plan amendments related to prior period employee services are accounted for in the period of the plan amendment. The effects of a gain or loss from settlements or curtailments are expensed in the period they occur. Net actuarial gains and losses related to the employee benefits are amortized over the average remaining service life of the related employee group. Employee future benefit liabilities are discounted at the Corporation's cost of borrowing using estimated rates for debt with maturities similar to expected benefit payments in the future. The costs of workplace safety and insurance obligations are actuarially determined and are expensed.

(l) Use of estimates:

The preparation of the consolidated financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. The amounts subject to such estimates include employee benefits payable, assessment appeals, claims provisions, and solid waste landfill closure and post-closure liability. Actual results could differ significantly from those estimates.

(m) Transactions on behalf of others:

Trust funds operated by the Corporation amounting to \$2,884,171 (2020 - \$2,791,870) have not been included in the consolidated statement of financial position nor have their operations been included in the consolidated statement of operations, as they are reported on separately. The Trust funds held by the Corporation consist primarily of funds related to legislated perpetual care amounts and prepaids relating to cemetery activity.

(n) Government transfer revenue

Government transfer revenue is recorded once it is authorized by the transferring government and the Corporation is eligible to receive the transfer. Any amount received but restricted is recorded as deferred revenue in accordance with Section 3410 of the Public Sector Accounting Handbook and recognized as revenue in the period in which the resources are used for the purpose specified.

Government transfers include social assistance program funding representing 80-100% of certain social services programs, social service administration funding covering 50% of certain administration costs and transfers for social housing totaling approximately 20% of costs of the program.

In addition, the Corporation periodically receives senior government capital funding in the form of infrastructure grants and receives ongoing funding from both senior levels of government as a result of an allocation of gas tax funds.

(o) Contaminated sites:

Public Sector Accounting Handbook section 3260 - Liability for Contaminated Sites, requires that the Corporation recognize a liability for remediation of contaminated sites when contamination of a site, for which the Corporation is directly responsible or accepts responsibility, exceeds an existing environmental standard and a reasonable estimate of the remediation costs can be made. The Corporation has established an inventory of municipally owned sites and is in the process of evaluating if it will be required to recognize a liability for remediation of any of the sites.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

2. CASH AND CASH EQUIVALENTS

The following is a breakdown of cash and cash equivalents and bank indebtedness:

	2021	2020
General bank accounts	8,523,874	12,423,311
General reserve bank accounts	34,674,432	28,076,166
Petty cash	3,637	3,636
	43,201,943	40,503,113

3. LOANS RECEIVABLE

The following loans are outstanding at December 31:

	2021	2020
Stratford Perth Museum	269,966	283,202
Heritage Conservation District Loans	49,002	65,398
Stratford Soccer Association	60,000	70,000
Stratford Perth Museum (2)	124,721	131,955
Stratford Chef School	145,754	248,880
Stratford Soccer Association Turf Field	451,565	492,616
	1,101,008	1,292,051

The Stratford Perth Museum loan matures in 2037, has an interest rate of 3% with repayments of \$1,791 being made monthly.

The Heritage Conservative District loans are interest-free 10 year loans with maturity dates between April 2022 and July 2027.

The Stratford Perth Museum (2) matures in 2038, has an interest rate of 0.5% with repayments of \$656 being made monthly.

The Stratford Soccer Association loan is a 15 year interest-free loan maturing September 2028 with an yearly payment of \$10,000.

The Stratford Chef School loan is a 6 year loan at an interest rate of 5%.

The Stratford Soccer Association turf field loan is a 15 year interest-free loan maturing December 2032 with a yearly payment of \$41,051.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

4. INVESTMENTS

	2021	2021	2020	2020
	Cost	Market Value	Cost	Market Value
Restricted Deposit notes/GIC's	4,436,385	4,357,896	2,158,374	2,156,577
Restricted Fixed Income	13,587,732	15,309,350	14,598,616	15,541,348
Total Restricted	18,024,117	19,667,246	16,756,990	17,697,925
Unrestricted Deposit notes/GICs	1,656,960	1,656,960	1,332,296	1,332,296
Unrestricted Fixed Income	6,713,898	6,714,413	6,855,805	6,957,162
Total Unrestricted	8,370,858	8,371,373	8,188,101	8,289,458
Total	26,394,975	28,038,619	24,945,091	25,987,383

Investments include general funds and reserve funds. Long-term investments earn interest between 0.55% and 3.89% and have maturity dates between June 2022 and September 2029.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

The Corporation holds a 100% interest in Festival Hydro Inc. and Festival Hydro Services Inc. as follows:

	2021	2020
Festival Hydro (a)	45,896,146	43,591,792
Festival Hydro Services Inc. (b)	1,588,723	1,478,612
	47,484,869	45,070,404

(a) Festival Hydro Inc.:	2021	2020
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Financial position:		
Current assets	14,565,257	14,759,159
Capital assets	57,113,909	55,447,062
Other assets	1,734,841	1,955,244
Total assets	73,414,007	72,161,465

Regulatory balances	4,527,854	2,806,457
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Current liabilities		
Demand loan payable to the City of Stratford	15,600,000	15,600,000
Post-employment benefits	1,361,643	1,492,917
Other liabilities	15,836,536	15,929,661
Total liabilities	45,914,138	45,185,661

Regulatory balances	1,731,577	1,790,469
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Equity	30,296,146	27,991,792
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Financial activities:		
Revenues	72,338,384	84,687,188
Operating expenses	(69,125,670)	(81,221,772)
Finance costs (net)	(939,719)	(2,425,162)
Income tax	(917,289)	(403,821)
Net movement in regulatory balances	1,758,928	661,404
Other comprehensive income (loss)	80,606	(79,899)
Equity, beginning of year	27,991,792	27,279,435
Dividends paid or payable on common share	(890,886)	(505,581)

Equity, end of year	30,296,146	27,991,792
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Investment in Festival Hydro Inc.:		
Equity, end of year	30,296,146	27,991,792
Demand loan payable to the City of Stratford	15,600,000	15,600,000

Net investment	45,896,146	43,591,792
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THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

5. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (Continued)

(b) Festival Hydro Services Inc.:	2021	2020
Financial Position:		
Current assets	78,847	77,773
Capital assets	3,078,178	3,375,645
Other assets	29,990	16,401
Total assets	3,187,015	3,469,819
Current liabilities	33,211	33,015
Demand loan payable to the City of Stratford	372,000	372,000
Other liabilities	1,565,081	1,958,192
Total liabilities	1,970,292	2,363,207
Equity	1,216,723	1,106,612
Financial activities:		
Revenues	1,336,141	1,332,368
Operating expenses	(1,137,808)	(1,081,970)
Finance costs (net)	(49,222)	(58,655)
Income tax	(39,000)	(51,000)
Equity, beginning of year	1,106,612	965,869
Dividends on common shares	-	-
Equity, end of year	1,216,723	1,106,612
Investment in Festival Hydro Services Inc.:		
Equity, end of year	1,216,723	1,106,612
Demand loan payable to the City of Stratford	372,000	372,000
Net investment	1,588,723	1,478,612

During the year, and within the normal course of operations, the Corporation was provided water and sewer billing and collection services by Festival Hydro Inc. Amounts paid to Festival Hydro Inc. by the corporation were \$494,093 (2020 - \$490,245).

The Corporation also leases space from Festival Hydro Inc. for which it paid rent of \$27,638 (2020 - \$29,942) during the year.

THE CORPORATION OF THE CITY OF STRATFORD
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6. PENSION AGREEMENT

The Corporation makes contributions to the Ontario Municipal Employees Retirement System (OMERS), a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. The 2021 contribution rates are 9.0% for employee earnings below the year's maximum pensionable earnings and 14.6% thereafter for employees with a normal retirement age of 65. The 2020 contribution rates were 9.2% for employees earning below the year's maximum pensionable earnings and 15.8% thereafter for employees with a normal retirement age of 60. Employees and employers contribute jointly to the plan.

OMERS is a multi-employer plan, therefore any pension plan surpluses or deficits are a joint responsibility of Ontario municipal organizations and their employees. As a result, the Corporation does not recognize any share of the OMERS pension surplus or deficit. Contributions made by the Corporation to OMERS for 2021 were \$3,554,235 (2020 - \$3,466,796) and are matched by employee contributions in a similar manner. Employer contributions are recognized as an expenditure in the consolidated statement of financial activities in the year contributions are made.

The OMERS pension plan has a deficit. If actuarial surpluses are not available to offset the existing deficit and subsidize future contributions, increases in contributions would be required in the future from all OMERS participants. The latest available report for the OMERS plan was December 31, 2021. At that time, the Plan reported a \$3.1 billion actuarial deficit (2020 - \$3.2 billion actuarial deficit).

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

7. DEFERRED REVENUE

	Balance at December 31 2020	Additions	Withdrawals	Balance at December 31 2021
Obligatory Reserve Funds:				
Development charges	12,595,538	2,538,275	602,692	14,531,121
Subdivider contributions	113,325	2,655	-	115,980
Recreational land (The Planning Act)	673,955	169,315	73,776	769,494
Federal gas tax	6,241,055	4,138,159	823,425	9,555,789
Provincial gas tax	612,878	491,933	680,075	424,736
Other current miscellaneous	2,792,081	586,891	2,650,372	728,600
Other consolidated entities:				
Other	406,874	775,046	581,401	600,519
	23,435,706	8,702,274	5,411,741	26,726,239
	Balance at December 31 2019	Additions	Withdrawals	Balance at December 31 2020
Obligatory Reserve Funds:				
Development charges	11,608,507	1,730,155	743,124	12,595,538
Subdivider contributions	111,954	1,371	-	113,325
Recreational land (The Planning Act)	507,945	166,010	-	673,955
Federal gas tax	6,993,594	2,006,875	2,759,414	6,241,055
Provincial gas tax	387,181	469,627	243,930	612,878
Other current miscellaneous	217,794	2,900,947	326,660	2,792,081
Other consolidated entities:				
Other	223,640	322,418	139,184	406,874
	20,050,615	7,597,403	4,212,312	23,435,706

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8. SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE LIABILITY

Solid waste landfill closure and post-closure liability accounts for anticipated closure and post-closure costs for the existing and closed landfill sites. This liability is the estimated cost to date, based on a volumetric basis, of the expenditures related to those activities required when the site or phase stops accepting waste.

Post-closure activities include all activities related to monitoring the site once it can no longer accept waste, including acquisition of any additional land for buffer zones, treatment and monitoring of leachate, monitoring ground water and surface water, gas monitoring and recovery, and ongoing maintenance of various control systems, drainage system and final cover.

The estimated liability for the care of landfill sites is the present value of future cash flows associated with closure and post-closure costs. The liability includes the portion of the landfill that was closed in 1995. This liability is partially funded by a reserve fund.

Key assumptions in arriving at the liability are:

	2021	2020
The landfill is expected to reach capacity in 2043		
Remaining capacity as at December 31	1.25 million tonnes	1.25 million tonnes
Expected closing cost in 2021 dollars	\$ 3,620,000	\$ 3,336,907
Costs still to be recognized	\$ 3,093,143	\$ 3,353,751
Expected inflation rate	2 %	2 %
Discount rate	3.90 %	3.90 %
Estimated time needed for post-closure care	50 Years	50 Years

The Corporation has established a reserve fund to assist with the post closure costs. The reserve fund has a balance of \$526,857 (2020 - \$514,804).

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

9. CONTRACTUAL OBLIGATIONS

At December 31, the Corporation had a number of contracts and commitments that remained fully or partially outstanding as noted, representing future year commitments:

The Corporation has a contract with Ontario Clean Water Agency to operate the sewage system. The term of the agreement is 10 years for the period January 1, 2018 to December 31, 2027. The contract fees amounting to \$996,072 (2020 - \$996,075) are reported in the Consolidated Statement of Operations. The 2022 commitment is \$1,039,567.

The Corporation has entered into several agreements for the lease and supply of various equipment, vehicles and services with expected payments of approximately \$2,343,000 for 2022.

In March, 2020, the Corporation entered into a renewal agreement for purchase of service agreement with Family Services Perth-Huron to provide personal counselling to clients of the Social Services Department, for a two-year term to December 31, 2021 with a future year commitment of \$70,000. The agreement has an additional optional one-year renewal option that was exercised in 2021, making the future year commitment \$140,000.

In April, 2020, the Corporation entered into an agreement for purchase of service agreement with StormFisher Environmental Ltd. for the processing of source separated organics for \$100.01 per tonne, and expected tonnage of 1,000 annually to March 2022 with a future year commitment of \$200,000.

The Corporation has outstanding contractual obligations of approximately \$33,258,000 at December 31, 2021 for various capital works that were not completed in 2021.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

10. EMPLOYEE BENEFITS PAYABLE

Employee future benefits are liabilities of the Corporation to its employees and early retirees for benefits earned but not taken. Details are as follows:

	2021	2020
Post-retirement benefits (a)	11,319,748	10,882,165
Workplace Safety and Insurance Board Obligation (b)	3,914,342	3,129,828
	15,234,090	14,011,993

The Corporation provides benefits to retirees until they reach 65 years of age, provides certain benefits to employees on long-term disability, allows certain employees to accumulate unused sick leave to be taken as a cash payment on termination. Above values are based on actuarial and management estimates as at December 31, 2021.

(a) The actuarial analysis is only for the City of Stratford, not including WSIB. Significant assumptions used in the actuarial valuation are as follows:

	2021	2020
Discount rate	2.60 %	2.60 %
Rate of compensation increase	1.50 %	1.50 %
Healthcare cost increase	8.00 %	8.00 %

The benefit obligation continuity is as follows:

	2021	2020
Accrued benefit obligation end of prior year	10,605,700	9,932,000
Adjustment to accrued benefit obligation at January 1	-	(442,400)
Current period benefit cost	635,300	517,000
Retirement interest expenditure	281,500	307,000
Benefits paid	(826,200)	(826,200)
Accrued Benefit Obligation as at December 31	10,696,300	9,487,400
Unamortized actuarial (gain) loss	-	1,118,300
Liability for post-retirement benefits	10,696,300	10,605,700

Post-retirement benefits expense is as follows:

	2021	2020
Current period benefit cost	635,300	517,000
Retirement interest expenditure	281,500	307,000
Amortization of actuarial (gain) loss	179,400	72,700
Total post-retirement benefits expense	1,096,200	896,700

Reserves have been established to partially provide for this past service liability. The balance at the end of the year is \$6,118,111 (2020 - \$5,944,090). An amount of \$nil (2020 - \$nil) was paid out of reserves to employees who left the Corporation's employment during the current year.

(b) The City of Stratford is a Workplace Safety and Insurance Board (WSIB) Schedule 2 employer. The Corporation has recorded an accrual for the estimate of future benefit costs and administrative loading as calculated by actuaries. During the year, \$789,409 (2020 - \$295,878) was paid by the Corporation to the WSIB in relation to those benefits.

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

11. LONG-TERM DEBT

The balance of long-term debt reported on the consolidated statement of financial position consists of total long-term debt incurred by municipal enterprises. The amount at the end of the year is as follows:

	2021	2020
OSIFA debenture bearing interest at 2.57% due June 2032	14,068,377	15,408,224
OSIFA debenture bearing interest at 2.78% due September 2024	201,000	268,000
OSIFA debenture bearing interest at 2.74% due November 2028	2,024,409	2,313,610
OMEIFA debenture bearing interest at 4.96% due November 2034	8,744,512	9,417,166
OMEIFA debenture bearing interest at 2.70% due November 2034	780,666	830,189
OMEIFA debenture bearing interest at 4.28% due December 2024	1,100,000	1,466,667
OMEIFA debenture bearing interest at 3.21% due December 2026	7,014,212	8,417,054
OMEIFA debenture bearing interest at 3.42% due December 2023	4,890,400	5,297,933
Royal Bank loan payable, interest at 2.63% per annum, due February 2026	141,254	976,932
Royal Bank loan payable, interest at 2.42% per annum, due June 2024	684,669	872,650
Royal Bank loan payable, interest at 2.84% per annum, due April 2027	3,633,760	3,782,673
Royal Bank loan payable, interest at 2.88% per annum, due April 2028	3,597,657	3,744,475
Royal Bank loan payable, interest at 2.49% per annum, due April 2025	723,151	928,500
Royal Bank loan payable, interest at 2.51% per annum, due April 2023	1,081,559	1,148,924
Royal Bank loan payable, interest at 2.80% per annum, due April 2026	1,090,233	1,156,734
	49,775,859	56,029,731

Principal repayments are summarized as follows:

2022	5,581,798
2023	5,462,723
2024	5,485,578
2025	4,823,231
2026	4,662,658
Thereafter	23,759,871
	49,775,859

Long-term liabilities and commitments to be financed from reserves beyond the term of Council are covered by by-law. The principal and interest payments required to service existing and pending issues and commitments are within the debt repayment limit prescribed by the Ministry of Municipal Affairs.

Total interest on long-term debt was \$1,920,798 (2020 - \$2,142,985).

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

12. PUBLIC LIABILITY INSURANCE

In recent years, there have been substantial increases in premiums charged by the insurance industry for public liability insurance. As a result, the Corporation has undertaken some portion of the risk, which would historically have been covered by outside insurers.

The Corporation is self-insured for public liability claims up to \$50,000 for any individual claim and \$50,000 for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

As at December 31, 2021, there are legal claims commenced against the Corporation that remain outstanding. No provision has been made for any claims that are expected to be covered by insurance or where the consequences are undeterminable. Where the claims are not expected to be covered by insurance and where management has assessed the likelihood of exposure as being more likely that not and is able to reasonably assess the exposure, an amount is provided for in these consolidated financial statements.

13. ACCUMULATED SURPLUS

The accumulated surplus balance is comprised of balances in reserves and reserve funds, operating surplus, capital surplus, unfunded liabilities to be recovered in the future, investment in government business enterprises and investment in tangible capital assets.

	2021	2020
Reserves set aside for specific purposes by Council:	17,292,291	14,211,782
Reserve Funds set aside for specific purpose by Council:	45,254,869	37,642,841
Amounts to be recovered:		
Investment in Government Business Enterprise	(15,972,000)	(7,800,000)
Solid waste landfill closure and post closure liability	(3,620,000)	(3,336,907)
Employee benefits payable	(15,234,090)	(14,011,993)
Long-term debt	(49,775,859)	(56,029,731)
Interest accrual on debt	(112,992)	(127,504)
Total amounts to be recovered	(84,714,941)	(81,306,135)
Cumulative operating deficit	(9,780,640)	(5,497,442)
Investment in Government Business Enterprise	47,484,869	45,070,404
Land held for resale	347,651	347,651
Work in progress	15,803,877	13,772,470
Investment in tangible capital assets	302,059,308	287,680,515
Total accumulated surplus	333,747,284	311,922,086

The cumulative operating deficit reflects the Corporation's \$3,076,500 cash-basis operating surplus as well as PSAB and consolidated adjustments.

THE CORPORATION OF THE CITY OF STRATFORD
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14. CONTINGENCIES

As of December 31, 2021, certain legal actions and other contingent liabilities are pending against the Corporation. Reference can be made to note 12 for details of the public liability insurance maintained by the Corporation. Not all contingencies can be estimated at year-end since the outcome of these matters is indeterminate at this time.

15. FINANCIAL INFORMATION FOR THE LIBRARY BOARD

The Ministry of Tourism, Culture and Sport provides operating grants to the Library. A condition of these grants is that the Library Board supply its financial information to the Ministry. This information may be included in the consolidated financial statements provided that the financial information of the library is identified either by a separate schedule or a note.

	2021	2020
Revenue		
Other grant revenue	8,074	-
Public library operating grant	57,275	56,853
Fees and charges	458,958	380,153
Donations	5,560	5,920
Total revenue	529,867	442,926
Expenses		
Wages	2,258,504	1,970,145
Materials	104,395	22,256
Services	381,795	366,282
Other	94,296	95,107
Total Expenses	2,838,990	2,453,790
Deficiency of revenue over expenses	2,309,123	2,010,864
Deficiency was funded as follows:		
Transfer from (to) reserves and reserve funds	(227,853)	(256,273)
Contribution from the Corporation	2,536,976	2,267,137
	2,309,123	2,010,864

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16. GOVERNMENT PARTNERSHIP - HURON PERTH PUBLIC HEALTH

The Corporation of the City of Stratford is a partner in Huron Perth Public Health. The Corporation provides 23.40% (2020 - 23.58%) of the municipal funding for the Cost Shared Mandatory related programs. The Corporation's share of results of Huron Perth Public Health's financial results from operations for the year and its financial position at year-end have been consolidated within these financial statements. At December 31, 2021 Huron Perth Public Health's financial results and financial performance are as follows:

	2021	2020
Financial assets	2,711,957	2,756,590
Liabilities	3,731,424	2,233,731
Non-financial assets	5,572,695	5,706,203
Accumulated surplus	4,553,228	6,229,062
Revenues	23,077,870	18,770,997
Expenses	24,424,804	18,372,070
Annual surplus/(deficit) before restructuring adjustments	(1,346,934)	398,927
Restructuring gains	-	3,948,406

The Corporation's share of Huron Perth Public Health's assets, liabilities and accumulated surplus at December 31, 2021 are as follows:

Financial assets	634,598	650,004
Liabilities	873,153	526,714
Non-financial assets	1,304,011	1,345,523
Accumulated surplus	1,065,456	1,468,813

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For the year ended December 31, 2021

17. GOVERNMENT PARTNERSHIP - SPRUCE LODGE

The Corporation of the City of Stratford is a partner in Spruce Lodge Home for the Aged and its related entities. The Corporation provides 41.13% (2020 - 41.59%) of the municipal funding for the Costs Shared Mandatory related programs. The Corporation's share of results of Spruce Lodge Home for the Aged and its related entities' financial results from operations for the year and its financial position at year-end have been consolidated within these financial statements. At December 31, 2021, Spruce Lodge Home for the Aged and its related entities' financial results and financial performance are as follows:

	2021	2020
Financial assets	6,067,494	5,308,545
Liabilities	3,052,823	2,149,878
Non-financial assets	7,118,708	6,901,768
Accumulated surplus	10,133,379	10,060,435
Revenues	14,042,219	13,622,579
Expenses	14,135,155	13,678,698
Annual deficit	(92,936)	(56,119)

The Corporation's share of Spruce Lodge Home for the Aged and its related entities' assets, liabilities and accumulated surplus at December 31, 2021 are as follows:

Financial assets	2,495,560	2,207,824
Liabilities	1,255,626	894,134
Non-financial assets	2,927,925	2,870,445
Accumulated surplus	4,167,859	4,184,135

18. CHANGE IN PROPORTIONATE CONSOLIDATION

The change in proportionate consolidation of joint local boards is the result of new funding agreements effective January 1, 2021. The resulting changes in funding percentages and their effects are as follows:

	2021	2020	Change
Funding percentage			
Huron Perth Public Health	23.40 %	23.58 %	-0.18 %
Spruce Lodge	41.13 %	41.59 %	-0.46 %
			January 1, 2021
Effect of Change in Funding Percentages			
Tangible capital assets			
Cost			(95,737)
Accumulated amortization			54,540
Net book value			(41,197)
Net financial assets			(188,255)
Other non-financial assets			(516)
Change in Net Municipal Position			(229,968)

THE CORPORATION OF THE CITY OF STRATFORD
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended December 31, 2021

19. SEGMENTED INFORMATION

The Corporation of the City of Stratford is a diversified municipal government institution that provides a wide range of services to its citizens. For reporting purposes, the Corporation's operations and activities are organized in segments. The services and activities of each segment are as follows:

General government

This item is related to the revenues and expenses of the operations of the Corporation itself and cannot be directly attributed to a specific segment.

Protection services

Protection is comprised of police services, fire department and building department. The police services department is to ensure the safety and protection of the citizens and their property, preserve peace and good order, detect offenders and enforce the law. The fire department provides fire suppression service, fire prevention programs, training and education related to prevention and detection of fires. The building department enforces the building and construction codes and municipal by-laws.

Transportation services

Transportation services include public works services related to planning, development and maintenance of the roadway systems, street lighting, transit and parallel transit, parking administration and control and the operations of the Stratford Municipal Airport.

Environmental services

Environmental services include providing sanitary and storm sewer, water, waste collection and disposal and recycling services.

Health services

Health services are comprised of public health services which works to improve the overall health of the population and overcome health inequalities by providing services to individuals and communities. This segment also includes ambulance services and cemetery operations.

Social and Family services

Social Services provide services that are meant to help the less fortunate in society through Ontario Works assistance, child care subsidy program and best start and special needs programs. This segment also includes the operations of a municipal day care.

Social housing

Housing services are meant to help the less fortunate through social housing, affordable housing and public housing programs.

Recreation and Cultural services

Recreation and cultural services are meant to improve the health and development of the citizens. Programs such as swimming, skating, day camps, festivals and library services are provided at locations such as parks, libraries, art gallery, recreation complexes, arenas, sports field and other municipal buildings. This segment also includes grants to numerous community organizations providing recreation and cultural activities.

Planning and Development

Planning and development services manages urban development for business interests, environmental concerns, heritage matters, local neighbourhoods and the city centre. This segment also includes economic development and tourism.

For each reported segment, revenues and expenses represent the amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are used in preparation of segmented financial information. The revenue fund reports on municipal services that are funding primarily by property taxation revenues. Taxation and payments-in-lieu of taxes are apportioned based on the segment's net surplus. The segmented information follows the same accounting policies as disclosed in Note 1.

THE CORPORATION OF THE CITY OF STRATFORD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

19. SEGMENTED INFORMATION (Continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Recreation and Cultural Services	Planning & Development	Total 2021
Revenue										
Taxation	4,428,751	11,549,165	7,200,693	6,290,218	5,032,781	14,177,673	6,876,808	5,672,904	3,039,497	64,268,490
Grants	7,336,606	508,731	1,966,559	370,498	4,714,410	21,718,425	1,490,229	178,039	234,928	38,518,425
Other municipalities	104,211	1,620,078	-	-	645,507	1,654,708	7,693,639	41,443	-	11,759,586
Fees and user charges	209,060	327,122	1,164,458	15,667,131	72,760	3,383,965	2,505,457	662,327	392,430	24,384,710
Licences and permits	252,763	253,861	459,888	-	481,470	-	858,697	1,181,865	1,018,725	4,507,269
Rents, fines, penalties	370,561	-	-	116,731	-	-	-	2,053	-	489,345
Other	5,401,955	3,758	19,814	13,414	1,024,707	10,413	-	100,545	108,762	6,683,368
	18,103,907	14,262,715	10,811,412	22,457,992	11,971,635	40,945,184	19,424,830	7,839,176	4,794,342	150,611,193
Expenses										
Salaries and benefits	4,332,738	20,488,212	6,626,077	3,338,625	494,799	5,181,784	1,057,435	5,502,468	1,057,478	48,079,616
Materials	421,887	789,631	2,316,551	1,373,289	89,520	927,547	2,734,663	1,195,215	115,420	9,963,723
Contracted Services	2,505,744	1,010,757	2,010,195	4,637,960	43,625	1,614,521	1,390,814	1,591,946	608,387	15,413,949
External Transfers	413,029	-	-	-	3,600,988	14,722,442	7,072,746	970,830	3,913,889	30,693,924
Amortization	685,996	723,494	3,341,886	2,479,431	80,015	11,874	15,282	1,545,113	10,258	8,893,349
Other	515,268	130,984	134,577	775,503	5,776,116	5,952,110	1,509,320	562,217	385,339	15,741,434
	8,874,662	23,143,078	14,429,286	12,604,808	10,085,063	28,410,278	13,780,260	11,367,789	6,090,771	128,785,995
Net Revenue (expenditure)	9,229,245	(8,880,363)	(3,617,874)	9,853,184	1,886,572	12,534,906	5,644,570	(3,528,613)	(1,296,429)	21,825,198

THE CORPORATION OF THE CITY OF STRATFORD

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2021

19. SEGMENTED INFORMATION (Continued)

For the year ended December 31	General Government	Protection Services	Transportation Services	Environmental Services	Health Services	Social and Family Services	Social Housing	Recreation and Cultural Services	Planning & Development	Total 2020
Revenue										
Taxation	4,053,781	10,675,293	7,442,061	6,693,189	4,135,452	11,622,096	8,269,692	5,529,899	3,539,921	61,961,384
Grants	4,067,674	472,992	2,974,782	345,165	3,612,344	18,966,030	3,493,016	170,381	1,464,450	35,566,834
Other municipalities	97,460	1,566,193	-	-	-	895,710	7,738,102	40,630	-	10,338,095
Fees and user charges	812,353	251,113	744,163	15,059,981	75,931	3,341,741	2,559,981	485,034	192,420	23,522,717
Licences and permits	60,745	504,132	356,710	-	-	-	-	-	5,960	927,547
Rents, fines, penalties	493,844	255,574	181,498	-	364,720	-	3,382,527	1,164,208	-	5,842,371
Other	6,466,601	19,677	218,243	9,069	1,655,906	430,206	-	30,870	752,758	9,583,330
	16,052,458	13,744,974	11,917,457	22,107,404	9,844,353	35,255,783	25,443,318	7,421,022	5,955,509	147,742,278
Expenses										
Salaries and benefits	4,203,525	20,113,285	6,921,103	2,533,947	610,548	4,993,956	1,621,597	5,045,493	735,328	46,778,782
Materials	367,431	747,820	2,247,387	1,610,890	87,201	123,100	2,532,373	1,129,896	48,598	8,894,696
Contracted Services	2,374,026	917,176	3,182,062	5,444,573	374,767	1,381,968	4,022,624	2,206,454	583,096	20,486,746
External Transfers	411,531	-	-	-	3,132,047	12,157,704	5,803,869	1,070,403	5,508,149	28,083,703
Amortization	652,966	642,047	3,198,148	2,376,372	78,013	6,448	679,596	1,532,087	3,117	9,168,794
Other	506,306	5,283	84,852	2,094,613	4,404,777	5,751,385	2,712,099	632,337	558,031	16,749,683
	8,515,785	22,425,611	15,633,552	14,060,395	8,687,353	24,414,561	17,372,158	11,616,670	7,436,319	130,162,404
Net Revenue (expenditures)	7,536,673	(8,680,637)	(3,716,095)	8,047,009	1,157,000	10,841,222	8,071,160	(4,195,648)	1,480,810	17,579,874

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20. TANGIBLE CAPITAL ASSETS

	General Land	Land Improvements	Building and Building Equipment	Computer Equipment	Furniture and Fixtures	Vehicles	Linear Assets	Machinery and Equipment	Other	Infrastructure Roads	Bridges	W/WW Facilities	Underground and Other Networks	Total	Work in Progress	Grand Total
Cost																
Balance, Dec 31, 2020	17,357,037	10,260,949	83,030,116	2,960,446	5,967,282	10,235,767	4,876,311	17,894,092	140,039	127,338,556	9,913,608	93,511,046	92,459,700	475,944,949	13,772,470	489,717,419
Additions	274,259	38,692	2,062,204	68,777	399,295	4,380,293	81,354	942,411	-	2,202,979	272,251	387,052	13,527,703	24,637,270	2,743,865	27,381,135
Adjustments	(828)	(354)	(75,435)	-	(725)	-	-	(18,050)	-	(345)	-	-	-	(95,737)	-	(95,737)
Disposals	-	-	24,344	-	396,001	272,521	834,938	341,994	-	-	15,893	-	-	1,885,691	712,458	2,598,149
Balance, Dec 31, 2021	17,630,468	10,299,287	84,992,541	3,029,223	5,969,851	14,343,539	4,122,727	18,476,459	140,039	129,541,190	10,169,966	93,898,098	105,987,403	498,600,791	15,803,877	514,404,668
Accumulated Amortization																
Balance, Dec 31, 2020	-	2,556,205	34,589,419	2,403,855	4,649,009	6,228,187	4,045,084	11,909,095	17,718	56,402,294	3,504,267	36,571,208	25,388,092	188,264,433	-	188,264,433
Amortization	-	322,381	2,294,493	195,653	322,887	1,053,126	77,688	1,120,146	-	2,194,627	146,375	1,294,744	857,141	9,879,261	-	9,879,261
Adjustments	-	(278)	(39,738)	-	(426)	-	-	(13,860)	-	(238)	-	-	-	(54,540)	-	(54,540)
Disposals	-	-	6,027	-	384,710	272,521	532,123	339,257	-	-	13,033	-	-	1,547,671	-	1,547,671
Balance, Dec 31, 2021	-	2,878,308	36,838,147	2,599,508	4,586,760	7,008,792	3,590,649	12,676,124	17,718	58,596,683	3,637,609	37,865,952	26,245,233	196,541,483	-	196,541,483
Net Book Value Dec 31, 2021	17,630,468	7,420,979	48,154,394	429,715	1,383,091	7,334,747	532,078	5,800,335	122,321	70,944,507	6,532,357	56,032,146	79,742,170	302,059,308	15,803,877	317,863,185
Cost																
Balance, Dec 31, 2019	17,074,363	10,092,801	80,974,298	2,688,729	5,805,372	9,874,327	5,998,517	17,027,312	109,738	124,039,828	9,886,634	90,725,810	91,384,442	465,682,171	12,684,364	478,366,535
Additions	291,085	168,671	2,488,576	271,717	230,461	696,107	-	1,177,301	30,301	3,215,870	75,019	2,785,236	1,098,392	12,528,736	1,202,697	13,731,433
Adjustments	(8,411)	(523)	(432,738)	-	(63,085)	-	-	(136,845)	-	82,858	-	-	-	(558,764)	-	(558,764)
Disposals	-	-	-	-	5,466	334,667	1,122,206	173,676	-	-	48,045	-	23,134	1,707,194	114,591	1,821,785
Balance, Dec 31, 2020	17,357,037	10,260,949	83,030,116	2,960,446	5,967,282	10,235,767	4,876,311	17,894,092	140,039	127,338,556	9,913,608	93,511,046	92,459,700	475,944,949	13,772,470	489,717,419
Accumulated Amortization																
Balance, Dec 31, 2019	-	2,297,697	32,621,266	2,211,992	4,374,008	5,658,516	5,012,685	10,870,853	15,517	54,466,005	3,426,343	34,628,502	25,252,500	180,835,884	-	180,835,884
Amortization	-	258,906	2,138,688	191,863	317,037	870,763	154,605	1,246,834	2,201	1,936,622	123,087	1,942,706	158,726	9,342,038	-	9,342,038
Adjustments	-	(398)	(170,535)	-	(36,570)	-	-	(35,299)	-	(333)	-	-	-	(243,135)	-	(243,135)
Disposals	-	-	-	-	5,466	301,092	1,122,206	173,293	-	-	45,162	-	23,134	1,670,353	-	1,670,353
Balance, Dec 31, 2020	-	2,556,205	34,589,419	2,403,855	4,649,009	6,228,187	4,045,084	11,909,095	17,718	56,402,294	3,504,268	36,571,208	25,388,092	188,264,434	-	188,264,434
Net Book Value Dec 31, 2020	17,357,037	7,704,744	48,440,697	556,591	1,318,273	4,007,580	831,227	5,984,997	122,321	70,936,262	6,409,340	56,939,838	67,071,608	287,680,515	13,772,470	301,452,985

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21. BUDGET

The Financial Plan (budget) By-law adopted by Council on January 25, 2021 was not prepared on a basis consistent with that used to report actual results (Public Sector Accounting Standards). The budget was prepared on a modified accrual basis while Canadian Public Sector Accounting Standards now require reporting on a full accrual basis. The budget figures anticipated use of surpluses accumulated in previous years to reduce current year expenditures in excess of current year revenues to \$nil. In addition, the budget reflects expensing all tangible capital expenditures rather than including just amortization expense. As a result, the budget figures presented in the statement of operations represent the Financial Plan adopted by Council January 25, 2021 including a proportionate consolidated budgets of local boards with adjustments as follows:

	2021
Financial Plan (budget) Bylaw deficit for the year	-
Add:	
Budgeted principal repayment of debt	6,770,077
Budgeted transfer to accumulated surplus	11,237,369
Capital Expenditures	65,424,500
Less:	
Budgeted transfers from accumulated surplus	(44,661,588)
Unfinanced Capital	(13,521,109)
Amortization	(9,879,261)
Budget surplus (deficit) per statement of operations	15,369,988

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22. FINANCIAL INFORMATION FOR STRATFORD ECONOMIC ENTERPRISE DEVELOPMENT CORPORATION (SEED CO.)

	2021	2020
Revenue		
Ontario grants	207,428	313,810
Federal grants	19,300	1,150,640
Other revenue	11,370	42,572
Total revenue	238,098	1,507,022
Expenses		
Wages	491,362	552,203
Materials	22,459	19,018
Services	203,919	125,789
Special project	1,231	12,351
Other	157,461	1,347,253
Total expenses	876,432	2,056,614
Deficiency of revenue over expenses	638,334	549,592
Deficiency was funded as follows:		
Contribution from the Corporation	599,092	573,201
Contribution (to) from reserve	39,242	(23,609)
	638,334	549,592

23. COVID-19 PANDEMIC

During and subsequent to year end, the Corporation has been impacted by the effects of the world-wide coronavirus pandemic. The Corporation is closely monitoring its operations and is actively working to minimize the current and future impact of this unprecedented situation. Measures in place to combat the health threat of the virus have caused material disruption to Corporation services. The duration and impact of the outbreak is unknown at this time, as are the efficacy of the government and central bank interventions. Library, Recreation centres and other Corporation facilities have been closed to the public on and off throughout the pandemic. Council has approved COVID-19 Tax Relief application programs for 2022 tax instalments to provide relief to taxpayers. At the time of financial statement preparation, it is not possible to reliably estimate the length and severity of the measures nor their impact on the future financial results of the Municipality.

24. COMPARATIVE AMOUNTS

The comparative amounts presented in the consolidated financial statements have been reclassified to conform to the current year's presentation.