THE CORPORATION OF THE CITY OF STRATFORD

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2024

Millards
Chartered Professional Accountants

THE CORPORATION OF THE CITY OF STRATFORD

For the year ended December 31, 2024

INDEX

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Chartered Professional Accountants

P.O. Box 367, 96 Nelson Street
Brantford, Ontario N3T 5N3
Telephone: (519) 759-3511
Facsimile: (519) 759-7961

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, 2024, and the consolidated statements of operations and accumulated surplus, 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, 2024, and the consolidated results of its operations, its consolidated changes and net assets 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.

Emphasis of Matter - Restated Comparative Information
We draw attention to Note 21 to the consolidated financial statments which explains that certain comparative information for the year ended December 31, 2023 has been restated. Our opinion is not modified in respect of this matter.

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,

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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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes 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.

Millard, Rouse & Rosebrugh LLP

June 15, 2026
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

THE CORPORATION OF THE CITY OF STRATFORD

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31	2024	2023 *(restated - Note 21)*
Financial Assets		
Cash and cash equivalents (Note 3)	81,184,070	47,483,126
Taxes receivable	3,174,554	2,651,336
Trade and other receivable	12,259,595	13,440,970
Loans receivable (Note 4)	769,546	854,073
Investments (Note 5)	29,153,118	28,820,082
Investment in government business enterprises (Note 6)	53,731,856	52,490,758
Land held for resale	657,366	657,366
	180,930,105	146,397,711
Financial Liabilities		
Accounts payable and accrued liabilities	24,688,042	23,439,796
Deferred revenue (Note 8)	37,415,661	31,868,850
Asset retirement obligations (Note 16)	14,102,607	13,505,190
Employee benefits payable (Note 11)	16,178,669	15,980,693
Long-term debt (Note 12)	46,758,520	43,838,610
	139,143,499	128,633,139
Net Financial Assets	41,786,606	17,764,572
Non-Financial Assets		
Tangible capital assets (Note 23)	364,441,206	356,414,123
Inventory	370,997	302,663
Prepaid expenses	914,205	2,202,230
Other non-financial assets (Spruce Lodge)	6,011	54
	365,732,419	358,919,070
Total Net Assets	407,519,025	376,683,642
Accumulated Surplus (Note 14)	407,519,025	376,683,642

Contractual Obligations (Note 9)
Contingencies (Note 10)

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

THE CORPORATION OF THE CITY OF STRATFORD

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

For the year ended December 31	**2024 Budget** (Note 24)	**2024**	**2023** *(restated - Note 21)*
Revenue			
Net municipal taxation	80,809,592	81,333,276	73,956,278
Conditional grants	36,303,220	46,325,975	44,818,768
Revenue from other municipalities	9,067,111	8,425,067	7,280,425
User fees and service charges	23,064,713	25,042,513	24,140,325
Licenses, permits and rents	4,310,122	5,401,350	4,252,655
Fines and penalties	734,500	741,473	616,573
Other revenue	8,013,577	12,710,732	8,160,095
Income from government business enterprises	-	1,241,098	1,205,339
	162,302,835	181,221,484	164,430,458
Expenses			
General government	7,564,556	7,576,131	10,023,911
Protection services	28,441,698	29,268,709	26,635,794
Transportation services	16,356,395	19,495,449	18,357,518
Environmental services	12,589,613	15,749,047	18,871,474
Health services	15,721,043	16,782,843	16,770,960
Social and family services	25,269,466	24,237,585	23,158,671
Social housing	16,890,888	17,710,464	17,623,983
Recreation and cultural services	14,361,683	15,170,034	14,037,779
Planning and development	5,372,384	4,381,404	3,984,623
	142,567,726	150,371,666	149,464,713
Annual Surplus	19,735,109	30,849,818	14,965,745
Change in proportionate consolidation (Note 20)	-	(14,435)	(7,067)
Opening Accumulated Surplus	376,908,073	376,683,642	361,724,964
Ending Accumulated Surplus (Note 14)	396,643,182	407,519,025	376,683,642

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	2024 Budget (Note 24)	2024	2023 *(restated - Note 21)*
Annual Surplus	19,735,109	30,849,818	14,965,745
Acquisition of tangible capital assets	(45,841,000)	(16,781,076)	(24,078,565)
Acquisition of tangible capital assets - WIP	-	(3,573,891)	-
Amortization of tangible capital assets	11,021,074	11,021,074	10,777,465
(Gain)/loss on disposal of tangible capital assets	-	1,141,108	566,276
Proceeds from sale of tangible capital assets	-	136,833	129,318
Net effect of asset retirement obligations (Note 16)	-	-	(1,141,502)
	(15,084,817)	22,793,866	1,218,737
Change in inventory	-	(68,334)	12,190
Change in other non-financial assets	-	(5,957)	62,079
Change in prepaid expenses	-	1,288,025	(1,369,848)
Change in Net Financial Assets (Debt)	(15,084,817)	24,007,600	(76,842)
Net Financial Assets (Debt), Beginning of the Year	17,764,571	17,764,571	17,834,346
Change in proportionate consolidation (Note 20)	-	14,435	7,067
Net Financial Assets (Debt), End of the Year	2,679,754	41,786,606	17,764,571

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	2024	2023 *(restated - Note 21)*
Cash Provided By (Used In)		
Operating Activities		
Annual Surplus	30,849,818	14,965,745
Items not involving cash:		
Amortization of tangible capital assets	11,021,074	10,777,465
Loss/(Gain) on disposal of tangible capital assets	1,141,108	566,276
Government business enterprise net earnings	(1,241,098)	(1,205,339)
Accretion expense	597,417	287,328
Changes in non-cash operating working capital:		
Trade and other receivables	1,181,375	3,234,135
Taxes receivable	(523,218)	(160,732)
Inventory	(68,334)	12,190
Prepaid expenses	1,288,025	(1,369,848)
Other non-financial assets	(5,957)	62,079
Accounts payable and accrued liabilities	1,248,246	131,195
Deferred revenue	5,546,811	1,578,978
Employee benefits payable	197,976	199,375
Asset retirement obligations	-	8,433,771
	51,233,243	37,512,618
Financing Activities		
Long-term debt advanced	9,230,915	-
Repayment of long-term debt	(6,311,005)	(5,667,242)
	2,919,910	(5,667,242)
Investing Activities		
Net increase in investments	(333,036)	(356,409)
Net (increase)/decrease in loans receivable	84,527	50,286
	(248,509)	(306,123)
Capital Transactions		
Purchase of tangible capital assets	(20,354,968)	(24,078,565)
Proceeds from the sale of tangible capital assets	136,833	129,318
	(20,218,135)	(23,949,247)
Change in Cash and Cash Equivalents	33,686,509	7,590,006
Cash and Cash Equivalents, Beginning of Year	47,483,126	39,886,053
Change in proportionate consolidation (Note 20)	14,435	7,067
Cash and Cash Equivalents, End of Year	81,184,070	47,483,126

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

1. MUNICIPAL STATUS

The Corporation of the City of Stratford (the "Corporation") is a municipality in the Province of Ontario incorporated under the authority of the Municipal Act in 1885 and operates under the provisions of the Municipal Act, 2001. The Corporation operates as a single tier government providing such municipal services as fire protection, policing, public works, water distribution, urban planning, recreation and cultural services, and other general government services.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Corporation are the representation of management, prepared in accordance with local government accounting standards established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. The following is a summary of the significant accounting policies followed in the preparation of these financial statements:

(a) Basis of consolidation

(i) Consolidated entities:

These consolidated statements reflect the financial assets, liabilities, operating revenues and expenses, reserve funds and reserves, changes in investment in tangible capital assets and cash flows and include the activities of all governmental functions controlled and exercised by the Corporation and the following boards which are under the control of Council:

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

All inter-organizational transactions and balances between these entities have been eliminated.

(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, 2023.

	2024	**2023**
Perth District Health Unit	23.21%	23.39%
Spruce Lodge Home for the Aged	40.69%	40.96%
Spruce Lodge Home Assistance Corporation	40.69%	40.96%
Spruce Lodge Foundation	40.69%	40.96%

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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 Corporation recognizes its equity interest of the government business enterprises' income or loss in its consolidated statement of operations with a corresponding increase or decrease in its investment account. All dividends received will be reflected as reductions in the investment account. The government business enterprises and partnerships during the year were:

- Festival Hydro Inc.
- Festival Hydro Services Inc.

(iv) Accounting for School Board transactions:

Although the Corporation collects taxation on behalf of the School Boards, the assets, liabilities, revenues, and expenses, relating to the operations of the school boards are not reflected in these consolidated financial statements. During the year, $11,810,123 (2023 - $11,681,808) of taxation was collected on behalf of school boards and remitted to the school boards during the year.

(b) Basis of accounting:

The Corporation follows the accrual method of accounting for revenues and expenses. Revenues are recognized as they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(c) Cash and cash equivalents:

Cash is comprised of accounts maintained at chartered financial institutions with an original maturity of three months or less.

(d) Land held for resale:

Land held for resale is recorded at the lower of cost and net realizable value. Cost includes amounts for improvements to prepare the land for sale or servicing.

(e) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Non-financial assets (continued):

(i) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development, or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Land improvements	20 to 30 years
Buildings and building equipment	5 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

Annual amortization is charged in the year of acquisition and in the year of disposal.

Work in progress identified in this and subsequent notes relates to assets under construction. Assets under construction are not amortized until the asset is available for productive use.

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.

Contributions of tangible capital assets (donated):
Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

Interest capitalization:
The Corporation does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

Leased tangible capital assets:
Leases which transfer substantially all the benefits and risks incidental to ownership of property are accounted for as capital leases. All other leases are accounted for as operating leases and the related lease payments are charged to expenses as incurred.

(ii) Inventories and prepaid expenses:

Inventories held for consumption are recorded at the lower of cost and replacement cost. Prepaid expenses relate to expenditures incurred in the current period which relate to and will be expensed in a future fiscal period.

(f) Deferred revenue:

The Corporation receives contributions pursuant to legislation, regulations or agreements that may only be used for certain programs or in the completion of specific work. 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 expenses are incurred or services performed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue recognition:

Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues. All revenues are recorded on an accrual basis, except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

(i) Government transfers:

Government transfers are recognized as revenues 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 recorded as deferred revenue when transfer stipulations give rise to a liability. Transfer revenue is recognized in the statement of operations as the stipulation liabilities are settled.

Government transfers, contributions, and other amounts are received from third parties pursuant to legislation, regulation, or agreement and may only be used in the conduct of certain programs, in the completion of specific work, or the purchase of tangible capital assets. In addition, certain user charges and fees are collected for which the related services have yet to be performed. Revenue is recognized in the period when the related expenses are incurred, services performed, or the tangible assets are acquired.

Government transfers include amounts received for the social assistance program. Funding ratios can vary from 80% to 100% of program costs depending on the social service program. Social service administration funding covers 50% of certain administration costs. The Social Housing program funding is approximately 20% of costs of the program.

(ii) Tax revenue:

Tax revenue is recognized when it is authorized and in the period for which the tax is levied. Tax revenue reported relates to property taxes.

In 2024, the Corporation billed over $80.0 million in property tax revenue for municipal purposes. A further $11.8 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, to raise the revenues required to meet operating and capital budget requirements.

Education tax rates are established by the Province of Ontario each year 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue recognition (continued):

(ii) Tax revenue (continued):

Taxation revenues in any given year may also be reduced because 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.

(iii) Other revenue:

User charges relate to various programs and fees imposed based on specific activities, such as transit fees, park and recreation services, water, wastewater, and solid waste. Revenue is recognized when the activity is performed or when the services are rendered.

Development charges and other revenues are recognized in the year that the events giving rise to the revenues occur and the revenues are earned. Amounts received which relate to revenues that will be earned in a subsequent year are deferred and reported as liabilities.

(h) Investment income:

Investment income 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 deferred revenue balance until the funds are applied.

(i) Employee future benefits:

The contributions to a multi-employer, defined benefit plan are expensed when the contributions are due. The costs of post-employment benefits are recognized when the event that obligates the Corporation occurs. Costs include projected future income payments, health care continuation costs, and fees paid to independent administrators of these plans, calculated on a present value basis.

The costs of post-employment benefits are actuarially determined using the projected benefits method prorated on service and management's best estimate of retirement ages of employees, salary escalation, and expected health care costs. Any gains or losses from changes in assumptions or experience are amortized over the average remaining service period for active employees.

(j) Expenses:

External transfers from the Corporation are recorded as expenses when eligibility criteria have been met by the recipient and the amount can be reasonably estimated. This includes payments issued to individuals eligible under the Ontario Works Act and Day Nurseries Act as well as funding to contracted local social services agencies, Child Care providers and Housing Providers that deliver services in accordance with legislation and local program policies.

(k) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. These estimates and assumptions, including employee benefits payable, taxation assessment appeals, legal claims provisions, the valuation of tangible capital assets and their related useful lives and amortization, are based on management's best information and judgement and may differ significantly from future actual results.

In addition, the Corporation's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Asset retirement obligations:

A liability for an asset retirement obligation (ARO) is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when all of the following criteria are met:

i. there is a legal obligation to incur retirement costs related to a tangible capital asset;
ii. the past transaction or event giving rise to the liability has occurred;
iii. it is expected that future economic benefits will be given up; and
iv. a reasonable estimate of the amount can be made.

The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available at the financial statement date.

When the cash flows and timing required to fulfil the retirement obligation can be reasonably estimated, a present value technique may be used to account for the obligation. The liability is discounted to its present value upon initial recognition and adjusted yearly for accretion expense. When there is uncertainty about the amount or timing of cash flows to settle the ARO, the present value technique may not be used. Uncertainties about timing and amount to settle an ARO does not remove the obligation but will affect its measurement.

When a liability for an asset retirement obligation is initially recognized, a corresponding asset retirement cost is capitalized to the carrying amount of the related tangible capital asset (or component thereof). The asset retirement cost is amortized over the useful life of the related asset. Where the obligation relates to an asset which is no longer in service, and not providing economic benefit, or to an item not recorded by the Corporation as an asset, the obligation is expensed upon recognition.

At each financial reporting date, the Corporation reviews the carrying amount of the liability. Changes to the liability arising from revisions to either the timing, the amount of the original estimate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. All subsequent changes in the estimate of the related asset retirement obligation liability are recognized as an expense in the fiscal year it is incurred.

The Corporation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

The following liabilities have been recognized based on estimated future expenses:

Closure of operational landfill sites and post-closure care relating to current and previous landfill sites. The Ontario Environmental Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of landfill sites. This requirement is being funded through tipping fees.

Removal of asbestos in various buildings owned by the Corporation. The Occupational Health and Safety Act states the demolition of a building, all or in part, can be done only when asbestos-containing material that may be disturbed during the work, has been removed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Asset retirement obligations (continued):

Removal of underground fuel and oil storage tanks and related piping. The Technical Standards and Safety Authority (TSSA) states in both its Liquid Fuels Handling Code and the Fuel and Oil Code that an underground storage tank and its piping must be removed when it has been out of service for 2 years or more.

Removal of leasehold improvements where requested by the landlord. A lease may have a Base Building clause that states that leasehold improvements are to be removed at the end of a lease at the request of the landlord and at the expense of the Corporation.

The liabilities are discounted using a present value calculation, where appropriate, and adjusted yearly for changes in circumstances. The recognition of a liability results in an accompanying increase to the respective tangible capital assets or an adjustment to the annual surplus when an asset was fully amortized. The increase to the tangible capital assets is being amortized in accordance with the accounting policies. At each financial reporting date, the Corporation reviews the carrying amount of the liability. The Corporation recognizes period-to-period changes to the liability due to the passage of time as accretion expense. Changes to the liability arising from revisions to either the timing, the amount of the original estimate of undiscounted cash flows or the discount rate are recognized as an increase or decrease to the carrying amount of the related tangible capital asset. The Corporation continues to recognize the liability until it is settled or otherwise extinguished. Disbursements made to settle the liability are deducted from the reported liability when they are made.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Financial instruments:

The following table provides the carrying amount information of the Corporation's financial instrument by category.

Financial Assets	**Measurement Basis**
Cash	Cost/amortized cost
Trade and other receivables	Cost/amortized cost
Investment - marketable securities	Cost/amortized cost
High interest savings accounts	Cost/amortized cost
Guaranteed investment certificates	Cost/amortized cost
Bond	Cost/amortized cost
Notes - other	Cost/amortized cost
Principal protected notes	Cost/amortized cost
Pooled investment funds	Cost/amortized cost

Financial Liabilities	**Measurement Basis**
Accounts payable and accrued liabilities	Cost/amortized cost
Deferred revenue – obligatory reserve funds	Cost/amortized cost
Long-term debt	Cost/amortized cost

Financial instruments are recorded at fair value on initial recognition. Derivative instruments and equity instruments that are quoted in an active market are reported at fair value. All other financial instruments are subsequently recorded at cost or amortized cost. The unrealized remeasurement gains and losses are recorded in the statement of remeasurement gains and losses. Once realized, remeasurement gains and losses are transferred to the statement of operations. As all financial instruments are measured at cost or amortized cost, there have been no re-measurement gains or losses. Therefore, the Statement of Remeasurement Gains (Losses) has been excluded.

Financial instruments that are subsequently measured at fair value are classified based on the observability of inputs as follows:

Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities;
Level 2 - Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

3. CASH AND CASH EQUIVALENTS

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

	2024	**2023**
General bank accounts	24,164,335	8,007,716
General reserve bank accounts	57,016,230	39,471,998
Petty cash	3,505	3,412
	81,184,070	47,483,126

4. LOANS RECEIVABLE

The following loans are outstanding at December 31:

	2024	**2023**
Stratford Perth Museum	229,042	242,290
Heritage Conservation District Loans	78,674	92,176
Stratford Soccer Association	30,000	40,000
Stratford Perth Museum (2)	103,416	110,145
Stratford Soccer Association Turf Field	328,414	369,462
	769,546	854,073

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 June 2025 and July 2033.

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 a yearly payment of $10,000.

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

5. INVESTMENTS

	2024 Cost	2024 Market Value	2023 Cost	2023 Market Value
Restricted Deposit notes/GIC's	3,709,819	3,525,935	2,202,844	1,949,534
Restricted Fixed Income	20,088,555	20,646,438	17,900,582	16,410,834
Total Restricted	23,798,374	24,172,373	20,103,426	18,360,368
Unrestricted Deposit notes/GICs	482,638	482,638	930,975	930,975
Unrestricted Fixed Income	4,872,106	4,837,395	7,785,681	7,431,504
Total Unrestricted	5,354,744	5,320,033	8,716,656	8,362,479
Total	29,153,118	29,492,406	28,820,082	26,722,847

Investments earn interest between 1.85% and 5.70% and have maturity dates between January 2025 and August 2034.

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES

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

	2024	**2023**
Festival Hydro Inc. (a)	52,027,911	50,805,115
Festival Hydro Services Inc. (b)	1,703,945	1,685,643
	53,731,856	52,490,758

(a) Festival Hydro Inc.:	**2024**	**2023**
Financial position:		
Current assets	17,507,138	16,923,657
Capital assets	66,549,243	61,152,856
Other assets	3,755,054	2,683,380
Total assets	87,811,435	80,759,893
Regulatory balances	7,769,430	6,468,077
Current liabilities	18,001,281	18,754,503
Demand loan payable to the City of Stratford	15,600,000	15,600,000
Post-employment benefits	1,006,032	1,024,453
Other liabilities	21,319,619	15,265,147
Total liabilities	55,926,932	50,644,103
Regulatory balances	3,226,022	1,378,752
Equity	36,427,911	35,205,115
Financial activities:		
Revenues	84,367,635	78,387,622
Operating expenses	(78,749,764)	(72,427,055)
Finance costs (net)	(2,323,983)	(2,191,506)
Income tax	(500,306)	(624,517)
Net movement in regulatory balances	(1,011,149)	(1,298,867)
Other comprehensive income (loss)	(21,829)	(55,517)
Equity, beginning of year	35,205,115	34,036,035
Dividends paid or payable on shares	(537,808)	(621,080)
Equity, end of year	36,427,911	35,205,115
Investment in Festival Hydro Inc.:		
Equity, end of year	36,427,911	35,205,115
Demand loan payable to the City of Stratford	15,600,000	15,600,000
Net investment	52,027,911	50,805,115

6. INVESTMENT IN GOVERNMENT BUSINESS ENTERPRISES (Continued)

(b) Festival Hydro Services Inc.:	**2024**	**2023**
Financial Position:		
Current assets	141,606	55,787
Capital assets	2,471,428	2,641,169
Other assets	6,302	12,635
Total assets	2,619,336	2,709,591
Current liabilities	56,259	22,849
Demand loan payable to the City of Stratford	372,000	372,000
Other liabilities	859,172	1,001,139
Total liabilities	1,287,431	1,395,988
Equity	1,331,905	1,313,603
Financial activities:		
Revenues	1,418,545	1,358,059
Operating expenses	(1,361,332)	(1,309,779)
Finance costs (net)	(32,911)	(37,022)
Income tax	(6,000)	(22,000)
Equity, beginning of year	1,313,643	1,274,385
Other income	-	50,000
Equity, end of year	1,331,945	1,313,643
Investment in Festival Hydro Services Inc.:		
Equity, end of year	1,331,945	1,313,643
Demand loan payable to the City of Stratford	372,000	372,000
Net investment	1,703,945	1,685,643

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 $574,329 (2023 - $539,320).

The Corporation also leases space from Festival Hydro Inc. for which it paid rent of $40,780 (2023 - $36,851) during the year.

7. 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 retirement benefit to be received by the employees based on the length of service and rates of pay. The 2024 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 2023 contribution rates were 9.0% for employees earning below the year's maximum pensionable earnings and 14.6% thereafter for employees with a normal retirement age of 65. 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 2024 were $4,138,889 (2023 - $3,762,531) 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 last available report for the OMERS plan was on December 31, 2024. At that time the plan reported a $2.9 billion actuarial deficit (2023 - $4.2 billion actuarial deficit).

8. DEFERRED REVENUE

	Balance at December 31 2023	Additions	Withdrawals	Balance at December 31 2024
Obligatory Reserve Funds:				
Development charges	17,335,942	3,447,088	860,128	19,922,902
Subdivider contributions	124,084	3,904	-	127,988
Recreational land (The Planning Act)	1,360,897	238,855	-	1,599,752
Federal gas tax	10,826,323	2,484,196	2,260,375	11,050,144
Provincial gas tax	996,982	548,001	460,434	1,084,549
Building permit inspections	141,367	388,601	16,105	513,863
Other current miscellaneous	705,466	2,813,098	756,670	2,761,894
Other consolidated entities:				
Other	377,789	90,000	113,220	354,569
	31,868,850	10,013,743	4,466,932	37,415,661

	Balance at December 31 2022	Additions	Withdrawals	Balance at December 31 2023
Obligatory Reserve Funds:				
Development charges	15,385,329	2,652,924	702,311	17,335,942
Subdivider contributions	120,722	3,362	-	124,084
Recreational land (The Planning Act)	1,163,695	197,202	-	1,360,897
Federal gas tax	10,310,152	2,392,039	1,875,868	10,826,323
Provincial gas tax	495,937	585,720	84,675	996,982
Building permit inspections	217,477	3,083	79,193	141,367
Other current miscellaneous	1,962,625	469,551	1,726,710	705,466
Other consolidated entities:				
Other	633,935	542,315	798,461	377,789
	30,289,872	6,846,196	5,267,218	31,868,850

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 $1,119,643 (2023 - $1,126,045) are reported in the Consolidated Statement of Operations. The 2025 commitment is $999,000.

The Corporation has entered into several agreements for the lease and supply of various equipment, vehicles and services with expected payments of approximately $2,109,565 for 2025.

The Corporation has outstanding contractual obligations of approximately $2,699,279 at December 31, 2024 for various capital works that were not completed in 2024.

10. CONTINGENT LIABILITIES

As of December 31, 2024, certain legal actions and other contingent liabilities are pending against the Corporation. Reference can be made to note 13 for details of the public liability insurance maintained by the Corporation. Not all contingencies can be estimated at year-end as the amount and nature of the possible outcome is not determinable at this time and, as a result, no provision has been made in the financial statements.

11. 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:

	2024	2023
Post-retirement benefits (a)	11,197,709	11,087,891
Workplace Safety and Insurance Board Obligation (b)	4,980,960	4,892,802
	16,178,669	15,980,693

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, 2024.

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

	2024	2023
Discount rate	4.50 %	4.50 %
Rate of compensation increase	2.50 %	2.50 %
Healthcare cost increase	8.00 %	8.00 %

The benefit obligation continuity is as follows:

	2024	2023
Accrued benefit obligation end of prior year	10,367,800	10,330,400
Current period benefit cost	666,600	637,900
Retirement interest expenditure	472,500	469,500
Benefits paid	(1,070,000)	(1,070,000)
Accrued Benefit Obligation as at December 31	10,436,900	10,367,800
Unamortized actuarial (gain) loss	-	-
Liability for post-retirement benefits - City of Stratford	10,436,900	10,367,800
Liability for post-retirement benefits - Spruce Lodge	360,738	341,921
Liability for post-retirement benefits - Perth District Health Unit	400,071	378,170
	11,197,709	11,087,891

Post-retirement benefits expense is as follows:

	2024	2023
Current period benefit cost	666,600	637,900
Retirement interest expenditure	472,500	469,500
Amortization of actuarial (gain) loss	111,500	124,600
Total post-retirement benefits expense	1,250,600	1,232,000

Reserves have been established to partially provide for this past service liability. The balance at the end of the year is $5,986,983 (2023 - $5,721,438). An amount of $187,456 (2023 - $607,468) was paid out of reserves to employees who left the Corporation's employment during the current year.

11. EMPLOYEE BENEFITS PAYABLE (continued)

(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, $891,636 (2023 - $1,432,440) was paid by the Corporation to the WSIB in relation to those benefits.

12. 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:

	2024	2023
OSIFA debenture bearing interest at 2.57% due June 2032	10,048,756	11,388,684
OSIFA debenture bearing interest at 2.78% due September 2024	-	67,000
OSIFA debenture bearing interest at 2.74% due November 2028	1,156,805	1,446,009
OMEIFA debenture bearing interest at 4.96% due November 2034	6,726,548	7,399,201
OMEIFA debenture bearing interest at 2.70% due November 2034	623,873	677,546
OMEIFA debenture bearing interest at 4.28% due December 2024	-	366,664
OMEIFA debenture bearing interest at 3.21% due December 2026	2,805,685	4,208,530
OMEIFA debenture bearing interest at 3.42% due December 2033	3,667,800	4,075,334
Royal Bank loan payable, interest at 2.42% per annum, due June 2025	100,694	299,197
Royal Bank loan payable, interest at 2.84% per annum, due April 2027	3,161,319	3,322,692
Royal Bank loan payable, interest at 2.88% per annum, due April 2028	3,131,498	3,290,777
Royal Bank loan payable, interest at 2.49% per annum, due April 2025	75,569	296,782
Royal Bank loan payable, interest at 5.51% per annum, due April 2028	886,701	949,070
Royal Bank loan payable, interest at 2.80% per annum, due April 2026	879,337	951,443
Royal Bank loan payable, interest at 5.65% per annum, due October 2027	3,232,397	3,418,369
Royal Bank loan payable, interest at 5.66% per annum, due October 2027	1,644,563	1,681,312
Royal Bank loan payable, interest at 5.81% per annum, due April 2032	8,616,975	-
	46,758,520	43,838,610

Principal repayments are summarized as follows:

2025	6,025,940
2026	5,936,127
2027	4,626,140
2028	4,722,518
2029	4,535,803
Thereafter	20,911,992
	46,758,520

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 $2,746,610 (2023 - $2,334,474).

13. PUBLIC LIABILITY INSURANCE

In order to control rising insurance premium costs, the Corporation undertakes a portion of the risk through increased deductibles. The deductibles generally range up to $50,000 depending on the types of claims. Insurance coverage is in place for claims in excess of these deductibles up to various policy limits. The Corporation has made provision for a Reserve for Self-Insurance for various types of insurance, the balance of which at December 31, 2024 amounted to $241,153 (2023 - $241,153), and is reported in Note 14 under Reserves.

The Corporation budgets annually for claims related to self-insurance and the difference between budgeted and actual claims during the year forms part of the Corporation's annual surplus/deficit, and if required, is drawn from the reserve fund. In 2024, the amount drawn from the reserve was $nil (2023 - $nil). Claims for all forms of self-insurance during the year amounting to $184,455 (2023 - $42,431), including adjusters' fees and costs, are reported as an expenditure on the Consolidated Statement of Operations and Accumulated Surplus.

14. 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.

	2024	2023
Reserves set aside for specific purposes by Council:	23,426,088	18,773,273
Reserve Funds set aside for specific purpose by Council:	56,295,742	48,578,268
Amounts to be recovered:		
Investment in Government Business Enterprise	(15,972,000)	(15,972,000)
Asset retirement obligations	(14,102,607)	(13,505,190)
Employee benefits payable	(16,178,669)	(15,980,693)
Long-term debt	(46,758,520)	(43,838,610)
Interest accrual on debt	(94,424)	(110,937)
Total amounts to be recovered	(93,106,220)	(89,407,430)
Cumulative operating surplus (deficit)	2,072,987	(10,846,687)
Investment in Government Business Enterprise	53,731,856	52,490,758
Land held for resale	657,366	657,366
Work in progress	23,925,422	20,351,531
Investment in tangible capital assets	340,515,784	336,086,563
Total accumulated surplus	407,519,025	376,683,642

The cumulative operating deficit reflects the Corporation's $194,691 cash-basis operating deficit (2023 - $799,930 operating surplus) as well as PSAB and consolidated adjustments.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Credit risk

Credit Risk is the risk that one party to a financial instrument will cause a financial loss of the other party by failing to discharge the obligation. The Corporation is exposed to credit risk from its financial assets including cash and cash equivalents, trade and other receivables, and investments.

The Corporation holds its cash accounts with chartered financial institutions.

Trade and other receivables are primarily from government, corporations, and individuals. The Corporation measures its exposure to credit risk based on how long amounts have been outstanding. As at December 31, 2024, $990,812 of accounts receivable were more than 90 days past due. Credit risk is mitigated by a highly diversified nature of debtors and other customers which minimizes its concentration of credit risk. An impairment allowance is set up based on historical experiences regarding collections.

The Corporation’s investment policy governs the investment of surplus cash, reserves and reserve funds, and trust funds in accordance with Ontario Regulation 438/97 made under the Municipal Act. All investment by the municipality will be subject to Section 167 of the Municipal Act and Ontario Regulation 438/97 made under the Municipal Act. The goal of this policy is to invest all available funds of the Corporation in a prudent manner so as to maximize the rate of return while minimizing the degree of risk and ensuring an adequate level of liquidity under the Act.

(b) Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet all cash outflow obligations as they come due. The Corporation is exposed to liquidity risk from accounts payable and accrued liabilities. The Corporation mitigates this risk by monitoring cash activities and expected outflows through budgeting and monitoring investments that may be converted into cash to maintain sufficient funds for meeting obligations as they come due. Accounts payable and accrued liabilities are generally due within 30 days. The annual repayment obligations for municipal debt are disclosed in Note 12.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk.

(i) Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Corporation is not exposed to significant currency risk as amounts held and purchases made in foreign currency are insignificant.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation is exposed to interest rate risk through its investments and long-term debt. The Corporation is not exposed to significant interest rate risk as the Corporation invests solely in investments subject to Section 167 of the Municipal Act and Ontario Regulation 438/97 made under the Municipal Act and long-term debt has interest rates fixed for long periods of time with the debt intended to be repaid in accordance with the terms of the respective loans.

(iii) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than current and interest rate risk). The Corporation is not exposed to significant other price risks.

16. ASSET RETIREMENT OBLIGATIONS

The Corporation owns and operates the following assets that have asset retirement obligations associated with them:

Designated substances:
Asbestos and other designated hazardous materials represent a health hazard upon disturbance and as a result carry a legal obligation to remove them when a facility undergoes a significant renovation or demolition. The Corporation owns and operates several facilities with asbestos containing materials. As a result, the Corporation recognized an obligation relating to the removal of the hazardous materials upon adoption of PS 3280 *Asset Retirement Obligations*. This resulted in a 2023 liability of $5,848,756 and there was a corresponding increase to the cost base of the associated assets with the exception of fully amortized buildings where the ARO's associated were fully expensed in the period.

Well decommissioning:
The Groundwater Protection Regulation provides specific guidelines for decommissioning wells which give rise to a retirement obligation. The Corporation must recognize an asset retirement obligation related to several wells located across facilities owned by Stratford and will be required to decommission them upon retirement of the assets. This resulted in an asset retirement obligation liability of $108,142 in 2023 and a corresponding increase to the cost based on the wells with the exception of any fully amortized wells where the ARO's associated were fully expensed in the period.

Landfill obligation:
The Environment Protection Act sets out the regulatory requirements to properly close and maintain all active and inactive landfill sites. Under environmental law, there is a requirement for closure and post-closure care of solid waste landfill sites.

Landfill closure and post-closure care requirements have been defined in accordance with industry standards and include final covering and landscaping of the landfill, pumping of ground water and leachates from the site, and ongoing environmental monitoring, site inspection and maintenance. The reported liabilities are based on estimates and assumptions with respect to events herein using the best information available to management. Future events may result in significant changes to the estimated total expenses, capacity used or total capacity and the estimated liability, and would be recognized prospectively, as a change in estimate, when applicable.

The Corporation currently has one active landfill site. The landfill closure costs are accrued on an annual basis based on the estimated life of the landfill sites. Estimated total expenditures represent the sum of the discounted future cash flows for closure and post-closure care activities discounted at 3.9%. The estimated total landfill closure and post closure care expenses are calculated to be approximately $7,842,676 (2023 – $7,548,292).

Retirement Obligation	Designated Substances (Buildings)	Well Decommissioning	Landfill Obligation	Balance, December 31, 2024	Balance, December 31, 2023
Opening	5,848,756	108,142	7,548,292	13,505,190	3,736,000
Adoption of PS 3280	-	-	-	-	9,481,862
Annual accretion expense	303,033	-	294,384	597,417	287,328
Closing balance	6,151,789	108,142	7,842,676	14,102,607	13,505,190

17. FINANCIAL INFORMATION FOR THE LIBRARY BOARD

The Ministry of Culture provides operating grants and pay equity grants to the Library. A condition of this grant 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.

	2024	2023
Revenue		
Other grant revenue	31,083	8,405
Public library operating grant	52,011	57,687
Investment and interest income	864	83
Fees and charges	380,794	369,249
Donations	39,866	22,731
Total revenue	504,618	458,155
Expenses		
Wages	2,297,037	2,283,715
Materials	130,155	102,803
Services	407,111	385,136
Amortization	209,719	184,055
Other	43,959	33,894
Total Expenses	3,087,981	2,989,603
Deficiency of revenue over expenses	2,583,363	2,531,448
Deficiency was funded as follows:		
Transfer from (to) reserves and reserve funds	(539,914)	(361,238)
Contribution from the Corporation	3,123,277	2,892,686
	2,583,363	2,531,448

18. GOVERNMENT PARTNERSHIP - HURON PERTH PUBLIC HEALTH

The Corporation of the City of Stratford is a partner in Huron Perth Public Health. The Corporation provides 23.21% (2023 - 23.39%) 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, 2024 Huron Perth Public Health's financial results and financial performance are as follows:

	2024	2023
Financial assets	1,770,764	2,426,690
Liabilities	(2,724,551)	(3,220,668)
Non-financial assets	5,495,675	5,486,322
Accumulated surplus	4,541,888	4,692,344
Revenues	18,279,884	19,310,035
Expenses	(18,430,340)	(19,170,919)
Annual surplus/(deficit)	(150,456)	139,116

The Corporation's share of Huron Perth Public Health's assets, liabilities and accumulated surplus at December 31, 2024 are as follows:

Financial assets	410,995	567,603
Liabilities	(632,368)	(753,314)
Non-financial assets	1,275,547	1,283,251
Accumulated surplus	1,054,174	1,097,540

19. 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 40.69% (2023 - 40.96%) 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, 2024, Spruce Lodge Home for the Aged and its related entities' financial results and financial performance are as follows:

	2024	2023
Financial assets	4,326,742	4,494,154
Liabilities	(2,744,010)	(3,248,389)
Non-financial assets	7,966,167	8,053,155
Accumulated surplus	9,548,899	9,298,920
Revenues	18,766,741	17,569,812
Expenses	(18,494,631)	(18,043,626)
Annual deficit	272,110	(473,814)

The Corporation's share of Spruce Lodge Home for the Aged and its related entities' assets, liabilities and accumulated surplus at December 31, 2024 are as follows:

Financial assets	1,760,551	1,840,805
Liabilities	(1,116,538)	(1,330,540)
Non-financial assets	3,241,433	3,298,573
Accumulated surplus	3,885,446	3,808,838

20. CHANGE IN PROPORTIONATE CONSOLIDATION

The change in proportionate consolidation of joint local boards is the result of changes in weighted assessment data effective January 1, 2024 and funding agreements effective January 1, 2023. The resulting changes in funding percentages and their effects are as follows:

	2024	2023	Change
Funding percentage			
Huron Perth Public Health	23.21 %	23.39 %	-0.18 %
Spruce Lodge	40.69 %	40.96 %	-0.27 %

	January 1, 2024
Effect of Change in Funding Percentages	
Tangible capital assets	
Cost	(71,722)
Accumulated amortization	40,762
Net book value	(30,960)
Net financial assets	(6,213)
Other non-financial assets	22,738
Change in Net Municipal Position	(14,435)

21. PRIOR PERIOD ADJUSTMENT

Corrections were made to tangible capital assets, land held for resale, other receivables and asset retirement obligations requiring a restatement of the 2023 year-end financial information. The impact of the above noted prior period adjustments is as follows:

	As Previously Reported	Adjustment	As Restated
Statement of Financial Position			
Trade and other receivables	14,979,228	(1,538,258)	13,440,970
Land held for resale	347,651	309,715	657,366
Tangible capital assets	353,221,622	3,192,501	365,414,123
Asset retirement obligation	13,280,759	224,431	13,505,190
Accumulated Surplus - End of Year	374,944,115	1,739,527	376,683,642
Accumulated Surplus - Beginning of Year	362,763,804	(1,038,840)	361,724,964
Statement of Operations			
Revenue - Conditional grants	45,034,212	(215,444)	44,818,768
Revenue - Revenue from other municipalities	7,470,127	(189,702)	7,280,425
Amortization expense	14,015,843	(3,238,378)	10,777,465
Accretion expense	62,897	224,431	287,328
Social housing expense	17,793,549	(169,566)	17,623,983
Net increase in annual surplus	12,187,378	2,778,367	14,965,745

22. SEGMENTED INFORMATION

The City of Stratford is a diversified municipal government institution that provides a wide range of services to its citizens, including policing, fire, road, water distribution, sewer collection/conveyance, storm sewer, libraries, transit and community services.

Segmented information has been prepared by major functional classification of activities provided, consistent with the Consolidated Statement of Operations and Accumulated Surplus and provincially legislated requirements.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis.

The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 2.

For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. Therefore, certain allocation methodologies are employed in the preparation of segmented financial information. The revenue fund reports on municipal services that are funded 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 2.

General Government
This item is related to the revenues and expenses of the operations of the Corporation itself not otherwise directly attributed to a specific segment.

Protection Services
Protection is comprised predominantly of the Police Services and Fire departments and includes the Building Division. The mandate of the Police Services department is to ensure the safety and security of the lives and property of citizens through law enforcement, victims' assistance, public order maintenance, crime prevention and emergency response. The Fire department is responsible for providing proactive fire and injury prevention education programs, comprehensive inspection programs and fire code enforcement. In addition, the department responds to emergency calls for assistance related to fires, rescues, motor vehicle accidents and cardiac medical events as well as calls related to hazardous material incidents, swift water and ice rescue and limited types of technical rescue calls. The building department enforces the building and construction codes and municipal by-laws.

Transportation Services
Transportation Services are comprised of year-round road maintenance, parking, traffic signals and street lighting. Activities include the maintenance of roadsides defined as sidewalks, walkways, boulevards and the urban forest. Transit services are also included in this segment. This service is responsible for the operational integrity of the roadway system through year-round surface maintenance and winter maintenance, including snow and ice control. Parking supports the controlled movement of vehicles to benefit Stratford businesses and residents through policy and operational efforts. Traffic signal services provide the planning, design, operation and maintenance of the Corporation's streetlights and traffic signal network including a computerized traffic signal control system. This segment also includes the operations of the Stratford Municipal Airport.Transit is responsible for the delivery of public transit services for the residents of the City of Stratford. Public transit services include conventional and specialized transit services. Service design, development and delivery for the respective services take their direction from the Corporation's Official Plan, Transportation Plan and Council's Strategic Priorities document and the Corporation's Accessibility Plan.

22. SEGMENTED INFORMATION (Continued)

Environmental Services

(i) Water and Wastewater Utilities

The Water Utility provides the planning, engineering, operation and maintenance for the Corporation's water infrastructure. Services include the planning and engineering to support the delivery of safe, clean, high quality drinking water of sufficient flow and pressure to enhance the quality of life and support economic development for the residents and businesses of Stratford. Operation and maintenance services ensure the reliable delivery of water to all customers and sustainability of a high-quality water infrastructure.

The Wastewater Utility provides the planning, engineering, operation and maintenance for the Corporation's wastewater and drainage infrastructure. Services include the operation of a pollution control plant and sewage pumping stations for the treatment of sanitary sewage, year-round maintenance of sanitary and storm sewer systems and planning and implementation of capital works to provide new services and improve existing systems. All services are delivered in an environmentally and fiscally responsible manner while maintaining sustainability of the infrastructure.

(ii) Solid Waste and Recycling

Solid Waste and Recycling provides solid waste collection services managing the safe and permanent disposal of non-hazardous wastes collected in an environmentally safe process including the management and operation of a landfill site. It also provides a variety of services and projects relating to the Management of Solid Waste for its customers and the citizens and businesses of Stratford. Such services include daily recyclable and waste drop-off, curbside garbage, recycling and composting, residential/industrial/commercial and city facilities recycling.

Health Services

Huron Perth Public Health Unit provides a wide range of public health services in Stratford and Huron and Perth Counties. The programs and services are designed to help citizens live a healthy life, free from disease and injury through health promotion and prevention activities. The Health Unit also monitors the air, food and water supply in the community to make sure it is safe and provides services to individuals and communities and advocates for public policies that make the City of London healthier. Ambulance Services provide medical emergency medical services to the City of Stratford and are provided through Perth County.

Social and Family Services

As the Consolidated Municipal Service Manager, the Social Services Department is legislated to deliver the Province's Ontario Works program to qualified residents within the City of Stratford; homelessness funding to local emergency shelters and administers the distribution of child care fee subsidies to families in need and wage subsidies to local child care agencies.

Social Housing

The Housing Division is the administrator of the Perth Stratford Housing Corporation and is responsible for establishing and maintaining a system for administering mortgage and rent subsidies for social housing providers; receiving and evaluating financial reports of housing providers; assessing extraordinary financial requests from housing providers; responding to requests for technical support from housing providers and reviewing housing providers operations to ensure compliance with the Housing Services Act and any rules allocated by the Service Manager. The Division also fulfills the application intake function for social housing providers and delivers federal, provincial and municipal affordable housing programs.

22. SEGMENTED INFORMATION (Continued)

Recreation and Cultural Services
The Community Services Department works collaboratively with their colleagues and partners to improve the quality of life for all Stratford residents by creating opportunities for individuals to lead healthy, socially-active lives through the direct delivery of recreation programs; strengthening neighbourhoods; leading the integration of community wide initiatives; managing and operating parks and recreation facilities such as the Rotary Complex, and supporting local sport and special event initiatives.

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.

Planning and Development
This department manages urban development for business interests, environmental concerns, heritage matters, local neighbourhoods. This reporting segment also includes economic development and tourism, delivered by SeedCo.

(i) Planning and Development Services
Planning Services provides a wide range of planning and associated services to guide long-term land use and development activity in the Corporation. A wide range of services are provided by the Division including Official Plan and Zoning By-law approvals, policy development, secondary plans, Community Improvement Plans, economic revitalization programs, brownfield revitalization incentives, heritage preservation incentives, urban design, environmental and ecological evaluations, parks planning, urban forestry, commemorative programs and heritage planning.

The division provides a single point of administration for development approvals under the Planning Act. Planning Act applications processed by Development Services include Plans of subdivision including associated Official Plan and Zoning By-law amendments, site plan approvals, condominium approvals and consents. The Division also administers subdivision and development agreement servicing standards and compliance through inspection, assumption and security management.

(ii) Building Services
Building Services, by administering the provisions of the Ontario Building Act and the Building Code, ensures high quality building construction in addition to keeping paramount the health and safety of the citizens of Stratford. These directives are established through the enforcement of various municipal By-laws such as the Property Standards By-law, the Sign and Canopy By-law and the Pool Fence Bylaw to name a few.

(iii) Licensing and Municipal By-Law Enforcement Services
This segment, is responsible for seeking compliance with community-based City by-laws which focus on health and safety, consumer protection, nuisance control and quality of life issues. Licensing and Parking Enforcement areas are responsible for addressing compliance issues with business licensing by-laws and parking infractions. Animal Control services are contracted to the Stratford Perth Humane Society where policies, practices, directives, by-laws and regulations are in place and adhered to for the protection of the public and the welfare of domestic animals in the community.

22. 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 2024
Revenue										
Taxation	4,097,795	15,830,908	10,544,731	8,518,369	9,077,530	13,109,664	9,579,265	8,205,193	2,369,821	81,333,276
Grants	6,441,127	1,052,764	557,124	240,858	4,242,760	31,193,911	2,197,937	149,140	250,354	46,325,975
Other municipalities	-	2,031,759	-	-	-	1,502,659	4,863,936	26,713	-	8,425,067
Fees and user charges	128,486	289,998	2,264,570	17,234,053	471,910	536,565	2,884,275	386,476	846,180	25,042,513
Licences, permits, rents	537,898	72,081	265,122	-	720	-	804,664	2,353,858	1,367,007	5,401,350
Fines and penalties	485,719	249,035	-	-	-	-	-	6,719	-	741,473
Other	10,112,253	343,596	136,144	832,354	-	2,009,641	30,879	428,690	58,273	13,951,830
	21,803,278	19,870,141	13,767,691	26,825,634	13,792,920	48,352,440	20,360,956	11,556,789	4,891,635	181,221,484
Expenses										
Salaries and benefits	5,162,909	24,830,684	7,017,496	3,534,827	4,454,167	5,876,822	1,428,610	7,167,614	1,585,293	61,058,422
Materials	293,697	1,023,814	3,152,331	1,281,418	925,834	414,141	9,630,794	1,553,815	162,298	18,438,142
Contracted services	3,194,706	2,086,549	2,578,977	5,559,193	6,562,065	2,044,714	320,969	2,114,821	1,376,672	25,838,666
External transfers	166,680	-	2,469,549	-	4,163,774	15,022,066	1,870,769	1,771,186	1,052,745	26,516,769
Amortization	538,088	736,383	3,997,426	2,760,023	515,586	31,831	879,759	1,561,976	-	11,021,072
Interest on long term debt	380,817	94,850	30,842	1,205,908	609	-	626,103	380,358	27,124	2,746,611
Interfunctional	(3,520,457)	241,715	75,845	741,373	35,512	841,717	875,890	563,678	144,727	-
Rents and financial expenses	1,359,700	254,714	172,983	666,302	125,293	6,291	2,077,570	56,586	32,545	4,751,984
	7,576,140	29,268,709	19,495,449	15,749,044	16,782,840	24,237,582	17,710,464	15,170,034	4,381,404	150,371,666
Net Revenue (expenditures)	14,227,138	(9,398,568)	(5,727,758)	11,076,590	(2,989,920)	24,114,858	2,650,492	(3,613,245)	510,231	30,849,818

22. 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 2023 *(restated - Note 21)*
Revenue										
Taxation	4,873,000	12,875,910	10,323,230	9,064,554	8,048,594	14,038,678	6,269,578	6,663,372	1,799,362	73,956,278
Grants	7,323,352	1,373,395	463,483	378,275	4,314,442	28,862,030	1,660,621	180,463	262,707	44,818,768
Other municipalities	-	1,968,569	-	-	-	1,415,847	3,852,043	43,966	-	7,280,425
Fees and user charges	133,061	170,047	2,178,330	16,729,294	523,016	551,449	2,830,468	504,070	520,591	24,140,326
Licences, permits, rents	458,412	59,836	199,289	-	-	-	499,444	2,249,923	785,751	4,252,655
Fines and penalties	439,330	171,654	-	-	-	-	-	5,588	-	616,572
Other	5,190,775	302,649	137,169	549,181	37,464	1,924,261	22,319	1,115,210	86,406	9,365,434
	18,417,930	16,922,060	13,301,501	26,721,304	12,923,516	46,792,265	15,134,473	10,762,592	3,454,817	164,430,458
Expenses										
Salaries and benefits	6,322,243	23,230,388	6,914,757	3,479,898	4,166,313	5,482,004	1,424,974	6,614,308	1,487,410	59,122,295
Materials	292,656	1,027,270	2,980,141	1,351,599	1,259,472	385,934	2,366,639	1,488,904	153,719	11,306,334
Contracted services	2,551,212	1,388,534	2,242,042	5,179,779	6,865,291	4,325,348	287,866	1,977,894	1,146,793	25,964,759
External transfers	26,123	-	2,337,629	-	3,813,722	12,541,619	6,269,573	1,659,790	1,020,216	27,668,672
Amortization	775,986	749,719	3,939,515	2,722,299	506,487	440	593,819	1,489,200	-	10,777,465
Interest on long term debt	405,430	96,479	40,394	1,289,231	1,184	-	39,553	424,903	37,309	2,334,483
Interfunctional	(1,799,129)	(37,260)	(284,290)	602,116	681	419,912	738,544	266,688	92,738	-
Rents and financial expenses	1,449,390	180,664	187,330	4,246,552	157,809	3,413	5,903,015	116,093	46,439	12,290,705
	10,023,911	26,635,794	18,357,518	18,871,474	16,770,959	23,158,670	17,623,983	14,037,780	3,984,624	149,464,713
Net Revenue (expenditures)	8,394,019	(9,713,734)	(5,056,017)	7,849,830	(3,847,443)	23,633,595	(2,489,510)	(3,275,188)	(529,807)	14,965,745

23. TANGIBLE CAPITAL ASSETS

	General Land	Land Improvements	Building and Building Equipment	Computer Equipment	Furniture and Fixtures	Vehicles	Machinery and Equipment	Other	Infrastructure Roads	Bridges	W/WW Facilities	Underground and Other Networks	Total	Work in Progress	Grand Total
Cost															
Balance, Dec 31, 2023	17,741,603	14,838,667	98,214,797	3,464,294	5,778,773	14,914,510	23,752,551	140,039	144,995,809	11,603,579	99,681,306	111,739,919	546,865,847	20,351,531	567,217,378
Additions	-	899,826	4,127,287	268,648	83,843	1,762,374	1,255,678	-	5,158,614	667,724	2,235,262	321,820	16,781,076	3,573,891	20,354,967
Adjustments	-	(828)	(207)	(56,600)	(595)	-	(13,270)	-	(222)	-	-	-	(71,722)	-	(71,722)
Disposals	-	60,386	872,753	-	35,543	1,833,564	1,446,757	-	2,305,272	130,157	8,452	-	6,692,884	-	6,692,884
Balance, Dec 31, 2024	17,741,603	15,677,279	101,469,124	3,676,342	5,826,478	14,843,320	23,548,202	140,039	147,848,929	12,141,146	101,908,116	112,061,739	556,882,317	23,925,422	580,807,739
Accumulated Amortization															
Balance, Dec 31, 2023	-	7,055,601	40,599,317	2,885,870	4,239,413	7,675,712	14,143,199	17,718	61,475,383	3,946,270	40,595,345	28,169,427	210,803,255	-	210,803,255
Amortization	-	428,157	2,768,396	227,699	134,300	1,445,521	774,859	-	2,460,743	120,160	1,473,401	1,187,838	11,021,074	-	11,021,074
Adjustments	-	(179)	(29,583)	-	(333)	-	(10,501)	-	(166)	-	-	-	(40,762)	-	(40,762)
Disposals	-	60,386	806,074	-	27,975	1,833,564	1,377,878	-	1,218,811	83,951	8,395	-	5,417,034	-	5,417,034
Balance, Dec 31, 2024	-	7,423,193	42,532,056	3,113,569	4,345,405	7,287,669	13,529,679	17,718	62,717,149	3,982,479	42,060,351	29,357,265	216,366,533	-	216,366,533
Net Book Value Dec 31, 2024	17,741,603	8,254,086	58,937,068	562,773	1,481,073	7,555,651	10,018,523	122,321	85,131,780	8,158,667	59,847,765	82,704,474	340,515,784	23,925,422	364,441,206
Cost															
Balance, Dec 31, 2022	17,741,005	14,559,082	87,218,481	3,106,155	5,947,129	14,736,895	20,054,063	140,039	141,486,021	10,264,631	96,090,279	110,986,971	522,330,751	25,041,542	547,372,293
Additions	-	387,241	11,762,302	358,139	233,393	789,397	4,552,517	-	5,002,664	1,338,948	3,591,027	752,948	28,768,576	(4,690,011)	24,078,565
Adjustments	598	(115)	(16,111)	-	518	-	(5,537)	-	(124)	-	-	-	(20,771)	-	(20,771)
Disposals	-	107,541	749,875	-	402,267	611,782	848,492	-	1,492,752	-	-	-	4,212,709	-	4,212,709
Balance, Dec 31, 2023	17,741,603	14,838,667	98,214,797	3,464,294	5,778,773	14,914,510	23,752,551	140,039	144,995,809	11,603,579	99,681,306	111,739,919	546,865,847	20,351,531	567,217,378
Accumulated Amortization															
Balance, Dec 31, 2022	-	6,713,565	38,895,750	2,682,191	4,390,356	7,104,806	13,608,039	17,718	59,980,397	3,784,101	39,193,600	27,193,154	203,563,677	-	203,563,677
Amortization	-	449,098	2,358,515	203,679	251,064	1,182,688	1,288,006	-	2,504,228	162,169	1,401,745	976,273	10,777,465	-	10,777,465
Adjustments	-	(97)	(12,232)	-	260	-	(4,491)	-	(87)	-	-	-	(16,647)	-	(16,647)
Disposals	-	106,965	642,716	-	402,267	611,782	748,355	-	1,009,155	-	-	-	3,521,240	-	3,521,240
Balance, Dec 31, 2023	-	7,055,601	40,599,317	2,885,870	4,239,413	7,675,712	14,143,199	17,718	61,475,383	3,946,270	40,595,345	28,169,427	210,803,255	-	210,803,255
Net Book Value Dec 31, 2023	17,741,603	7,783,066	57,615,480	578,424	1,539,360	7,238,798	9,609,352	122,321	83,520,426	7,657,309	59,085,961	83,570,492	336,062,592	20,351,531	356,414,123

24. BUDGET NOTE

Budget figures reported on the Consolidated Statement of Operations and Accumulated Surplus are based on the 2024 municipal operating and water/wastewater budgets as approved by Council February 26, 2024 and include subsequent amendments. Approved budget figures have been reclassified and adjusted for the purposes of these financial statements to comply with Public Sector Accounting Board ("PSAB") reporting requirements.

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 February 26, 2024 but also include proportionate consolidated budgets of local boards reconciled as follows:

	2024	2023
Financial Plan (budget) Bylaw deficit for the year	-	-
Add:		
Budgeted principal repayment of debt	7,752,532	7,285,596
Budgeted transfer to accumulated surplus	17,816,704	14,569,822
Capital Expenditures	45,841,000	36,322,030
Less:		
Budgeted transfers from accumulated surplus	(40,254,192)	(23,779,511)
Unfinanced Capital	(399,861)	(2,908,445)
Amortization	(11,021,074)	(10,777,465)
Budget surplus (deficit) per statement of operations	19,735,109	20,712,027

25. COMPARATIVE AMOUNTS

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