

Financial Statements of

VISIT THE COUNTY

And Independent Auditor's Report thereon

For the period ended December 31, 2022



KPMG LLP
863 Princess Street, Suite 400
Kingston ON K7L 5N4
Canada
Tel 613-549-1550
Fax 613-549-6349

INDEPENDENT AUDITOR'S REPORT

To the Members of the Visit the County Board

Opinion

We have audited the financial statements of Visit the County (the Entity), which comprise:

- the statement of financial position as at December 31, 2022
- the statement of operations and accumulated surplus for the period then ended
- the statement of changes in net financial assets for the period then ended
- that statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2022, and its results of operations, and its cash flows for the period 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 “***Auditor's Responsibilities for the Audit of the Financial Statements***” section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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 the 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 financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 the 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 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.



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- 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 19, 2023

Management's Responsibility for the Financial Statements

The accompanying financial statements of Visit the County (the "Entity") are the responsibility of the Entity's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Entity's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Board of Directors meets with management and the external auditors to review the financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the financial statements.

The financial statements have been audited by KPMG LLP, independent external auditors appointed by the Entity. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Entity's financial statements.



Eleanor R. Cook
Executive Director

VISIT THE COUNTY

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VISIT THE COUNTY


Statement of Financial Position

December 31, 2022

	2022
Financial assets:	
Cash	\$ 339,198
Accounts receivable (note 3)	11,290
	350,488
Financial liabilities:	
Accounts payable and accrued liabilities	28,912
Net financial assets	321,576
Non-financial assets:	
Tangible capital assets (note 4)	3,426
Prepaid expenses	1,644
Accumulated surplus (note 5)	\$ 326,646

See accompanying notes to financial statements.

On behalf of the Board:

 Director

Director

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Statement of Operations and Accumulated Surplus

For the period from incorporation on July 12, 2022 to December 31, 2022

	Budget 2022 (note 6)	Actual 2022
Revenue:		
Municipal grants (note 2)	\$ 462,115	\$ 462,914
Expenses:		
Advertising	62,450	42,777
Amortization of tangible capital assets	—	604
Consulting fees	6,225	11,027
Insurance	2,469	825
Office and general	4,506	3,894
Training	2,976	2,544
Wages and benefits	80,410	74,597
	159,036	136,268
Surplus for the period	303,079	326,646
Accumulated surplus, beginning of period	—	—
Accumulated surplus, end of period	\$ 303,079	\$ 326,646

See accompanying notes to financial statements.

VISIT THE COUNTY

Statement of Changes in Net Financial Assets

For the period from incorporation on July 12, 2022 to December 31, 2022

		Budget 2022 (note 6)		Actual 2022
Surplus for the period	\$	303,079	\$	326,646
Amortization of tangible capital assets		—		604
Acquisition of tangible capital assets		(4,331)		(4,030)
Acquisition of prepaid expenses		—		(1,644)
Change in net financial assets		298,748		321,576
Net financial assets, beginning of period		—		—
Net financial assets, end of period	\$	298,748	\$	321,576

See accompanying notes to financial statements.

VISIT THE COUNTY

Statement of Cash Flows

For the period from incorporation on July 12, 2022 to December 31, 2022

	2022
Cash provided by (used in):	
Operating activities:	
Surplus for the period	\$ 326,646
Item not involving cash:	
Amortization of tangible capital assets	604
Change in non-cash operating working capital:	
Accounts receivable	(11,290)
Prepaid expenses	(1,644)
Accounts payable and accrued liabilities	28,912
	343,228
Capital activities:	
Acquisition of tangible capital assets	(4,030)
Increase in cash	339,198
Cash, beginning of period	—
Cash, end of period	\$ 339,198

See accompanying notes to financial statements.

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Notes to Financial Statements

For period from incorporation on July 12, 2022 to December 31, 2022

Visit the County (the "Organization") is a not-for-profit organization incorporated without share capital under the Not-for-Profit Corporations Act of Canada. The Organization was incorporated on July 12, 2022 and it was established to promote, represent and support Prince Edward County tourism and ensure quality destination experiences for all.

The Organization is exempt from income taxes under the *Income Tax Act*.

1. Significant accounting policies:

The financial statements of the Organization are the representation of management prepared in accordance with Canadian public sector accounting standards ("PSAS").

(a) Basis of accounting:

The financial statements are prepared using the accrual basis of accounting. The accrual basis of accounting records revenue as it is earned and measurable. Expenses are recognized as they are incurred and measurable based upon receipt of goods or services and/or the creation of a legal obligation to pay.

(b) Government transfers:

Government transfers are recognized in the period in which the events giving rise to the transfers occur, providing the transfers are authorized, eligibility criteria are met, and reasonable estimates of the amounts can be made.

(c) Deferred revenue:

Deferred revenue represents amounts which have been collected for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal period in which the services are performed or the related expenses incurred.

(d) 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.

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Notes to Financial Statements (continued)

For period from incorporation on July 12, 2022 to December 31, 2022

1. Significant accounting policies (continued):

(e) 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 costs, less residual value, of the tangible capital assets, are amortized on a declining balance basis over their estimated useful lives as follows:

Asset	Rate
Computer equipment	30%

When conditions indicate that a tangible capital asset no longer contributes to the Organization's ability to provide services or the value of the future economic benefits associated with the tangible capital asset are less than its net book value, and the decline is expected to be permanent, the cost and accumulated amortization of the asset are reduced to reflect the revised estimate of the value of the asset's remaining service potential. The resulting net adjustment is reported as an expense on the Statement of Operations and Accumulated Surplus.

(f) Use of estimates:

The preparation of 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 financial statements and the reported amounts of revenue and expenses during the period.

2. Related party transactions:

The Organization and the Corporation of the County of Prince Edward are related by virtue of significant influence.

As at December 31, 2022 the Organization received \$459,115 from the Corporation of the County of Prince Edward related to transfers from the municipal accommodation tax.

Included in accounts receivable is \$799 related to amounts owing from the Corporation of the County of Prince Edward for these funds.

All transactions with Corporation of the County of Prince Edward occur in the normal course of business and are recorded at their exchange amount which is the amount agreed upon by the related parties.

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Notes to Financial Statements (continued)

For period from incorporation on July 12, 2022 to December 31, 2022

3. Accounts receivable:

	2022
Harmonized sales tax	\$ 7,491
StayPEC	3,000
Due to the Corporation of the County of Prince Edward	799
	11,290
Less: amounts for impairment	—
	\$ 11,290

4. Tangible capital assets:

	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 4,030	\$ 604	\$ 3,426

5. Accumulated surplus:

Accumulated surplus consists of the following:

	2022
Unrestricted surplus	\$ 323,220
Equity in tangible capital assets	3,426
Accumulated surplus	\$ 326,646

6. Budget figures:

Budget figures reflected on the Statement of Operations and Accumulated Surplus are based on the 2022 operating budget as approved by the Board of Directors.

Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements.