Financial Statements of

VISIT THE COUNTY

And Independent Auditor’s Report thereon

For the year ended December 31, 2024

KPMG LLP
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors 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, 2024
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net financial assets for the year 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, 2024, and its results of operations, its changes in net financial assets, and its 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 "***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.

- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Kingston, Canada

June 11, 2025

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.

Sarah Fox

Sarah Fox
Executive Director

VISIT THE COUNTY

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Year ended December 31, 2024

VISIT THE COUNTY

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Financial assets:		
Cash	$ 183,976	$ 215,712
Investment (note 6)	–	86,127
Accounts receivable (notes 2 and 3)	43,084	32,694
	227,060	334,533
Financial liabilities:		
Accounts payable and accrued liabilities	31,533	102,221
Net financial assets	195,527	232,312
Non-financial assets:		
Tangible capital assets (note 4)	55,462	74,762
Prepaid expenses	5,357	5,751
	60,819	80,513
Accumulated surplus (note 5)	$ 256,346	$ 312,825

See accompanying notes to financial statements.

On behalf of the Board:

_________________________ Director

K Mackenzie

_________________________ Director

VISIT THE COUNTY

Statement of Operations and Accumulated Surplus

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 7)	2024 Actual	2023 Actual
Revenue:			
Municipal grants (note 2)	$ 609,007	$ 623,822	$ 548,912
StayPEC Partnership	50,000	34,350	14,775
Pay to Play Program Partnerships	24,000	13,300	5,825
Ticket sales and other	2,000	–	3,419
Interest	2,060	2,510	1,179
	687,067	673,982	574,110
Expenses:			
Advertising	301,759	409,263	273,943
Amortization of tangible capital assets	–	19,300	18,514
Consulting and professional fees	16,800	19,130	18,766
Insurance	2,468	2,896	2,594
Office and general	54,162	21,621	14,319
Training	1,900	6,870	3,988
Wages and benefits	290,318	251,381	255,807
	667,407	730,461	587,931
Annual surplus (deficit)	19,660	(56,479)	(13,821)
Accumulated surplus, beginning of year	312,825	312,825	326,646
Accumulated surplus, end of year	$ 332,485	$ 256,346	$ 312,825

See accompanying notes to financial statements.

VISIT THE COUNTY

Statement of Changes in Net Financial Assets

Year ended December 31, 2024, with comparative information for 2023

	2024 Budget (note 7)	2024 Actual	2023 Actual
Annual surplus (deficit)	$ 19,660	$ (56,479)	$ (13,821)
Amortization of tangible capital assets	–	19,300	18,514
Acquisition of tangible capital assets	–	–	(89,850)
Acquisition of prepaid expenses	–	394	(4,107)
Change in net financial assets	19,660	(36,785)	(89,264)
Net financial assets, beginning of year	232,312	232,312	321,576
Net financial assets, end of year	$ 251,972	$ 195,527	$ 232,312

See accompanying notes to financial statements.

VISIT THE COUNTY

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Annual deficit	$ (56,479)	$ (13,821)
Item not involving cash:		
Amortization of tangible capital assets	19,300	18,514
Change in non-cash operating working capital:		
Accounts receivable	(10,390)	(21,404)
Prepaid expenses	394	(4,107)
Accounts payable and accrued liabilities	(70,688)	73,309
	(117,863)	52,491
Capital activities:		
Acquisition of tangible capital assets	–	(89,850)
Investing activities:		
Redemption (purchase) of investment	86,127	(86,127)
Decrease in cash	(31,736)	(123,486)
Cash, beginning of year	215,712	339,198
Cash, end of year	$ 183,976	$ 215,712

See accompanying notes to financial statements.

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”). Significant accounting policies are as follows:

(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) Revenue recognition:

Contributions and grants are recognized as revenue when the transfer is authorized, any eligible criteria has been met and the amount can be reasonably estimated. Other revenues are recognized when the goods are sold or the services are provided, performance obligations fulfilled, and future economic benefits are measurable and expected to be obtained. 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.

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%
Website	20%

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) Financial instruments:

Financial instruments are recoded at fair value on initial recognition, and reported on the Statement of Financial Position.

Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Statement of Operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

All financial assets are assessed for impairment on an annual basis. Where a decline is determined to be other than temporary, the amount of the loss is reported in the Statement of Operations and any unrealized gain is adjusted through the Statement of Remeasurement Gains and Losses. On sale, the statement of remeasurement gains and losses associated with that instrument are reversed and recognized in the Statement of Operations.

(g) Statement of remeasurement gains and losses:

A statement of remeasurement gains and losses has not been provided as there are no significant unrealized gains or losses at December 31, 2024 or 2023.

1. Significant accounting policies (continued):

(h) 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, 2024, the Organization received $623,822 (2023 - $548,912) from the Corporation of the County of Prince Edward related to transfers from the municipal accommodation tax.

Included in accounts receivable is $7,494 (2023 - $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.

3. Accounts receivable:

	2024	2023
Harmonized sales tax	$ 27,481	$ 30,544
Due to the Corporation of the County of Prince Edward	7,494	799
Other	8,109	1,351
	43,084	32,694
Less: amounts for impairment	–	–
	$ 43,084	$ 32,694

4. Tangible capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	$ 5,236	$ 2,960	$ 2,276	$ 3,846
Website	88,644	35,458	53,186	70,916
	$ 93,880	$ 38,418	$ 55,462	$ 74,762

Cost and accumulated amortization as at December 31, 2023 was $93,880 and $19,118, respectively.

5. Accumulated surplus:

Accumulated surplus consists of the following:

	2024	2023
Unrestricted surplus	$ 55,884	$ 93,063
Equity in tangible capital assets	55,462	74,762
Reserves:		
Operating reserve	85,000	85,000
Marketing reserve	60,000	60,000
	$ 256,346	$ 312,825

6. Investment:

During the 2023 fiscal year, the Organization purchased a guaranteed investment certificate in the amount of $85,000. This investment yielded interest of 2.8% and matured in September 2024. It was not subsequently reinvested.

The investment balance of $Nil (2023 - $86,127) includes accrued interest of $Nil (2023 - $1,127).

7. Budget figures:

Budget figures reflected on the Statement of Operations and Accumulated Surplus are based on the 2024 operating budget as approved by the Board of Directors and includes a $19,660 transfer to reserve. Budget figures have been reclassified for the purposes of these financial statements to comply with PSAB reporting requirements.

8. Financial risks:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Organization as at December 31, 2024 is the carrying value of these assets. The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the Statement of Operations and Accumulated Surplus.

(b) Liquidity risk:

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

There have been no changes to the risk exposures from 2023.

9. Change in accounting policies - adoption of new accounting standards:

The Organization adopted the following standards concurrently beginning January 1, 2024:

(a) PS 3400 *Revenue*:

Establishes standards on how to account for and report on revenue, specifically differentiating between transactions that include performance obligations (i.e. the payor expects a good or service from the public sector entity), referred to as exchange transactions, and transactions that do not have performance obligations, referred to as non- exchange transactions. For exchange transactions, revenue is recognized when a performance obligation is satisfied. For non-exchange transactions, revenue is recognized when there is authority to retain an inflow of economic resources and a past event that gave rise to an asset has occurred.

(b) PSG-8 *Purchased Intangibles*:

Provides guidance on the accounting and reporting for purchased intangible assets that are acquired through arm's length exchange transactions between knowledgeable, willing parties that are under no compulsion to act.

(c) PS 3160 *Public Private Partnerships* (P3s):

Provides specific guidance on the accounting and reporting for P3s between public and private sector entities where the public sector entity procures infrastructure using a private sector partner.

There was no impact on the financial statements as a result of adopting the new accounting standards.

10. Comparative information:

Certain comparative information has been reclassified to conform to the financial statement presentation adopted in the current year.