

STRATFORD CITY CENTRE
COMMITTEE FINANCIAL STATEMENTS

For the year ended December 31, 2020

Millards

Chartered Professional Accountants

STRATFORD CITY CENTRE COMMITTEE

For the year ended December 31, 2020

INDEX

Page

INDEPENDENT AUDITORS' REPORT 1-2 FINANCIAL STATEMENTS

Statement of Financial Position 3 Statement of Operations 4 Statement of Cash Flows 5 Notes to Financial
Statements 6-7

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the financial statements of Stratford City Centre Committee (the 'Committee'), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Committee as at December 31, 2020, and the results of its operations 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 *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Committee 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 these 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 Committee'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 Committee or to cease operations, or has no realistic alternative but to do so.

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

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

Page 1

- 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 Committee'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 Committee'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 Committee 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.

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.

October 25, 2022 CHARTERED PROFESSIONAL ACCOUNTANTS Brantford, Ontario Licensed Public Accountants

December 31 2020 2019 Financial Assets

Cash \$ **157,129** \$ 185,766 Accounts receivable **62,676** 21,040 **219,805** 206,806

Liabilities

Accounts payable and accrued liabilities **22,351** 11,479 Deferred Revenue (note 3) **135,495**
2,465 **157,846** 13,944

Net Assets **61,959** 192,862 **\$ 219,805** \$ 206,806

See accompanying notes and schedules to financial statements.

STRATFORD CITY CENTRE COMMITTEE
Statement of Operations

Budget

For the year ended December 31 2020 2020 2019

Revenue:

Tax levy \$ **290,750 290,750** \$ \$ 290,750 Community collaboration **104,880 - -**
Sponsorships **10,231 7,000** 11,438 Destination marketing revenue **15,000 10,000**
10,000 Grant revenue **2,653 - -** Miscellaneous **945 - 555** Interest earned **2,580**
1,200 4,357 **427,040 308,950** 317,100

Expenses:

Promotions **377,749 148,250** 125,318 Administration **148,025 129,700** 91,451
Beautification **32,168 40,000** 27,271 **557,942 317,950** 244,040

Annual (deficit) surplus **(9,000) (130,903)** 73,060 Opening Net Assets **192,862 192,862**

119,802 Ending Net Assets **\$ 61,959 183,862** \$ \$ 192,862 See accompanying notes and

schedules to financial statements.

4

STRATFORD CITY CENTRE COMMITTEE
Statement of Cash Flows

For the year ended December 31 2020 2019

Operating activities

Annual (deficit) surplus \$ **(130,903)** \$ 73,060

Change in non-cash operation accounts

Accounts receivable **(41,636)** (3,596) Accounts payable and accrued liabilities **10,872**
(970) Deferred revenues **133,030** (1,442) **(28,637)** 67,052

Net decrease in cash **(28,637)** 67,052 Cash, beginning of year **185,766** 118,714 Cash, end of
year **\$ 157,129** \$ 185,766 See accompanying notes and schedules to financial statements.

STRATFORD CITY CENTRE COMMITTEE
Notes to Financial Statements

For the year ended December 31, 2020

1. Significant accounting policies:

The financial statements of the Stratford City Centre Committee (the "Committee") are prepared in accordance with Canadian public sector accounting standards as defined in the Canadian Institute of Chartered Accountants Public Sector Accounting Handbook.

(a) Basis of accounting:

Sources of revenue and expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenues as they become available 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.

(b) Use of estimates:

The preparation of the Committee's financial statements in accordance with Canadian

Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

6

STRATFORD CITY CENTRE COMMITTEE
Notes to Financial Statements

For the year ended December 31, 2020

2. Related party transactions

2020 2019

During the year, Stratford City Centre Committee recorded the following transactions with the Corporation of the City of Stratford:

Tax levies collected on behalf of Stratford City Centre **\$ 290,750** \$ 290,750 Current year tax adjustments **\$ 4,367** \$ 3,059

3. Deferred revenues

2020 2019

Deferred revenues **\$135,495** \$2,465

Revenues from the sale of gift cards to downtown Stratford retailers are not recognized until they are used. Amounts have been deferred as at December 31, 2020.

4. COVID 19

The coronavirus pandemic is still ongoing, and government legislation has imposed varying levels of restrictions on capacity for events and activities. As of the date of issuance of these financial statements, it is not known when activities will fully be allowed to resume. The full impact to the City Centre's financial position is not known.

During the year, the Economic Recovery Task Force agreed to grant \$100,000 to the new Lights On festival, a festival that transforms the downtown core with luminous art and interactive light installations, intended in part to aid local businesses by reinvigorating tourism. Other emergency expenses related to COVID-19 total \$180,969. These expenses are stated as part of Promotions in the Statement of Operations.