

LIGHTS ON STRATFORD

FINANCIAL STATEMENTS

MARCH 31, 2024

DRAFT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Lights On Stratford
Stratford, Ontario

Opinion

We have audited the financial statements of **Lights On Stratford**, which comprise the balance sheet as at **March 31, 2024** and the statements of operations, surplus 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 **Lights On Stratford** as at **March 31, 2024** and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of **Lights On Stratford** 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 those 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 accounting standards for not-for-profit organizations 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, 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.

INDEPENDENT AUDITORS' REPORT - continued

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:

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of the entity'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 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 entity to cease to continue as a going concern.
- (e) 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.

Professional Corporation
Chartered Professional Accountants
*Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario*

Stratford, Ontario
April 24, 2024

Lights On Stratford
Balance Sheet
As at March 31, 2024

ASSETS

	2024	2023
Current Assets		
Bank	\$ 191,748	\$ 62,725
Accounts receivable	-	93,845
Prepaid expenses	73,906	3,387
HST receivable	<u>7,799</u>	<u>12,044</u>
	\$ <u>273,453</u>	\$ <u>172,001</u>

LIABILITIES

Current Liabilities		
Accounts payable and accrued liabilities	5,706	5,155
Accounts payable - Stratford Tourism Alliance	170,273	109,476
Deferred revenue	<u>150,000</u>	<u>-</u>
	325,979	<u>114,631</u>

SURPLUS

Unrestricted Surplus	<u>(52,526)</u>	<u>57,370</u>
	\$ <u>273,453</u>	\$ <u>172,001</u>

Approved on Behalf of the Board:

Director

Director

(See Accompanying Notes to the Financial Statements)

Lights On Stratford
Statement of Surplus
For the year ended March 31, 2024

	2024	2023
Balance - beginning of year	\$ 57,370	\$ 78,263
Excess of revenues over expenditures (expenditures over revenue) for the year	<u>(109,896)</u>	<u>(20,893)</u>
Balance - end of year	\$ <u>(52,526)</u>	\$ <u>57,370</u>

(See Accompanying Notes to the Financial Statements)

Lights On Stratford
Statement of Operations
For the year ended March 31, 2024

	2024	2023
Revenue		
Partner funding	\$ 287,500	\$ 646,452
Sponsor funding	100,850	70,750
Grant funding	50,000	-
Other	<u>960</u>	<u>4,887</u>
	\$ 439,310	<u>722,089</u>
Expenditures		
Programming and production - displays	356,168	361,559
- storefront displays	-	112,703
- Stratford Festival displays	-	15,000
- hydro support	-	1,972
Marketing and media buys	63,460	41,435
Site and event logistics	78,830	63,028
- consultants	-	6,700
- exhibit maintenance	-	31,001
Other expenditures	35,748	109,584
Repayment of OCAF grant	<u>15,000</u>	<u>-</u>
	<u>549,206</u>	<u>742,982</u>
Excess of revenue over expenditures		
(expenditures over revenue) for the year	\$ <u>(109,896)</u>	\$ <u>(20,893)</u>

(See Accompanying Notes to the Financial Statements)

Lights On Stratford
Statement of Cash Flows
For the year ended March 31, 2024

	2024	2023
Cash Provided By (Used In):		
Operating Activities		
Excess of revenue over expenditures		
(expenditures over revenue) for the year	\$ (109,896)	\$ (20,893)
Items not requiring cash		
Net changes in non-cash current operating accounts		
Decrease (increase) in accounts receivable	93,845	(34,595)
Decrease (increase) in prepaid expenses	(70,519)	48,423
Decrease (increase) in HST receivable	4,245	2,023
Increase (decrease) in accounts payable and accrued liabilities	551	1,155
Increase (decrease) in accounts payable		
- Stratford Tourism Alliance	60,797	14,966
Increase (decrease) in deferred revenue	<u>150,000</u>	<u>-</u>
Increase (decrease) in cash and cash equivalents	\$ 129,023	11,079
Cash and cash equivalents - beginning of year	<u>62,725</u>	<u>51,646</u>
Cash and cash equivalents - end of year	<u><u>\$ 191,748</u></u>	<u><u>\$ 62,725</u></u>
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents comprise the following balance sheet amounts:		
Bank	<u><u>\$ 191,748</u></u>	<u><u>\$ 62,725</u></u>

(See Accompanying Notes to the Financial Statements)

Lights On Stratford
Notes to the Financial Statements
For the year ended March 31, 2024

1. Purpose of Organization

The objective of Lights On Stratford is to safely encourage tourists to Stratford, Ontario during the COVID-19 pandemic. The project was initiated by a committee formed by certain Partnership organizations in Stratford.

The organization is a not-for-profit organization and thus, exempt from income tax under Section 149(1)(1) of the Income Tax Act.

2. Summary of Significant Accounting Policies

These financial statements have been prepared from information available within the guidelines of Canadian accounting standards for not-for-profit organizations summarized below:

(a) Revenue Recognition

Operational funding and grant revenue is recognized in the year in which it is receivable from the funder and collection is reasonably assured.

(b) Use of Estimates

Preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that could affect amounts reported as assets, liabilities, revenues and expenditures. Due to measurement uncertainty, results could differ from those estimates.

(c) Financial Instruments

A financial asset is any asset that is cash; a contractual right to receive cash from another party; or an equity instrument of another entity. A financial liability is any liability that is a contractual obligation to deliver cash to another party.

Financial assets and liabilities are initially measured at fair value, except for certain non-arm's length transactions. Subsequently, financial assets and financial liabilities are measured at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenue over expenditures.

3. Stratford Tourism Alliance

The Stratford Tourism Alliance was appointed by the Partnership committee to be the oversight organization in monitoring and administering Lights On Stratford.

None of the operations for Stratford Tourism Alliance are included in the Statement of Operations for Lights On Stratford. Any surplus or deficit resulting from the Lights On Stratford project will remain with the Partnership committee for Lights On Stratford.

Stratford Tourism Alliance provided funding of \$ 125,000 (2023 - \$ nil) towards Lights On Stratford, which is included in sponsor funding revenues. Stratford Tourism Alliance charged a \$ 15,000 administration fee (2023 - \$ 15,000) for staff, administration, and other services, which is included in other expenditures.

Lights On Stratford
Notes to the Financial Statements
For the year ended March 31, 2024

4. Other Expenditures

During the year, the organization paid for the following expenditures that are not eligible for funding reimbursements. These expenditures have been reported as Other Expenditures on the Statement of Operations.

	2024	2023
Administration & overhead	\$ -	\$ 25,522
Administration contribution (STA)	-	15,000
Salaries and benefits	-	51,579
Miscellaneous supplies	-	8,480
Travel and meals	-	4,278
Video production	<u>-</u>	<u>4,725</u>
	<u>\$ -</u>	<u>\$ 109,584</u>