

**WOODSTOCK BOARD OF MANAGEMENT DOWNTOWN
AREA**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

**WOODSTOCK BOARD OF MANAGEMENT DOWNTOWN AREA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board Members, Members of Council, Inhabitants and Ratepayers of the Corporation of the City of Woodstock

Opinion

We have audited the accompanying financial statements of Woodstock Board of Management Downtown Area (the "Board"), which comprise the Statement of Financial Position as at December 31, 2023, and Statements of Operations and Accumulated Surplus, Cash Flows and Change in Net Financial Assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Woodstock Board of Management Downtown Area as at December 31, 2023 and its financial performance and its cash flows and change in net assets for the year then ended in accordance with Canadian public sector accounting standards.

Basis of 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 report. We are independent of the Board 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 Board'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 Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board'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 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 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 Board'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 Board'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 Board 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.

May 2, 2024
London, Canada

Scrimgeour & Company
LICENSED PUBLIC ACCOUNTANT

**WOODSTOCK BOARD OF MANAGEMENT DOWNTOWN AREA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023**

| | 2023 | 2022 |
|--|------------------|------------|
| FINANCIAL ASSETS | | |
| Cash | \$ 2,698 | \$ 3,020 |
| Due from City of Woodstock | 78,598 | 124,087 |
| NET FINANCIAL ASSETS | 81,296 | 127,107 |
| NON-FINANCIAL ASSETS | | |
| Tangible capital assets (note 2.d), (Schedule 1) | 2,000 | 988 |
| | 2,000 | 988 |
| ACCUMULATED SURPLUS (note 4) (page 4) | \$ 83,296 | \$ 128,095 |

The accompanying notes are an integral part of the financial statements

**WOODSTOCK BOARD OF MANAGEMENT DOWNTOWN AREA
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Budget 2023 | Actual 2023 | Actual 2022 |
|--|------------------------|------------------------|-------------------|
| REVENUES | | | |
| Levy (net of supplementary taxes and write offs) | \$ 154,420 | \$ 156,425 | \$ 162,648 |
| Grants - government employment programs | - | - | 2,900 |
| Advertising, sponsorship, sales and other revenue | 3,850 | 3,537 | 15,125 |
| Gain (loss) on sale of capital assets | - | - | (10) |
| | 158,270 | 159,962 | 180,663 |
| EXPENDITURES | | | |
| Advertising and promotion | 78,000 | 80,536 | 86,607 |
| Amortization | - | 719 | 991 |
| Contracted services | 50,000 | 50,000 | - |
| Downtown beautification | 20,000 | 14,039 | 7,238 |
| Insurance | 100 | 111 | 102 |
| Meetings and travel | 7,000 | 1,554 | 6,531 |
| Office rental | 6,000 | 6,116 | 12,339 |
| Postage and office supplies | 500 | 2,637 | 4,063 |
| Subscriptions and memberships | 1,000 | 1,856 | 850 |
| Telephone | 2,400 | 1,682 | 4,196 |
| Utilities | - | 134 | 2,188 |
| Wages and benefits | 60,675 | 45,377 | 81,104 |
| | 225,675 | 204,761 | 206,209 |
| EXCESS OF REVENUES OVER EXPENDITURES (EXPENDITURES OVER REVENUES) | (67,405) | (44,799) | (25,546) |
| ACCUMULATED SURPLUS, BEGINNING OF YEAR | 128,095 | 128,095 | 153,641 |
| ACCUMULATED SURPLUS, END OF YEAR | \$ 60,690 | \$ 83,296 | \$ 128,095 |

The accompanying notes are an integral part of the financial statements

**WOODSTOCK BOARD OF MANAGEMENT DOWNTOWN AREA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | 2023 | 2022 |
|--|-----------------|-----------------|
| NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES: | | |
| OPERATING ACTIVITIES | | |
| Excess revenues over expenditures (expenditures over revenues) (page 4) | \$ (44,799) | \$ (25,546) |
| Non-cash charges to operations | | |
| Amortization | 719 | 991 |
| Net change in due from the City of Woodstock | 45,489 | 25,002 |
| | 1,409 | 447 |
| INVESTING ACTIVITIES | | |
| Disposal (acquisition) of tangible capital assets | (1,731) | 10 |
| | (1,731) | 10 |
| Increase in cash during the year | (322) | 457 |
| Cash, beginning of year | 3,020 | 2,563 |
| CASH, END OF YEAR | \$ 2,698 | \$ 3,020 |

The accompanying notes are an integral part of the financial statements

**WOODSTOCK BOARD OF MANAGEMENT DOWNTOWN AREA
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | Budget 2023 | Actual 2023 | Actual 2022 |
|---|------------------------|------------------------|----------------|
| Excess of revenues over expenditures (expenditures over revenues) (page 4) | \$ (67,405) | \$ (44,799) | \$ (25,546) |
| Amortization of tangible capital assets | - | 719 | 991 |
| Disposal (acquisition) of tangible capital assets | - | (1,731) | 10 |
| Increase (decrease) in net financial assets | (67,405) | (45,811) | (24,545) |
| NET FINANCIAL ASSETS, BEGINNING OF YEAR | 127,107 | 127,107 | 151,652 |
| NET FINANCIAL ASSETS, END OF YEAR | \$ 59,702 | \$ 81,296 | \$ 127,107 |

The accompanying notes are an integral part of the financial statements

**WOODSTOCK BOARD OF MANAGEMENT DOWNTOWN AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

1. Description of the Board

The Woodstock Board of Management Downtown Area (the "Board") is a government organization of the City of Woodstock. Its operations are governed by the provision of provincial statutes.

2. Significant accounting policies

The financial statements of the Woodstock Board of Management Downtown Area have been prepared by management in accordance with Canadian public sector accounting standards (PS). The significant accounting policies are summarized as follows:

a. Reporting entity

The financial statements reflect the assets, liabilities, revenue and expenditures, and accumulated surplus of the Board.

b. Revenue recognition

Revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Government grants and transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

c. 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. The change in non-financial assets during the year, together with the excess of revenue over expenditures, provides the change in net financial assets for the year.

**WOODSTOCK BOARD OF MANAGEMENT DOWNTOWN AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

2. Significant accounting policies continued

d. Tangible capital assets

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

| | |
|---------------------|--------------|
| Buildings | 25 years |
| Computer - hardware | 4 to 6 years |
| Equipment - sign | 10 years |

Amortization is charged on a monthly basis in the year of acquisition and in the year of disposal.

The Board has a capitalization threshold of \$1,000 (Computer hardware - \$500). Individual assets of lesser value are expensed unless they are pooled because collectively they have significant value.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt. The fair value is also recorded as revenue.

Tangible capital assets are detailed on the accompanying Schedule 1.

The tangible capital assets were evaluated for any asset retirement obligation as required by PS 3280 for years ending December 31, 2023 and after. The Board has determined that no accrual is required for retirement obligations.

e. Leases

Leases are classified as capital or operating leases. Leases which transfer substantially all of 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 expense as incurred.

f. Financial instruments

Financial instruments of the Board consist mainly of cash and due from the City of Woodstock. The carrying values of these financial assets approximate their fair values unless otherwise disclosed.

g. 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 at the date of the financial statements and the reported amounts of revenue and expenditures during the period. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. Actual results could differ from management's best estimates, as additional information becomes available in the future.

**WOODSTOCK BOARD OF MANAGEMENT DOWNTOWN AREA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

2. Significant accounting policies continued

h. Budget

The operating budget approved by the Board, for 2023, is reflected on the Statement of Operations and Accumulated Surplus. The budgets established for capital investment in tangible capital assets are on a project-oriented basis, the costs of which may be carried out over one or more years and, therefore, may not be comparable with current year's actual expenditure amounts. As well, the Board does not budget activity within reserves, with the exception being those transactions which affect either operations or capital investments.

3. Lease commitment

The Board entered into a ten year lease that expired in 2017 for minimum annual lease payments of \$12,000. The Board terminated this lease February 2023.

4. Accumulated Surplus

Accumulated surplus consists of the following surplus balances and reserves:

| | 2023 | 2022 |
|---|------------------|-------------------|
| Surplus invested in tangible capital assets | \$ 2,000 | \$ 988 |
| Surplus from general operations | - | 24,730 |
| Reserve for automation | 5,293 | 5,293 |
| Reserve for bad debts | 47,666 | 47,666 |
| Reserve for beautification | 28,337 | 49,418 |
| | \$ 83,296 | \$ 128,095 |

**WOODSTOCK BOARD OF MANAGEMENT DOWNTOWN AREA
SCHEDULE 1 - SCHEDULE OF TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | | | | 2023 | 2022 |
|--|-----------|-----------|-----------|-----------|-----------|
| | Buildings | Computers | Equipment | Total | Total |
| COST | | | | | |
| Balance, beginning of year | \$ 6,499 | \$ 2,390 | \$ 5,200 | \$ 14,089 | \$ 14,589 |
| Add: | | | | | |
| Additions during the year | - | 1,731 | - | 1,731 | - |
| Less: | | | | | |
| Disposals during the year | - | - | - | - | (500) |
| Balance, end of year | 6,499 | 4,121 | 5,200 | 15,820 | 14,089 |
| ACCUMULATED AMORTIZATION | | | | | |
| Balance, beginning of year | 6,219 | 1,682 | 5,200 | 13,101 | 12,600 |
| Add: | | | | | |
| Amortization during the year | 280 | 439 | - | 719 | 991 |
| Less: | | | | | |
| Disposals during the year | - | - | - | - | (490) |
| Balance, end of year | 6,499 | 2,121 | 5,200 | 13,820 | 13,101 |
| NET BOOK VALUE OF TANGIBLE CAPITAL ASSETS | \$ - | \$ 2,000 | \$ - | \$ 2,000 | \$ 988 |