

Cariboo Chilcotin Coast Tourism Association

&

Cariboo Chilcotin Coast Tourism Marketing Association

**ANNUAL SERVICE REPORTS
FY 2020-2021**

Nick Trehearne

STATEMENT OF ACCOUNTABILITY

On behalf of our Board of Directors and our team of employees, I am pleased to present the Cariboo Chilcotin Coast Tourism Association (CCCTA) and the Cariboo Chilcotin Coast Tourism Marketing Association (CCCTMA) FY2020-2021 Annual Service Reports, for the twelve months ended March 31, 2021.

The Board is responsible for the content of this report and the methods of reporting. The Board is also responsible for the internal controls that ensure that information contained within this report is consistent with the mandate and goals of the organization, is measured and reported accurately and completely in a timely manner and aligns with Destination BC's and internal priorities.

The content of this report was prepared under the Board's direction to reflect the CCCTA's and CCCTMA's performance for the twelve months ended March 31, 2021, against the goals and targets identified for this fiscal year.

All significant decisions and changes to CCCTA's and CCCTMA's strategies, measures, targets or data reliability and clearly identified risks have been considered in preparation of the report. Estimates and interpreted information represents the best judgement of management.

Respectfully,

Andre Kuerbis

Chair, Board of Directors



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PART 1: CCCTA



Nick Trehearne

MESSAGE FROM THE CHAIR

Dear Tourism Colleagues,

I am pleased to present you the 2020-21 Annual Service Report for the Cariboo Chilcotin Coast Tourism Association – this report covers the period of April 1st, 2020, to March 31st, 2021.

When we entered into this last fiscal year, we were confronted with a lot of uncertainty but none of us predicted the impacts of Covid 19 and how this would change so many things.

Our organization reacted quickly and shifted into support mode. The team assisted our stakeholders and advised our government on what is needed on the ground. Once again, the 5 tourism regions showed alignment, collaboration, and leadership to support our industry.

Together, we met with our new Minister for Tourism, Arts, Culture, & Sport, the Honourable Melanie Mark to share the challenges and opportunities ahead and to continue building strong relationships.

I want again to take the opportunity to thank our staff and contractors under Amy Thacker's leadership for the great work they have done. I also thank our board of directors for their commitment and vision to guide the association.

I am proud of our tourism family, the way we support each other, and the resilience we show.



Chair, Board of Directors
Andre Kuerbis



MESSAGE FROM THE CEO

Welcome to the 2021 Cariboo Chilcotin Coast Tourism Association's annual service report and general meeting.

FY 2020-21 was a challenging year in many ways for tourism operators. As the industry faced changing travel restrictions, closed international borders and evolving workplace requirements, our rural communities faced confusion and mixed messages creating a 'dual shock' of decreased demand and decreased supply. While our marketing team was successful in driving traffic to operators and we saw strong visitation to the region, businesses face increasing challenges with a lack of available labour, reduced access to the region and growing confusion on what types of travel was acceptable or which communities were ready and willing to welcome visitors. Despite this difficult year, here are some of the accomplishments your board of directors and team were able to achieve:

- Began implementing Destination Development priorities across the region
- Delivered the Catalyst Funding program, in partnership with the Ministry of Tourism, Arts, Culture & Sport, supporting investments in tourism infrastructure
- Committed to Regional Sustainable Practices and began the process of Biosphere certification
- Continued work with Indigenous Tourism BC & Indigenous Tourism Association of Canada under MOU to support Indigenous communities and entrepreneurs
- Hosted the Alone TV series on location in the Chilcotin
- Conducted consultations for the Forest Service Road tourism value research project
- Partnered with other regions under the BC Regional Tourism Leadership Society (BCRTS)
- Held first virtual Tourism Summit in partnership with TOTA
- Launched BC Tourism Resiliency Network to assist operators with pandemic assistance
- Launched first Covid surveys to share with Government real-time business impacts
- Completed project planning for the Targeted Regional Tourism Development Initiatives fund to support new tourism infrastructure investment across the region

I thank our tireless volunteer Board of Directors not only for the hours they freely give, but also for their passion, dedication to the region and knowledge to guide your organization. Without them we would not be able to accomplish the work we do on your behalf – please thank them for their service.

Thank you to the staff of the Association for the effort they bring daily working for you and all our industry across the region. And thank you to each of you, for all that you do in your business, community, and the tourism industry – we are proud to serve you.

I remain honoured to work in such a resilient region and for the amazing business owners, staff and volunteers that embody the Cariboo Chilcotin Coast.



Amy Thacker
CEO



BACKGROUND

Since 1962, the Cariboo Chilcotin Coast Tourism Association has been striving to provide the best support to our tourism stakeholders. This report presents an overview of our activities during our FY 2020-21, which ended on March 31, 2021.

As a Destination BC partner and regional representative, we play a significant role in the promotion and development of our unique regional tourism industry. We strive to work closely with all our regional stakeholders and to provide outstanding support with Destination BC.

Besides our Destination BC connection, we are also involved in other initiatives around the BC Film industry, Rural Dividend Grants, Northern Development Initiative Trust and several regional discussion platforms. As knowledgeable and well-connected ambassadors for rural BC in general, and the Cariboo Chilcotin Coast region in particular, we passionately represent our regional tourism stakeholders with government organizations in Vancouver, Victoria and Ottawa.

With a relatively small budget, but lots of heart and imaginative abilities, the Cariboo Chilcotin Coast Tourism Association plays an important and integral part in the generation of direct tourism revenues for our region. Indirectly, the economic benefits from our efforts for the communities in our rural region stretch well beyond the visitor economy.



ORGANIZATION OVERVIEW CCCTA

CCCTA operates as one of the regional partners under contract with the Province of British Columbia, to provide both specific and broadly defined tourism deliverables within the adopted Team BC vision. Additionally, we are involved with the film industry through Creative BC, and other smaller scale projects.

OUR MISSION

To promote and develop tourism in the Cariboo Chilcotin Coast tourism region of BC and create and maintain the best possible image of the region on local, national, and international levels.



Aaron Froese

OUR VALUES

Integrity: The services we offer and the way we conduct business are fair, honest, and trustworthy.

Social Responsibility: Everything we do is done with consideration of its impact on and for our stakeholders and communities in our region.

Environmental Responsibility: We consider the impact on the environment with everything we do, in order to help ensure a healthy environment for current and future generations.

Cultural Responsibility: Cultural customs, values and sensitivities are integrated in our decision making.

Respect: We value and respect our stakeholders, communities, and each other.

CORE BUSINESS AREAS

Destination Development: The Destination Development team focuses on creating and implementing strategic plans for tourism development and improving return-on-investment for government and private sector investments in tourism assets.

Media Relations: The Travel Media team works directly with journalists, writers, broadcasters, and media companies that bring exposure and lends credibility to the area.

Travel Trade Relations: The Travel Trade team coordinates many national and international programs that allow opportunities to showcase our region with tour operators, travel agents and key international partners.

Film: The Film team works in conjunction with Creative BC, the BC Regional Film Commissioners, and other production companies to promote growth of the film industry in our region.

Industry Development Program: The Industry Development team, provides programs and resources to support tourism businesses and community learning in marketing, content, safety, and operations.

Emergency Management: The Emergency Management team works with tourism operators to develop and enhance emergency and business preparedness planning. The team also works to coordinate response and recovery efforts between local authorities, response agencies, and tourism operators.

Indigenous Relations: The Indigenous Relations team networks with First Nations Communities within the Cariboo Chilcotin Coast region to discover opportunities suitable for tourism and identifies programs that can assist developing tourism enterprises into marketable products.

Education & Representation: Through our Advocacy Committee and all our team members, we are committed to represent our region the best we can on a broad spectrum of tourism related topics.

HIGHLIGHTS 2020-2021

Tourism Resiliency Network

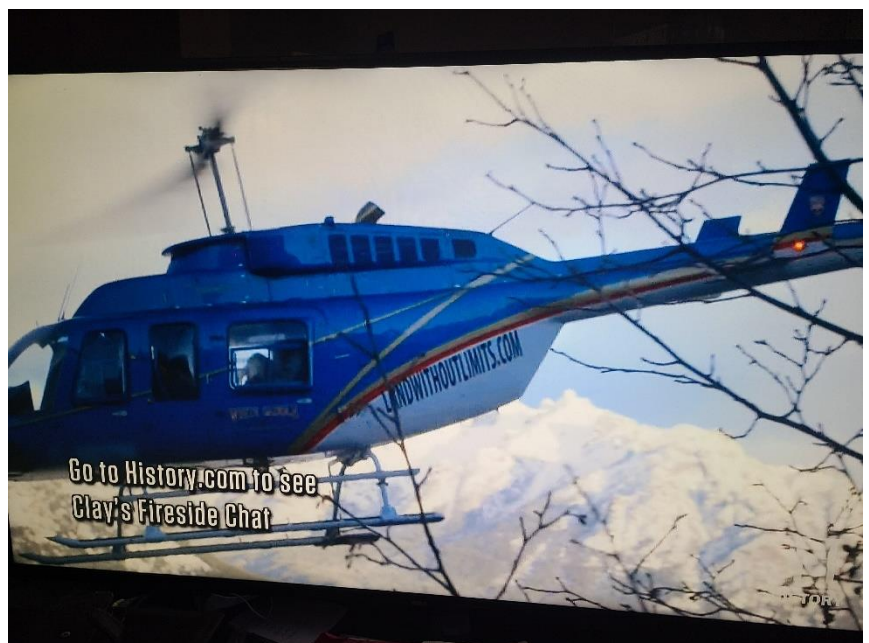
The Tourism Resiliency program has continued to support our tourism owners and operators throughout the COVID-19 pandemic. This has included assistance in determining eligibility for programs, writing and appealing applications, access to free training, providing expert advice, and (sometimes most importantly) just having a human on the other end of the phone wanting to help. Additionally, we provided businesses in the Tourism Resiliency Program with free professional services in commercial photography, creative design, travel media relations, digital marketing, and accounting. Throughout all the services we provide or help connect businesses to, we're constantly using your feedback to help inform our local, provincial, and federal counterparts to make these programs more accessible.

Biosphere Certification

On April 22, 2021, to commemorate World Earth Day and our commitment to responsible tourism development, Cariboo Chilcotin Coast Tourism signed a Biosphere Letter of Commitment and formally began the process of achieving the internationally recognized Responsible Tourism Institute's Biosphere Certification. The BC Regional Tourism Secretariat, tourism stakeholders and partners from across B.C., and even abroad, gathered virtually to mark the signing as your CCC Team works to position the Cariboo Chilcotin Coast region as a Sustainable Tourism Destination.

History Channel's Alone TV Series

The Cariboo Chilcotin Coast Film Office put in dedicated hours to land and host the History Channel's "Alone" Season 8 filming location, working with many of you to support accommodations, meals, logistics, air support, emergency response and more. In addition to hosting the show – the Film Office then partnered with the Cariboo Chilcotin Coast Tourism Marketing team to create a unique campaign that was a first for the show's producers and their millions of dedicated viewers, highlighting the location, beauty of our region and you, our unique operators.



Accessibility & Inclusion

We are honoured to welcome Alison Duddy to the team as the first Cariboo Chilcotin Coast Tourism Accessibility Program Manager. The program focusses on promoting and improving Access and Inclusion in all aspects of community and tourism experiences, products, and services in our beautiful Cariboo Chilcotin Coast region. One project highlight was consulting with the Williams Lake Curling Club on their plans to make the club more accessible and inclusive for all. In continuation of our partnership and MOU with Spinal Cord Injury BC, the Spinal Cord Injury BC audit tool was used to conduct an accessibility assessment for a 3 phase plan to make improvements to the club. We look forward to raising awareness about the importance of access and inclusion through Universal Design Workshops, accessibility consultations with communities and businesses, and collaborating to incorporate access and inclusion in all aspects of our work.

Catalyst Program

Cariboo Chilcotin Coast Tourism Association successfully concluded the tourism infrastructure investments of the Provincial Catalyst program in partnership with the Ministry of Tourism, Arts, Culture & Sport. This program provided financial support to the Xeni Gwetin First Nation to provide tourism training and strategic planning for market-ready Indigenous experiences, expanded and refreshed the historic Clinton Walking Tour, installed a new bike wash station and picnic table at the Williams Lake Tourism Discovery Centre, replaced and added to fencing and beautification along Highway 20 near Nimpo Lake, completed feasibility studies for the City of Quesnel's RV park and the District of Lillooet's St'at'imc Cultural Centre and provided new beautification and interpretative walking tours at the 100 Mile House Interpretive Marsh Walk and South Cariboo Visitor Centre.

BC Regional Tourism Leadership Society (BCRTS)

Cariboo Chilcotin Coast Tourism is honoured to once again partner with the other four regions in our province (Northern BC Tourism, Kootenay Rockies Tourism, Thompson Okanagan Tourism Association and Tourism Vancouver Island), this time in new ways. Work in the last 18 months has included sharing pandemic information, launching the Tourism Resiliency Network (led by TAVI), hosting a joint international tourism conference with TOTA in the fall of 2020, creating business communications tools, advocating on your behalf, providing operator education, and representing this region on the Minister's Tourism Recovery Task Force, the Minister's Tourism Sector Recovery Roundtable, Clean BC and more!

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis reviews the financial condition and results of operations of the Cariboo Chilcotin Coast Tourism Association for the fiscal year ended March 31, 2021 and should be read in conjunction with the associations' audited financial statements.

Revenue

This fiscal we had a one-year contract with the Province of British Columbia Ministry of Tourism, Arts, Culture & Sport. With the different option for funding, we were able to secure funds through the Canadian Emergency Wage Subsidy program, the Tourism Resiliency Program with the other four regions in the province, and a one-time grant from the Destination Development Catalyst fund. Securing sufficient funding for the Great Bear Rainforest project continues to be challenging. And of course, we are grateful to our faithful, long-term funders who continue to support our forward-thinking collaborative approach.

Expenditures

The salaries and benefits expense has doubled this year due to an overflow of the Tourism Resiliency Program however our administration cost was kept to 15% of our total expenses. With COVID 19 spending was reduced on Destination Marketing. One campaign we funded was the Full of Heart Campaign which was managed by the Cariboo Chilcotin Coast Tourism Marketing Association.

Economic Outlook

A three-year contract with Destination BC in the amount of \$819,000 per fiscal year, a decrease of just under 34%. We also received funding from the Ministry of Tourism, Arts, Culture & Sport for the Targeted Regional Tourism Development Initiative Fund in the amount of \$2.3M. Efforts to expand revenue sources through strategic partnerships and product development remain strong and are anticipated to provide additional project-based revenue in the future.

Financial Overview

| | 2019/2020 | 2020/2021 | 2020/2021 | 2020-2021 | 2021/2022 |
|-------------------------------------------------------|------------------|------------------|------------------|----------------------------|------------------|
| | Actual | Budget | Actual | Variance Vs. Prior Year | Budget |
| Revenue | | | | | |
| Carry Forward | | 163,845 | | | - |
| Destination British Columbia (DBC) | 875,894 | - | 236,950 | -73% | 1,092,000 |
| Ministry of Tourism Operating Funds | | 1,092,000 | 1,117,000 | 100% | |
| Annual General Meeting | 14,835 | - | 38,022 | 156% | - |
| Canada Summer Jobs Grant | 13,961 | - | - | -100% | - |
| Canadian Emergency Wage Subsidy | - | - | 223,909 | 100% | - |
| Cariboo Chilcotin Coast Tourism Marketing Association | 24,721 | - | 30,785 | 25% | 32,000 |
| Creative BC | 14,950 | 15,000 | 16,474 | 10% | 16,807 |
| Gold Rush Trail | 137,788 | - | 386 | -100% | - |
| Great Bear Rainforest | 65,000 | 30,000 | 61,979 | -5% | 54,311 |
| ITBC | 24,050 | 50,000 | 63,450 | 164% | - |
| Rural Dividend Projects/Special Projects | 150,772 | 300,000 | 121,425 | -19% | 102,803 |
| Targeted Regional Destination Development Initiative | - | - | - | 0% | 2,300,000 |
| Tourism Resiliency Program | - | - | 146,715 | 100% | 120,360 |
| Other | 30,575 | - | 11,348 | -63% | 10,000 |
| Total Revenues | 1,352,546 | 1,650,845 | 2,068,443 | 53% | 3,728,281 |
| Expenditures | | | | | |
| Operations | 899,701 | 1,367,950 | 971,392 | 8% | 1,131,560 |
| Annual General Meeting | 26,152 | 25,000 | 10,565 | -60% | 25,000 |
| Canada Summer Jobs | 14,563 | - | - | -100% | - |
| Creative BC | 14,950 | 18,281 | 16,474 | 10% | 16,807 |
| Gold Rush Trail | 137,788 | 386 | 210 | -100% | - |
| Great Bear Rainforest | 65,009 | 30,000 | 61,979 | -5% | 54,311 |
| ITBC | 48,100 | - | 69,171 | 44% | 45,000 |
| Rural Dividend Projects / Special Projects | 164,179 | 209,228 | 244,066 | 49% | 90,603 |
| Targeted Regional Destination Development Initiative | - | - | - | 0% | 2,365,000 |
| Tourism Resiliency Program | - | - | 228,263 | 100% | - |
| Total Expenditures | 1,370,442 | 1,650,845 | 1,602,120 | 17% | 3,728,281 |

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Cariboo Chilcotin Coast Tourism Association have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

These statements present fairly the financial position of the Cariboo Chilcotin Coast Tourism Association as of March 31, 2021 and are the results of its financial performance and cash flows for the year then ended.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial records are properly maintained to facilitate the preparation of reliable financial information in a timely manner.

Toni Lepore Inc. Chartered Professional Accountant has performed an independent audit of the Cariboo Chilcotin Coast Tourism Association and expressed an unqualified opinion on the financial statements.

An unqualified opinion is an independent auditor's judgement that a company's financial records and statements are fairly and appropriately presented, and in accordance with Generally Accepted Accounting Principles (GAAP). An unqualified opinion is the most common type of auditor's report.

INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of Cariboo Chilcotin Coast Tourism Association

Report on the Financial Statements

I have audited the financial statements of Cariboo Chilcotin Coast Tourism Association (the "Association"), which comprise the statement of financial position as at March 31, 2021, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2021, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Association in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

(continues)

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Association'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 Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association 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.

I 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 I identify during my audit.

As required by the Societies Act of British Columbia, I report that, in my opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.



Cranbrook, British Columbia
June 4, 2021

CHARTERED PROFESSIONAL ACCOUNTANT

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION
Statement of Financial Position
March 31, 2021

| | 2021 | 2020 |
|--------------------------------------------|---------------------|---------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 1,330,407 | \$ 988,012 |
| Term deposits (Notes 2, 4) | 2,486,566 | 185,450 |
| Accounts receivable | 175,132 | 20,592 |
| Goods and services tax recoverable | 20,375 | 14,347 |
| Due from related party (Note 6) | - | 18,992 |
| Prepaid expenses | 1,316 | 1,177 |
| | 4,013,796 | 1,228,570 |
| CAPITAL ASSETS (Note 5) | 27,854 | 39,791 |
| | \$ 4,041,650 | \$ 1,268,361 |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 402,080 | \$ 193,964 |
| Wages payable | 52,208 | 22,324 |
| Due to related party (Note 6) | 59,413 | - |
| Deferred income (Note 7) | 2,407,869 | 387,845 |
| Current portion of long term debt (Note 8) | 10,170 | 9,652 |
| | 2,931,740 | 613,785 |
| LONG TERM DEBT (Note 8) | 12,669 | 23,658 |
| LONG TERM DEFERRED INCOME (Note 7) | 10,000 | 10,000 |
| | 2,954,409 | 647,443 |
| NET ASSETS | 1,087,241 | 620,918 |
| | \$ 4,041,650 | \$ 1,268,361 |

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION
Statement of Revenues and Expenditures
Year Ended March 31, 2021

| | 2021 | 2020 |
|--------------------------------------------------------------------|-------------------|--------------------|
| REVENUE | | |
| Core Funding: | | |
| MTACS | \$ 1,117,000 | \$ - |
| Destination BC | - | 875,894 |
| Total Core Funding | <u>1,117,000</u> | <u>875,894</u> |
| | <u>1,117,000</u> | <u>875,894</u> |
| Other Revenue | | |
| Annual General Meeting | 38,022 | 14,835 |
| Government of Canada | - | 13,961 |
| Interest Income | 11,348 | 12,598 |
| Other Revenue | - | 17,977 |
| Canada Emergency Wage Subsidy | 223,909 | - |
| Indigenous Tourism | 63,450 | 24,050 |
| Destination Development Misc Revenue | 36,950 | - |
| Catalyst Funding | 200,000 | - |
| Creative BC (Schedule 4) | 16,474 | 14,950 |
| Cariboo Chilcotin Coast Tourism Marketing Association (Schedule 4) | 30,785 | 24,721 |
| Gold Rush Trail Project (Schedule 4) | 386 | 137,788 |
| Great Bear Rainforest Project (Schedule 4) | 61,979 | 65,000 |
| Rural Dividend (Schedule 4) | 59,228 | 50,772 |
| Tourism Emergency Management (Schedule 4) | 62,197 | 100,000 |
| Tourism Resiliency Program (Schedule 4) | 146,715 | - |
| | <u>951,443</u> | <u>476,652</u> |
| Total Revenue | 2,068,443 | 1,352,546 |
| EXPENDITURES | | |
| See Schedules 1 to 4 | <u>1,602,120</u> | <u>1,370,442</u> |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES | \$ 466,323 | \$ (17,896) |

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION
Statement of Changes in Net Assets
Year Ended March 31, 2021

| | General Fund | 2021 | 2020 |
|---------------------------------------|---------------------|---------------------|------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 620,918 | \$ 620,918 | \$ 638,814 |
| Excess of revenue over expenditures | 466,323 | 466,323 | (17,896) |
| Net capital asset expenditures | - | - | - |
| NET ASSETS - END OF YEAR | \$ 1,087,241 | \$ 1,087,241 | \$ 620,918 |

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION
Statement of Cash Flow
Year Ended March 31, 2021

| | 2021 | 2020 |
|--------------------------------------------------|---------------------|---------------------|
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenue over expenditures | \$ 466,323 | \$ (17,896) |
| Item not affecting cash: | | |
| Amortization of net tangible assets | 11,937 | 17,053 |
| | <u>478,260</u> | <u>(843)</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | (154,540) | 114,022 |
| Goods and services tax payable | (6,028) | (5,754) |
| Prepaid expenses | (139) | 2,702 |
| Vacation payable | 29,884 | (5,512) |
| Accounts payable and accrued liabilities | 208,116 | 122,636 |
| Deferred income | 2,020,024 | 109,720 |
| | <u>2,097,317</u> | <u>337,814</u> |
| Cash flow from operating activities | <u>2,575,577</u> | <u>336,971</u> |
| FINANCING ACTIVITIES | | |
| Advances from (to) related parties | 78,405 | (18,992) |
| Repayment of long term debt | (10,471) | (9,156) |
| Cash flow from (used by) financing activities | <u>67,934</u> | <u>(28,148)</u> |
| INCREASE IN CASH FLOW | 2,643,511 | 308,823 |
| Cash - beginning of year | <u>1,173,462</u> | <u>864,639</u> |
| CASH - END OF YEAR | \$ 3,816,973 | \$ 1,173,462 |
| CASH CONSISTS OF: | | |
| Cash | \$ 1,330,407 | \$ 988,012 |
| Term deposits | <u>2,486,566</u> | <u>185,450</u> |
| | <u>\$ 3,816,973</u> | <u>\$ 1,173,462</u> |

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2021

1. INCORPORATION AND NATURE OF THE ASSOCIATION

Cariboo Chilcotin Coast Tourism Association (the "Association") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. As a not-for-profit, the Association is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Association administers and implements programs aimed at assisting people, organizations, communities and companies involved in the tourism industry, and manages responsible and sustainable growth of the visitor economy.

The operations of the Association are governed by the Board of Directors that is substantially elected from its stakeholders. The Chartered Professional Accountants of Canada defines, for the purposes of not-for-profit organizations, that related parties include individuals or entities that can exercise significant influence or control over the operations of the Association. Accordingly, the Association may, from time to time, have transactions in the ordinary course of business with the individuals who are members of the Board or Management.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFP) and, in management's opinion, with consideration of materiality and within the framework of the following accounting policies:

Deferral Method

Cariboo Chilcotin Coast Tourism Association follows the deferral method of accounting for contributions.

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

The Capital Fund reports the assets, liabilities, revenues, and expenses related to Cariboo Chilcotin Coast Tourism Association's capital assets.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates. Significant areas of estimation include estimated useful lives of capital assets, accrued liabilities and disclosure of contingencies.

Cash and short term investments

Cash equivalents are comprised of term deposit with maturities of one year or less from date of acquisition.

(continues)

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

When the Association issues financial instruments that include both a debt and equity component, the entire proceeds are allocated to the debt component, and the equity component is assigned a measurement amount of \$nil.

When financial instruments that include both a debt and an equity component are issued, the proceeds are allocated firstly to the component for which the fair value is more readily determinable, and the residual is allocated to the other component.

Capitalized costs

Asset expenditures over \$2,000 are capitalized.

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

| | | |
|--------------------------------|-----|--------------------------|
| Office furniture and equipment | 20% | declining balance method |
| Motor vehicles | 30% | declining balance method |

Revenue Recognition

Revenue is recognized upon project completion. The operating transfer and administration fees are recorded in the period earned.

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed materials and services

The operations of the Association depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2021

3. GOING CONCERN ASSUMPTION

These financial statements were prepared using accounting standards that apply to an operating Association. This assumes that the Association will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

In March 2020, the World Health Organization declared a global pandemic due to COVID-19.

The Association is confident on its ability to maintain its profitability.

4. TERM DEPOSITS

| | <u>2021</u> | <u>2020</u> |
|------------------------------------|---------------------|-------------------|
| TD GIC maturity Oct 15, 2021 0.25% | \$ 41,446 | \$ - |
| TD GIC maturity May 8, 2021 1.00% | 94,004 | 94,004 |
| TD GIC maturity May 3, 2021 | 2,300,000 | - |
| TD GIC maturity Apr 21, 2021 0.48% | 51,116 | - |
| TD GIC maturity Oct 15, 2020 1.75% | - | 41,446 |
| TD GIC maturity Jul 8, 2020 2.00% | - | 50,000 |
| | <u>\$ 2,486,566</u> | <u>\$ 185,450</u> |

5. NET TANGIBLE ASSETS

| | Cost | Accumulated amortization | 2021 Net book value | 2020 Net book value |
|------------------------|------------------|-----------------------------|---------------------------|---------------------------|
| Motor vehicles | \$ 66,876 | \$ 39,022 | \$ 27,854 | \$ 39,791 |
| Furniture and fixtures | 9,823 | 9,823 | - | - |
| | <u>\$ 76,699</u> | <u>\$ 48,845</u> | <u>\$ 27,854</u> | <u>\$ 39,791</u> |

6. DUE TO RELATED PARTY

| | <u>2021</u> | <u>2020</u> |
|---------------------------------------------------------|-------------|-------------|
| Current portion due from related party Due to CCCTMA | \$ - | \$ 18,992 |

Transactions to a related company are non-interest bearing and have no set repayment terms.

| | <u>2021</u> | <u>2020</u> |
|-------------------------------------------------------|-------------|-------------|
| Current portion due to related party Due to CCCTMA | \$ 59,413 | \$ - |

Advances to and from a related Association are non-interest bearing and have no set repayment terms. Both organization have the same board members.

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2021

7. DEFERRED REVENUE

Deferred revenue comprises fee for service funding and project funding for projects, which will be carried out after the Association's year end. This includes:

| | 2021 | 2020 |
|------------------------------|--------------|------------|
| Short-Term | | |
| MTACS Targeted Funding | \$ 2,300,000 | \$ - |
| Emergency Management Program | 37,803 | - |
| Symphony Tourism Service | 41,800 | - |
| Great Bear Rainforest | 26,459 | - |
| Creative BC | 1,807 | 3,281 |
| DBC | - | 275,000 |
| Rural Dividend Program | - | 59,228 |
| Indigenous Tourism BC | - | 25,950 |
| Gold Rush Trail | - | 24,386 |
| | 2,407,869 | 387,845 |
| Subtotal Short-Term | 2,407,869 | 387,845 |
| Signage | 10,000 | 10,000 |
| | 2,417,869 | 387,845 |
| Total Short and Long-Term | \$ 2,417,869 | \$ 387,845 |

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2021

8. LONG TERM DEBT

| | <u>2021</u> | <u>2020</u> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| TD Canada Trust loan bearing interest at 5.24% compounded monthly, repayable in monthly blended payments of \$931. The loan matures on May 25, 2023 and is secured by a 2018 Chevrolet Suburban, carrying value \$27,854. | \$ 22,839 | \$ 33,310 |
| Amounts payable within one year | <u>(10,170)</u> | <u>(9,652)</u> |
| | <u>\$ 12,669</u> | <u>\$ 23,658</u> |

Principal repayment terms are approximately:

| | |
|------|------------------|
| 2022 | \$ 10,170 |
| 2023 | 10,716 |
| 2024 | <u>1,953</u> |
| | <u>\$ 22,839</u> |

9. LEASE OBLIGATIONS

The Association has entered into operating leases for a copier and postage machine. The total obligation under these leases is as follows:

| | |
|------|-----------------|
| 2022 | <u>\$ 3,720</u> |
|------|-----------------|

10. FINANCIAL INSTRUMENTS

The Association uses risk management to monitor and manage its risk arising from financial instruments. These risks include credit risk, interest rate risk, liquidity risk and market risk.

The Association does not use any derivative financial instruments to mitigate these risks.

Credit risk

Credit risks arise from three sources: cash and cash equivalents, accounts receivable, and investments in debt securities. Cash and cash equivalents are deposited with reputable, major financial institutions to limit the credit risk exposure. The credit risk from counter parties not paying accounts receivable is not considered to be significant. The investments include commercial papers and investments issued by high-credit quality corporations and financial institutions, and we consider the risk of non-performance of these instruments to be remote.

Liquidity risk

Liquidity risk exposure is dependent on the receipt of funds from provincial government grants, membership fees and other sources to enable the Association to pay its liabilities as they become due.

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2021

11. REMUNERATION

The Association does not compensate its directors. The Association has one employee with a total compensation in excess of \$75,000 per annum for a total of \$99,055 (2019 - \$94,073).

The Association has one contractor with a total compensation in excess of \$75,000 per annum for a total of 95,600.

12. ALLOCATION OF EXPENSES BY FUNCTION

Payroll costs are allocated by function and project.

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

**Operations
(Schedule 1)**

Year Ended March 31, 2021

| | 2021 | 2020 |
|------------------------------------|-------------------|-------------------|
| EXPENDITURES | | |
| AGM Expenses | \$ 10,565 | \$ 26,152 |
| Accounting Fees | 47,667 | 43,053 |
| Amortization | 11,937 | 17,053 |
| Audit and Legal Fees | 11,840 | 8,383 |
| Automotive | 2,762 | (1,259) |
| Bank charges and interest | 1,334 | 2,252 |
| Conferences | 263 | 7,240 |
| Directors Expenses | 2,539 | 19,796 |
| Equipment Costs | 5,313 | 7,722 |
| Information Technology | 18,955 | 13,710 |
| Insurance | 890 | 5,194 |
| Janitorial | 4,377 | 5,275 |
| Memberships Dues and Subscriptions | 2,629 | 2,252 |
| Office and Other | 47,074 | 27,281 |
| Rent | 30,405 | 29,663 |
| Salaries and Benefits | 30,975 | 14,563 |
| Telephone and Fax | 4,652 | 4,086 |
| Training & Education | (165) | 10,939 |
| | \$ 234,012 | \$ 243,355 |

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION
Destination Development
(Schedule 2)
Year Ended March 31, 2021

| | 2021 | 2020 |
|----------------------------------------------|-------------------|-------------------|
| EXPENDITURES | | |
| Destination Development program and salaries | \$ 265,577 | \$ 420,119 |
| Remarkable Experiences program and salaries | 99,125 | 17,280 |
| Indigenous Tourism program and salaries | 69,171 | 48,100 |
| Catalyst Funding | 200,000 | 725 |
| | <u>\$ 633,873</u> | <u>\$ 486,224</u> |

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Destination Marketing

(Schedule 3)

Year Ended March 31, 2021

| | 2021 | 2020 |
|------------------------------------|-------------------|-------------------|
| EXPENDITURES | | |
| Consumer Shows | \$ 70 | \$ 9,109 |
| Content and Social | 34,098 | 23,776 |
| Familiarization Tours | 13,218 | 13,104 |
| Travel Media programs and salaries | 70,412 | 99,694 |
| Travel Trade programs and salaries | 65,446 | 113,254 |
| | <u>\$ 183,244</u> | <u>\$ 258,937</u> |

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Special Projects

(Schedule 4)

Year Ended March 31, 2021

| | 2021 | 2020 |
|-------------------------------|-------------------|-------------------|
| EXPENDITURES | | |
| Creative BC | \$ 16,474 | \$ 14,950 |
| Gold Rush Trail Project | 210 | 137,788 |
| Great Bear Rainforest Project | 61,979 | 65,009 |
| Rural Dividend Projects | 81,869 | 50,772 |
| Full of Heart Campaign | 100,000 | - |
| Tourism Emergency Management | 62,197 | 113,407 |
| Tourism Resiliency Program | 228,263 | - |
| | \$ 550,992 | \$ 381,926 |

PART 2: CCCTMA



Kent Bernadet

MESSAGE FROM THE CHAIR

Dear Tourism Colleagues,

I am pleased to present you the 2020-21 annual service report for the Cariboo Chilcotin Coast Tourism Marketing Association - this report covers the period of April 1st, 2020, to March 31st, 2021.

While a number of marketing activities were on hold due to the challenges of Covid 19, the marketing committee under Sydney Redpath's guidance worked hard to have plans in place for the ever-changing circumstances. We are fortunate to work with such a great team.

I want again to take the opportunity to thank our staff under Amy Thacker's leadership for the great work they have done. I also thank our Marketing Committee members and our dedicated contractors for their commitment, guidance, and flexibility.



Andre Kuerbis
Chair, Board of Directors



MESSAGE FROM THE CEO

Welcome to the 2021 Cariboo Chilcotin Coast Tourism Marketing Association's annual general meeting and third Annual Service Report.

FY 2020-21 proved a challenging year for many of our operators and partners, faced with the restrictions of the pandemic, closed international borders and travel restrictions. These challenges created a 'dual shock' of decreased demand and decreased supply as we faced increasing challenges with labour, reduced access to the region with the loss of the direct ferry service and regular air service throughout the region and growing confusion on what types of travel was acceptable and which communities were ready and willing to welcome visitors. Despite this difficult year, your Marketing Committee volunteers, CCCTMA staff and marketing team have worked diligently to keep driving revenue throughout the region and your numbers show that it worked.*

Below are a few highlights from the past year:

- Launched Wide Open Spaces marketing campaign to encourage the feeling of safe, outdoor experiences and activities
- Ran the 'Give the Gift of the Cariboo Chilcotin Coast' campaign over the shoulder season to encourage consumers to support tourism businesses for their future travels when restrictions lifted
- Adjusted marketing campaigns daily to react to changing conditions and ensure traffic to our operators
- DBC Open Pool funding decreased so the team sourced new funding pools to continue marketing
- Expanded Consumer website – landwithoutlimits.com – with new content and open/closed indicators
- Began supporting operators via the Tourism Resiliency Program, with key communications and messaging
- Sent 35,621 referrals to Cariboo Chilcotin Coast businesses – an 11% growth over 2019-20

This passionate team continues to innovate and lead marketing that drives sustainable growth to your businesses and the communities of the Cariboo Chilcotin Coast. Thank you to the team and each of you for your shared insights and contributions!

*NOTE: The prolonged impacts of the pandemic, coupled with wildfire in 21-22 has led to greater economic impacts that will be reflected in next fiscal's report.



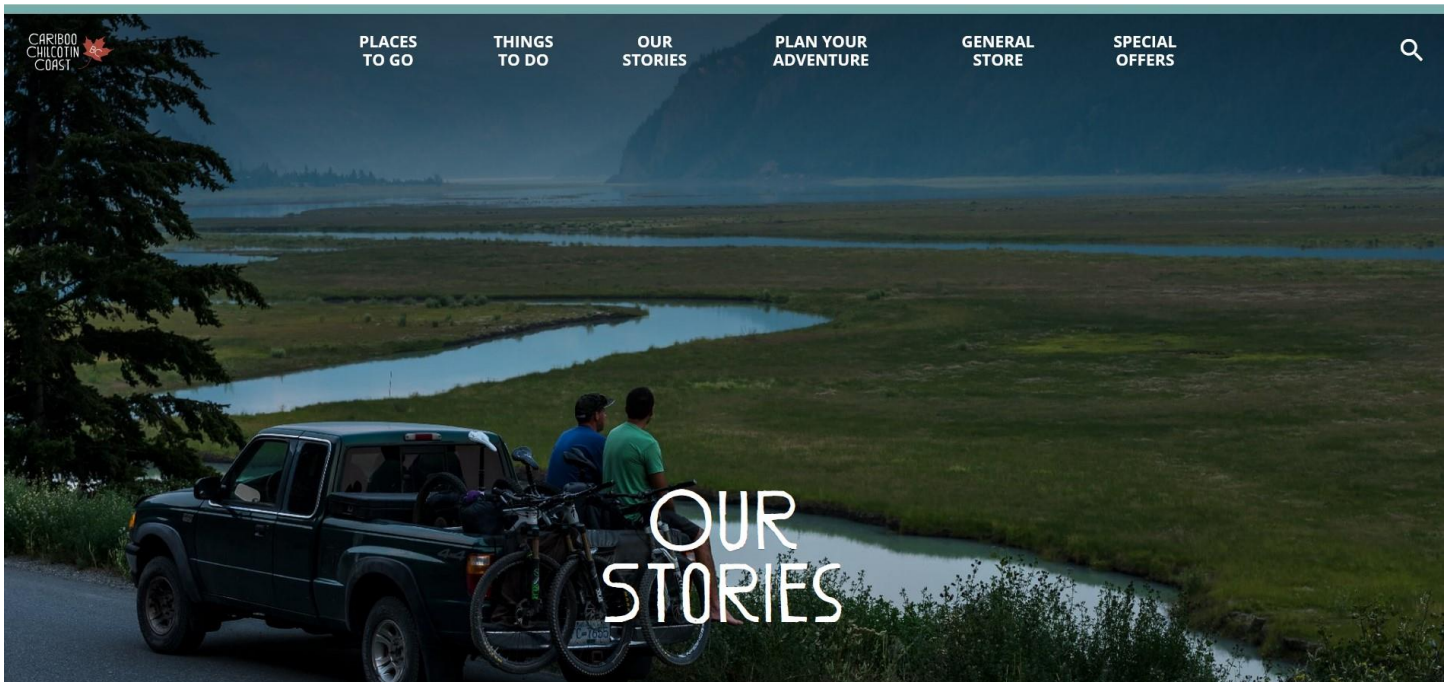
Amy Thacker
CEO



BACKGROUND

The Cariboo Chilcotin Coast Tourism Marketing Association has completed its second year of operations. This report presents an overview of our activities during our FY 2020-21, which ended on March 31, 2021.

The Municipal and Regional District Tax (MRDT) is a 3% consumer tax on all eligible short-term accommodation sales within the region, excluding the City of Quesnel and the District of Wells. Tax revenue is reinvested to market the Cariboo Chilcotin Coast region on regional, provincial, and international levels. Marketing tactics include our annual travel guide and map pad; traditional and digital campaigns; and programs to build marketing knowledge and capacity of individual businesses.



ORGANIZATION OVERVIEW

CCCTMA provides marketing and training to stakeholders in our region.

OUR VISION

The Cariboo Chilcotin Coast Tourism Marketing Association will inspire the Cariboo Chilcotin Coast tourism industry to achieve the vision of a four-season iconic destination, known for breathtaking scenery and memorable experiences.

OUR PURPOSES

- ◆ To promote tourism in the Cariboo, Chilcotin and Central Coast tourism region of BC taking into consideration the impact of economic, social and environmental concerns;
- ◆ To maintain and improve standards of quality in the areas of tourism promotion and service to our stakeholders;
- ◆ To raise money by the way of grants, fundraising, donations, fees and/or loans for the purpose of furthering the objects of the Association; and
- ◆ To monitor the development and execution of Municipal Regional District Tax and Destination Marketing Fee plans and programs

CORE BUSINESS AREA

Marketing: The Marketing department seeks to inspire and transform travelers exploring the Cariboo Chilcotin Coast region while maintaining the priorities of responsible tourism and collaboration.



Geoff Moore

HIGHLIGHTS 2020-2021

Throughout FY 2020-21, we have continued to promote our wide-open spaces through targeted marketing campaigns to drive booking conversions, destination awareness and increased social sentiment within our communities. Highlights of the past year include over 35,621 referrals driven to our tourism businesses; starting to plan a high-profile collaboration with the History Channel around Season 8 of 'Alone' filmed on Chilko Lake; a responsible travel campaign teaching travellers how to respectfully visit our region; and the continued release of our Full of Heart campaign to highlight the importance of tourism within our communities. We continue to run a healthy mix of traditional and digital marketing tactics, including paid social and digital media, sponsored content, print placements, television, and radio.



MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis reviews the financial condition and results of operations of the Cariboo Chilcotin Coast Tourism Marketing Association for the fiscal year ended March 31, 2020 and should be read in conjunction with the associations' audited financial statements.

Revenue

During the FY2020-21 the Cariboo Chilcotin Coast Tourism Marketing Association maintained running although COVID 19 was making its presence known. A total of \$560,810 in Municipal and District Regional Tax was received over the year. The Association also received funding from Destination BC Co-operative Marketing Program, The Ministry of Tourism, Arts, Culture & Sport, Northern Development Initiative Trust and New Pathways to Gold.

Expenditures

A total of 80.5% of expenditures were spent in direct marketing initiatives and 19.5 % of expenditures were spent on operations. Operations included a full-time manager. This was the first year the Gold Rush Trail was within the Cariboo Chilcotin Coast Tourism Marketing Association. There were no new travel guides and map pads produced, due to the anticipated impact of stakeholder advertising capacities.

Economic Outlook

We anticipate a gradual recovery in MRDT revenues until 2025 where revenue projections will fully recover to pre-COVID levels. At the time of budgeting for the FY2021-22, international and domestic travel restrictions were not yet known, leading to a decreased projection of 25% as compared to pre-COVID revenues. The regional Marketing Committee will continue to commit a maximum matching contribution of \$250,000 to the Destination BC Co-Op program to demonstrate ability on executing on a full program match. Efforts will continue to leverage within partner projects and obtain grant resources to provide further marketing reach.

Financial Overview

| | 2019-2020 | 2020-2021 | 2020-2021 | 2020-2021 | 2021-2022 |
|-------------------------------------|------------------|----------------|------------------|----------------------------|------------------|
| | Actual | Budget | Actual | Variance Vs. Prior Year | Budget |
| Revenue | | | | | |
| Municipal and Regional District Tax | 767,099 | 56,000 | 560,810 | -27% | 590,500 |
| Destination BC Co-op | 175,000 | 239,000 | 417,835 | 139% | 472,000 |
| Province of BC | - | - | 100,900 | 100% | - |
| Project Revenue | 105,251 | - | 953 | -99% | 80,000 |
| Other Revenue | 14,070 | 434,600 | 59,128 | 320% | 149,000 |
| Total Revenue | 1,061,420 | 729,600 | 1,139,626 | 7% | 1,291,500 |
| Expenditures | | | | | |
| Co-op Marketing | 532,533 | 239,000 | 503,971 | -5% | 239,000 |
| Non Co-op Marketing | 273,953 | 363,100 | 31,299 | -89% | 363,100 |
| Operations | 143,811 | 127,500 | 129,709 | -10% | 127,500 |
| Total Expenditures | 950,297 | 729,600 | 664,979 | -30% | 729,600 |

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of the Cariboo Chilcotin Coast Tourism Marketing Association have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

These statements present fairly the financial position of the Cariboo Chilcotin Coast Tourism Marketing Association as of March 31, 2021 and are the results of its financial performance and cash flows for the year then ended.

Management is responsible for the integrity of the financial statements and has established systems of internal control to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and financial records are properly maintained to facilitate the preparation of reliable financial information in a timely manner.

Toni Lepore Inc. Chartered Professional Accountant has performed an independent audit of the Cariboo Chilcotin Coast Tourism Marketing Association and expressed an unqualified opinion on the financial statements.

An unqualified opinion is an independent auditor's judgement that a company's financial records and statements are fairly and appropriately presented, and in accordance with Generally Accepted Accounting Principles (GAAP). An unqualified opinion is the most common type of auditor's report.

INDEPENDENT AUDITOR'S REPORT

To the Stakeholders of Cariboo Chilcotin Coast Tourism Marketing Association

Report on the Financial Statements

I have audited the financial statements of Cariboo Chilcotin Coast Tourism Marketing Association (the "Association"), which comprise the statement of financial position as at March 31, 2021, and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2021, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Association in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

(continues)

Independent Auditor's Report to the Members of Cariboo Chilcotin Coast Tourism Marketing Association
(continued)

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Association'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 Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association 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.

I 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 I identify during my audit.

As required by the Societies Act of British Columbia, I report that, in my opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.



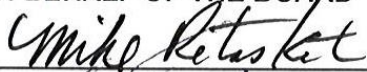
Cranbrook, British Columbia
June 4, 2021

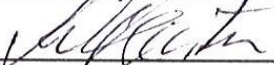
CHARTERED PROFESSIONAL ACCOUNTANT

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION
Statement of Financial Position
March 31, 2021

| | 2021 | 2020 |
|------------------------------------|---------------------|-------------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 1,203,122 | \$ 572,546 |
| Term deposits (Notes 2, 5) | 51,116 | 50,000 |
| Accounts receivable | 250,686 | 30,613 |
| Goods and services tax recoverable | 2,225 | 10,070 |
| Prepaid expenses | - | 6,301 |
| Due from related party (Note 8) | 59,413 | - |
| | <u>\$ 1,566,562</u> | <u>\$ 669,530</u> |
| LIABILITIES AND NET ASSETS | | |
| CURRENT | | |
| Accounts payable (Note 6) | \$ 98,040 | \$ 143,261 |
| Deferred income (Note 7) | 486,598 | - |
| Due to related party (Note 8) | - | 18,992 |
| | <u>584,638</u> | <u>162,253</u> |
| NET ASSETS | <u>981,924</u> | <u>507,277</u> |
| | <u>\$ 1,566,562</u> | <u>\$ 669,530</u> |

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

See notes to financial statements

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Statement of Revenues and Expenditures

For the Year Ended March 31, 2021

| | 2021 | 2020 |
|----------------------------------------------------------|-------------------|-------------------|
| REVENUES | | |
| Municipal and Regional District Tax | \$ 560,810 | \$ 767,099 |
| Destination BC Co-Op | 417,835 | 175,000 |
| Other revenues | 953 | 105,251 |
| Canada Summer Jobs Grant | - | 7,756 |
| Interest income | 4,490 | 6,314 |
| MTACS Community Destination Marketing Organization Grant | 100,900 | - |
| Expense reimbursements | 49,638 | - |
| Partner Co-Op | 5,000 | - |
| | <u>1,139,626</u> | <u>1,061,420</u> |
| EXPENDITURES | | |
| Committee costs | 4,440 | 20,295 |
| Interest and bank charges | 1,171 | 2,066 |
| Marketing costs (Schedules 1, 2) | 535,270 | 806,486 |
| Memberships | - | 933 |
| Office | 1,495 | 1,086 |
| Professional fees | 2,379 | 11,045 |
| Rent | 30,000 | 24,000 |
| Salaries and wages | 59,451 | 57,679 |
| Stakeholder communication | 28,363 | 21,732 |
| Training | 2,325 | 1,146 |
| Travel | 85 | 3,829 |
| | <u>664,979</u> | <u>950,297</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | \$ 474,647 | \$ 111,123 |

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION
Statement of Changes in Net Assets
Year Ended March 31, 2021

| | General Fund | 2021 | 2020 |
|---------------------------------------|-----------------|-------------------|------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 507,277 | \$ 507,277 | \$ 396,154 |
| Excess of revenues over expenditures | 474,647 | 474,647 | 111,123 |
| NET ASSETS - END OF YEAR | \$ 981,924 | \$ 981,924 | \$ 507,277 |

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION
Statement of Cash Flow
Year Ended March 31, 2021

| | 2021 | 2020 |
|--------------------------------------|----------------------------|--------------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenues over expenditures | \$ 474,647 | \$ 111,123 |
| Changes in non-cash working capital: | | |
| Accounts receivable | (220,073) | 236,887 |
| Accounts payable | (45,221) | 44,775 |
| Deferred income | 486,598 | - |
| Prepaid expenses | 6,301 | (5,476) |
| Goods and services tax payable | 7,845 | 5,564 |
| | <u>235,450</u> | <u>281,750</u> |
| Cash flow from operating activities | <u>710,097</u> | <u>392,873</u> |
| FINANCING ACTIVITY | | |
| Advances from (to) related parties | <u>(78,405)</u> | 18,992 |
| INCREASE IN CASH FLOW | 631,692 | 411,865 |
| Cash - beginning of year | <u>622,546</u> | <u>210,681</u> |
| CASH - END OF YEAR | <u>\$ 1,254,238</u> | <u>\$ 622,546</u> |
| CASH CONSISTS OF: | | |
| Cash | \$ 1,203,122 | \$ 572,546 |
| Term deposits | <u>51,116</u> | <u>50,000</u> |
| | <u>\$ 1,254,238</u> | <u>\$ 622,546</u> |

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2021

1. PURPOSE OF THE ASSOCIATION

Cariboo Chilcotin Coast Tourism Marketing Association (the "Association") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia August 28, 2017. As a not-for-profit, the Association is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Association operates to promote tourism in the Cariboo, Chilcotin and Central Coast tourism region of BC, taking into consideration the impact of economic, social and environmental requirements.

The operations of the Association are governed by a Board of Directors that is substantially elected from its stakeholders, and a Marketing Committee that is substantially elected by the Municipal & Regional District Tax collectors. The Chartered Professional Accounts of Canada defines, for the purpose of not-for-profit Associations, that the related parties include individuals or entities that can exercise significant influence or control over the operations of the Association. Accordingly, the Association may, from time to time, have transactions in the ordinary course of business with the individuals who are members of the Board or Management.

2. SIGNIFICANT ACCOUNTING POLICIES

Cash and short term investments

Cash and cash equivalents consist primarily of deposits with an original maturity date of purchase of three months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

3. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

4. FINANCIAL INSTRUMENTS

The Association as part of its operations, carries financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

5. SHORT TERM INVESTMENTS

| | <u>2021</u> | <u>2020</u> |
|--------------------------------------|------------------|------------------|
| TD GIC maturing April 21, 2021 0.48% | <u>\$ 51,116</u> | <u>\$ 50,000</u> |

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2021

6. ACCOUNTS PAYABLE

| | 2021 | 2020 |
|--------------------------------------------------|-----------|------------|
| <u>Accounts payable and accruals consist of:</u> | | |
| Accounts payable, trade | \$ 93,045 | \$ 132,650 |
| Accrued liabilities | 5,000 | 10,610 |
| | \$ 98,045 | \$ 143,260 |

7. DEFERRED REVENUE

| | 2021 | 2020 |
|--------------------------|------------|------|
| <u>Short-Term</u> | | |
| | \$ - | \$ - |
| Destination BC | 386,598 | - |
| Full of Heart Campaign | 100,000 | - |
| | \$ 486,598 | \$ - |

8. DUE TO RELATED PARTIES

| | 2021 | 2020 |
|----------------------------------------|-----------|-----------|
| Current portion due from related party | | |
| Due from CCCTA | \$ 59,413 | \$ - |
| Current portion due to related party | | |
| Due to CCCTA | \$ - | \$ 18,992 |

Advances from a related Association are non-interest bearing and have no set repayment terms. Both Associations have the same board members.

9. REMUNERATION

The Association does not compensate its directors. The Association has no employees with a total compensation in excess of \$75,000 per annum.

The Association has one contractor with a total compensation in excess of \$75,000 per annum for a total of 138,459.

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2021

10. GOING CONCERN ASSUMPTION

These financial statements were prepared using accounting standards that apply to an operating Association. This assumes that the Association will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

In March 2020, the World Health Organization declared a global pandemic due to COVID-19.

These financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. This is because management believes that the measures it has taken or intends to take will mitigate the effect of the conditions and events that cast doubt on the appropriateness of this assumption.

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

**Marketing Costs
(Schedule 1)**

Year Ended March 31, 2021

| | 2021 | 2020 |
|---------------------------------|-------------------|-------------------|
| EXPENDITURES | | |
| Consumer Shows & Events | \$ 1,905 | \$ 12,650 |
| Content | 44,147 | 101,201 |
| Digital Asset Management System | 1,188 | 4,590 |
| Distribution | 11,652 | 22,666 |
| Email Marketing | 4,281 | - |
| Marketing Coordination | 36,845 | 55,138 |
| Marketing Partnerships | 5,600 | 117,000 |
| Marketing Research | - | 400 |
| Native / Content Sponsorship | 6,412 | 15,033 |
| Online Display Advertising | 39,970 | 50,210 |
| Paid Social Advertising | 66,392 | 108,145 |
| Print Advertising | 17,162 | 113,264 |
| Promotional Items | 21,292 | - |
| Remarketing | - | 3,002 |
| Search Advertising | 34,490 | 54,871 |
| Social Media | 36,973 | 59,769 |
| Sport Tourism Development | 20,693 | - |
| Television | 18,884 | 27,186 |
| Website | 64,846 | 61,361 |
| | \$ 432,732 | \$ 806,486 |

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

**Gold Rush Trail
(Schedule 2)**

Year Ended March 31, 2021

| | 2021 | 2020 |
|-------------------------------|----------------|-------------|
| REVENUES | | |
| DBC Co-op | \$ 61,019 | \$ - |
| Partner Co op | 5,000 | - |
| DBC/DC Co-op | 43,050 | - |
| | <u>109,069</u> | <u>-</u> |
| EXPENDITURES | | |
| Commitee Costs | 481 | - |
| Distribution | 3,138 | - |
| Meetings & Travel | 50 | - |
| Marketing Coordination | 12,202 | - |
| Office Share | 6,000 | - |
| Online Display Advertising | 9,599 | - |
| Pd Social Advertising | 29,241 | - |
| Print Advertising | 2,878 | - |
| Search Advertising | 11,468 | - |
| Social Media | 18,922 | - |
| Website | 4,982 | - |
| Written Content | 10,108 | - |
| | <u>109,069</u> | <u>-</u> |
| INCOME FROM OPERATIONS | <u>\$ -</u> | <u>\$ -</u> |



C A R I B O O
C H I L C O T I N
C O A S T

T o u r i s m A s s o c i a t i o n