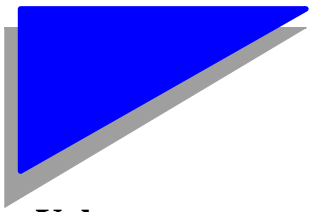


Vohora LLP
CPAs & Business Advisors

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Financial Statements

Year Ended March 31, 2023



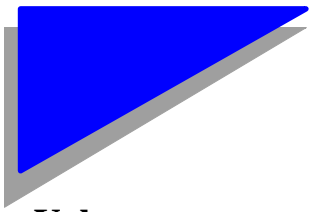
Vohora LLP
CPAs & Business Advisors

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Index to Financial Statements

Year Ended March 31, 2023

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statement of Revenues and Expenditures	4
Statement of Changes in Net Assets	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 13
Operations (<i>Schedule 1</i>)	14
Destination Development (<i>Schedule 2</i>)	15
Destination Marketing (<i>Schedule 3</i>)	15
Special Projects (<i>Schedule 4</i>)	15



Vohora LLP
CPAs & Business Advisors

1010 – 777 Hornby Street
Vancouver, BC V6Z 1S4

Phone: (604) 251-1535
Fax: (604) 541-9845
Toll Free Phone: (800) 281-5214
Email: firm@vohora.ca
www.vohora.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of Cariboo Chilcotin Coast Tourism Association

Opinion

We have audited the financial statements of Cariboo Chilcotin Coast Tourism Association (the Association), which comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with 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.

Other Matter

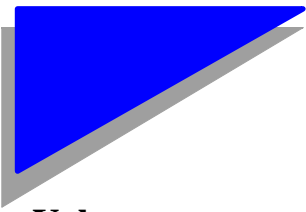
The financial statements for the year ended March 31, 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on July 27, 2022.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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.



Vohora LLP

CPAs & Business Advisors

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

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:

- 1 Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 1 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.
- 1 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 1 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 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 Association to cease to continue as a going concern.
- 1 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.

(*continues*)

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

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our 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.

Vancouver, BC
June 22, 2023

Vohora LLP
Chartered Professional Accountants

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Statement of Revenues and Expenditures

Year Ended March 31, 2023

	2023	2022
REVENUE		
Core funding		
Destination BC	\$ 1,142,550	\$ 1,041,450
	<u>1,142,550</u>	<u>1,041,450</u>
Other revenue		
Tourism revenue	842,024	772,572
Other revenue	110,330	38,944
Great Bear Projects	27,075	32,352
Interest income	87,262	17,957
Creative BC	13,509	15,515
Government assistance	4,375	152,683
	<u>1,084,575</u>	<u>1,030,023</u>
	<u>2,227,125</u>	<u>2,071,473</u>
EXPENSES		
Operations (<i>Schedule 1</i>)	375,899	320,778
Destination Development (<i>Schedule 2</i>)	487,464	457,870
Destination Marketing (<i>Schedule 3</i>)	382,503	223,938
Special Projects (<i>Schedule 4</i>)	869,589	892,609
	<u>2,115,455</u>	<u>1,895,195</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 111,670</u>	<u>\$ 176,278</u>

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Statement of Changes in Net Assets

Year Ended March 31, 2023

	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 1,263,517	\$ 1,087,239
EXCESS OF REVENUE OVER EXPENSES	111,670	176,278
NET ASSETS - END OF YEAR	\$ 1,375,187	\$ 1,263,517

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Statement of Financial Position

March 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 2,565,401	\$ 1,648,884
Term deposits (Note 4)	41,446	1,687,170
Accounts receivable	106,142	73,871
Goods and services tax recoverable	31,053	29,364
Prepaid expenses	2,011	2,218
	2,746,053	3,441,507
EQUIPMENT (Note 5)	53,703	76,718
	\$ 2,799,756	\$ 3,518,225
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 160,707	\$ 291,126
Wages payable	29,501	28,272
Deferred income (Note 6)	1,231,567	1,899,142
Due to related parties (Note 7)	-	22,674
Current portion of long term debt (Note 8)	2,794	10,700
	1,424,569	2,251,914
LONG TERM DEBT (Note 8)	-	2,794
	1,424,569	2,254,708
NET ASSETS	1,375,187	1,263,517
	\$ 2,799,756	\$ 3,518,225

DESCRIPTION AND CONTINUANCE OF OPERATION (Note 1)

ECONOMIC DEPENDENCE (Note 9)

LEASE COMMITMENTS (Note 11)

ON BEHALF OF THE BOARD



Director

SIGN HERE

Mike Retasket

Mike Retasket (Jul 25, 2023 21:23 PDT)

Director

See notes to financial statements

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Statement of Cash Flows

Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 111,670	\$ 176,278
Item not affecting cash:		
Amortization of equipment	23,015	18,454
	134,685	194,732
Changes in non-cash working capital:		
Accounts receivable	(32,271)	101,261
Accounts payable and accrued liabilities	(130,419)	(110,956)
Deferred income	(667,575)	(518,727)
Prepaid expenses	207	(902)
Goods and services tax payable	(1,689)	(8,989)
Wages payable	1,229	(23,936)
	(830,518)	(562,249)
Cash flow used by operating activities	(695,833)	(367,517)
INVESTING ACTIVITY		
Purchase of equipment	-	(67,318)
FINANCING ACTIVITIES		
Advances to related parties	(22,674)	(36,739)
Repayment of long term debt	(10,700)	(9,345)
Cash flow used by financing activities	(33,374)	(46,084)
DECREASE IN CASH FLOW	(729,207)	(480,919)
Cash - beginning of year	3,336,054	3,816,973
CASH - END OF YEAR	\$ 2,606,847	\$ 3,336,054
CASH CONSISTS OF:		
Cash	\$ 2,565,401	\$ 1,648,884
Term deposits	41,446	1,687,170
	\$ 2,606,847	\$ 3,336,054

See notes to financial statements

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2023

1. DESCRIPTION AND CONTINUANCE OF OPERATION

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.

These financial statements were prepared using accounting standards that apply to an operating entity. 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). All figures are presented in Canadian dollars.

Revenue recognition

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

- 1 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.
- 1 Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Grants, including funding from Destination BC, TRTD and Creative BC, are recognized as revenue in the period in which the related expenditures for the specific projects are incurred.
- 1 Interest income and other revenue are recognized when earned.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are considered to be any term deposits with a maturity of three months or less that the Association holds. When the aggregate of the Association's various bank accounts is in an overdraft position or the value of outstanding cheques exceeds the bank balance, the net balance is presented as a current liability.

(continues)

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

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

The Association regularly reviews its equipment to eliminate obsolete items.

Equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment of long lived assets

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Government assistance

Government assistance for current expenses is recorded as a reduction of the related expenditures.

Contributed services

The operations of the organization 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.

(continues)

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Financial instruments

Measurement of 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 costs.

Financial assets measured at fair value include cash and term deposits.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, wages payable and long term debt.

Impairment

Financial assets measured at amortized cost are measured for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of revenues and expenditures. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenues and expenditures.

Transaction costs

The Association recognizes its transaction costs in the statement of revenues and expenditures in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Certain amounts in the financial statements are subject to measurement uncertainty and are based on the Association's best information and judgment, including:

1. the estimated useful lives of equipment;
 2. the amount of accrued liabilities;
-

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2023

3. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of March 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk consist primarily of cash and cash equivalents and accounts receivable. The Association's cash and cash equivalents are maintained with a large federally regulated financial institution in Canada. In order to reduce its credit risk, the Association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities as they come due. The Association's exposure to this risk is mainly dependent on the receipt of funds from the provincial government and other related sources, whether in the form of revenue or advances.

Unless otherwise noted, it is management's opinion that the Association is not exposed to other significant risks arising from these financial instruments.

4. TERM DEPOSITS

	2023	2022
TD GIC bearing interests at 4.90% per annum and matures on May 15, 2023	\$ 41,446	\$ -
TD GIC bearing interests at 0.69% per annum and matured on June 2, 2022	-	1,500,000
TD GIC bearing interests at 1.07% per annum and matured on May 31, 2022	-	94,369
TD GIC bearing interests at 1.07% per annum and matured on May 24, 2022	-	51,356
TD GIC bearing interests at 0.20% per annum and matured on October 15, 2022	-	41,445
	\$ 41,446	\$ 1,687,170

5. EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Motor vehicles	\$ 134,194	\$ 80,491	\$ 53,703	\$ 76,718
Furniture and fixtures	9,823	9,823	-	-
	\$ 144,017	\$ 90,314	\$ 53,703	\$ 76,718

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2023

6. DEFERRED INCOME

	2023	2022
TRTD targeting funding	\$ 1,036,885	\$ 1,810,934
Destination BC	-	86,917
Gold Rush Trail	71,250	-
Great Bear Trail	120,650	-
Creative BC	2,783	1,291
	\$ 1,231,568	\$ 1,899,142

7. RELATED PARTIES

The following is a summary of the Association's related party transactions:

	2023	2022
<u>Related party transactions</u>		
Cariboo Chilcotin Coast Tourism Marketing Association		
<i>Entity under common directorship</i>		
Municipal Regional District Tax allocation	\$ 144,754	\$ 197,645
Expense reimbursements	(4,129)	(8,710)
Salaries and wages	(98,554)	(157,639)
	42,071	31,296
	\$ 42,071	\$ 31,296

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

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.

	2023	2022
Current portion due to related party		
Cariboo Chilcotin Coast Tourism Marketing Association	\$ -	\$ 22,674

Advances from a related party are unsecured, non-interest bearing and have no set repayment terms. Both organizations have the same board members.

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION
Notes to Financial Statements
Year Ended March 31, 2023

8. LONG TERM DEBT

	2023	2022
TD Canada Trust loan bearing interest at 5.24% per annum, repayable in monthly blended payments of \$931. The loan matures on June 25, 2023 and is secured by 2018 Chevrolet Suburban.	\$ 2,794	\$ 13,494
Amounts payable within one year	(2,794)	(10,700)
	\$ -	\$ 2,794
Principal repayment terms are approximately:		
2024	\$ 2,794	

9. ECONOMIC DEPENDENCE

The Association receives 49% of its revenues from Destination British Columbia (DBC). Should the funder substantially change its dealings with the Association, management is of the opinion that continued viable operations would be doubtful. At this time, a three-year contract is in place with DBC with a provision for a two-year extension. The Association is in the third year of this contract.

10. REMUNERATION

The Association does not compensate its directors. The Association has three employees with a total compensation in excess of \$75,000 per annum.

11. LEASE COMMITMENTS

The Association has a long term lease with respect to its premises and a photocopier. The office lease ends on March 31, 2024, with an optional two-year renewal term. Future minimum lease payments as at March 31, 2023, are as follows:

2024	\$ 42,223
2025	3,720
2026	3,720
2027	3,720
2028	3,720
	\$ 57,103

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Operations

(Schedule 1)

Year Ended March 31, 2023

	2023	2022
EXPENSES		
AGM Expenses	\$ 17,316	\$ 2,758
Accounting Fees	102,067	62,745
Amortization	23,015	18,454
Audit and Legal Fees	25,491	12,743
Automotive	4,131	8,627
Bank charges	1,664	1,592
Conferences	4,247	6,413
Director expense	11,314	3,136
Equipment lease/repair	5,092	5,662
Information technology	48,767	20,974
Insurance General	1,843	3,327
Interest on long term debt	468	-
Janitorial	3,420	4,680
Memberships	3,729	2,549
Office and other	22,156	50,601
Rent	50,736	39,264
Salaries and Benefits	31,754	54,376
Telephone and Fax	7,828	7,061
Training & Education	10,861	15,816
	\$ 375,899	\$ 320,778

CARIBOO CHILCOTIN COAST TOURISM ASSOCIATION

Destination Development *(Schedule 2)*
Year Ended March 31, 2023

	2023	2022
EXPENSES		
Destination Development program and salaries	\$ 471,812	\$ 389,676
Remarkable Experiences program and salaries	679	26,655
Indigenous Tourism program and salaries	14,973	41,539
	<u>\$ 487,464</u>	<u>\$ 457,870</u>

Destination Marketing *(Schedule 3)*
Year Ended March 31, 2023

	2023	2022
EXPENSES		
Consumer Shows	\$ 9,472	\$ 6,204
Content and Social	582	30,172
Familiarization Tours	29,300	7,364
Travel Media programs and salaries	194,989	96,833
Travel Trade programs and salaries	148,160	83,365
	<u>\$ 382,503</u>	<u>\$ 223,938</u>

Special Projects *(Schedule 4)*
Year Ended March 31, 2023

	2023	2022
EXPENSES		
Creative BC	\$ 13,509	\$ 15,515
Great Bear Rainforest Project	27,075	33,161
Tourism Emergency Management	54,956	98,493
Tourism Resiliency Program	-	181,374
Targeted Regional Tourism Development	774,049	564,066
	<u>\$ 869,589</u>	<u>\$ 892,609</u>