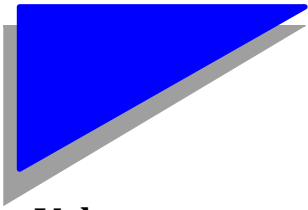


Vohora LLP
CPAs & Business Advisors

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Financial Statements

Year Ended March 31, 2024



Vohora LLP

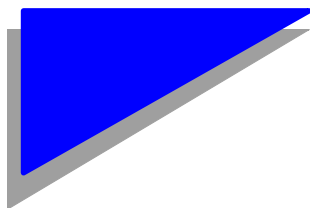
CPAs & Business Advisors

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

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Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Members of Cariboo Chilcotin Coast Tourism Marketing Association

Opinion

We 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, 2024, 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, 2024, 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.

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.

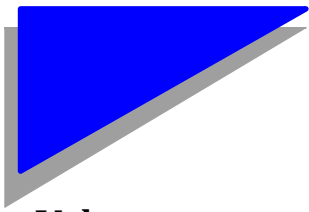
In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association 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.

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.

(continues)



INDEPENDENT AUDITOR'S REPORT (*continued*)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 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.

- 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.

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.

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Statement of Revenues and Expenditures

Year Ended March 31, 2024

	2024	2023
REVENUE		
Municipal Regional District Tax	\$ 1,243,471	\$ 974,409
Destination BC	250,000	112,437
Gold Rush Trail income (Schedule 2)	150,000	115,760
Interest income	91,842	40,020
Other grants	27,580	10,382
Bella Coola Valley Tourism Marketing	20,000	-
Other revenues	2,901	3,800
	<u>1,785,794</u>	<u>1,256,808</u>
EXPENSES		
Committee costs	3,300	2,731
Interest and bank charges	1,891	1,165
Marketing costs (Schedule 1, 2)	994,721	862,009
Memberships	630	646
Office	2,362	14,277
Professional fees	11,605	11,500
Rent	50,000	29,000
Salaries and wages	110,512	93,450
Stakeholder communication	14,273	36,175
Training	3,885	3,208
Travel	11,848	11,206
	<u>1,205,027</u>	<u>1,065,367</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 580,767</u>	<u>\$ 191,441</u>

See notes to financial statements

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Statement of Changes in Net Assets

Year Ended March 31, 2024

	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 1,200,497	\$ 1,009,055
EXCESS OF REVENUE OVER EXPENSES	580,767	191,441
NET ASSETS - END OF YEAR	\$ 1,781,264	\$ 1,200,496

See notes to financial statements

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Statement of Financial Position

March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 2,535,935	\$ 1,611,295
Accounts receivable	349,535	27,117
Goods and services tax recoverable	16,774	11,036
Prepaid expenses	-	1,908
	<u>\$ 2,902,244</u>	<u>\$ 1,651,356</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 258,864	\$ 212,744
Wages payable	6,694	615
Deferred income (Note 4)	809,375	237,500
Due to related parties (Note 5)	46,047	-
	<u>1,120,980</u>	<u>450,859</u>
NET ASSETS	<u>1,781,264</u>	<u>1,200,497</u>
	<u>\$ 2,902,244</u>	<u>\$ 1,651,356</u>

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

**Statement of Cash Flows
Year Ended March 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 580,767	\$ 191,441
Changes in non-cash working capital:		
Accounts receivable	(322,418)	177,148
Accounts payable and accrued liabilities	46,120	(115,264)
Deferred income	571,875	43,373
Prepaid expenses	1,908	19,389
Goods and services tax payable	(5,738)	8,753
Wages payable	6,079	(4,703)
	<u>297,826</u>	<u>128,696</u>
Cash flow from operating activities	<u>878,593</u>	<u>320,137</u>
FINANCING ACTIVITY		
Advances from related parties	<u>46,047</u>	<u>22,674</u>
INCREASE IN CASH FLOW	924,640	342,811
Cash and cash equivalents - beginning of year	<u>1,611,295</u>	<u>1,268,484</u>
CASH - END OF YEAR	<u>\$ 2,535,935</u>	<u>\$ 1,611,295</u>

See notes to financial statements

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2024

1. DESCRIPTION OF OPERATION

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 Subsection 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.

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 Marketing Association follows the deferral method of accounting for contributions.

- ┆ 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.
- ┆ Restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Grants, including funding from Destination BC and other sources, are recognized as revenue in the period in which the related expenditures for the specific projects are incurred.

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.

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 MARKETING ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2024

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.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable accrued liabilities and wages payable.

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 the 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 amount of accrued liabilities
-

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2024

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, 2024.

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 consisting 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 its customers 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. DEFERRED INCOME

	2024	2023
Rural Economic Diversification and Infrastructure Program	\$ 500,000	\$ -
Destination BC	309,375	237,500
	<u>\$ 809,375</u>	<u>\$ 237,500</u>

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2024

5. RELATED PARTIES

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

	2024	2023
<u>Related party transactions</u>		
Cariboo Chilcotin Coast Tourism Association		
<i>Entity under common directorship</i>		
Municipal Regional District Tax allocation	\$ (158,144)	\$ (144,754)
Expense reimbursements	18,517	4,129
Salaries and wages	139,627	98,554
Shared office space	(57,500)	-
	<u>(57,500)</u>	<u>(42,071)</u>
	<u>\$ (57,500)</u>	<u>\$ (42,071)</u>

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.

	2024	2023
Current portion due to related party		
Cariboo Chilcotin Coast Tourism Association	\$ 46,047	\$ -

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

6. RENUMERATION

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

7. COMPARATIVE FIGURES

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

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Marketing Costs (Schedule 1)
Year Ended March 31, 2024

	2024	2023
EXPENSES		
Collateral Distribution	\$ 11,072	\$ 19,436
Collateral Production	76,793	79,429
Consumer Show Attendance	700	7,600
Consumer Shows & Events	9,084	-
Digital Asset Management System	23,473	5,842
Email Marketing	20,653	12,053
German Market Development	25,957	-
Marketing Coordination	66,172	49,499
Native / Content Sponsorship	32,793	15,845
Online Display Advertising	41,333	52,612
Paid Social Advertising	43,371	99,188
Partner Marketing	177,158	89,251
Photography / Videography	127,901	99,548
Print Advertising	11,453	31,006
Search Advertising	48,589	49,094
Social Media	34,745	30,641
Sponsorship	2,500	-
Television	20,588	30,006
Website	61,460	76,544
	\$ 835,795	\$ 747,594

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Gold Rush Trail

(Schedule 2)

Year Ended March 31, 2024

	2024	2023
REVENUES		
GRT - DBC Co-op	\$ 75,000	\$ 57,760
MRDT Co-op Matching	75,000	45,500
GRT - Grant Income	-	12,500
	<u>150,000</u>	<u>115,760</u>
EXPENSES		
Distribution	-	491
Distribution production	-	600
Email Marketing	8,010	3,840
Information technology	81	445
Marketing Coordination	22,385	8,937
Meetings & Travel	12	-
Native/Content Spon./Online	8,000	17,272
Office Share	7,500	7,250
Online Display Advertising	-	628
Photography / Videography	20,048	998
Print Advertising	-	2,843
Remarketing	5,000	-
Search Advertising	18,357	15,754
Social Advertising	20,717	21,242
Social Media	22,146	24,215
Website	13,393	3,293
Written Content	13,277	6,607
	<u>158,926</u>	<u>114,415</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (8,926)</u>	<u>\$ 1,345</u>

See notes to financial statements