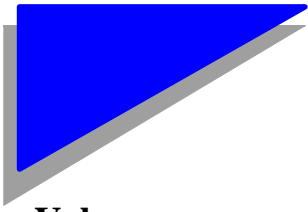


Vohora LLP
CPAs & Business Advisors

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Financial Statements

Year Ended March 31, 2025



Vohora LLP

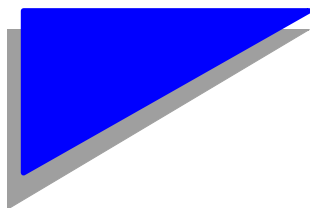
CPAs & Business Advisors

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Index to Financial Statements

Year Ended March 31, 2025

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Revenues and Expenditures	3
Statement of Changes in Net Assets	4
Statement of Financial Position	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11
Marketing Costs (<i>Schedule 1</i>)	12
Gold Rush Trail (<i>Schedule 2</i>)	13
Great Bear Rainforest (<i>Schedule 3</i>)	14



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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, 2025, 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, 2025, 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

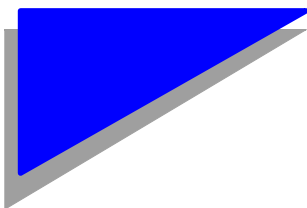
Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud 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.



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:

- 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 for 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.

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, 2025

	2025	2024
REVENUE		
Municipal Regional District Tax	\$ 1,343,014	\$ 1,243,471
Gold Rush Trail income (Schedule 2)	189,000	150,000
Destination BC	175,750	250,000
Great Bear Rainforest (Schedule 3)	147,000	-
Interest income	118,110	91,842
Other revenues	78,800	30,481
Province of BC - REDIP	61,000	-
NDIT grants	39,746	20,000
	2,152,420	1,785,794
EXPENSES		
Committee costs	17,011	3,300
Interest and bank charges	1,475	1,891
Marketing costs (Schedule 1, 2, 3)	1,294,529	994,721
Memberships	470	630
Non-refundable GST credits (<i>Note 9</i>)	64,002	-
Office	4,613	2,362
Professional fees	12,155	11,605
Rent	70,000	50,000
Salaries and wages	133,909	110,512
Stakeholder communication	33,035	14,273
Training	-	3,885
Travel	20,500	11,848
	1,651,699	1,205,027
EXCESS OF REVENUE OVER EXPENSES	\$ 500,721	\$ 580,767

See notes to financial statements

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Statement of Changes in Net Assets

Year Ended March 31, 2025

	General Fund	Business Continuity Fund	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 1,781,263	\$ -	\$ 1,781,263	\$ 1,200,496
Excess of revenue over expenses	500,721	-	500,721	580,767
Contributions to Business Continuity Fund (<i>Note 8</i>)	(1,000,000)	1,000,000	-	-
NET ASSETS - END OF YEAR	\$ 1,281,984	\$ 1,000,000	\$ 2,281,984	\$ 1,781,263

See notes to financial statements

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Statement of Financial Position

March 31, 2025

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 2,332,560	\$ 2,535,935
Term deposits (<i>Note 4</i>)	100,000	-
Term deposits - restricted (<i>Note 5</i>)	1,000,000	-
Accounts receivable	74,121	349,535
Goods and services tax recoverable	11,835	16,774
	<u>\$ 3,518,516</u>	<u>\$ 2,902,244</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 365,574	\$ 258,865
Wages payable	3,584	6,694
Deferred income (<i>Note 6</i>)	765,250	809,375
Due to related parties (<i>Note 7</i>)	102,124	46,047
	<u>1,236,532</u>	<u>1,120,981</u>
NET ASSETS		
General fund	1,281,984	1,781,263
Business continuity fund (<i>Note 8</i>)	1,000,000	-
	<u>2,281,984</u>	<u>1,781,263</u>
	<u>\$ 3,518,516</u>	<u>\$ 2,902,244</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, 2025**

	2025	2024
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 500,721	\$ 580,767
Changes in non-cash working capital:		
Accounts receivable	275,414	(322,418)
Accounts payable and accrued liabilities	106,709	46,120
Deferred income	(44,125)	571,875
Prepaid expenses	-	1,908
Goods and services tax payable	4,939	(5,738)
Wages payable	(3,110)	6,079
	<u>339,827</u>	<u>297,826</u>
Cash flow from operating activities	<u>840,548</u>	<u>878,593</u>
FINANCING ACTIVITY		
Advances from related parties	<u>56,077</u>	<u>46,047</u>
INCREASE IN CASH FLOW	896,625	924,640
Cash - beginning of year	<u>2,535,935</u>	<u>1,611,295</u>
CASH - END OF YEAR	\$ 3,432,560	\$ 2,535,935
CASH CONSISTS OF:		
Cash	\$ 2,332,560	\$ 2,535,935
Term deposits	100,000	-
Term deposits - restricted	<u>1,000,000</u>	<u>-</u>
	<u>\$ 3,432,560</u>	<u>\$ 2,535,935</u>

See notes to financial statements

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2025

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.

- 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 and other sources, are recognized as revenue in the period in which the related expenditures for the specific projects are incurred.

Fund accounting

For financial reporting purposes, the accounts of the Association have been classified into the following funds:

- 1 The General Fund reports the revenues and expenses related to program delivery and administrative activities.
- 1 The Business Continuity Fund reports amounts set aside by the Association, supported by directors resolutions, for future purposes.

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 company holds. When the aggregate of the company'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.

(continues)

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2025

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

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.

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, 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 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, 2025

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, 2025.

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 significant other price risks arising from these financial instruments.

4. TERM DEPOSITS

	<u>2025</u>	<u>2024</u>
TD GIC bearing interests at 3.31% per annum, maturing on July 29, 2025	\$ 100,000	\$ -

5. TERM DEPOSITS - RESTRICTED

	<u>2025</u>	<u>2024</u>
TD GIC bearing interests at 3.31% per annum, maturing on July 29, 2025	\$ 1,000,000	\$ -

6. DEFERRED INCOME

	<u>2025</u>	<u>2024</u>
Rural Economic Diversification and Infrastructure Program	\$ 439,000	\$ 500,000
Destination BC	326,250	309,375
	\$ 765,250	\$ 809,375

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2025

7. RELATED PARTIES

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

	2025	2024
<u>Related party transactions</u>		
Cariboo Chilcotin Coast Tourism Association		
<i>Entity under common directorship</i>		
Project Income	\$ (76,800)	\$ -
Municipal Regional District Tax allocation	(434,409)	(158,144)
Expense reimbursements	114,861	18,517
Salaries and wages	229,548	139,627
Shared office space	90,000	(57,500)
	<u>(76,800)</u>	<u>(57,500)</u>
	<u>\$ (76,800)</u>	<u>\$ (57,500)</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.

	2025	2024
Current portion due to related party		
Cariboo Chilcotin Coast Tourism Association	<u>\$ 102,124</u>	<u>\$ 46,047</u>

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

8. BUSINESS CONTINUITY FUND

The Board of Directors designated an Internally Restricted Operating Fund during 2024. The purpose of this fund is to be used in the case of possible interruptions to operations such as delayed renewals, elections and pandemics.

The target amount to be attained and maintained for the fund is \$1,000,000, representing an approximate annual operating budget.

During the year, the Society transferred \$1,000,000 from the General Fund to the Business Continuity Fund.

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2025

9. NON-REFUNDABLE GST CREDITS

As a result of a GST audit, the Association incurred an assessment totaling \$64,002. The audit concluded that the majority of the Association's revenue is derived from GST-exempt supplies. Consequently, the Association is not eligible to claim Input Tax Credits (ITCs) on related expenses. Accordingly, the applicable GST rate was adjusted from 5% to 2.5%.

10. REMUNERATION

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

11. 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, 2025

	2025	2024
EXPENSES		
Annual Mailers	\$ 1,389	\$ -
Casual Wages & Contracts	22,880	-
Collateral Distribution	4,641	11,072
Collateral Production	11,773	76,793
Consumer Shows & Events	6,495	9,784
Digital Asset Management System	15,174	23,473
Email Marketing	22,792	20,653
Film Tourism Development	1,789	-
German Market Development	75,112	25,957
Marketing Coordination	59,972	66,172
Marketing Research	27,521	-
Native / Content Sponsorship	12,801	32,793
Online Display Advertising	37,135	41,333
Paid Social Advertising	50,460	43,371
Partner Marketing	218,070	177,158
Photography /Videography	91,694	127,901
Print Advertising	23,964	11,453
Product Familiarization Tours	2,358	-
Public/Media Relations	58,579	-
Radio	7,242	-
Search Advertising	59,820	48,589
Social Media	19,413	34,745
Sponsorship	-	2,500
Sport Tourism Development	14,300	-
Television	-	20,588
Website	92,209	61,460
	\$ 937,583	\$ 835,795

See notes to financial statements

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Gold Rush Trail

(Schedule 2)

Year Ended March 31, 2025

	2025	2024
REVENUES		
DBC Co-op - Gold Rush Trail	\$ 94,500	\$ 75,000
MRDT Co-op Matching	<u>94,500</u>	<u>75,000</u>
	<u>189,000</u>	<u>150,000</u>
EXPENSES		
Email marketing	10,848	8,010
Information technology	3,168	81
Marketing coordination	24,628	22,385
Meetings & travel	-	12
Native/Content Spon./Online	5,151	8,000
Office share	10,000	7,500
Photography / videography	26,885	20,048
Remarketing	18,310	5,000
Search advertising	16,474	18,357
Social advertising	25,469	20,717
Social media	16,688	22,146
Website	33,355	13,393
Written content	<u>8,344</u>	<u>13,277</u>
	<u>199,320</u>	<u>158,926</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (10,320)</u>	<u>\$ (8,926)</u>

See notes to financial statements

CARIBOO CHILCOTIN COAST TOURISM MARKETING ASSOCIATION

Great Bear Rainforest

(Schedule 3)

Year Ended March 31, 2025

	2025
REVENUES	
DBC Co-op - Great Bear Rainforest	\$ 73,500
MRDT Co-op matching	<u>73,500</u>
	<u>147,000</u>
EXPENSES	
Email marketing	9,444
Information technology	12,221
Marketing coordination	19,587
Native/Content Spon./Online	9,524
Office share	10,000
Photography/Videography	35,211
Remarketing	7,871
Search advertising	3,042
Social advertising	16,642
Social media	13,025
Website	14,484
Written content	<u>6,575</u>
	<u>157,626</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (10,626)</u>

See notes to financial statements