

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Financial Statements

Year Ended March 31, 2024

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

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Year Ended March 31, 2024

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Tourism Industry Association of New Brunswick Inc.

We have reviewed the accompanying financial statements of Tourism Industry Association of New Brunswick Inc. (the association) that comprise the statement of financial position as at March 31, 2024, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Tourism Industry Association of New Brunswick Inc. as at March 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Teed Saunders Doyle

Fredericton, New Brunswick
October 3, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Statement of Financial Position

March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 143,992	\$ 160,293
Term deposits (Note 5)	159,919	230,820
Accounts receivable (Note 11)	52,759	13,895
Inventory	11,421	11,594
Government remittances recoverable	-	6,105
Prepaid expenses	8,514	8,600
	<u>376,605</u>	<u>431,307</u>
RESTRICTED CASH - SCHOLARSHIPS (Note 6)	28,550	28,760
PROPERTY AND EQUIPMENT (Note 4)	<u>6,707</u>	<u>9,990</u>
	<u>\$ 411,862</u>	<u>\$ 470,057</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 20,410	\$ 26,308
Government remittances payable	2,809	-
Deferred revenue (Note 12)	<u>44,130</u>	<u>29,225</u>
	67,349	55,533
FUNDS IN TRUST - SCHOLARSHIPS	<u>28,550</u>	<u>28,760</u>
	<u>95,899</u>	<u>84,293</u>
NET ASSETS		
Unrestricted	309,256	375,774
Invested in property and equipment	<u>6,707</u>	<u>9,990</u>
	<u>315,963</u>	<u>385,764</u>
	<u>\$ 411,862</u>	<u>\$ 470,057</u>

ON BEHALF OF THE BOARD

X

Chief Executive Officer

Director

teed saunders | chartered professional
doyle | accountants
& advisors

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.
Statement of Changes in Net Assets
Year Ended March 31, 2024

		Unrestricted	Invested in Property and Equipment	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$	375,774	\$ 9,990	\$ 385,764	\$ 354,317
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES		(64,701)	(5,100)	(69,801)	31,447
INVESTED IN PROPERTY AND EQUIPMENT		(1,817)	1,817	-	-
NET ASSETS - END OF YEAR	\$	309,256	\$ 6,707	\$ 315,963	\$ 385,764

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Statement of Revenues and Expenditures

Year Ended March 31, 2024

	2024	2023
REVENUE		
Annual general meeting and Summit	\$ 93,488	\$ 90,166
Contract revenue <i>(Note 8)</i>	138,578	277,092
Dues	74,225	113,182
Other income	17,271	9,615
Covid funding <i>(Note 7)</i>	-	120,000
Training and course material	222,195	37,976
	<u>545,757</u>	<u>648,031</u>
EXPENSES		
Advertising and promotion	3,642	11,004
Amortization of property and equipment	5,100	4,780
Insurance	2,837	2,431
Interest and bank charges	12,788	6,050
Meetings	4,505	214
Membership dues	4,375	3,546
Office	21,557	9,853
Professional fees	8,556	6,500
Rent	37,664	38,678
Salaries and subcontracts	324,268	339,262
Telephone and utilities	8,312	9,181
Travel	12,428	5,145
	<u>446,032</u>	<u>436,644</u>
Allocated from administration <i>(Note 10)</i>	<u>(100,307)</u>	<u>(160,348)</u>
	<u>345,725</u>	<u>276,296</u>
	<u>200,032</u>	<u>371,735</u>
EXPENSES		
Annual general meeting and Summit	124,891	89,026
Contract expenses <i>(Note 9)</i>	109,063	232,139
Training and course material	35,879	19,123
	<u>269,833</u>	<u>340,288</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (69,801)</u>	<u>\$ 31,447</u>

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Statement of Cash Flows

Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ (69,801)	\$ 31,447
Item not affecting cash:		
Amortization of property and equipment	5,100	4,780
	<u>(64,701)</u>	<u>36,227</u>
Changes in non-cash working capital:		
Term deposits	70,901	(2,136)
Accounts receivable	(38,864)	172,566
Inventory	173	-
Prepaid expenses	86	12,197
Accounts payable	(5,899)	5,221
Deferred revenue	14,905	(138,923)
Government remittances recoverable	8,914	13,120
	<u>50,216</u>	<u>62,045</u>
	<u>(14,485)</u>	<u>98,272</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(1,816)	(253)
Funds in trust - scholarships	(210)	404
	<u>(2,026)</u>	<u>151</u>
INCREASE (DECREASE) IN CASH FLOW	(16,511)	98,423
CASH - BEGINNING OF YEAR	189,053	90,630
CASH - END OF YEAR	\$ 172,542	\$ 189,053
CASH CONSISTS OF:		
Cash	\$ 143,992	\$ 160,293
Restricted cash - scholarships	28,550	28,760
	<u>\$ 172,542</u>	<u>\$ 189,053</u>

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended March 31, 2024

1. DESCRIPTION OF OPERATIONS

Tourism Industry Association of New Brunswick Inc. is a not-for-profit organization incorporated without share capital that is exempt from income taxes. Tourism Industry Association of New Brunswick Inc. was formed in 1983 to promote the growth and quality of the tourism and hospitality industry in New Brunswick. The Association was formerly known as Hospitality New Brunswick Inc.

The Association conducts a number of programs, some under contract, with the objectives of fostering health and sustained growth for the New Brunswick tourism industry and serving the interests of its members.

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.

Cash and cash equivalents

The Association considers cash on hand, short-term deposits and balances with banks, net of overdrafts as cash or cash equivalents. Bank borrowings are considered to be financing activities.

Financial instruments policy

The Association considers any contracts a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. The Association accounts for the following as financial instruments:

1. Cash and cash equivalents
2. Trade and other receivables
3. Payables and accruals
4. Term deposits

A financial asset or liability is recognized when the Association becomes party to contractual provisions of the instrument.

The Association initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the Association is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The Association subsequently measures its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment.

The Association removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

(continues)

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended March 31, 2024

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

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Property and equipment

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

Computer equipment	3 years	straight-line method
Office equipment and fixtures	20%	declining balance method
Leasehold improvements	5 years	straight-line method

The Association regularly reviews its property and equipment to eliminate obsolete items.

Use of estimates

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. Significant estimates include allowances for doubtful accounts and useful lives of property and equipment. Actual results could differ from these estimates.

Revenue recognition

The Association follows the deferral method of accounting for revenue, whereby revenue received for specific purposes is deferred and recognized as income in the period in which the related expenses are incurred.

Revenue from membership dues is recognized to income on a monthly basis over the membership term.

Allocated administration expenses

Various administration expenses are allocated to contracts and events on a systematic basis that includes factors such as space usage, other usage charges and staff time. The amounts allocated are disclosed on Note 10 to the financial statements.

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

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 from customers. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, and accounts payable.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Computer equipment	\$ 65,675	\$ 64,464	\$ 1,211	\$ 1,483
Office equipment and fixtures	32,183	27,622	4,561	5,701
Leasehold improvements	9,355	8,420	935	2,806
	<u>\$ 107,213</u>	<u>\$ 100,506</u>	<u>\$ 6,707</u>	<u>\$ 9,990</u>

5. TERM DEPOSITS

Guaranteed investment certificates are interest bearing at annual rates between 3.0% and 5.35% (2023 - 2.0% and 4.1%) and mature within one year.

6. RESTRICTED CASH - SCHOLARSHIPS

Restricted cash - scholarships includes \$28,550 (2023 - \$28,760) applicable to the Pioneer Legacy Scholarship administered on behalf of the New Brunswick Restaurant and Food Association.

During the year, the scholarship fund generated \$210 (2023 - \$404) from fundraising and paid scholarships of \$nil (2023 - \$nil).

7. REVENUE - COVID-19 FUNDING

	2024	2023
Membership fees subsidy - ACOA	\$ -	\$ 120,000

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.
Notes to Financial Statements
Year Ended March 31, 2024

8. CONTRACT REVENUE

	2024	2023
NB Service Excellence	\$ -	\$ 74,192
Responsible Beverage	-	80,000
Town Hall	13,000	-
Work Force Development Plan	125,578	122,900
	<u>\$ 138,578</u>	<u>\$ 277,092</u>

9. CONTRACT EXPENSES

	2024	2023
Clean it Right	\$ 700	\$ 16
NB Service Excellence	-	25,966
Non-recoverable HST	-	3,106
Responsible Beverage	-	1,788
Town Hall	6,100	-
Work Force Development Plan	1,956	40,915
	<u>8,756</u>	<u>71,791</u>
Subtotal	100,307	160,348
Allocated administrative expense	<u>\$ 109,063</u>	<u>\$ 232,139</u>

10. EXPENSES ALLOCATED FROM ADMINISTRATION

	2024	2023
NB Service Excellence	\$ -	\$ 35,781
Responsible Beverage	-	53,096
Work Force Development Plan	100,307	71,471
	<u>\$ 100,307</u>	<u>\$ 160,348</u>

11. ACCOUNTS RECEIVABLE

	2024	2023
Training	\$ 483	\$ 1,552
Contracts	50,836	11,829
Events	1,440	514
	<u>\$ 52,759</u>	<u>\$ 13,895</u>

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended March 31, 2024

12. DEFERRED REVENUE

	2024	2023
Dues	\$ 32,130	\$ 22,725
Events	-	6,500
Contracts	12,000	-
	\$ 44,130	\$ 29,225

13. GOVERNMENT ASSISTANCE

Contract revenue includes \$125,578 (2023 - \$122,900) from Atlantic Canada Opportunities Agency (ACOA), \$nil (2023 - \$154,192) from Province of New Brunswick - Department of Post Secondary Education, and \$13,000 (2023 - \$nil) from Tourism Industry Association of Canada.

Covid funding includes \$nil from Atlantic Canada Opportunities Agency (ACOA) (2023 - \$120,000) for training and membership fee subsidies.
