

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Financial Statements

Year Ended March 31, 2025

(unaudited)

Draft for discussion purposes only

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

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Year Ended March 31, 2025

(unaudited)

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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, 2025, 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, 2025, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Fredericton, New Brunswick
July 31, 2025

CHARTERED PROFESSIONAL ACCOUNTANTS

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Statement of Financial Position

March 31, 2025

(unaudited)

	2025	2024
ASSETS		
CURRENT		
Cash	\$ 183,808	\$ 143,992
Term deposits <i>(Note 5)</i>	167,453	159,919
Accounts receivable <i>(Note 10)</i>	79,388	52,759
Inventory	12,879	11,421
Prepaid expenses	24,292	8,514
	467,820	376,605
RESTRICTED CASH - SCHOLARSHIPS <i>(Note 6)</i>	26,446	28,550
PROPERTY AND EQUIPMENT <i>(Note 4)</i>	6,646	6,707
	\$ 500,912	\$ 411,862
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 24,893	\$ 20,410
Government remittances payable	4,628	2,809
Deferred revenue <i>(Note 11)</i>	79,310	44,130
	108,831	67,349
FUNDS IN TRUST - SCHOLARSHIPS <i>(Note 6)</i>	26,446	28,550
	135,277	95,899
NET ASSETS		
Unrestricted	358,989	309,256
Invested in property and equipment	6,646	6,707
	365,635	315,963
	\$ 500,912	\$ 411,862

ON BEHALF OF THE BOARD

_____ *Chief Executive Officer*

_____ *Director*

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Statement of Changes in Net Assets

Year Ended March 31, 2025

(unaudited)

	Unrestricted	Invested in Property and Equipment	2025	2024
NET ASSETS - BEGINNING OF YEAR	\$ 309,256	\$ 6,707	\$ 315,963	\$ 385,764
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	53,180	(3,508)	49,672	(69,801)
INVESTED IN PROPERTY AND EQUIPMENT	(3,447)	3,447	-	-
NET ASSETS - END OF YEAR	\$ 358,989	\$ 6,646	\$ 365,635	\$ 315,963

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Statement of Revenues and Expenditures

Year Ended March 31, 2025

(unaudited)

	2025	2024
REVENUES		
Annual general meeting and Summit	\$ 182,992	\$ 93,488
Contract revenue <i>(Note 7)</i>	144,314	138,578
Dues	87,030	74,225
Other	15,085	17,271
Training and course material	181,839	222,195
	<u>611,260</u>	<u>545,757</u>
EXPENSES		
Advertising and promotion	20,579	3,642
Amortization of property and equipment	3,508	5,100
Insurance	3,011	2,837
Interest and bank charges	13,889	12,788
Meetings	137	4,505
Membership dues	1,942	4,375
Office	13,419	21,557
Professional fees	7,250	8,556
Rent	34,998	37,664
Salaries and subcontracts	240,856	324,268
Telephone and utilities	3,576	8,312
Travel	8,897	12,428
	<u>352,062</u>	<u>446,032</u>
Allocated from administration <i>(Note 9)</i>	<u>(94,536)</u>	<u>(100,307)</u>
	<u>257,526</u>	<u>345,725</u>
	<u>353,734</u>	<u>200,032</u>
OTHER EXPENSES		
Annual general meeting and Summit	148,905	124,891
Contract expenses <i>(Note 8)</i>	123,823	109,063
Course materials and training	31,334	35,879
	<u>304,062</u>	<u>269,833</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 49,672</u>	<u>\$ (69,801)</u>

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Statement of Cash Flows
Year Ended March 31, 2025

(unaudited)

	2025	2024
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 49,672	\$ (69,801)
Item not affecting cash:		
Amortization of property and equipment	3,508	5,100
	<u>53,180</u>	<u>(64,701)</u>
Changes in non-cash working capital:		
Term deposits	(7,534)	70,901
Accounts receivable	(26,629)	(38,864)
Inventory	(1,458)	173
Prepaid expenses	(15,778)	86
Accounts payable	4,482	(5,899)
Deferred revenue	35,180	14,905
Government remittances payable	1,819	8,914
	<u>(9,918)</u>	<u>50,216</u>
Cash flow from (used by) operating activities	<u>43,262</u>	<u>(14,485)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(3,446)	(1,816)
Funds in trust - Scholarships	(2,104)	(210)
Cash flow used by investing activities	<u>(5,550)</u>	<u>(2,026)</u>
INCREASE (DECREASE) IN CASH FLOW	37,712	(16,511)
Cash - beginning of year	<u>172,542</u>	<u>189,053</u>
CASH - END OF YEAR	<u>\$ 210,254</u>	<u>\$ 172,542</u>
CASH CONSISTS OF:		
Cash	\$ 183,808	\$ 143,992
Restricted cash - scholarships	<u>26,446</u>	<u>28,550</u>
	<u>\$ 210,254</u>	<u>\$ 172,542</u>

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended March 31, 2025

(unaudited)

1. PURPOSE OF THE ASSOCIATION

Tourism Industry Association of New Brunswick Inc. (the "Association") is a not-for-profit organization of New Brunswick. As a registered charity the Association is exempt from the payment of income tax under Subsection 149(1) of the Income Tax Act..

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 (ASNPO).

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

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.

Inventory

Inventory consists of promotional materials and 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 and 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. Government grants are treated as a reduction of property and equipment cost.

(continues)

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended March 31, 2025

(unaudited)

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

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.

Revenue recognition

Tourism Industry Association of New Brunswick Inc. 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Allocated administration expenses

Various administrative 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 reported on Note 9 of the financial statements.

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 from customers. 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. 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, long term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

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

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

Notes to Financial Statements

Year Ended March 31, 2025

(unaudited)

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Computer equipment	\$ 68,416	\$ 65,983	\$ 2,433	\$ 1,211
Office equipment and fixtures	32,888	28,675	4,213	4,561
Leasehold improvements	9,355	9,355	-	935
	\$ 110,659	\$ 104,013	\$ 6,646	\$ 6,707

5. TERM DEPOSITS

Guaranteed investment certificates are interest bearing at annual rates between 2.5% and 3.35% (2024 - 3.0% and 5.35%) and mature within one year.

6. RESTRICTED CASH - SCHOLARSHIPS

Restricted cash - scholarships includes \$26,446 (2024 - \$28,550) applicable to the Pioneer Legacy Scholarship administered on behalf of the New Brunswick Restaurant and Food Association.

During the year, the scholarship fund generated \$5,897 (2024 - \$210) from fundraising and paid scholarships of \$8,000 (2024 - \$nil).

7. CONTRACT REVENUE

	2025	2024
Town Hall	\$ -	\$ 13,000
Work Force Development Plan	108,149	125,578
Navigating Inclusive Tourism Workplaces	3,000	-
Atlantic Canada Opportunities Agency - projects	33,165	-
	\$ 144,314	\$ 138,578

8. CONTRACT EXPENSES

	2025	2024
Clean it Right	\$ -	\$ 700
Atlantic Canada Opportunities Agency - projects	10,000	-
Non-recoverable HST	637	-
Tourism Hospitality Emergency Recovery	8,069	-
Town Hall	-	6,100
Work Force Development Plan	10,582	1,956
Subtotal	29,288	8,756
Allocated administration expenses	94,536	100,307
	\$ 123,824	\$ 109,063

TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.**Notes to Financial Statements****Year Ended March 31, 2025***(unaudited)***9. EXPENSES ALLOCATED FROM ADMINISTRATION**

	2025	2024
Work Force Development Plan	\$ 94,536	\$ 100,307

10. ACCOUNTS RECEIVABLE

	2025	2024
Training	\$ -	\$ 483
Contracts	22,239	50,836
Events	57,149	1,440
	\$ 79,388	\$ 52,759

11. DEFERRED REVENUE

	2025	2024
Dues	\$ 24,475	\$ 32,130
Contracts	-	12,000
Atlantic Canada Showcase 2025 - sponsorships	46,875	-
Atlantic Canada Showcase 2025 - registrations	7,960	-
	\$ 79,310	\$ 44,130

12. GOVERNMENT ASSISTANCE

Contract revenue includes \$33,165 (2024 - \$125,578) from Atlantic Canada Opportunities Agency (ACOA), \$97,790 (2024 - \$nil) from Province of New Brunswick - Department of Post Secondary Education, and \$nil (2024 - \$13,000) from Tourism Industry Association of Canada.