

Tourism Industry Association of the Yukon

Financial Statements (Unaudited)

MARCH 31, 2017

Review Engagement Report	2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7-10

REVIEW ENGAGEMENT REPORT

To: The Members of the Tourism Industry Association of the Yukon

I have reviewed the statement of financial position of the Tourism Industry Association of the Yukon as at March 31, 2017, and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the organization.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Chartered Professional Accountant

Whitehorse, Yukon
Date

Tourism Industry Association of the Yukon

Statement of Financial Position (Unaudited)

March 31, 2017 2016

Assets

Current

Cash	\$ 233,601	\$ 213,305
Accounts receivable	50,585	136,362
GST receivable	1,695	2,223
Prepaid expenses	<u>-</u>	<u>17,853</u>
	<u>285,881</u>	<u>369,743</u>

Equipment (note 2)

1,440 1,897

\$ 287,321 \$ 371,640

Liabilities

Current

Accounts payable and accrued liabilities	\$ 14,098	\$ 103,513
Wages payable	-	3,339
Payroll deductions payable	-	1,446
Unearned revenue (note 3)	<u>-</u>	<u>6,100</u>
	<u>14,098</u>	<u>114,398</u>

Net Assets

Unrestricted net assets	271,783	255,345
Invested in equipment	<u>1,440</u>	<u>1,897</u>
	<u>273,223</u>	<u>257,242</u>
	<u>\$ 287,321</u>	<u>\$ 371,640</u>

APPROVED BY:

_____ Director

_____ Director

Tourism Industry Association of the Yukon

Statement of Operations

(Unaudited)

For the year ended March 31, 2017 2016

	2017	2016
Revenue		
Yukon Government - administration contribution (note 4)	\$ 244,000	\$ 244,000
Yukon Government - Tourism Training Fund (note 4)	44,860	55,071
Yukon Government - other contributions (note 4)	43,350	37,318
Yukon Government - Tourism Co-operative Marketing Fund (TCMF) (note 4)	-	275,000
Yukon Government - TCMF administration fee (note 4)	-	41,228
Special project	31,994	24,504
Conference	25,587	24,597
Sponsorship	18,802	32,720
Membership, newsletter and other	14,624	3,710
Rental	2,212	2,212
Fundraising	210	3,564
	425,639	743,924
Expenses		
Advertising and promotion	1,665	2,162
Amortization	457	689
Bad debt	1,994	3,000
Bookkeeping	8,978	7,713
Conference	56,641	75,165
Insurance	2,483	3,731
Interest and bank charges	1,188	1,821
Meetings and professional development	23,117	10,722
Newsletter	-	-
Office	12,922	14,183
Professional fees	4,160	5,088
Rent	6,981	8,530
Salaries and related benefits	149,190	205,528
Scholarship fund	2,000	1,000
Special project	57,329	59,223
Sub-contracts	7,433	6,489
Telephone and fax	11,269	12,439
Tourism Cooperative Marketing	-	274,856
Travel	21,091	12,416
Yukon Tourism Training	40,760	38,895
	409,658	743,650
Excess of revenues over expenditures	\$ 15,981	\$ 274

Tourism Industry Association of the Yukon

Statement of Changes in Net Assets

(Unaudited)

For the year ended March 31,

	Unrestricted Net Assets	Invested in Equipment	Total 2017	Total 2016
Balance at beginning of year	\$ 255,345	\$ 1,897	\$ 257,242	256,968
Excess (deficiency) of revenues over expenditures	15,981	-	15,981	274
Amortization	457	(457)	-	-
Balance at end of year	\$ 271,783	\$ 1,440	\$ 273,223	257,242

Draft

Tourism Industry Association of the Yukon

Statement of Cash Flows

(Unaudited)

For the year ended March 31,	2017	2016
Cash flows from operations		
Excess (deficiency) of revenues over expenditures	\$ 15,981	\$ 274
Item not affecting cash		
Amortization	<u>457</u>	<u>689</u>
	16,438	963
 Change in non-cash working capital items		
Accounts receivable	85,776	(6,382)
GST receivable	528	(510)
Prepaid expenditures	17,853	(4,817)
Accounts payable and accrued liabilities	(94,199)	(6,273)
Unearned revenue	<u>(6,100)</u>	<u>(30,956)</u>
 Increase (decrease) in cash	20,296	(47,975)
 Cash at beginning of year	<u>213,305</u>	<u>261,280</u>
 Cash at end of year	<u>\$ 233,601</u>	<u>\$ 213,305</u>

Draft

Tourism Industry Association of the Yukon

Notes to the Financial Statements

(Unaudited)

For the year ended March 31, 2017

Nature of operations

Tourism Industry Association of the Yukon is a not-for-profit organization registered in the Yukon Territory. The association's purpose is to forge a common voice and act to influence, promote and assist the development of tourism in Yukon. Under the provisions of the Income Tax Act, the association is exempt from income taxes.

1. Significant accounting policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles using accounting standards for not-for-profit organizations. The following is a summary of the significant accounting policies used by management in the preparation of these financial statements:

- a) Revenue recognition
The association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.
- b) Equipment
Equipment is recorded at cost. The organization amortizes the equipment over its expected useful life, using the declining balance method at the rates shown in note 2. One half of the amortization is taken in the year of acquisition.
- c) 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 amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.
- d) Financial instruments
 - i) *Measurement of financial instruments*
The association initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

Tourism Industry Association of the Yukon

Notes to the Financial Statements

(Unaudited)

For the year ended March 31, 2017

1. Significant accounting policies, continued

The association subsequently measures its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts and GST receivable.

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

ii) *Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write down is recognized in net income. The write down reflects the difference between the carrying amount and the higher of:

- the present value of the cash flows expected to be generated by the asset or group of assets;
- the amount that could be realized by selling the assets or group of assets; or
- the net realizable value of any collateral held to secure repayment of the assets or group of assets.

When the events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

2. Equipment

				2017	2016
	Rate	Cost	Accumulated amortization	Net book value	Net book value
Equipment	20%	\$ 49,614	\$ 48,273	\$ 1,341	1,676
Computer	55%	18,015	17,915	100	221
Software	100%	5,957	5,957	-	-
		\$ 73,586	\$ 72,145	\$ 1,441	1,897

Tourism Industry Association of the Yukon

Notes to the Financial Statements

(Unaudited)

For the year ended March 31, 2017

3. Unearned revenue

	2017	2016
Yukon Government - Tourism and Culture	\$ -	\$ 6,100

4. Yukon Government funding

The following amounts were received from the Yukon Government as funding in the year:

Department of:	2017	2016
Tourism and Culture	259,000	583,767
Economic Development	15,000	4,491
Energy, Mines and Resources	-	5,000
Education	48,360	44,860
Environment	-	3,000
Agriculture	3,750	-
Prior year deferred revenue brought forward	6,100	11,500
	332,210	652,618

5. Financial instruments

Financial instruments consist of recorded amounts of accounts receivable which will result in future cash receipts, and accounts payable and accruals, which will result in future cash outlays.

The association is exposed to the following risks in respect of certain of the financial instruments held:

- (a) Fair value
The carrying values of the financial instruments noted above approximate their fair values due to their short term maturities.
- (b) 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 funders. The association mitigates this risk by entering into contribution agreements for this revenue.

Tourism Industry Association of the Yukon

Notes to the Financial Statements

(Unaudited)

For the year ended March 31, 2017

5. Financial instruments, continued

- (c) **Liquidity risk**
Liquidity risk is the risk that the association will encounter difficulty meeting obligations associated with its financial liabilities. The association is in a strong liquid position and closely monitors its payables to ensure that there is enough cash on hand to meet obligations as they come due.

6. Economic dependence

The association is economically dependent upon government funding for ongoing projects and operating funds.

7. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year results.

Draft