

TOURISM INDUSTRY ASSOCIATION OF THE YUKON

Financial Statements

Year Ended March 31, 2014

(Unaudited)

TOURISM INDUSTRY ASSOCIATION OF THE YUKON

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Year Ended March 31, 2014

(Unaudited)

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CHARTERED ACCOUNTANTS

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REVIEW ENGAGEMENT REPORT

To the Members of Tourism Industry Association of The Yukon

We have reviewed the statement of financial position of Tourism Industry Association of The Yukon as at March 31, 2014 and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of inquiry, analytical procedures and discussion related to information supplied to us by the association.

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

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian accounting standards for not-for-profit organizations.

Whitehorse, Yukon Territory
September 18, 2014

CHARTERED ACCOUNTANTS

Disclaimer of Liability

These financial statements were reviewed and this Review Engagement Report issues solely for the use of Tourism Industry Association of The Yukon. We make no representations of any kind to any other person in respect of these financial statements and accept no responsibility for their use by any other person in the absence of our written consent and the acknowledgement of the limitations of our liability.

TOURISM INDUSTRY ASSOCIATION OF THE YUKON

Statement of Financial Position

March 31, 2014

(Unaudited)

	2014	2013
ASSETS		
CURRENT		
Cash	\$ 216,385	\$ 137,163
Accounts receivable <i>(Note 4)</i>	104,443	147,764
Due from TIA Training Fund <i>(Note 5)</i>	-	16,650
Goods and services tax recoverable	1,064	6,703
Prepaid expenses	11,460	10,198
	<u>333,352</u>	<u>318,478</u>
PROPERTY, PLANT AND EQUIPMENT <i>(Notes 1, 6)</i>	3,710	4,090
	<u>\$ 337,062</u>	<u>\$ 322,568</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 59,067	\$ 90,038
Wages payable	7,640	2,838
Employee deductions payable	1,803	1,119
Deferred income	4,000	2,250
	<u>72,510</u>	<u>96,245</u>
NET ASSETS		
Investment in property and equipment <i>(Note 7)</i>	3,709	4,089
Unrestricted	260,843	222,234
	<u>264,552</u>	<u>226,323</u>
	<u>\$ 337,062</u>	<u>\$ 322,568</u>

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

TOURISM INDUSTRY ASSOCIATION OF THE YUKON

Statement of Changes in Net Assets

Year Ended March 31, 2014

(Unaudited)

	Investment in Property and equipment	Unrestricted	2014	2013
NET ASSETS - BEGINNING OF YEAR	\$ 4,089	\$ 222,234	\$ 226,323	\$ 236,474
Contributed from Training Trust Fund <i>(Note 12)</i>	-	28,832	28,832	-
Excess of revenue over expenses	-	9,777	9,777	(8,471)
Investment in property and equipment (net)	(380)	-	(380)	(1,680)
NET ASSETS - END OF YEAR	\$ 3,709	\$ 260,843	\$ 264,552	\$ 226,323

TOURISM INDUSTRY ASSOCIATION OF THE YUKON

Statement of Revenues and Expenditures

Year Ended March 31, 2014

(Unaudited)

	2014	2013
REVENUE		
YG - Administration Contribution	\$ 244,000	\$ 244,000
YG - Other contributions	23,035	10,204
Membership dues	4,171	8,521
Miscellaneous	1,816	1,781
Newsletter income	1,640	1,742
Yukon Tourism Training Fund	62,450	-
Tourism Co-operative Marketing Fund	231,010	169,727
TCMF administration fee	34,651	30,000
Registration fees	27,792	19,591
Fundraising	7,184	8,479
Sponsorship revenue	25,832	21,438
Rental income	2,101	2,153
STEP Program	-	3,762
Special project	22,513	3,715
	<u>688,195</u>	<u>525,113</u>
EXPENSES		
Advertising and promotion	3,703	3,644
Bad debts	-	141
Bookkeeping	6,086	7,040
Equipment rentals	14	25
Insurance	2,468	2,708
Interest and bank charges	2,198	2,117
Meetings	13,410	59,218
Newsletter	6,417	7,774
Office, supplies and equipment repair	11,395	10,364
Professional fees	7,850	7,600
Purchase capital assets	1,608	712
Rent	6,363	6,390
Salaries and wages	224,293	206,580
Scholarship fund	2,000	2,000
Special Project	24,432	-
Sub-contracts	1,000	12,822
T.I.A. Yukon Conferences	46,824	1,597
Telephone	9,919	12,468
Tourism Co-operative Marketing	231,010	169,727
Travel	30,184	20,657
Yukon Tourism Training Trust	47,244	-
	<u>678,418</u>	<u>533,584</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 9,777</u>	<u>\$ (8,471)</u>

TOURISM INDUSTRY ASSOCIATION OF THE YUKON

Statement of Cash Flows

Year Ended March 31, 2014

(Unaudited)

	2014	2013
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 733,266	\$ 535,241
Cash paid to suppliers and employees	(686,316)	(547,592)
Interest paid	(2,199)	(2,120)
Goods and services tax	5,639	(1,157)
	<hr/>	<hr/>
Cash flow from (used by) operating activities	50,390	(15,628)
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,608)	(712)
Investment in capital assets	1,608	712
	<hr/>	<hr/>
Cash flow from investing activities	-	-
FINANCING ACTIVITY		
Contribution from Training Trust Fund	28,832	-
	<hr/>	<hr/>
INCREASE (DECREASE) IN CASH FLOW	79,222	(15,628)
Cash - beginning of year	137,163	152,791
	<hr/>	<hr/>
CASH - END OF YEAR	\$ 216,385	\$ 137,163

TOURISM INDUSTRY ASSOCIATION OF THE YUKON

Notes to Financial Statements

Year Ended March 31, 2014

(Unaudited)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Financial Statements

These financial statements present the financial position and the results of the operations of the association known as Tourism Industry Association of the Yukon.

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Revenue Recognition

The association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the relative 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.

Property and equipment

Property and equipment expenditures are expensed on the Statement of Operations in the period of purchase. Amortization for the year is charged against Investment in property and equipment, in the year of acquisition one half the annual rate is used.

Amortization is recorded using the declining balance method over the estimated useful life of the assets at the following rates:

Office furniture and equipment	20%
Computers	30% , 55% & 100%
Software	100%

Measurement uncertainty

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 include providing for amortization of capital assets and goodwill. Actual results could differ from these estimates.

2. NATURE OF OPERATIONS

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

TOURISM INDUSTRY ASSOCIATION OF THE YUKON

Notes to Financial Statements

Year Ended March 31, 2014

(Unaudited)

3. FINANCIAL INSTRUMENTS

The association's financial instruments consist of cash, accounts receivable, accounts payable, wages payable, GST receivable, and deferred income. Unless otherwise noted, it is management's opinion that the association is not exposed to significant interest, currency, credit or market risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values unless otherwise disclosed.

4. ACCOUNTS RECEIVABLE

	2014	2013
Government of Yukon	\$ 92,161	\$ 143,828
Trade	9,913	4,077
Subtotal	102,074	147,905
Allowance for doubtful accounts	-	(141)
Accounts receivable - Other	2,369	-
	\$ 104,443	\$ 147,764

5. DUE FROM TIA TRAINING FUND

	2014	2013
Due To/From TTF	\$ -	\$ 16,650
	-	16,650

6. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2014 Net book value	2013 Net book value
Equipment	\$ 49,614	\$ 46,995	\$ 2,619	\$ 3,274
Computer equipment	18,015	16,924	1,091	816
Computer software	5,957	5,957	-	-
	\$ 73,586	\$ 69,876	\$ 3,710	\$ 4,090

TOURISM INDUSTRY ASSOCIATION OF THE YUKON

Notes to Financial Statements

Year Ended March 31, 2014

(Unaudited)

7. INVESTMENT IN PROPERTY AND EQUIPMENT

	<u>2014</u>	<u>2013</u>
BALANCE - Beginning of Year	\$ 4,089	\$ 5,769
Add: purchase of property and equipment	<u>1,608</u>	<u>712</u>
Subtotal	5,697	6,481
Less: amortization	<u>(1,988)</u>	<u>(2,392)</u>
BALANCE - End of Year	<u>\$ 3,709</u>	<u>\$ 4,089</u>

8. DEFERRED INCOME

	<u>2014</u>	<u>2013</u>
YTG Tourism & Culture Sponsorships	-	-
	\$ -	\$ 2,250
	<u>4,000</u>	<u>-</u>
	<u>\$ 4,000</u>	<u>\$ 2,250</u>

TOURISM INDUSTRY ASSOCIATION OF THE YUKON

Notes to Financial Statements

Year Ended March 31, 2014

(Unaudited)

9. RELATED PARTY TRANSACTIONS

The following is a summary of the Association's transactions with board members and their affiliated companies and/or designated organizations:

	<u>2014</u>	<u>2013</u>
Revenue		
Membership dues	\$ 1,995	\$ 716
Registration fees	-	3,838
Fundraising	-	256
Newsletter	-	1,421
Scholarship	-	1,000
Sponsorship	1,000	7,500
Rent	-	3,931
Administration	47	618
	<u>3,042</u>	<u>19,280</u>
Expenses		
Tourism Co-operative Marketing	\$ 40,161	\$ 71,990
Fee for service including professional services and catering/venue	-	22,215
	<u>40,161</u>	<u>94,205</u>

Included in accounts receivable is \$65 receivable and included in accounts payable is \$5,602 payable from board members their affiliated companies and/or designated organizations.

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.

10. COMMITMENTS

The Association has a lease with respect to its premises. Monthly payments of \$530 are being made. The annual future minimum payments are as follows:

2014	\$ <u>6,360</u>
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TOURISM INDUSTRY ASSOCIATION OF THE YUKON

Notes to Financial Statements

Year Ended March 31, 2014

(Unaudited)

11. ECONOMIC DEPENDENCE

The Association is dependent on the Yukon Government for funding. An annual agreement signed between YG and the Association sets out the terms for providing funds to the Association each fiscal year. According to the annual agreement, YG may have the right to request that the surplus funds be repaid in part or in full. As at the date of the review engagement report, a request of this nature has not been received by the Association from YG and the likelihood of this occurring in the future is not known.

12. CONTRIBUTION

In the past the revenue and expenses of the Training Trust Fund were reported in a separate financial statement it was decided by the board that the activities of the Training Trust Fund would be included in these statements. The contribution consists of assets and liabilities of the Fund.

13. COMPARATIVE FIGURES

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