

**Regional Tourism Organization 12
Parry Sound/Muskoka
O/A Explorers' Edge**

**Financial Statements
For the year ended March 31, 2023**

**Regional Tourism Organization 12 Parry Sound/Muskoka
O/A Explorers' Edge**

Financial Statements
For the year ended March 31, 2023

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Independent Auditors' Report

To the Members of Regional Tourism Organization 12 Parry Sound/Muskoka

Opinion

We have audited the accompanying financial statements of Regional Tourism Organization 12 Parry Sound/Muskoka (the "entity"), which comprise the statement of financial position as at March 31, 2023 and the statements of operations, 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 entity as at March 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the entity in accordance with the 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 Canadian accounting standards for not-for-profit organizations, 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 entity'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 entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the entity's financial reporting process.

Auditors' 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 auditors' 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. 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:

- * 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.
- * 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 entity's internal control.
- * Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- * 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 entity'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 auditors' report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- * 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.



Parry Sound, Ontario
September 15, 2023

Chartered Professional Accountants
Licensed Public Accountants

**Regional Tourism Organization 12 Parry Sound/Muskoka
Statement of Financial Position**

March 31 **2023** **2022**

Assets

Current

Cash	\$	65,209	\$	167,378
Accounts receivable (Note 2)		30,526		150,897
Prepaid expenses		28,774		32,020
		124,509		350,295

Capital assets (Note 4)

		5,548		7,024
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	\$	130,057	\$	357,319
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Liabilities and Net Assets

Current

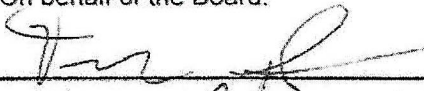
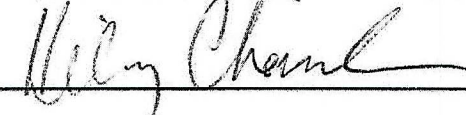
Accounts payable and accrued liabilities (Note 5)	\$	127,965	\$	282,540
Deferred revenue - partnership revenue		-		71,400
		127,965		353,940

Net Assets

Fund balance		2,092		3,379
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	\$	130,057	\$	357,319
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On behalf of the Board:

	Director
	Director

Regional Tourism Organization 12 Parry Sound/Muskoka Statement of Operations and Changes in Net Assets

For the year ended March 31	Budget (Unaudited)	2023	2022
Revenue			
Ministry of Tourism	\$ 1,148,107	\$ 1,148,107	\$ 1,343,107
Ontario Tourism Marketing Partnership	-	-	174,923
FedNor funding	-	71,605	94,645
Partnership income	166,000	172,231	-
Advertising partners	-	66,027	500
Interest income	-	163	3
Membership fees	-	274	355
	<u>1,314,107</u>	<u>1,458,407</u>	<u>1,613,533</u>
Expenses			
Administration and overhead			
Amortization	-	1,476	1,223
Salaries and benefits	340,000	359,702	372,145
Professional, bookkeeping and payroll fees	9,000	18,466	10,377
Office and general administration	76,000	77,106	72,316
Travel and general expenses	36,000	39,968	42,933
Governance and industry relations			
Committee meetings	3,000	3,720	418
Governance, policy, communications etc.	4,000	4,082	10,764
Website and memberships	12,500	18,414	10,608
Marketing and promotion			
Marketing and social media	242,000	229,775	213,835
Transacting	100,000	78,433	193,844
Domestic recovery marketing support program	-	1,386	166,342
Product development and innovation			
Product development	35,607	101,061	2,217
Research	9,000	9,359	6,236
Other			
Workforce training	115,000	113,211	48,926
Partnership program	332,000	403,535	454,697
	<u>1,314,107</u>	<u>1,459,694</u>	<u>1,606,881</u>
Excess of revenue over expenditure (Expenditure over revenue) for the year	-	(1,287)	6,652
Fund balance, beginning of year	3,379	3,379	(3,273)
Fund balance, end of year	<u>\$ 3,379</u>	<u>\$ 2,092</u>	<u>\$ 3,379</u>

The accompanying notes are an integral part of these financial statements.

Regional Tourism Organization 12 Parry Sound/Muskoka Statement of Cash Flows

For the year ended March 31	2023	2022
Cash provided by (used in)		
Operating activities		
Net income (loss) for the year	\$ (1,287)	\$ 6,652
Adjustments required to reconcile net income with net cash provided by operating activities		
Amortization of capital assets	1,476	1,223
Accounts receivable	120,371	(84,450)
Prepaid expenses	3,246	(22,166)
Accounts payable and accrued liabilities	(154,575)	233,409
Deferred revenue	(71,400)	(68,523)
	<u>(102,169)</u>	<u>66,145</u>
Investing activities		
Purchase of capital assets	-	(5,295)
Increase (decrease) in cash during the year	(102,169)	60,850
Cash, beginning of year	167,378	106,528
Cash, end of year	\$ 65,209	\$ 167,378

The accompanying notes are an integral part of these financial statements.

Regional Tourism Organization 12 Parry Sound/Muskoka Notes to Financial Statements

March 31, 2023

1. Significant Accounting Policies

a) Nature and Purpose of Organization

The organization was incorporated without share capital under the laws of Ontario as a not-for-profit organization and is exempt from corporation tax under the Income Tax Act of Canada. It's main purpose is to promote tourism in the Region of Parry Sound and Muskoka, including Almaguin Highlands, Loring Restoule, Algonquin Park and South Algonquin. The organization operates as Explorers' Edge.

b) Basis of Presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO).

c) Financial Instruments

Measurement of financial instruments

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

The entity subsequently measures all its financial assets and financial liabilities at amortized cost.

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

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

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. 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 net income.

d) Use of estimates

The preparation of these financial statements in conformity with Canadian standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Regional Tourism Organization 12 Parry Sound/Muskoka Notes to Financial Statements

March 31, 2023

4. Capital Assets

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Computer equipment	\$ 2,465	\$ 1,962	\$ 503	\$ 718
Furniture and fixtures	13,457	8,412	5,045	6,306
	\$ 15,922	\$ 10,374	\$ 5,548	\$ 7,024

5. Accounts Payable and Accruals

	2023	2022
Trade accounts payable	\$ 82,502	\$ 236,259
Accrued liabilities	45,463	46,281
	\$ 127,965	\$ 282,540

6. Economic dependence

The organization received the majority of its revenue through grants from the Ministry of Tourism. The continuation of the organization is dependent on this funding.

7. Financial Assets and Financial Liabilities

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides the Organization's cash requirements.

Credit risk

The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. Accounts receivable arise primarily from government contracts. The maximum exposure to credit risk is the carrying value of accounts receivable. Accounts receivable are non-interest bearing.
