

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

**Financial Statements
For the year ended March 31, 2024**

Draft

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

**Financial Statements
For the year ended March 31, 2024**

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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, 2024 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, 2024, 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 XX, 2024

Chartered Professional Accountants
Licensed Public Accountants

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

March 31 **2024** **2023**

Assets

Current

Cash	\$	61,420	\$	65,209
Accounts receivable (Note 2)		65,856		30,526
Prepaid expenses		35,363		28,774
		162,639		124,509

Capital assets (Note 4)

		4,388		5,548
		4,388		5,548

	\$	167,027	\$	130,057
		167,027		130,057

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities (Note 5)	\$	162,675	\$	127,965
Deferred revenue - partnership revenue		5,000		-
		167,675		127,965

Net Assets

Fund balance		(648)		2,092
		(648)		2,092
	\$	167,027	\$	130,057
		167,027		130,057

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)	2024	2023
Revenue			
Ministry of Tourism	\$ 1,148,107	\$ 1,148,107	\$ 1,148,107
FedNor funding	-	8,750	71,605
Partnership income	166,000	176,573	172,231
Advertising partners	-	-	66,027
Interest income	-	89	163
Membership fees	-	9	274
	1,314,107	1,333,528	1,458,407
Expenses			
Administration and overhead			
Amortization	-	1,160	1,476
Salaries and benefits	504,000	498,590	359,702
Professional, bookkeeping and payroll fees	25,000	22,295	18,466
Office and general administration	98,000	100,068	77,106
Travel and general expenses	44,000	48,706	39,968
Governance and industry relations			
Committee meetings	500	698	3,720
Governance, policy, communications etc.	4,000	2,901	4,082
Website and memberships	6,000	11,195	18,414
Marketing and promotion			
Marketing and social media	143,500	145,667	229,775
Transacting	45,000	45,129	78,433
Domestic recovery marketing support program	-	-	1,386
Product development and innovation			
Product development	31,000	25,774	101,061
Research	40,000	42,042	9,359
Other			
Workforce training	41,107	45,113	113,211
Partnership program	332,000	346,930	403,535
	1,314,107	1,336,268	1,459,694
Excess of revenue over expenditure			
(Expenditure over revenue) for the year	-	(2,740)	(1,287)
Fund balance, beginning of year	2,092	2,092	3,379
Fund balance, end of year	\$ 2,092	\$ (648)	\$ 2,092

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	2024	2023
Cash provided by (used in)		
Operating activities		
Net Loss for the year	\$ (2,740)	\$ (1,287)
Adjustments required to reconcile net income with net cash provided by operating activities		
Amortization of capital assets	1,160	1,476
Accounts receivable	(35,330)	120,371
Prepaid expenses	(6,589)	3,246
Accounts payable and accrued liabilities	34,710	(154,575)
Deferred revenue	5,000	(71,400)
	(3,789)	(102,169)
Investing activities		
Decrease in cash during the year	(3,789)	(102,169)
Cash, beginning of year	65,209	167,378
3, end of year	\$ 61,420	\$ 65,209

Regional Tourism Organization 12 Parry Sound/Muskoka

Notes to Financial Statements

March 31, 2024

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, 2024

- e) Cash** Cash includes balances with financial institutions.
- f) Capital Assets** Capital assets are stated at cost less accumulated amortization. Amortization based on the estimated useful life of the asset is calculated as follows (1/2 year rule):
- Furniture and fixtures - 20% diminishing balance basis
Computer equipment - 30% diminishing balance basis
- h) Leases** Leases are classified as either capital or operating leases. At the time the Organization enters into a capital lease, an asset is recorded with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.
- i) Revenue recognition** Restricted revenue is recognized as it becomes receivable under the terms of the applicable funding arrangement with the Ministry of Tourism.
- Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can reasonably estimated and collection is reasonably assured.
- j) Deferred Revenue** Deferred revenue results from funding received during the year from agreements which cover more than one fiscal year, and represents the unexpended portion of that funding.

2. Accounts Receivable

	2024	2023
Trade receivables	\$ 10,250	\$ 8,350
HST recoverable	55,606	22,176
	\$ 65,856	\$ 30,526

3. Due to/from the Ministry of Tourism

Any amount due to / from the Ministry is subject to review by the Ministry of Tourism.

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

March 31, 2024

4. Capital Assets

	Cost	Accumulated Amortization	2024 Net Book Value	2023 Net Book Value
Computer equipment	\$ 2,465	\$ 2,113	\$ 352	\$ 503
Furniture and fixtures	13,457	9,421	4,036	5,045
	\$ 15,922	\$ 11,534	\$ 4,388	\$ 5,548

5. Accounts Payable and Accruals

	2024	2023
Trade accounts payable	\$ 151,744	\$ 82,502
Accrued liabilities	10,931	45,463
	\$ 162,675	\$ 127,965

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.
