

**TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.**

**Financial Statements**

**Year Ended March 31, 2021**

**TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.**

**Index to Financial Statements**

**Year Ended March 31, 2021**

*(Unaudited)*

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## INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

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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. which comprise the statement of financial position as at March 31, 2021 and the statements of changes in net assets, revenues and expenditures and cash flow 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, 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 for the Financial Statements*

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 these 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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Teed Saunders Doyle*

Fredericton, New Brunswick  
June 30, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

**TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.**

**Statement of Financial Position**

**March 31, 2021**

*(Unaudited)*

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 113,155	\$ 61,453
Term deposits <i>(Note 5)</i>	198,166	197,379
Accounts receivable <i>(Note 11)</i>	22,742	37,795
Inventory	6,918	6,898
Government remittances recoverable	8,007	1,421
Prepaid expenses	21,949	7,770
	<b>370,937</b>	312,716
RESTRICTED CASH - SCHOLARSHIPS <i>(Note 6)</i>	31,991	35,916
PROPERTY AND EQUIPMENT <i>(Note 4)</i>	18,860	19,499
	<b>\$ 421,788</b>	\$ 368,131
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 48,022	\$ 21,670
Deferred revenue <i>(Note 12)</i>	24,633	1,025
	72,655	22,695
FUNDS IN TRUST - SCHOLARSHIPS	31,991	35,916
	104,646	58,611
<b>NET ASSETS</b>		
Unrestricted	298,282	290,021
Invested in property and equipment	18,860	19,499
	317,142	309,520
	<b>\$ 421,788</b>	\$ 368,131

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ *Director*

\_\_\_\_\_ *Director*

**TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2021**

*(Unaudited)*

	Unrestricted	Invested in Property and Equipment	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 290,021	\$ 19,499	\$ 309,520	\$ 297,868
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	12,381	(4,759)	7,622	11,652
INVESTED IN PROPERTY AND EQUIPMENT	(4,120)	4,120	-	-
NET ASSETS - END OF YEAR	\$ 298,282	\$ 18,860	\$ 317,142	\$ 309,520

**TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.**

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2021**

*(Unaudited)*

	2021	2020
<b>REVENUE</b>		
Contract revenue <i>(Note 8)</i>	\$ 323,580	\$ 418,102
Annual general meeting	5,200	107,345
Training and course material	16,127	50,490
Dues	14,135	99,625
Other income	7,987	9,717
COVID-19 funding <i>(Note 7)</i>	302,943	-
	<u>669,972</u>	<u>685,279</u>
<b>ADMINISTRATION EXPENSES</b>		
Advertising and promotion	31,277	7,758
Amortization of property and equipment	4,759	3,467
Dues	3,874	3,528
Insurance	2,135	2,209
Interest and bank charges	1,066	2,651
Meetings	584	608
Office	6,977	9,212
Professional fees	14,950	4,880
Rent	36,324	36,509
Salaries and subcontracts	231,893	234,932
Telephone and utilities	5,379	4,155
Travel	4,101	7,603
	<u>343,319</u>	<u>317,512</u>
Allocated from administration <i>(Note 10)</i>	<u>(59,392)</u>	<u>(155,608)</u>
	<u>283,927</u>	<u>161,904</u>
	<u>386,045</u>	<u>523,375</u>
<b>EXPENSES</b>		
Annual general meeting	22,064	97,895
Contract expenses <i>(Note 9)</i>	317,110	377,412
Training and course material	39,249	36,416
	<u>378,423</u>	<u>511,723</u>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<u>\$ 7,622</u>	<u>\$ 11,652</u>

**TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.**

**Statement of Cash Flow**

**Year Ended March 31, 2021**

*(Unaudited)*

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 7,622	\$ 11,652
Item not affecting cash:		
Amortization of property and equipment	4,759	3,467
	<u>12,381</u>	<u>15,119</u>
Changes in non-cash working capital:		
Term deposits	(787)	66,268
Accounts receivable	15,053	(26,799)
Inventory	(20)	(3,848)
Prepaid expenses	(14,179)	(833)
Accounts payable	26,354	(10,268)
Deferred revenue	23,608	(144,347)
Government remittances recoverable / payable	(6,588)	24,228
	<u>43,441</u>	<u>(95,599)</u>
	<u>55,822</u>	<u>(80,480)</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(4,120)	(17,113)
Funds in trust - scholarships	(3,925)	(1,763)
	<u>(8,045)</u>	<u>(18,876)</u>
<b>INCREASE (DECREASE) IN CASH</b>	<b>47,777</b>	<b>(99,356)</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>97,369</b>	<b>196,725</b>
<b>CASH - END OF YEAR</b>	<b>\$ 145,146</b>	<b>\$ 97,369</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 113,155	\$ 61,453
Restricted cash - scholarships	31,991	35,916
	<u>\$ 145,146</u>	<u>\$ 97,369</u>

# TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.

## Notes to Financial Statements

Year Ended March 31, 2021

(Unaudited)

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### 1. DESCRIPTION OF OPERATIONS

Tourism Industry Association of New Brunswick Inc. is a not-for-profit organization incorporated without share capital that is exempt from income taxes. Tourism Industry Association of New Brunswick Inc. was formed in 1983 to promote the growth and quality of the tourism and hospitality industry in New Brunswick. The Association was formerly known as Hospitality New Brunswick Inc.

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.

#### Cash and cash equivalents

The Association considers cash on hand, short-term deposits and balances with banks, net of overdrafts as cash or cash equivalents. Bank borrowings are considered to be financing activities.

#### Financial instruments policy

The Association considers any contracts a financial asset, liability, or equity instrument as a financial instrument, except in certain limited circumstances. The Association accounts for the following as financial instruments:

1. Cash and cash equivalents
2. Trade and other receivables
3. Payables and accruals
4. Term deposits

A financial asset or liability is recognized when the organization becomes party to contractual provisions of the instrument.

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

Financial assets or liabilities obtained in related party transactions are measured in accordance with the accounting policy for related party transactions except for those transactions that are with a person or entity whose sole relationship with the Association is in the capacity of management in which case they are accounted for in accordance with financial instruments.

The Association subsequently measures its financial assets and financial liabilities at cost or amortized cost less any reduction for impairment.

The Association removes financial liabilities, or a portion of, when the obligation is discharged, cancelled, or expires.

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**TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2021**

*(Unaudited)*

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

Inventory

Inventory 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. Property and equipment 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.

Use of estimates

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. Significant estimates include allowances for doubtful accounts and useful lives of property and equipment. Actual results could differ from these estimates.

Revenue recognition

The Association follows the deferral method of accounting for revenue, whereby revenue received for specific purposes is deferred and recognized as income in the period in which the related expenses are incurred.

Revenue from membership dues is recognized to income on a monthly basis over the membership term.

Allocated administration expenses

Various administration 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 disclosed on Note 10 to the financial statements.

**TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2021**

*(Unaudited)*

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, 2021.

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. 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, and accounts payable.

4. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	<b>2021 Net book value</b>	2020 Net book value
Computer equipment	\$ 63,087	\$ 58,836	\$ 4,251	\$ 1,443
Office equipment and fixtures	31,400	23,339	8,061	9,637
Leasehold improvements	9,355	2,807	6,548	8,419
	<b>\$ 103,842</b>	<b>\$ 84,982</b>	<b>\$ 18,860</b>	<b>\$ 19,499</b>

5. TERM DEPOSITS

Guaranteed investment certificates are interest bearing at rates between 0.3% and 0.9% (2020 - 0.3% and 1.5%) and mature within one year.

6. RESTRICTED CASH - SCHOLARSHIPS

Restricted cash - scholarships includes \$23,473 (2020 - \$23,473) applicable to the Pioneer Legacy Scholarship administered on behalf of the New Brunswick Restaurant and Food Association.

During the year, the scholarship fund generated \$75 (2020 - \$1,760) from fundraising and paid scholarships of \$4,000 (2020 - \$nil).

7. REVENUE - COVID-19 FUNDING

	<b>2021</b>	<b>2020</b>
Membership fees subsidy - ACOA	\$ 163,994	\$ -
Training subsidy - ACOA	50,000	-
Wage subsidies - CEWS	88,949	-
	<b>\$ 302,943</b>	<b>\$ -</b>

**TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2021**

*(Unaudited)*

8. CONTRACT REVENUE

	<u>2021</u>	<u>2020</u>
Customer Experience Fund Project	\$ 7,525	\$ 957
Destination Employment Program	15,000	15,000
Golden Dragon Project (ACOA)	-	15,000
Golden Dragon Project (PETL)	-	12,342
Labour Force Implementation plan	-	90,000
NB - 101 Project	-	81,845
Labour Force Adjustment Committee	175,691	-
STAR Project	-	7,847
CIR Codes	848	-
Training Program Review & Update	-	117,971
Training: Responsible Beverage	-	8,390
Clean It Right	58,736	-
Video Training Modules for Restaurants	54,780	-
Workforce Shortage	-	68,750
Work Force Development Plan Update	11,000	-
	<u>\$ 323,580</u>	<u>\$ 418,102</u>

9. CONTRACT EXPENSES

	<u>2021</u>	<u>2020</u>
Golden Dragon Project (ACOA)	\$ -	\$ 9,441
Golden Dragon Project (PETL)	-	9,441
Labour Force Implementation Plan	-	31,358
NB - 101 Project	-	71,994
STAR Project	-	6,250
Training Program Review & Update	-	27,217
Training: Responsible Beverage	-	6,196
Workforce Shortage	-	47,318
Youth Employment and Skills Strategy	-	1,500
Work Force Development Plan Update	10,000	-
Video Training Modules for Restaurants	49,800	-
Labour Force Adjustment Committee	145,917	-
Clean It Right	33,841	-
Non-recoverable HST	17,704	11,089
CIR Codes	456	-
	<u>257,718</u>	<u>221,804</u>
Subtotal	257,718	221,804
Allocated administrative expense	59,392	155,608
	<u>\$ 317,110</u>	<u>\$ 377,412</u>

**TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2021**

*(Unaudited)*

10. EXPENSES ALLOCATED FROM ADMINISTRATION

	2021	2020
Customer Experience Fund Project	\$ -	\$ 718
Destination Employment Program	14,000	11,250
Golden Dragon Project (ACOA)	-	2,250
Golden Dragon Project (PETL)	-	1,851
Labour Force Implementation Plan	-	52,200
NB- 101 Project	-	12,277
STAR Project	-	1,569
CIR Codes	392	-
Training Program Review and Update	-	58,985
Training: Responsible Beverage	-	4,195
Workforce Shortage	-	10,313
Labour Force Adjustment Committee	45,000	-
	<b>\$ 59,392</b>	<b>\$ 155,608</b>

11. ACCOUNTS RECEIVABLE

	2021	2020
Events	\$ 9,741	\$ 17,795
Projects	-	20,000
Wage subsidies (CEWS)	13,001	-
	<b>\$ 22,742</b>	<b>\$ 37,795</b>

12. DEFERRED REVENUE

	2021	2020
Dues	\$ 2,125	\$ 1,025
Contracts	22,508	-
	<b>\$ 24,633</b>	<b>\$ 1,025</b>

13. GOVERNMENT ASSISTANCE

Contract revenue includes \$186,691 (2020 - \$230,818) from Atlantic Canada Opportunities Agency (ACOA), \$121,889 (2020 - \$103,534) from Province of New Brunswick - Department of Post Secondary Education, and \$15,000 (2020 - \$15,000) from Province of Nova Scotia - Heritage Research Council.

Annual general meeting revenue includes \$5,000 (2020 - \$nil) from Province of New Brunswick - Tourism, Heritage and Culture.

Government funding relating to COVID-19 includes \$88,949 from Canada Revenue Agency for wage subsidies and \$213,994 from Atlantic Canada Opportunities Agency (ACOA) for training and membership fee subsidies.

**TOURISM INDUSTRY ASSOCIATION OF NEW BRUNSWICK INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2021**

*(Unaudited)*

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14. SIGNIFICANT EVENT

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 is unknown at this time and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial assets and condition of the Association in future periods.