

**BAY OF QUINTE TOURIST COUNCIL  
(O/A BAY OF QUINTE REGIONAL MARKETING BOARD)  
FINANCIAL STATEMENTS  
AS AT MARCH 31, 2023**

**BAY OF QUINTE TOURIST COUNCIL  
(O/A BAY OF QUINTE REGIONAL MARKETING BOARD)  
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AS AT MARCH 31, 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors

### **Opinion**

We have audited the financial statements of Bay of Quinte Tourist Council o/a Bay of Quinte Regional Marketing Board (the Organization), which comprise the statement of financial position as at March 31, 2023 and the statements of changes in net assets, operations 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 Organization as at March 31, 2023, and its results of operations 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization 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 these financial statements, management is responsible for assessing the Organization'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 Organization, or to cease operations, or has no realistic alternative but to do so.

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

## **Auditor's 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 auditor's 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 Organization'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 Organization'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 auditor's report. However, future events or conditions may cause the Organization 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.

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TRENTON, Canada  
TBD

Chartered Professional Accountants  
Licensed Public Accountants

**BAY OF QUINTE TOURIST COUNCIL  
O/A BAY OF QUINTE REGIONAL MARKETING BOARD  
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2023**

	<b>2023</b>	<b>2022</b>
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	-	132,424
Accounts receivable	<b>123,396</b>	119,236
Prepaid expenses	<b>37,440</b>	59,950
HST recoverable	<b>36,809</b>	33,138
	<b>197,645</b>	344,748
<b>PROPERTY, PLANT AND EQUIPMENT - Note 3</b>	<b>2,909</b>	3,479
	<b>200,554</b>	348,227
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Bank indebtedness	<b>45,851</b>	-
Accounts payable and accrued liabilities	<b>140,938</b>	31,496
Deferred revenue - Discovery Guides	-	26,442
	<b>186,789</b>	57,938
<b>NET ASSETS</b>		
<b>NET ASSETS (DEFICIENCY)</b>	<b>13,765</b>	290,289
	<b>200,554</b>	348,227
<b>APPROVED ON BEHALF OF THE BOARD</b>		
_____	Director	
_____	Director	

The accompanying notes form an integral part of these financial statements

**BAY OF QUINTE TOURIST COUNCIL  
O/A BAY OF QUINTE REGIONAL MARKETING BOARD  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2023**

	<b>2023</b>	2022
	\$	\$
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>290,289</b>	269,990
<b><u>INCREASE (DECREASE) IN NET ASSETS FOR YEAR</u></b>	<b><u>(276,524)</u></b>	<u>20,299</u>
<b><u>NET ASSETS (DEFICIENCY) - END OF YEAR</u></b>	<b><u>13,765</u></b>	<u>290,289</u>

The accompanying notes form an integral part of these financial statements

**BAY OF QUINTE TOURIST COUNCIL  
O/A BAY OF QUINTE REGIONAL MARKETING BOARD  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2023**

	2023	2022
	\$	\$
<b>REVENUE</b>		
City of Belleville		
Per capita	-	78,609
Municipal Accommodation Tax	<b>586,926</b>	424,865
	<b>586,926</b>	503,474
City of Quinte West		
Per capita	67,544	67,544
Municipal Accommodation Tax	<b>124,625</b>	108,777
	<b>192,169</b>	176,321
Mohawks of the Bay of Quinte per capita	3,912	3,912
Municipality of Brighton per capita	<b>18,358</b>	18,358
Greater Napanee per capita	<b>24,632</b>	24,632
Quinte Home Builders Association	<b>5,000</b>	5,000
Other funding	<b>92,320</b>	15,342
	<b>144,222</b>	67,244
	<b>923,317</b>	747,039
<b>EXPENSES</b>		
Administrative expenses	57,243	58,459
Amortization	1,490	2,029
Marketing expenses	778,116	417,807
Staff expenses	<b>362,992</b>	248,445
	<b>1,199,841</b>	726,740
<b>EXCESS OF REVENUE OVER EXPENSES (EXPENSES OVER REVENUE) FOR YEAR</b>	<b>(276,524)</b>	20,299

The accompanying notes form an integral part of these financial statements

**BAY OF QUINTE TOURIST COUNCIL  
O/A BAY OF QUINTE REGIONAL MARKETING BOARD  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2023**

	2023	2022
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Net earnings (loss) for year	(276,524)	20,299
Adjustment for item which does not affect cash - Amortization of property, plant and equipment	1,490	2,029
	<b>(275,034)</b>	22,328
Net change in non-cash working capital -		
Decrease in accounts receivable	(4,160)	10,031
(Increase)/decrease in prepaid expenses	22,510	(58,146)
(Increase)/decrease in HST recoverable	(3,671)	(24,551)
Increase/(decrease) in accounts payable and accrued liabilities	109,442	(4,385)
Increase/(decrease) in deferred revenue	(26,442)	26,442
<b>CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<b>(177,355)</b>	<b>(28,281)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(920)	(2,180)
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(920)</b>	<b>(2,180)</b>
<b>FINANCING ACTIVITIES</b>		
Increase in bank indebtedness	45,851	-
Repayment of long-term debt	-	(40,000)
<b>CASH FLOWS PROVIDED FROM (USED IN) FINANCING ACTIVITIES</b>	<b>45,851</b>	<b>(40,000)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS FOR YEAR</b>	<b>(132,424)</b>	<b>(70,461)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>132,424</b>	<b>202,885</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>NIL</b>	<b>132,424</b>

The accompanying notes form an integral part of these financial statements



**BAY OF QUINTE TOURIST COUNCIL  
O/A BAY OF QUINTE REGIONAL MARKETING BOARD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023**

**1. NATURE OF BUSINESS**

Bay of Quinte Tourist Council o/a Bay of Quinte Regional Marketing Board is a not-for-profit company incorporated under the laws of Ontario, which works to grow tourism and resident attraction with municipalities, First Nations, private organizations and other local stakeholders to benefit the Bay of Quinte area.

**2. ACCOUNTING POLICIES**

Outlined below are those accounting policies adopted by the company considered to be particularly significant:

**(a) Basis of Accounting**

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

**(b) Accounting 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include valuation of accounts receivable, and the estimated useful life of tangible capital assets. Actual results could differ from those estimates.

**(c) Tangible Capital Assets**

Tangible capital assets are stated at acquisition cost. Gains or losses on the disposal of individual assets are recognized in earnings in the year of disposal. Amortization of tangible capital assets, which is based on estimated useful life, is calculated on the following bases and at the rates set out below:

<b>Asset</b>	<b>Basis</b>	<b>Rate</b>
Machinery, equipment, furniture and fixtures	Declining balance	20%
Computer hardware	Declining balance	50% and 55%
Computer software	Declining balance	100%

**(d) Revenue Recognition**

Revenue from community funding is recognized in the fiscal year to which it is earned. Community funding is paid at \$1.55 per capita, based on the most recent Census (currently 2016).

Revenue from Municipal Accommodation Tax is recognized in the fiscal year to which it is earned. Bay of Quinte Tourist Council o/a Bay of Quinte Regional Marketing Board has been designated as the not-for-profit tourist entity for the City of Belleville and City of Quinte West, as per the Municipal Act of Ontario, and as such, retains 50% of the Municipal Accommodation Tax that the municipalities collect, less administrative costs.

**BAY OF QUINTE TOURIST COUNCIL  
O/A BAY OF QUINTE REGIONAL MARKETING BOARD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023**

**2. ACCOUNTING POLICIES - Cont'd**

**(e) Financial Instruments**

The Organization initially measures its financial assets and 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.

The Organization subsequently measures all its financial assets and financial liabilities at amortized costs except for equities quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include accounts receivable, prepaid expenses and government remittances receivable.

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

**(f) Cash and Equivalents**

Cash and equivalents consist of an operating bank account.

**3. PROPERTY, PLANT AND EQUIPMENT**

	2023		2022	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Machinery, equipment, furniture and fixtures	5,102	3,555	5,102	3,168
Computer hardware	8,102	6,740	7,182	5,637
Computer software	1,731	1,731	1,731	1,731
	<b>14,935</b>	<b>12,026</b>	14,015	10,536
Cost less accumulated amortization	<b>\$ 2,909</b>		\$ 3,479	

**4. ECONOMIC DEPENDENCE**

The Organization relies on a significant proportion of their funding from the Municipal Accommodation Tax it receives from the City of Belleville (63% of total revenue) and Quinte West (13% of total revenue). The Municipal Accommodation Tax from both municipalities represents 76% of total revenue.

**BAY OF QUINTE TOURIST COUNCIL  
O/A BAY OF QUINTE REGIONAL MARKETING BOARD  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2023**

**5. COMMITMENTS**

In the 2021 fiscal year, the Organization entered into a lease agreement for office premises at 11 Bay Bridge Road, Suite 114 for five years, ending on April 31, 2025. The total remaining amounts payable including HST are as follows:

	\$	
2024	13,509	
2025	13,509	
2026	1,126	
	28,144	

**6. FINANCIAL RISKS AND CONCENTRATIONS OF RISK**

In the normal course of business, the Organization is exposed to a number of risks that can affect its operational performance. These risks are as follows:

**(a) Liquidity Risk**

Liquidity risk is the risk that the Organization will not be able to meet all cash outflow obligations as they come due. The Organization is exposed to liquidity risk in the fact that funding from the Municipal Accommodation Tax and per capita partner funding are not always guaranteed, and without this funding, the Organization may not be able to meet their cash outflow obligation.

Each municipality is required under the by-laws to distribute 50% of the Municipal Accommodation to an eligible tourism entity; however, the eligible tourism entity, or entities, that receive this amount is up to the discretion of the municipality. Additionally, the Municipal Accommodations Tax is subject to fluctuations.

The communities that are responsible for the allocating of the per capita partner funding are reconfigured every four years, at which time, the allocation of the per capita partner funding is revisited and therefore future funding is not guaranteed.