

**TOURISM INDUSTRY ASSOCIATION OF THE YUKON - ADMINISTRATION AND MARKETING
PROGRAMS**

Financial Statements

Year Ended March 31, 2011

(Unaudited)

**TOURISM INDUSTRY ASSOCIATION OF THE YUKON - ADMINISTRATION AND
MARKETING PROGRAMS**

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Year Ended March 31, 2011

(Unaudited)

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CHARTERED ACCOUNTANTS

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REVIEW ENGAGEMENT REPORT

To the Members of Tourism Industry Association of The Yukon - Administration and Marketing Programs

We have reviewed the statement of financial position of Tourism Industry Association of The Yukon - Administration and Marketing Programs as at March 31, 2011 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 enquiry, analytical procedures and discussion related to information supplied to us by the company.

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 generally accepted accounting principles.

A handwritten signature in blue ink that reads "Ordish & Ordish". The signature is written in a cursive, flowing style.

Whitehorse, Yukon Territory
September 27, 2011

CHARTERED ACCOUNTANTS

Disclaimer of Liability

These financial statements were reviewed and this Review Engagement Report issued solely for the use of Tourism Industry Association of The Yukon - Administration and Marketing Programs. 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 - ADMINISTRATION AND
MARKETING PROGRAMS**

Statement of Financial Position

March 31, 2011

(Unaudited)

	2011	2010
ASSETS		
CURRENT		
Cash	\$ 212,147	\$ 260,080
Accounts receivable <i>(Note 4)</i>	64,062	49,177
Due from TIA Training Fund <i>(Note 5)</i>	1,420	-
Goods and services tax recoverable	612	1,484
Prepaid expenses	7,421	3,158
	285,662	313,899
PROPERTY AND EQUIPMENT <i>(Note 6)</i>	5,203	9,157
	\$ 290,865	\$ 323,056
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 39,001	\$ 18,307
Wages payable	3,073	3,871
Deferred income <i>(Note 8)</i>	4,182	53,728
	46,256	75,906
NET ASSETS		
Investment in property and equipment <i>(Note 7)</i>	5,203	9,157
Unrestricted	239,406	237,993
	244,609	247,150
	\$ 290,865	\$ 323,056

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

**TOURISM INDUSTRY ASSOCIATION OF THE YUKON - ADMINISTRATION AND
MARKETING PROGRAMS**

Statement of Changes in Net Assets

Year Ended March 31, 2011

(Unaudited)

	Investment in Property and equipment	Unrestricted	2011	2010
NET ASSETS - BEGINNING OF YEAR	\$ 9,157	\$ 237,993	\$ 247,150	\$ 260,111
Excess of revenue over expenses	-	1,413	1,413	(15,885)
Investment in property and equipment (net)	(3,954)	-	(3,954)	2,924
NET ASSETS - END OF YEAR	\$ 5,203	\$ 239,406	\$ 244,609	\$ 247,150

**TOURISM INDUSTRY ASSOCIATION OF THE YUKON - ADMINISTRATION AND
MARKETING PROGRAMS**

Statement of Revenues and Expenditures

Year Ended March 31, 2011

(Unaudited)

	2011	2010
REVENUE		
YG - Administration Contribution	\$ 244,000	\$ 244,000
YG - Other contributions	32,715	20,095
Membership dues	6,873	16,280
Miscellaneous	3,117	668
Newsletter income	2,524	2,157
Canada Select	4,423	7,170
Tourism Co-operative Marketing Fund	174,653	86,355
TCMF administration fee	22,500	22,500
Registration fees	18,666	17,026
Fundraising	18,440	5,670
Sponsorship revenue	25,450	12,750
	<u>553,361</u>	<u>434,671</u>
EXPENSES		
ATIA conference	43,030	-
Advertising and promotion	7,829	9,337
Bad debt recovery	-	(571)
Bookkeeping	13,521	10,117
Canada Select expense	1,538	6,986
Equipment rentals	4,234	4,514
Insurance	2,375	2,739
Interest and bank charges	1,173	1,491
Meetings	46,140	37,434
Newsletter	6,470	6,293
Office, supplies and equipment repair	5,768	7,049
Peel River Water Shed program	-	28,526
Professional fees	5,493	6,293
Purchase capital assets	4,521	11,000
Rent	6,363	6,363
Salaries and wages	199,560	154,802
Scholarship fund	1,389	1,612
Sub-contracts	9,432	45,292
Telephone	8,348	9,958
Tourism Co-operative Marketing	174,653	86,355
Travel	10,111	14,966
	<u>551,948</u>	<u>450,556</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 1,413</u>	<u>\$ (15,885)</u>

**TOURISM INDUSTRY ASSOCIATION OF THE YUKON - ADMINISTRATION AND
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Statement of Cash Flow

Year Ended March 31, 2011

(Unaudited)

	2011	2010
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 488,931	\$ 515,477
Cash paid to suppliers and employees	(536,562)	(537,960)
Interest paid	(1,175)	(1,494)
Goods and services tax	873	15,550
DECREASE IN CASH FLOW	(47,933)	(8,427)
Cash - beginning of year	260,080	268,507
CASH - END OF YEAR	\$ 212,147	\$ 260,080

**TOURISM INDUSTRY ASSOCIATION OF THE YUKON - ADMINISTRATION AND
MARKETING PROGRAMS**

Notes to Financial Statements

Year Ended March 31, 2011

(Unaudited)

1. 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.

2. 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 - Administration and Marketing Programs. They do not include the assets and liabilities, revenues and expenses of the Yukon Tourism Training Fund.

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.

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**TOURISM INDUSTRY ASSOCIATION OF THE YUKON - ADMINISTRATION AND
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Notes to Financial Statements

Year Ended March 31, 2011

(Unaudited)

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

Capital management

The Association's objective when managing capital is to fund its operations and capital asset investments. The Association maintains sufficient liquidity to meet its obligations as they become due. The Association does not carry long-term debt and is not subject to any externally imposed capital requirements.

3. FINANCIAL INSTRUMENTS

The association's financial instruments consist of cash, accounts receivable, due from TIA Training Fund, accounts payable, wages payable, GST receivable, and deferred income. The carrying values of those financial assets and financial liabilities approximate their fair values unless otherwise disclosed.

4. ACCOUNTS RECEIVABLE

	<u>2011</u>	<u>2010</u>
Government of Yukon	\$ 39,207	\$ 25,419
Government of Canada - INAC	23,400	23,400
Trade	1,455	358
	<u>\$ 64,062</u>	<u>\$ 49,177</u>

5. DUE FROM TIA TRAINING FUND

	<u>2011</u>	<u>2010</u>
	\$ 1,420	\$ -

Advances to Tourism Industry Association of the Yukon - Training Fund is non-interest bearing and has no set repayment terms.

**TOURISM INDUSTRY ASSOCIATION OF THE YUKON - ADMINISTRATION AND
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Notes to Financial Statements

Year Ended March 31, 2011

(Unaudited)

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2011 Net book value	2010 Net book value
Office furniture and equipment	\$ 48,174	\$ 44,879	\$ 3,295	\$ 3,326
Computers	13,907	12,453	1,454	5,831
Software	4,626	4,172	454	-
	<u>\$ 66,707</u>	<u>\$ 61,504</u>	<u>\$ 5,203</u>	<u>\$ 9,157</u>

7. INVESTMENT IN PROPERTY AND EQUIPMENT

	2011	2010
BALANCE - Beginning of Year	\$ 9,157	\$ 6,233
Add: purchase of property and equipment	4,521	11,000
Less: Disposal	(331)	(1,526)
Subtotal	13,347	15,707
Less: amortization	(8,144)	(6,550)
BALANCE - End of Year	<u>\$ 5,203</u>	<u>\$ 9,157</u>

8. DEFERRED INCOME

	2011	2010
YG Economic Development	\$ 4,000	\$ -
Tourism Cooperative Marketing Fund	182	52,645
2010/2011 membership fees	-	226
2010 Conference fees	-	857
	<u>\$ 4,182</u>	<u>\$ 53,728</u>

YG Economic Development balance is funding for the 2011 Spring Conference and AGM.

Tourism Cooperative Marketing Fund balance is unspent funding from YG Tourism and Culture for the Tourism Cooperative Marketing Fund.

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9. RELATED PARTY TRANSACTIONS

Transactions with TIA Yukon - Training Fund consist of reimbursement of expenses such as advertising, office expenses, professional fees, and subcontracts as well as 15% of the salary of one TIA Yukon employee.

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

	<u>2011</u>
Revenue	
Membership dues	\$ 895
Registration fees	3,495
Fundraising	6,028
Program participation	<u>788</u>
	<u>11,206</u>
Expenses	
Tourism Co-operative Marketing	\$ 39,124
Fee for service including professional services and catering/venue	<u>59,143</u>
	<u>98,267</u>

Included in accounts receivable is \$321 receivable and included in accounts payable is \$6,474 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 premise until December 31, 2011. Monthly payments of \$530 are being made. The annual future minimum payments are as follows:

2012	<u>\$ 4,772</u>
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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. COMPARATIVE FIGURES

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