

THE TRAVEL MEDIA ASSOCIATION OF CANADA
Financial Statements
Year Ended December 31, 2020

THE TRAVEL MEDIA ASSOCIATION OF CANADA
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Year Ended December 31, 2020

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Les Lucyk Professional Corporation

Licensed Public Accountant

Chartered Professional Accountant, Chartered Accountant



Member of the Institute of
Chartered Professional Accountants of Ontario

INDEPENDENT AUDITOR'S REPORT

To the Members of The Travel Media Association of Canada

I have audited the accompanying financial statements of The Travel Media Association of Canada (the Association), which comprise the statements of financial position as at December 31, 2020 and the statements of operations, changes in net assets and cash flows for year then ended, and a summary of significant accounting policies and other explanatory information.

In my opinion, these financial statements present fairly, in all material respects, the statement of financial position of the Association as at December 31, 2020, and its statements of operations, changes in net assets and cash flows for the year then ended, in accordance with Canadian Accounting Standards for Non-Profit Organizations. (ASNPO)

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Association in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with ASNPO, 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using a going concern basis of accounting unless management either intends to liquidate the Association or to cease its operations. Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 report that includes my opinion. Reasonable assurance is a high level of assurance, but it 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 Association'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 Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my audit report. However, future events or conditions may cause the Association 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.

I 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 I identify during the audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, related safeguards.

Lastly, I determined there were no material matters of significance that needed to be communicated to those charged with governance.



Mississauga, ON
April 20, 2021

Les Lucyk Professional Corporation
Chartered Professional Accountant
Licensed Public Accountant

THE TRAVEL MEDIA ASSOCIATION OF CANADA

Statement of Financial Position

December 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 120,205	\$ 177,804
Accounts receivable	1,500	-
Provincial sales tax recoverable	-	1,759
HST receivable	6,183	10,779
TOTAL ASSETS	\$ 127,888	\$ 190,342
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 6,391	\$ 6,755
Deferred income	13,119	32,925
	19,510	39,680
NET ASSETS		
Accumulated operations surplus	108,378	131,519
Media & awards funding surplus	-	19,143
	108,378	150,662
TOTAL LIABILITIES AND NET ASSETS	\$ 127,888	\$ 190,342

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

THE TRAVEL MEDIA ASSOCIATION OF CANADA

Statement of Operations

Year Ended December 31, 2020

	2020	2019
REVENUES		
Conference revenue	\$ 2,750	\$ 89,930
Membership dues	73,625	78,042
Awards and other revenue	22,244	24,956
	<u>98,619</u>	<u>192,928</u>
EXPENDITURES		
Administrator fees	92,093	91,930
Conference expense	19,364	49,625
Website maintenance, media communications	5,459	8,931
Office and general	13,919	14,667
Professional fees	2,518	3,390
Provincial Chapter Funding	2,550	5,250
Honorariums (Note 3)	5,000	10,000
Strategic Development	-	15,295
	<u>140,903</u>	<u>199,088</u>
(SHORTFALL) EXCESS OF REVENUES OVER EXPENDITURES BEFORE TRAVEL AND AWARDS SUBSIDIES	<u>(42,284)</u>	<u>(6,160)</u>
TRAVEL AND AWARDS SUBSIDIES		
Travel and awards subsidies collected	-	17,500
Travel and awards subsidies expended	-	(10,660)
EXCESS OF SUBSIDIES COLLECTED OVER SUBSIDIES EXPENDED	<u>-</u>	<u>6,840</u>
TOTAL SURPLUS OF REVENUES OVER EXPENDITURES	<u>\$ (42,284)</u>	<u>\$ 680</u>

See notes to financial statements

TRAVEL MEDIA ASSOCIATION OF CANADA

**STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Accumulated Operations	Media & Awards Funding	2020 Total	2019 Total
	\$	\$	\$	\$
OPENING BALANCE	131,519	19,143	150,662	149,982
Current year (shortfall)excess	<u>(42,284)</u>		<u>(42,284)</u>	<u>(6,160)</u>
Accumulated surplus	<u>89,235</u>		<u>108,378</u>	<u>143,822</u>
Media & awards funding		-	-	17,500
Media & awards expenditure		<u>-</u>	<u>-</u>	<u>(10,660)</u>
Media & awards funding surplus		-	-	6,840
ENDING BALANCE	89,235	19,143	108,378	150,662

**NET ASSETS
SUMMARY**

Combined opening net assets			150,662	149,982
Current year activity	<u>(42,284)</u>	<u>-</u>	<u>(42,284)</u>	<u>680</u>
Combined closing net assets			<u>108,378</u>	<u>150,662</u>

See accompanying notes

THE TRAVEL MEDIA ASSOCIATION OF CANADA
Statement of Cash Flows
Year Ended December 31, 2020

	2020	2019
OPERATING ACTIVITIES		
(Deficiency)excess of operating revenues over expenditures	\$ (42,284)	\$ (6,160)
Changes in non-cash working capital:		
Accounts payable	-	(866)
Deferred income	-	12,748
Prepaid expenses	-	1
GST payable (receivable)	-	(114)
PST payable (receivable)	-	(1,759)
Cash flow (used by)from operating activities	<u>(42,284)</u>	<u>(6,160)</u>
CHANGES IN NON-CASH WORKING CAPITAL		
Accounts receivable	(1,500)	-
Accounts payable	(364)	(851)
Deferred revenue	(19,805)	12,750
HST payable(receivable)	4,596	(132)
QST payable (receivable)	1,758	(1,758)
Cash flow from (used by) changes in non-cash working capital	<u>(15,315)</u>	<u>10,009</u>
FINANCING ACTIVITY		
Increase(decrease) in net awards, travel subsidies	-	6,840
INCREASE (DECREASE) IN CASH FLOW	(57,599)	10,689
Cash - beginning of year	<u>177,804</u>	<u>167,115</u>
CASH - END OF YEAR	\$ 120,205	\$ 177,804

See notes to financial statements

THE TRAVEL MEDIA ASSOCIATION OF CANADA

Notes to Financial Statements

Year Ended December 31, 2020

1. PURPOSE OF THE ASSOCIATION

The Travel Media Association of Canada (the "Association") is a not-for-profit organization originally incorporated under the Ontario Business Corporations Act on July 4, 1994. Its mandate is to foster excellence, uphold ethical standards and promote professional development between the travel media and tourism industry in Canada. The Association's Ontario charter was surrendered on June 27, 2002 and replaced by incorporation under the Canada Corporations Act on October 3, 2001. During 2014, it obtained a Certificate of Continuance under the new Canada Not-for-Profit Corporations Act which became mandatory for Federally incorporated not-for-profit corporations in Canada effective October 17, 2014.

Consistent with the Association's status as a not-for-profit organization, it is exempt from tax under Section 149(1) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared with the standards in Part III of the CICPA Accounting Handbook for not-for-profit organizations in accordance with Canadian generally accepted accounting principles for non-profit organizations. The most significant standards are as follows:

Accrual basis of accounting

Expenditures are recorded on an accrual basis, whereby they are reflected in the financial statements in the period in which they have been incurred, whether or not such transactions have been finally settled by payment of money.

Revenue recognition

The Association recognizes revenue as follows:

- i) Members' dues - members pay annual dues and are extended various benefits throughout the period. Accordingly, they are recognized as revenue over the term of membership.
- ii) Conference revenue - recognized when the conference is held.
- iii) Investment and other income - recognized when earned.

Allocation of expenses

The Association's business consists of direct expenses excluding administration fees and general support expenses for the administration of the Association.

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumption that affect the amounts reported in the financial statements and accompanying notes. These estimates are based on management's best knowledge of current events and actions that the Association may undertake in the future.

THE TRAVEL MEDIA ASSOCIATION OF CANADA
Notes to Financial Statements
Year Ended December 31, 2020

3. RELATED PARTY TRANSACTIONS

	<u>2020</u>	<u>2019</u>
Honorariums - Directors	\$ 5,000	\$ 10,000
Expense reimbursement - Directors	-	6,164
	<u>\$ 5,000</u>	<u>\$ 16,164</u>

Honorariums to certain Directors are payments as gestures of goodwill and appreciation toward their volunteer assistance in supporting the goals of the Association.

Director expense reimbursements are allocated in the expense account to which the reimbursement relates.

4. DEFERRED REVENUE

Deferred revenue related to payments made in advance for the 2021 AGM and conference registration fee, conference and award sponsorship and membership dues.

5. SUBSEQUENT EVENTS

Because of the continued impact of Covid-19 in the 2021 year, Management is planning a virtual conference to help provide additional revenue to benefit the financial results of 2021.

6. FINANCIAL INSTRUMENTS

a) Liquidity Risk

Liquidity risk arises through having excess financial obligations over financial assets at any point in time. The Association manages its liquidity risk through monthly Board of Director meetings by monitoring sufficient readily available funds in order to meet its liquidity requirements at any point in time.

b) Management of Capital

The Association views net assets as its capital and manages it in a manner to ensure it has adequate resources to meet its financial needs.
