

BRITISH COLUMBIA HOTEL ASSOCIATION

Compiled Financial Information

Year Ended August 31, 2023

A handwritten signature in black ink, appearing to read "John" or "John M.", is positioned at the bottom left of the document, below the title and above the signature line.

AC Belliveau Veinotte Inc.
CHARTERED PROFESSIONAL ACCOUNTANTS

Member of The AC Group of Independent Accounting Firms

BRITISH COLUMBIA HOTEL ASSOCIATION
Index to Compiled Financial Information
Year Ended August 31, 2023

Page 1

	Page
COMPILE ENGAGEMENT REPORT	2
COMPILED FINANCIAL INFORMATION	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Notes to Compiled Financial Information	6 - 7
Schedule of Expenses (<i>Schedule 1</i>)	8



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COMPIILATION ENGAGEMENT REPORT

To the Directors of British Columbia Hotel Association

On the basis of information provided by management, we have compiled the statement of financial position of British Columbia Hotel Association as at August 31, 2023, and the statements of operations and changes in net assets for the year then ended, and Note 1, which describes the basis of accounting applied in the preparation of the compiled financial information ("financial information").

Management is responsible for the accompanying financial information, including the accuracy and completeness of the underlying information used to compile it and the selection of the basis of accounting.

We performed this engagement in accordance with Canadian Standard on Related Services (CSRS) 4200, *Compilation Engagements*, which requires us to comply with relevant ethical requirements. Our responsibility is to assist management in the preparation of the financial information.

We did not perform an audit engagement or a review engagement, nor were we required to perform procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an audit opinion or a review conclusion, or provide any form of assurance on the financial information.

Readers are cautioned that the financial information may not be appropriate for their purposes.

Belliveau Veinotte Inc.

Halifax, Nova Scotia
October 27, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

BRITISH COLUMBIA HOTEL ASSOCIATION

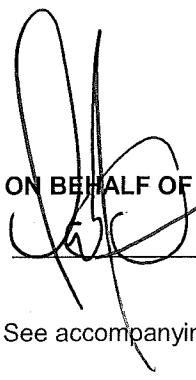
Page 3

Statement of Financial Position

August 31, 2023

	2023	2022
ASSETS		
Current		
Cash	\$ 170,319	\$ 419,776
Accounts receivable	390,718	543,638
HST recoverable	-	10,680
Prepaid expenses	106,752	87,205
Due from related parties, no set terms of repayment, related by ownership stake	6,203	8,230
	673,992	1,069,529
Capital assets (Note 2)	752,810	760,155
Long term investments (Note 3)	22,008	22,008
	\$ 1,448,810	\$ 1,851,692
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 278,360	\$ 344,833
HST payable	1,998	-
Deferred revenue	317,828	310,563
Current portion of long term debt (Note 4)	52,377	14,609
	650,563	670,005
Long term debt (Note 4)	470,440	530,596
	1,121,003	1,200,601
NET ASSETS		
Investment in capital assets	752,810	760,156
Unrestricted	(425,003)	(109,065)
	327,807	651,091
	\$ 1,448,810	\$ 1,851,692

ON BEHALF OF THE BOARD



Director

Treasurer

See accompanying notes to compiled financial information

BRITISH COLUMBIA HOTEL ASSOCIATION

Page 4

Statement of Operations

Year Ended August 31, 2023

	2023	2022
REVENUE		
Memberships	\$ 695,073	\$ 844,220
Programs	348,622	229,014
Trade show	153,188	85,253
Sponsorship	247,550	-
Program grants	30,000	50,000
Project income	232,400	859,674
	1,706,833	2,068,161
DIRECT COSTS		
Memberships	154,256	147,906
Programs	323	-
Trade show	295,921	16,554
	450,500	164,460
GROSS PROFIT	1,256,333	1,903,701
EXPENSES		
Administration (<i>Schedule 1</i>)	307,276	276,138
Amortization	20,091	22,581
Board and committees	224,121	236,971
Interest	37,195	17,140
Office and equipment	42,041	53,285
Premises (<i>Schedule 1</i>)	(47,949)	(37,475)
Project expenses	52,764	14,138
Subcontractors	141,405	178,720
Travel	7,928	7,800
Wages and benefits	848,244	1,230,330
	1,633,116	1,999,628
DEFICIENCY OF REVENUE OVER EXPENSES FROM OPERATIONS	(376,783)	(95,927)
OTHER INCOME (EXPENSES)		
Canadian Emergency Wage Subsidy	-	19,900
Foreign exchange gain (loss)	45	(350)
Government grant programs	4,984	-
Other income	48,470	25,142
	53,499	44,692
DEFICIENCY OF REVENUE OVER EXPENSES FOR THE YEAR	\$ (323,284)	\$ (51,235)

See accompanying notes to compiled financial information

BRITISH COLUMBIA HOTEL ASSOCIATION
Statement of Changes in Net Assets
Year Ended August 31, 2023

Page 5

	Investment in capital assets	Unrestricted	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 760,156	\$ (109,065)	\$ 651,091	\$ 702,326
Deficiency of revenue over expenses	(20,091)	(303,193)	(323,284)	(51,235)
Purchase of capital assets	12,745	(12,745)	-	-
NET ASSETS - END OF YEAR	\$ 752,810	\$ (425,003)	\$ 327,807	\$ 651,091

See accompanying notes to compiled financial information

BRITISH COLUMBIA HOTEL ASSOCIATION
Notes to Compiled Financial Information
Year Ended August 31, 2023

Page 6

1. BASIS OF ACCOUNTING

The basis of accounting applied in the preparation of the statement of financial position of British Columbia Hotel Association as at August 31, 2023, and the statements of operations and changes in net assets for the year then ended is the historical cost basis and reflects cash transactions with the addition of:

- accounts receivable less an allowance for doubtful accounts
- prepaid insurance and property taxes
- capital assets amortized at the rates disclosed in Note 2
- investments recorded at cost
- accounts payable and accrued liabilities
- contributions are deferred and recognized as revenue in the year in which the related expenses are incurred
- unearned operating revenue is recorded as deferred revenue

2. CAPITAL ASSETS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 539,151	\$ -	\$ 539,151	\$ 539,151
Buildings - 4% DB	486,692	297,134	189,558	197,456
Computer equipment - 4 years SL	70,026	58,908	11,118	16,037
Furniture and fixtures - 10 years SL	173,954	160,971	12,983	7,511
	\$ 1,269,823	\$ 517,013	\$ 752,810	\$ 760,155

3. LONG TERM INVESTMENTS

	2023	2022
ABC Accommodations British Columbia Inc. - 50% equity interest	\$ 22,008	\$ 22,008

4. LONG TERM DEBT

	2023	2022
The Association received a \$40,000 Canada Emergency Business Account (CEBA) loan from the Royal Bank of Canada as a result of the COVID-19 crisis. The loan is non-interest bearing until January 18, 2024. Repayment of \$30,000 on or before January 18, 2024 will result in loan forgiveness of 25% (\$10,000). If the loan is not repaid by January 18, 2024, the unpaid loan balance will be interest bearing at 5% for a three-year term beginning January 19, 2024.	\$ 30,000	\$ 30,000

(continues)

BRITISH COLUMBIA HOTEL ASSOCIATION
Notes to Compiled Financial Information
Year Ended August 31, 2023

Page 7

4. LONG TERM DEBT *(continued)*

	2023	2022
Royal Bank of Canada term loan bearing interest at prime plus 1.35% per annum, repayable in monthly payments of \$1,865 plus interest.	492,817	515,205
	522,817	545,205
Amounts payable within one year	(52,377)	(14,609)
	\$ 470,440	\$ 530,596

BRITISH COLUMBIA HOTEL ASSOCIATION
Schedule of Expenses
Year Ended August 31, 2023

Page 8
(Schedule 1)

	2023	2022
ADMINISTRATION		
Accounting fees	\$ 72,086	\$ 74,089
Bad debts	148,545	90,533
Consultants and instructors	15,049	30,884
Insurance	24,651	27,503
Interest and bank charges	14,705	8,716
Other	9,924	10,519
Professional fees	13,103	29,677
Telephone	9,213	4,217
	\$ 307,276	\$ 276,138
PREMISES		
Repairs and maintenance	\$ 20,968	\$ 27,214
Property taxes	40,092	41,095
Utilities	10,672	11,656
	71,732	79,965
Less: rental recovery	(119,681)	(117,440)
	\$ (47,949)	\$ (37,475)

See accompanying notes to compiled financial information