

Financial Statements of

**SASKATOON VISITOR &
CONVENTION BUREAU INC.**

Operating as "Discover Saskatoon"
And Independent Auditor's Report Communication
thereon

Year ended December 31, 2024



KPMG LLP
500-475 2nd Avenue South
Saskatoon Saskatchewan S7K 1P4
Canada
Tel (306) 934-6200
Fax (306) 934-6233

INDEPENDENT AUDITOR'S REPORT

To the Members the Saskatoon Visitor & Convention Bureau Inc.

Opinion

We have audited the financial statements of Saskatoon Visitor & Convention Bureau Inc. (the Entity), which comprise:

- the statement of financial position as at December 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at December 31, 2024, 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 auditor's report.

We are independent of the Entity 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 the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 the 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 Entity'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 Entity'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 Entity 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Saskatoon, Canada
March 25, 2025

SASKATOON VISITOR & CONVENTION BUREAU INC.

Statement of Financial Position

December 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 823,508	\$ 1,434,332
Accounts receivable (note 2)	892,495	944,676
Prepaid expenses and deposits	33,565	59,239
Investments (note 3)	3,120,676	1,681,088
Inventories	15,805	17,763
	<u>4,886,049</u>	<u>4,137,098</u>
Property and equipment (note 4)	107,604	130,676
	<u>\$ 4,993,653</u>	<u>\$ 4,267,774</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 277,271	\$ 239,390
Deferred contributions (note 6 and 7)	3,003,203	2,339,495
	<u>3,280,474</u>	<u>2,578,885</u>
Deferred contributions for property and equipment (note 8)	231,876	247,385
	<u>231,876</u>	<u>247,385</u>
Net assets:		
Operating surplus	1,361,253	1,321,454
Sports tourism reserve	120,050	120,050
	<u>1,481,303</u>	<u>1,441,504</u>
Commitments (note 9)		
	<u>\$ 4,993,653</u>	<u>\$ 4,267,774</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

SASKATOON VISITOR & CONVENTION BUREAU INC.

Statement of Operations

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Destination Marketing Program (note 6)	\$ 3,407,916	\$ 3,091,671
City of Saskatoon	581,400	601,596
YXE Urban Games	338,634	-
Partnership projects and sales (note 10)	210,733	254,048
Membership	81,863	77,576
In-kind revenue	47,765	3,885
Amortization of deferred contributions	43,452	62,361
Administrative fee	20,000	-
Federal grants	13,535	505,483
	<u>4,745,298</u>	<u>4,596,620</u>
Expenses:		
Leisure, travel and convention marketing	4,641,704	4,322,684
Visitor services	139,498	116,749
Membership services	116,120	112,520
In-kind expenses	47,765	3,885
	<u>4,945,087</u>	<u>4,555,838</u>
(Deficiency) excess of revenue over expenses before the undernoted	(199,789)	40,782
Other:		
Unrealized investment income	197,694	20,425
Realized investment income	41,894	41,577
Loss on disposal of property and equipment	-	(30,921)
	<u>239,588</u>	<u>31,081</u>
Excess of revenue over expenses	\$ 39,799	\$ 71,863

See accompanying notes to financial statements.

SASKATOON VISITOR & CONVENTION BUREAU INC.

Statement of Changes in Net Assets

Year ended December 31, 2024, with comparative information for 2023

	Operating surplus	Sports tourism reserve	Equity in property & equipment	Total 2024	Total 2023
Balance, beginning of year	\$ 1,321,454	\$ 120,050	\$ -	\$ 1,441,504	\$ 1,369,641
Excess of revenue over expenses	39,799	-	-	39,799	71,863
Balance, end of year	\$ 1,361,253	\$ 120,050	\$ -	\$ 1,481,303	\$ 1,441,504

See accompanying notes to financial statements.

SASKATOON VISITOR & CONVENTION BUREAU INC.

Statement of Cash Flows

Year ended December 31, 2024, with comparative information for 2023

	2024	2023
Cash flows from (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 39,799	\$ 71,863
Items not involving cash:		
Amortization of property and equipment	43,452	31,452
Amortization of deferred contributions	(43,452)	(62,361)
Investment income	(239,588)	(62,002)
Loss on disposal of property and equipment	-	30,921
	(199,789)	9,873
Change in non-cash operating working capital:		
Accounts receivable	52,181	(262,791)
Inventories	1,958	(7,192)
Prepaid expenses and deposits	25,674	3,260
Accounts payable and accrued liabilities	37,881	6,669
Deferred contributions	663,708	539,826
Long-term Debt	-	(40,000)
	581,613	249,645
Investing activities:		
Purchase of property and equipment	(20,380)	(148,286)
Purchase of investments	(1,200,000)	(650,000)
Proceeds on disposal of investments	-	68,358
Deferred contributions for property and equipment (note 8)	27,943	47,800
	(1,192,437)	(682,128)
Increase in cash position	(610,824)	(432,483)
Cash, beginning of year	1,434,332	1,866,815
Cash, end of year	\$ 823,508	\$ 1,434,332

See accompanying notes to financial statements.

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements

Year ended December 31, 2024

General:

Saskatoon Visitor and Convention Bureau Inc. (the "Bureau") is incorporated under the *Non-Profit Corporations Act of Saskatchewan* and operates as Discover Saskatoon with a mission to realize economic benefits for Saskatoon through tourism. The Bureau is not liable for federal or provincial income taxes under the Income Tax Act (Canada).

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Standards in Part III of the CICA Handbook.

(a) 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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reporting period. Areas that require significant management estimates include the valuations of accounts receivable and the useful lives of property and equipment. Actual results could differ from these estimates.

(b) Cash:

Cash consists of cash and cash equivalents with an initial term to maturity of three months or less.

(c) Financial instruments:

Financial assets and liabilities are initially recognized at fair value and their subsequent measurement is recorded at amortized cost. Instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Company has elected to carry all investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Bureau determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Bureau expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Property and equipment:

Property and equipment are stated at cost. Amortization is provided over the estimated useful lives of the assets using the following methods and annual rates:

Property and equipment	Method	Rate
Furnishings and equipment	Declining balance	20%-40%
Leasehold improvements	Straight-line	6 years

(e) Net assets:

The Bureau segregates net assets between operating surplus, sports tourism reserve and equity in property and equipment.

Operating surplus represents amounts available for ongoing operation of the Bureau.

Sports Tourism is comprised of the net assets of Sports Tourism Inc. The Bureau, as the sole member of Sports Tourism, made the decision to liquidate and dissolve the organization effective November 10, 2021 and as part of the liquidation a reserve was setup by the Bureau.

Equity in property and equipment represents property and equipment less unamortized capital contributions used to purchase property and equipment.

(f) Inventories:

Inventories of promotional items and various publications for resale are valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

1. Significant accounting policies (continued):

(g) Revenue recognition:

The Bureau recognizes revenue from the Destination Marketing Program as earned based on qualifying expenses incurred.

The Bureau recognizes revenue from grants as earned based on the terms of the agreements, amounts received but not earned are deferred. Membership revenue is recognized when received. Revenue from events, fees, contracts and items for resale are recognized when the services are provided or the goods are sold.

The Bureau recognizes revenue and expenses for contributed products and services that would otherwise have been purchased by the Bureau, at the estimated value of such products and services. The current year's membership revenue includes \$4,130 of in-kind memberships (2023 — \$3,885) and YXE urban games revenue includes \$43,635 of in-kind products and services (2023 — \$nil).

Revenue received for externally restricted projects where the related costs will be incurred in future periods is deferred on the statement of financial position. These revenues will be recorded on the statement of operations in the period when the related costs are incurred.

(h) Allocation of general administration expenses:

The Bureau classifies expenses on the statement of operations by function. The Bureau allocates certain costs by identifying the appropriate basis of allocation and applying that basis consistently each year. Administration expenses are allocated based on estimates of staff activities and resource usage.

Administration expenses have been allocated as follows:

	2024	2023
Leisure, travel and convention marketing	\$ 731,909	\$ 682,050
Visitor services	91,489	85,256
Membership services	91,489	85,256
	\$ 914,887	\$ 852,562

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

2. Accounts receivable:

Included in current year accounts receivable is recorded as follows:

	2024		2023	
Destination Marketing Program	\$	645,750	\$	550,000
Government grants receivable		205,123		389,380
Trade accounts receivable		41,622		5,296
Accounts receivable	\$	892,495	\$	944,676

3. Investments:

	2024		2023	
	Cost	Market	Cost	Market
Mutual funds	\$ 1,108,362	\$ 1,127,673	\$ 445,045	\$ 455,991
Fixed income	996,000	1,049,499	763,000	778,239
Equities	818,620	943,504	441,279	446,858
	\$ 2,922,982	\$ 3,120,676	\$ 1,649,324	\$ 1,681,088

4. Property and equipment:

	2024		2023	
	Cost	Accumulated amortization	Net book value	Net book value
Furnishings and equipment	\$ 115,954	\$ 57,831	\$ 58,123	\$ 72,927
Leasehold improvements	73,237	23,756	49,481	57,749
	\$ 189,191	\$ 81,587	\$ 107,604	\$ 130,676

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$39,350 (2023 — \$37,718), which includes amounts payable for GST and PST.

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

6. Destination Marketing Program Contributions:

The Bureau has a signed agreement with Saskatoon Destination Marketing Hotels Inc. to December 31, 2025, to increase total overnight visitation and expenditures in Saskatoon. Funding available and current expenditures for each of the years ended December 31, 2024 and 2023 are as follows:

	2024	2023
Funding:		
Destination Marketing Program ("DMP")	\$ 3,859,627	\$ 3,690,000
Other grants and funding	214,266	-
	<u>4,073,893</u>	<u>3,690,000</u>
Expenditures:		
Salaries and benefits	942,795	902,932
Marketing and communication	752,888	873,191
Business events	674,333	558,416
Sport and major events	409,258	161,756
Destination innovation	167,496	103,951
Administrative	167,316	145,416
Membership and visitor services	139,571	124,604
Strategic marketing	114,562	60,858
Media and public relations	87,137	85,556
Travel trade	72,354	74,991
	<u>3,527,710</u>	<u>3,091,671</u>
Investment allocation	(119,794)	-
Membership allocation	34,627	33,503
Funding for property and equipment (note 8)	5,142	25,000
Surplus of funding over expenditures	626,208	539,826
Opening deferred contributions	2,339,495	1,799,669
Closing deferred contributions	<u>\$ 2,965,703</u>	<u>\$ 2,339,495</u>
	<u>2024</u>	<u>2023</u>
Committed contributions	\$ 365,100	\$ 212,600
Unspent contributions	2,600,603	2,126,895
	<u>\$ 2,965,703</u>	<u>\$ 2,339,495</u>

Under the agreement, Saskatoon Destination Marketing Hotels Inc. has a reserve fund of \$200,000 (2023 - \$200,000) to be used to pay for any accrued but unpaid costs incurred by the service provider in providing Destination Marketing Services prior to the expiry or termination of the agreement.

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

7. Deferred contributions:

The Bureau receives operational and special project funding that has been deferred and will be recognized as revenue on the statement of operations in the year to which the funding relates. All deferred contributions are anticipated to be utilized in the next fiscal year. Deferred contributions are comprised of funding from the following sources:

	2024	2023
Destination Marketing Program (note 6)	\$ 2,965,703	\$ 2,339,495
City of Saskatoon	37,500	-
	<u>\$ 3,003,203</u>	<u>\$ 2,339,495</u>

8. Deferred contributions for property and equipment:

Deferred contributions for property and equipment is comprised of the unamortized contributions used to purchase property and equipment and the contributions that have not yet been used to purchase property and equipment. The amortization of these deferred contributions is recorded as revenue in the statement of operations.

	2024	2023
Balance, beginning of year	\$ 247,385	\$ 261,946
Additional contributions received:		
City of Saskatoon	22,800	22,800
Destination Marketing Program (note 6)	5,143	25,000
Less amounts amortized to revenue	(43,452)	(62,361)
	<u>\$ 231,876</u>	<u>\$ 247,385</u>

The balance of unamortized capital contributions and unspent contributions related to property and equipment consists of the following:

	2024	2023
Unamortized capital contributions used		
to purchase assets	\$ 107,604	\$ 130,676
Unspent contributions	124,272	116,709
	<u>\$ 231,876</u>	<u>\$ 247,385</u>

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

9. Commitments:

The Bureau is committed to marketing support bids through 2028 and leases office equipment and office space under long-term operating leases which expire in the fiscal years through 2026 and 2029 respectively.

Future payments are estimated as follows:

	Marketing support bids	Office space	Equipment	Total
2025	\$ 237,250	\$ 129,361	\$ 7,499	\$ 374,110
2026	64,350	129,013	4,905	198,268
2027	37,500	128,317	-	165,817
2028	26,000	128,317	-	154,317
2029	-	74,852	-	74,852
	\$ 365,100	\$ 589,860	\$ 12,404	\$ 967,364

Each year on behalf of the Saskatoon Destination Marketing Hotels Inc. the Bureau provides funding for marketing support bids. Commitments with respect to these marketing support bids are described above.

10. Partnership projects and sales:

	2024	2023
Member events, sales missions, advertising and other	\$ 207,682	\$ 186,944
Sales of specialty items and maps	3,051	6,804
Special initiatives	-	60,300
	\$ 210,733	\$ 254,048

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

11. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Bureau will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Bureau manages its liquidity risk by monitoring its operating requirements. The Bureau prepares budgets to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposure from 2023.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss. The Bureau is exposed to credit risk with respect to accounts receivable and investments. The Bureau assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. Credit risk related to cash and investments is minimized by dealing with financial institutions that have strong credit ratings. There has been no change to the risk exposure from 2023.

(c) Interest rate risk:

The Bureau is exposed to interest rate risk arising from fluctuation in interest rates on amounts invested in interest bearing accounts and investments. Risk exposure is limited due to the short term duration of investments. There has been no change to the risk exposure from 2023.

(d) Fair value:

The carrying value of the Organization's financial assets and liabilities, including cash, accounts receivable and accounts payable and accrued liabilities approximate fair value due to the short-term maturity of these items.

Investments are comprised of equities, mutual funds and bonds which are carried at fair value. The fair value of investments is approximately equal to their carrying value.

SASKATOON VISITOR & CONVENTION BUREAU INC.

Notes to Financial Statements (continued)

Year ended December 31, 2024

12. Related parties:

Related parties of the Bureau include its key management personnel, close family members of its key management personnel, Directors of the Board, and entities controlled by or under shared control of any of these individuals.

Routine operating transactions with related parties are settled at exchange amounts. The Bureau had transactions with entities to which Directors served in a key management position, and amounts during the year and outstanding at year end, are as follows:

	2024	2023
Accounts receivable	\$ 1,500	\$ 1,422
Accounts payable and accrued liabilities	2,251	2,105
Revenue	5,947	10,338
Expenses	53,090	31,122
