ABORIGINAL TOURISM ASSOCIATION OF BRITISH COLUMBIA
(dba INDIGENOUS TOURISM BC)

FINANCIAL STATEMENTS
March 31, 2026

ABORIGINAL TOURISM ASSOCIATION OF BRITISH COLUMBIA (dba INDIGENOUS TOURISM BC)

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CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To: The Stakeholders of
Indigenous Tourism BC

Opinion
We have audited the financial statements of Indigenous Tourism BC, which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets 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, 2026, and the results of its operations and its cash flows for the year then ended in accordance with accounting standards for not-for-profit organziations (ASNPO).

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.

Other Matter
Our audit was conducted for the purpose of forming an opinion on the basic financial statements of Association taken as a whole. The supplementary information included on the schedules on page 11 is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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 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.

INDEPENDENT AUDITOR'S REPORT, continued

In preparing the 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.

INDEPENDENT AUDITOR'S REPORT, continued

- 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.

Report on Other Legal and Regulatory Requirements
As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting principles used in preparing and presenting the Association's financial statements are in accordance with Canadian accounting standards for not-for-profit organization and have been applied on a consistent basis.

Reid Hurst Nagy Inc.

REID HURST NAGY INC.
CHARTERED PROFESSIONAL ACCOUNTANTS

RICHMOND, B.C.
SEPTEMBER 17, 2026

ABORIGINAL TOURISM ASSOCIATION OF BRITISH COLUMBIA (dba INDIGENOUS TOURISM BC)

STATEMENT OF OPERATIONS
For the year ended March 31, 2026

	2026 $	2025 $
REVENUES		
Contributions (Note 7)	**6,219,812**	5,782,986
Interest and miscellaneous	**239,831**	539,013
	6,459,643	6,321,999
EXPENSES		
General and administration (Schedule 1)	**395,711**	384,850
Marketing and sales (Schedule 1)	**387,173**	563,632
Experience development (Schedule 1)	**3,603,170**	3,600,000
Partnerships and special projects (Schedule 1)	**1,539,578**	860,218
Leadership and organizational excellence (Schedule 1)	**431,551**	299,737
	6,357,183	5,708,437
EXCESS OF REVENUES OVER EXPENSES	**102,460**	613,562

The accompanying notes are an integral part of these financial statements

ABORIGINAL TOURISM ASSOCIATION OF BRITISH COLUMBIA
(dba INDIGENOUS TOURISM BC)

STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2026

	Unrestricted	Contingency	Invested in Tangible Capital Assets	Total 2026	Total 2025
	$	$	$	$	$
NET ASSETS, beginning of the year	837,825	2,050,000	123,682	**3,011,507**	2,397,945
Excess (deficiency) of revenues over expenses	134,126	-	(31,666)	**102,460**	613,562
Transfer	(50,000)	50,000	-	**-**	-
Capital asset additions	(13,682)	-	13,682	**-**	-
NET ASSETS, end of the year	**908,269**	**2,100,000**	**105,698**	**3,113,967**	3,011,507

The accompanying notes are an integral part of these financial statements

ABORIGINAL TOURISM ASSOCIATION OF BRITISH COLUMBIA (dba INDIGENOUS TOURISM BC)

STATEMENT OF FINANCIAL POSITION
As at March 31, 2026

	2026 $	2025 $
ASSETS		
CURRENT ASSETS		
Cash	**7,348,166**	8,391,136
Contributions receivable (Note 3)	**495,500**	175,000
Prepaid expenses	**-**	6,656
GST receivable	**24,658**	17,119
	7,868,324	8,589,911
DEPOSITS	**9,118**	9,118
CAPITAL ASSETS (Note 4)	**105,698**	123,682
	7,983,140	8,722,711
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accruals	**73,006**	84,561
Wages and benefits payable	**23,332**	25,127
Deferred contributions (Note 5)	**4,772,835**	5,601,516
	4,869,173	5,711,204
NET ASSETS		
Unrestricted	**908,269**	837,825
Contingency	**2,100,000**	2,050,000
Invested in Tangible Capital Assets	**105,698**	123,682
	3,113,967	3,011,507
	7,983,140	8,722,711

Approved on behalf of the Board:

Chair

Treasurer

The accompanying notes are an integral part of these financial statements

ABORIGINAL TOURISM ASSOCIATION OF BRITISH COLUMBIA (dba INDIGENOUS TOURISM BC)

STATEMENT OF CASH FLOWS
For the year ended March 31, 2026

	2026 $	2025 $
OPERATING ACTIVITIES		
Excess of revenues over expenses	**102,460**	613,562
Depreciation	**31,666**	24,271
	134,126	637,833
NET CHANGES IN NON-CASH WORKING CAPITAL		
Contributions receivable	**(320,500)**	(119,868)
Prepaid expenses	**6,656**	(483)
GST receivable	**(7,539)**	1,712
Accounts payable and accruals	**(11,555)**	(26,043)
Wages and benefits payable	**(1,795)**	4,273
Deferred contributions	**(828,681)**	(4,398,484)
	(1,029,288)	(3,901,060)
INVESTING ACTIVITY		
Purchase of capital assets	**(13,682)**	(26,598)
NET DECREASE IN CASH	**(1,042,970)**	(3,927,658)
CASH, beginning of the year	**8,391,136**	12,318,794
CASH, end of the year	**7,348,166**	8,391,136

The accompanying notes are an integral part of these financial statements

ABORIGINAL TOURISM ASSOCIATION OF BRITISH COLUMBIA (dba INDIGENOUS TOURISM BC)

NOTES TO THE FINANCIAL STATEMENTS
March 31, 2026

1: NATURE OF OPERATIONS

Aboriginal Tourism Association of British Columbia (dba Indigenous Tourism BC) is incorporated under the *Societies Act* of British Columbia. Its purpose is to provide training, awareness, product development and marketing to support a sustainable authentic Indigenous culture tourism industry in British Columbia while contributing to culture preservation and economic development. The Association is a qualifying not-for-profit organization under the *Income Tax Act* and is exempt from income tax.

2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The association applies the Canadian accounting standards for not-for-profit organizations.

(a) Deferral method of accounting

The Association follows the deferral method of accounting for contributions which includes grants and contributions. Contributions of property and equipment are included as deferred contributions and are amortized to revenue at the same rate and on the same basis as amortization of the related property and equipment.

Restricted contributions are recognized as revenue in the year in which the related expenses are made. 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.

These financial statements include the following funds:

Unrestricted Fund - The Unrestricted Fund reflects the unrestricted contributions and interest income earned. This fund reports on unrestricted resources available for immediate use.

Contingency Fund - The Contingency Fund reflects the fund established by the Board to build working capital and provide the Association with assurance that funds are available when needed due to unforeseen operating shortfalls or for new initiatives. The Board allocates funds each year based on operating results for the year.

Capital Fund - The Capital Fund reflects the assets, liabilities, revenues and expenses related to tangible capital assets.

(b) Cash and cash equivalents

Cash and cash equivalents include cash and short-term investments with maturities of three months or less from their date of acquisition, which are readily convertible into a known amount of cash, and are subject to an insignificant risk to changes in their fair value.

2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Financial instruments

(i) Measurement of financial instruments

The Association initially measures its financial assets and liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures in the period incurred.

Financial assets measured at cost include cash, deposit and contributions receivable.

Financial liabilities measured at cost include accounts payable and accruals, and wages and benefits payable.

The Association has not designated any financial asset or financial liability to be measured at fair value.

(ii) Impairment

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. When there is an indication of impairment, and the Association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess of revenues over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenues over expenditures.

(iii) Transaction costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in net income over the life of the instrument using the straight-line method.

(d) Capital assets

Capital assets are recorded at cost. The association provides for depreciation using the straight-line method at rates designed to depreciate the cost of the capital assets over their estimated useful lives. The annual depreciation rate is as follows:

Office equipment	5 years

2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Deferred contributions

Deferred contributions include funds received for specific uses for which the related expenditures have not been incurred.

(f) Measurement uncertainty

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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Specific accounts impacted are collectability of accounts receivable, accrued payables and useful life of capital assets and the related depreciation.

3: CONTRIBUTIONS RECEIVABLE

	2026	2025
	$	$
BC Ferry	**5,000**	-
Pacific Economic Development Canada	**475,000**	175,000
Province of British Columbia	**15,000**	-
Tourism Industry of BC	**500**	-
	495,500	175,000

4: CAPITAL ASSETS

	Cost	Accumulated depreciation	2026 Net	2025 Net
	$	$	$	$
Office equipment	**161,635**	**55,937**	**105,698**	123,682

5: DEFERRED CONTRIBUTIONS

	2026	2025
	$	$
Destination British Columbia	**4,762,835**	2,596,516
Province of British Columbia	**-**	3,000,000
NILN Sprint Partnering	**10,000**	-
Tourism Chilliwack	**-**	5,000
	4,772,835	5,601,516

6: BANK OVERDRAFT

The Association has a bank overdraft facility with a maximum limit of $300,000. As at March 31, 2026, the outstanding balance was $nil (2025 - $nil).

7: CONTRIBUTIONS

	2026 $	2025 $
	-	-
Destination British Columbia	1,785,151	1,908,628
Destination Canada and Partners	58,811	-
Government of Canada - Indigenous Services Canada	736,000	600,000
Government of Canada - Pacific Economic Development Canada	475,000	175,000
Province of British Columbia	3,030,000	3,000,000
Others	134,850	104,358
	6,219,812	5,787,986

8: ECONOMIC DEPENDENCE

The association receives the majority of its revenue through funding agreements from the Province of British Columbia and Destination British Columbia. The association's continued operations are dependent on continuance of this funding or replacement from alternate sources.

9: FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Liquidity risk

The association does have a liquidity risk in the accounts payable and accruals of $73,006 (2025 - $84,561). Liquidity risk is the risk that the association cannot repay its obligations when they become due to its creditors. The association reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due; maintains an adequate line of credit to repay trade creditors and repays long term debt interest and principal as they become due. In the opinion of management the liquidity risk exposure to the association is low and is not material.

9: FINANCIAL INSTRUMENTS, continued

(b) Credit risk

The association does have credit risk in contributions receivable of $495,500 (2025 - $175,000). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The association maintains strict credit policies and limits in respect to counterparties. In the opinion of management the credit risk exposure to the association is low and is not material.

(c) Concentration of credit risk

The association does have concentration of credit risk. Concentration of credit risk is the risk that a customer has more than ten percent of the total accounts receivable balance and thus there is a higher risk to the business in the event of a default by one of these customers. Concentrations of credit risk relates to groups of counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. At March 31, 2026, one particular customer's account represents 100% of the total outstanding receivables at March 31, 2026. The association reduces this risk by regularly assessing the credit risk associated with these accounts and closely monitoring any overdue balances. In the opinion of management the concentration risk exposure to the association that is associated with their customers is low and is not material.

(d) Fair value

The fair value of current financial assets and current financial liabilities approximates their carrying value due to their short-term maturity dates. The fair value of long-term financial liabilities approximates their carrying value based on the presumption that the association is a going concern and thus expects to fully repay the outstanding amounts.

10: COMMITMENTS

The Association has entered into an operating lease for office premises and a photocopier which provides for annual minimum lease payments (excluding operating costs) as follows:

	$
2027	145,708
2028	152,690
2029	160,185
2030	168,072
2031	13,841
	640,496

11: SOCIETY ACT DISCLOSURE

The British Columbia Societies Act requires the disclosure of the remuneration paid to all directors, and all employees and contractors who receive remuneration of at least $75,000 annually. In the 2026 fiscal year, the Association has twenty two employees and contractors earning $75,000 or more annually (2025 - twelve).

Fourteen members of the Board of Directors were paid remuneration totaling $97,603 (2025 - twelve members for a total of $80,482) during the fiscal year.

Schedule 1

ABORIGINAL TOURISM ASSOCIATION OF BRITISH COLUMBIA (dba INDIGENOUS TOURISM BC)

SCHEDULE OF EXPENSES
For the year ended March 31, 2026

	2026 $	2025 $
General and Administration		
Bank charges	**4,620**	5,041
Office and administration	**228,764**	205,322
Professional fees	**15,397**	14,682
Rent	**132,649**	143,677
Telecommunications	**14,281**	16,128
	395,711	384,850
Marketing and Sales		
Content themes and sourcing	**194,997**	203,459
Marketing campaigns	**192,176**	360,173
	387,173	563,632
Experience Development		
Destination development	**600,000**	600,000
Indigenous Tourism Training Inititative	**3,003,170**	3,000,000
	3,603,170	3,600,000
Partnerships and Special Projects		
Invest in Iconics	**451,181**	400,628
Other projects	**269,809**	-
PacifiCan	**624,072**	278,305
Partnerships	**10,810**	12,889
TIC Conference	**183,706**	168,396
	1,539,578	860,218
Leadership and Organizational Excellence		
Board engagement	**97,603**	80,482
Inspire corporation culture	**57,266**	59,817
Leadership and organizational excellence	**276,682**	159,438
	431,551	299,737