

Whitby Tourism Development Corporation
Financial Statements
December 31, 2025

To the Members of Council of the Corporation of the Town of Whitby:

Opinion

We have audited the financial statements of Whitby Tourism Development Corporation (the "Organization"), which comprise the statements of financial position as at December 31, 2025 and December 30, 2024, and the statements of operations, changes in net assets and cash flows for the years 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 December 31, 2025 and December 30, 2024, and the results of its operations, and its cash flows for the years then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audits 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 audits 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 public sector accounting standards, 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 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.
- 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 audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

Peterborough, Ontario

March 6, 2026

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Whitby Tourism Development Corporation

Statement of Financial Position

As at December 31, 2025

	2025	2024
	\$	\$
Assets		
Current		
Cash	252,438	
Accounts receivable (Note 3)	179,178	151,011
Prepaid expenses	6,043	
	437,659	151,011
Liabilities		
Current		
Accounts payable and accrued liabilities	6,000	3,000
Net Assets		
Net assets, end of year	431,659	148,011
	437,659	151,011

Approved on behalf of the Board of Directors

e-Signed by Jeremy Giles

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Director

The accompanying notes are an integral part of these financial statements

Whitby Tourism Development Corporation

Statement of Operations

For the year ended December 31, 2025

	<i>December 31,</i> 2025 \$	<i>2 Months Ended December 31, 2024</i> \$
Revenue		
Municipal Accommodation Tax	318,328	151,011
Expenses		
Grants	20,000	-
Sponsorships	6,130	-
Professional fees	5,915	3,000
Marketing	2,113	-
Insurance	307	-
Bank charges and interest	215	-
	34,680	3,000
Excess of revenue over expenses	283,648	148,011

The accompanying notes are an integral part of these financial statements

Whitby Tourism Development Corporation

Statement of Changes in Net Assets

For the year ended December 31, 2025

	<i>December 31,</i> 2025 \$	<i>2 Months Ended December 31,</i> 2024 \$
Net assets, beginning of year	148,011	-
Excess of revenue over expenses	283,648	148,011
Net assets, end of year	431,659	148,011

The accompanying notes are an integral part of these financial statements

Whitby Tourism Development Corporation
Statement of Cash Flows
For the year ended December 31, 2025

	<i>December 31,</i> 2025 \$	<i>2 Months Ended December 31,</i> <i>2024</i> \$
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	283,648	148,011
Changes in working capital accounts		
Accounts receivable	(28,167)	(151,011)
Prepaid expenses	(6,043)	-
Accounts payable and accrued liabilities	3,000	3,000
	252,438	-
Increase in cash	252,438	-
Cash, beginning of year	-	-
Cash, end of year	252,438	-

The accompanying notes are an integral part of these financial statements

Whitby Tourism Development Corporation

Notes to the Financial Statements

For the year ended December 31, 2025

1. Incorporation and nature of the organization

Whitby Tourism Development Corporation (the "Organization") was incorporated without share capital on November 6, 2024 under the laws of the Province of Ontario. The Organization is a registered government not-for-profit organization and thus is exempt from income taxes under section 149(1) of the Income Tax Act.

The Organization's purpose is to promote and enhance the Town of Whitby's profile as a desirable tourist destination through the development of new and innovative tourism products, experiences and services, as well as providing support to develop and grow the local tourism industry. The Organization was incorporated by the Corporation of the Town of Whitby (the "Town") as the eligible tourism entity, in accordance with Ontario Regulation 435/17, and is primarily funded from a 50% share on net Municipal Accommodation Taxes collected by the Town.

2. Significant accounting policies

These financial statements are the representations of management, prepared in accordance with Canadian public sector accounting standards using the standards applicable to government not-for-profit organizations, including the following significant accounting policies:

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related 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.

Tax revenue is recognized as the Municipal Accommodation Tax is collected or accrued by the Town. Taxes in arrears are not recognized until collected or collection is reasonably assured.

Cash

Cash includes balances held with a Canadian financial institution.

Government transfers

Government transfers are recognized at their carrying amount in the year the transfer is authorized.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with Canadian public sector accounting standards 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 amounts of revenues and expenses during the reporting period.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Financial instruments

The Organization recognizes its financial instruments when the Organization becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

If the Organization defines and implements a risk management or investment management strategy to manage and evaluate the performance of a group of financial assets, financial liabilities, or both on a fair value basis, the Organization may elect at initial recognition to subsequently measure those items at fair value. The Organization has not made such an election during the year.

Whitby Tourism Development Corporation

Notes to the Financial Statements

For the year ended December 31, 2025

2. Significant accounting policies (Continued from previous page)

Financial instruments (Continued from previous page)

The Organization subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Transactions to purchase or sell these items are recorded on the trade date. Net gains and losses arising from changes in fair value are recognized in the statement of remeasurement gains and losses while interest and dividend income is recognized in the statement of operations. Investments in equity instruments not quoted in an active market are subsequently measured at cost. With the exception of those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost using the effective interest rate method.

Transaction costs directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

All financial assets except derivatives are tested annually for impairment. Management considers recent collection experience for the loan, such as a default or delinquency in interest or principal payments, in determining whether objective evidence of impairment exists. Any impairment, which is not considered temporary, is recorded in the statement of operations. Write-downs of financial assets measured at cost and/or amortized cost to reflect losses in value are not reversed for subsequent increases in value. Reversals of any net remeasurements of financial assets measured at fair value are reported in the statement of remeasurement gains and losses.

3. Related party transactions

Included in accounts receivable for the current year is \$179,178 (2024 - \$151,011) receivable from the Corporation of the Town of Whitby.

All related party transactions were conducted in the normal course of operations and measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

4. Financial instruments

The Organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the Organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization's bank account is held with a Canadian chartered financial institution and the total amount of deposits exceed the maximum Canada Deposit Insurance Coverage ("CDIC"). The Organization is subject to credit risk on the excess deposits over the CDIC maximum coverage.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization manages its liquidity risk by monitoring its operating requirements to ensure it has sufficient funds to fulfill its obligations.