

Brockville and District Chamber of Commerce
Financial Statements
December 31, 2021
(Unaudited)

To the Members of Brockville and District Chamber of Commerce:

We have reviewed the accompanying financial statements of Brockville and District Chamber of Commerce that comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Brockville and District Chamber of Commerce as at December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Brockville, Ontario
March 22, 2022



Chartered Professional Accountants
Licensed Public Accountants

Brockville and District Chamber of Commerce Statement of Financial Position

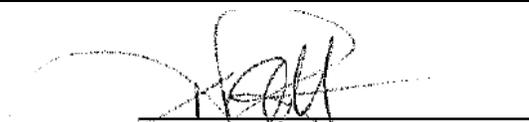
As at December 31, 2021
(Unaudited)

	2021	2020
Assets		
Current		
Cash	377,215	346,780
Accounts receivable (Note 3)	28,045	34,064
Merchandise inventory	-	8,532
	405,260	389,376
Capital assets (Note 4)	5,433	7,329
	410,693	396,705
Liabilities		
Current		
Accounts payable and accrued liabilities	11,738	72,458
Deferred revenue	177	2,100
Deferred contributions for expenses of future periods (Note 6)	31,640	49,018
	43,555	123,576
Long-term debt (Note 7)	40,000	30,000
	83,555	153,576
Net Assets		
Investment in capital assets	5,433	7,329
Internally restricted (Note 9)	64,139	64,139
Internally restricted - Young Professionals (Note 10)	4,137	2,441
Unrestricted - General	253,429	169,220
	327,138	243,129
	410,693	396,705

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

Brockville and District Chamber of Commerce Statement of Operations

For the year ended December 31, 2021
(Unaudited)

	2021	2020
Revenue		
Membership fees	73,933	81,073
Functions and networking events	58,116	32,810
Government assistance (Note 8)	49,941	59,669
Ontario Chamber of Commerce Safe Restart Initiative (Note 6)	47,945	-
Ontario Chamber of Commerce Shop Local Initiative (Note 6)	25,415	-
Administration fees	20,000	-
Canada Summer Jobs wage subsidy	8,951	-
Insurance commissions	6,980	8,187
Chamber events banner	5,950	-
Ontario Chamber of Commerce dues	2,830	3,000
Electronic mass mail fees	1,800	2,200
Merchandise sales and other	2,479	11,732
	304,340	198,671
Expenses		
Salaries, wages and benefits	138,260	91,421
Functions and networking events	24,941	20,864
Advertising and promotion	18,699	4,243
Accounting services	16,238	7,261
Telephone, office supplies, and bank fees and credit card charges	14,269	9,979
Professional fees	8,190	6,825
Rent and insurance	6,304	5,975
Dues and fees	3,595	3,768
Amortization of capital assets	1,896	417
Cost of merchandise sold and other	1,408	9,701
Member services	976	1,926
Meetings, conferences and travel	555	890
	235,331	163,270
Excess of revenue over expenses before discontinued operations	69,009	35,401
Discontinued operations (Note 12)	15,000	37,623
Excess of revenue over expenses	84,009	73,024

The accompanying notes are an integral part of these financial statements

Brockville and District Chamber of Commerce Statement of Changes in Net Assets

*For the year ended December 31, 2021
(Unaudited)*

	<i>Investment in capital assets</i>	<i>Internally restricted (Note 9)</i>	<i>Internally restricted - Young Professionals (Note 10)</i>	<i>Unrestricted - General</i>	2021	2020
Balance, beginning of year	7,329	64,139	2,441	169,220	243,129	170,105
Excess of revenue over expenses	(1,896)	-	-	85,905	84,009	73,024
Transfers between funds	-	-	1,696	(1,696)	-	-
Balance, end of year	5,433	64,139	4,137	253,429	327,138	243,129

The accompanying notes are an integral part of these financial statements

Brockville and District Chamber of Commerce Statement of Cash Flows

*For the year ended December 31, 2021
(Unaudited)*

	2021	2020
Cash provided by (used for):		
Operating		
Excess of expenses over revenue	84,009	73,024
Amortization of capital assets	1,896	6,919
Amortization of deferred capital contributions	-	(10,095)
Government assistance - forgivable loan	(10,000)	(10,000)
Loss (gain) on disposal of capital assets	(15,000)	2,012
	60,905	61,860
Changes in working capital accounts		
Accounts receivable	6,019	(3,354)
Prepaid expenses	-	44,473
Merchandise inventory	8,532	13,617
Accounts payable and accrued liabilities	(60,720)	38,060
Deferred revenue	(1,923)	(52,014)
Deferred contributions for expenses of future periods	(17,378)	(35,982)
	(4,565)	66,660
Financing		
Advances of long-term debt	20,000	40,000
Investing		
Purchase of capital assets	-	(2,728)
Proceeds on disposal of capital assets	15,000	7,354
	15,000	4,626
Increase in cash	30,435	111,286
Cash, beginning of year	346,780	235,494
Cash, end of year	377,215	346,780

The accompanying notes are an integral part of these financial statements

Brockville and District Chamber of Commerce

Notes to the Financial Statements

For the year ended December 31, 2021
(Unaudited)

1. Formation and nature of the organization

The Brockville and District Chamber of Commerce (the "Chamber") was formed in 1906 and is part of a network of community Chambers of Commerce and Boards of Trade that exist across Canada. The Chamber's mission is, through proactive leadership in advocacy and networking, to support and grow business to build a strong economic community. The Chamber is incorporated under the Boards of Trade Act - Part 1 (Canada) and is exempt from income taxes, providing certain requirements of the Income Tax Act (Canada) are met.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

The Chamber follows the deferral method of accounting for contributions.

Provincial, municipal and other restricted contributions and wage subsidies are recognized as revenue in the period in which the related expenditures have been 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.

Membership fees are recognized as revenue in the fiscal year encompassing the membership term.

Revenue from merchandise sales, functions and networking events are recognized when the services are provided or the goods are delivered.

Government assistance

Government assistance is recognized when there is reasonable assurance the the Chamber has complied and will continue to comply with all conditions of the assistance. Government assistance toward current expenses is recognized in income for the period as revenue. Government assistance towards expenses of future accounting periods is deferred and recognized in income as related expenses are incurred.

Merchandise inventory

Merchandise inventory is valued at the lower of cost and net realizable value. The cost of inventory includes all costs of purchase and other costs incurred in bringing the inventory to its present location and 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. The cost of inventory expensed during the year was \$288 (2020 - \$8,712).

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repair and maintenance costs are charged to expense. Betterments which extend the estimated life and capacity of an asset are capitalized.

Amortization is provided on the straight-line basis using the following annual rates, which are intended to amortize the cost of capital assets over their estimated useful lives:

	Rate
Event centre equipment	20 %
Office furniture and equipment	10 %
Computer equipment	20 %
Website and mobile application	33 %

Brockville and District Chamber of Commerce

Notes to the Financial Statements

For the year ended December 31, 2021
(Unaudited)

2. Significant accounting policies (Continued from previous page)

Impairment of long-lived assets

Long-lived assets consists of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Chamber writes down long-lived assets held for use when conditions indicate that the asset no longer has any long-term service potential to the organization. The assets are also written down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Chamber determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Contributed services and materials

The Chamber records in the financial statements contributions of services and materials when:

- (i) the fair value of the contributions can be reasonably estimated;
- (ii) the contributed services and materials are used in the normal course of operations; and
- (iii) the Chamber would have purchased the services and materials if they had not been contributed.

Financial instruments

Initial measurement

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

Subsequent measurement

The Chamber subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities subsequently measured at amortized cost include accounts payable and accrued liabilities and long-term debt.

Impairment

The Chamber assesses impairment of all of its financial assets measured at amortized cost. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Chamber determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Chamber reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Chamber reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

Measurement uncertainty (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 amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in the statement of operations in the periods in which they become known.

Brockville and District Chamber of Commerce Notes to the Financial Statements

For the year ended December 31, 2021
(Unaudited)

3. Accounts receivable

	2021	2020
Ontario Chamber of Commerce Safe Restart Initiative receivable	23,050	-
Harmonized Sales Tax recoverable	3,677	4,551
Trade receivables	1,318	6,596
Canada Emergency Wage Subsidy receivable	-	22,917
	28,045	34,064

4. Capital assets

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Event centre equipment	7,035	5,225	1,810	2,518
Office furniture and equipment	9,872	9,256	616	724
Computer equipment	30,183	27,176	3,007	4,087
Website and mobile application	5,621	5,621	-	-
	52,711	47,278	5,433	7,329

5. Government remittances payable

Included in accounts payable and accrued liabilities are government remittances payable of \$138 (2020 - \$294).

6. Deferred contributions for expenses of future periods

Deferred contributions for expenses of future periods consist of unspent contributions externally restricted by the contributor. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contributions balance are as follows:

	RRRF (refer to Note 8)	Shop Local Initiative	Safe Restart Initiative	2021 Total	2020 Total
Balance, beginning of year	49,018	-	-	49,018	-
Funding received or receivable during the year	9,886	56,000	49,000	114,886	88,973
Revenue recognized during the year	(16,052)	(25,415)	(47,945)	(89,412)	-
Revenue recognized during the year included in discontinued operations (note 12)	(42,852)	-	-	(42,852)	(39,955)
Balance, end of year	-	30,585	1,055	31,640	49,018

The Regional Relief and Recovery Fund ("RRRF") is a federal program, a portion of which is administered by the Tourism Industry Association of Ontario ("TIAO"), introduced in response to the COVID-19 pandemic (refer to note 13). As a destination marketing organization recognized by TIAO, the assistance was in the form of non-repayable contributions to cover approved tourism expenditures incurred during the period from June 5, 2020 to February 28, 2021.

The Shop Local Initiative is funded by the Ontario Chamber of Commerce, and aims to engage, inform and reward local consumers for buying from local merchants and runs from September 1, 2021 to February 28, 2022.

The Safe Restart Initiative is funded by the Ontario Chamber of Commerce, in partnership with the Canadian Chamber of Commerce and the Ontario and federal governments. The initiative consists of providing COVID-19 rapid antigen tests at no charge to small and medium sized businesses and runs from July 12, 2021 to March 4, 2022.

Brockville and District Chamber of Commerce

Notes to the Financial Statements

For the year ended December 31, 2021
(Unaudited)

7. Long-term debt

	2021	2020
Canada Emergency Business Account ("CEBA")	60,000	40,000
Forgiveable portion of CEBA	(20,000)	(10,000)
	40,000	30,000

The Canada Emergency Business Account ("CEBA") is a non-interest bearing loan, with no required principal repayments until December 31, 2023. The balance payable is recognized net of the forgivable portion which has been recognized as government assistance over the current and prior year.

The CEBA, also introduced in response to the COVID-19 pandemic, provides funds to cover eligible non-deferrable expenditures by way of a non-interest bearing loan which is partially forgivable if the repayable portion is repaid by the imposed deadline. If the repayable portion of principal is not repaid by December 31, 2023, the forgivable portion will not be forgiven and the full balance of \$60,000 will be due on December 31, 2026, bearing interest at 5% per annum from January 1, 2024.

8. Government assistance

During the year, the Chamber recognized \$39,941 (2020 - \$110,360 including \$60,691 included in discontinued operations) in Canada Emergency Wage Subsidy ("CEWS") as revenue. CEWS was introduced in response to the COVID-19 pandemic and provides eligible employers with a subsidy to cover a portion of wage costs paid to eligible employees during prescribed claim periods and ended October 23, 2021.

During the year, the Chamber recognized the forgivable portion of \$10,000 (2020 - \$10,000) of the additional CEBA loan received. For further details on the CEBA loan refer to note 7.

The Chamber also recognized \$58,904 (2020 - \$39,955) in Regional Relief Recovery Fund ("RRRF"), including \$16,052 which was used to fund member fees and \$42,852 recognized as government assistance included in discontinued operations. For further details on the RRRF program, refer to note 6.

Amounts claimed under these programs are subject to validation and detailed verification by the Federal Government.

9. Internally restricted net assets

The Board of Directors had approved the internal restriction of \$300 monthly to be used for the development of a long-term office space strategy. The Board of Directors decided to waive this internal transfer beginning in March 2016.

10. Internally restricted net assets - Young Professionals

The Board of Directors has approved the internal restriction of the net proceeds from the events and activities of the Young Professionals Committee from the general unrestricted net assets to be used for future Young Professionals events.

Brockville and District Chamber of Commerce

Notes to the Financial Statements

For the year ended December 31, 2021
(Unaudited)

11. Financial instruments

The Chamber, as part of its operations, carries a number of financial instruments. It is management's opinion that the Chamber is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed. There have been no changes to risk exposures from the prior year.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Chamber provides credit to its members and to non-members in the normal course of operations. The credit risk associated with accounts receivable is managed through the ongoing monitoring of individual receivable balances. It is management's opinion that the Chamber does not have significant credit risk exposure to any individual member or non-member receivable.

Liquidity risk

Liquidity risk is the risk that the Chamber will not be able to meet a demand for cash or fund its obligations as they become due. The Chamber meets its liquidity requirements by monitoring cash flows from operations and anticipating financing and investing activities.

12. Discontinued operations

On September 22, 2020, the City of Brockville announced that the tourism contract with the Chamber had not been renewed effective January 1, 2021. As a result, the Chamber closed their tourism department by December 31, 2020 with the exception of the revenues and expenses of the Regional Relief Recovery Fund ("RRRF") program which ran until February 28, 2021. For further details on the RRRF program, refer to notes 6 and 8. The Chamber also received consideration of \$15,000 for the sale of their tourism digital assets, including fully amortized website and mobile applications.

The following have been reported in the excess of revenue over expenses arising from discontinued operations:

	2021	2020
Revenue		
Government assistance (note 8)	42,852	100,647
City of Brockville allocation of Municipal Accomodation Tax funding	-	183,735
City of Brockville contract for tourism program	-	178,916
Cooperative marketing program, tourism guides, maps and brochures	-	61,862
Special events, merchandise sales, wage subsidies and other	-	45,072
	42,852	570,232
Expenses		
Advertising and promotion and special events	(42,852)	(190,549)
Salaries, wages and benefits	-	(218,119)
Cooperative marketing program, tourism guides, maps and brochures	-	(65,708)
Administration, cost of merchandise sold and other	-	(59,814)
	(42,852)	(534,190)
Gain (loss) on disposal of capital assets	15,000	(2,012)
Amortization of deferred capital contributions	-	10,095
Amortization of capital assets	-	(6,502)
Excess of revenue over expenses	15,000	37,623

Brockville and District Chamber of Commerce

Notes to the Financial Statements

For the year ended December 31, 2021
(Unaudited)

13. Significant event

The global outbreak of COVID-19 (coronavirus) which began in the prior year continued in the current year. The pandemic has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Chamber as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

During the current year, the outbreak has caused decreased demand, cancellation or restriction of events, and increased government regulations, all of which negatively impacted the Chamber's business and financial condition. While the extent of the impact is unknown, management anticipates a similar impact in the subsequent year.

The Chamber accessed government programs to provide support (refer to notes 7 and 8).

14. Commitments

Subsequent to year end, the Chamber has entered into a long-term lease agreement for its premises that expires on December 31, 2026. The minimum annual payment for the year ending December 31, 2022 is \$4,284, increasing annually by the Consumer Price Index, for a minimum aggregated commitment of approximately \$21,000.

15. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.