

**Brockville and District Chamber of Commerce**  
**Financial Statements**  
*December 31, 2022*

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, 2022, 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, 2022, 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 28, 2023



Chartered Professional Accountants  
Licensed Public Accountants

# Brockville and District Chamber of Commerce Statement of Financial Position

*As at December 31, 2022*

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current</b>		
Cash	209,324	377,215
Redeemable guaranteed investment certificate (Note 3)	100,000	-
Accounts receivable (Note 4)	25,951	28,045
Prepaid expenses	4,000	-
	<b>339,275</b>	<b>405,260</b>
<b>Capital assets (Note 5)</b>	<b>13,379</b>	<b>5,433</b>
<b>Guaranteed investment certificate (Note 3)</b>	<b>50,000</b>	<b>-</b>
	<b>402,654</b>	<b>410,693</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	44,835	11,738
Deferred revenue	1,165	177
Current portion of long-term debt (Note 7)	40,000	-
Deferred contributions for expenses of future periods (Note 6)	-	31,640
	<b>86,000</b>	<b>43,555</b>
<b>Long-term debt (Note 7)</b>	<b>-</b>	<b>40,000</b>
	<b>86,000</b>	<b>83,555</b>
<b>Net Assets</b>		
Investment in capital assets	13,379	5,433
Internally restricted (Note 9)	64,139	64,139
Internally restricted - Young Professionals (Note 10)	4,137	4,137
Unrestricted - General	234,999	253,429
	<b>316,654</b>	<b>327,138</b>
	<b>402,654</b>	<b>410,693</b>

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, 2022*

	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Functions and networking events	102,243	58,116
Membership fees	74,529	73,933
Ontario Chamber of Commerce Safe Restart Initiative <i>(Note 6)</i>	62,383	47,945
Ontario Chamber of Commerce Shop Local Initiative <i>(Note 6)</i>	20,397	25,415
Canada Summer Jobs wage subsidy	9,429	8,951
Chamber events banner	7,500	5,950
Insurance commissions	6,799	6,980
Ontario Chamber of Commerce dues	2,880	2,830
Merchandise sales and other	2,249	2,479
Electronic mass mail fees	1,000	1,800
Government assistance <i>(Note 8)</i>	-	49,941
Administration fees	-	20,000
	<b>289,409</b>	<b>304,340</b>
<b>Expenses</b>		
Salaries, wages and benefits	141,599	138,260
Functions and networking events	51,206	24,941
Advertising and promotion	38,578	18,699
Accounting services	15,776	16,238
Telephone, office supplies, bank and credit card fees	15,366	12,996
Professional fees	11,940	8,190
Technology	7,512	1,273
Rent and insurance	6,966	6,304
Dues and fees	3,769	3,595
Amortization of capital assets	2,689	1,896
Member services	2,041	976
Meetings, conferences and travel	1,258	555
Miscellaneous	1,193	1,408
	<b>299,893</b>	<b>235,331</b>
<b>Excess (deficiency) of revenue over expenses before discontinued operations</b>	<b>(10,484)</b>	<b>69,009</b>
<b>Discontinued operations <i>(Note 12)</i></b>	<b>-</b>	<b>15,000</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(10,484)</b>	<b>84,009</b>

*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, 2022*

	<i>Investment in capital assets</i>	<i>Internally restricted (Note 9)</i>	<i>Internally restricted - Young Professionals (Note 10)</i>	<i>Unrestricted - General</i>	<b>2022</b>	2021
<b>Balance, beginning of year</b>	5,433	64,139	4,137	253,429	<b>327,138</b>	243,129
<b>Excess (deficiency) of revenue over expenses</b>	(2,689)	-	-	(7,795)	<b>(10,484)</b>	84,009
<b>Net change in investment in capital assets</b>	10,635	-	-	(10,635)	-	-
<b>Balance, end of year</b>	<b>13,379</b>	<b>64,139</b>	<b>4,137</b>	<b>234,999</b>	<b>316,654</b>	327,138

*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, 2022*

	<b>2022</b>	<b>2021</b>
<b>Cash provided by (used for):</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	(10,484)	84,009
Amortization of capital assets	2,689	1,896
Government assistance - forgivable loan	-	(10,000)
Gain on disposal of capital assets	-	(15,000)
	<b>(7,795)</b>	<b>60,905</b>
Changes in working capital accounts		
Accounts receivable	2,094	6,019
Prepaid expenses	(4,000)	-
Merchandise inventory	-	8,532
Accounts payable and accrued liabilities	33,097	(60,720)
Deferred revenue	988	(1,923)
Deferred contributions for expenses of future periods	(31,640)	(17,378)
	<b>(7,256)</b>	<b>(4,565)</b>
<b>Financing</b>		
Advances of long-term debt	-	20,000
<b>Investing</b>		
Purchase of guaranteed investment certificate	(50,000)	-
Purchase of capital assets	(10,635)	-
Proceeds on disposal of capital assets	-	15,000
	<b>(60,635)</b>	<b>15,000</b>
<b>Increase (decrease) in cash resources</b>	<b>(67,891)</b>	<b>30,435</b>
<b>Cash resources, beginning of year</b>	<b>377,215</b>	<b>346,780</b>
<b>Cash resources, end of year</b>	<b>309,324</b>	<b>377,215</b>
<b>Cash resources are composed of:</b>		
Cash	209,324	377,215
Redeemable guaranteed investment certificate	100,000	-
	<b>309,324</b>	<b>377,215</b>

*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, 2022

### 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 functions and networking events are recognized when the services are provided or the goods are delivered.

#### **Cash and cash equivalents**

Cash and cash equivalents include balances with banks and redeemable guaranteed investment certificates.

#### **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:

	<b>Rate</b>
Event centre equipment	20 %
Office furniture and equipment	10 %
Computer equipment	20 %
Website and mobile application	33 %

#### **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.

**Brockville and District Chamber of Commerce**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2022*

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**2. Significant accounting policies** *(Continued from previous page)*

***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. Payables to the funders for unused restricted contributions are subject to review and changes by the funders.

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 significant. 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 Chamber recognizes financial instruments when the Chamber becomes party to the contractual provisions of the financial instrument.

***Arm's length financial instruments***

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Chamber may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Chamber has not made such an election during the year. The Chamber subsequently measures all arm's length financial assets and liabilities at amortized cost.

Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

***Financial asset impairment***

The Chamber assesses impairment of all its financial assets measured at cost or 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; etc. 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.

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 at the statement of financial position date; 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 (deficiency) 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 excess (deficiency) of revenue over expenses in the year the reversal occurs.



## Brockville and District Chamber of Commerce Notes to the Financial Statements

*For the year ended December 31, 2022*

### 3. Guaranteed investment certificates

The redeemable guaranteed investment certificate is cashable, earning interest at 3.00% and matures November 28, 2023. The long-term guaranteed investment certificate is earning interest at 4.45%, compounding annually, and matures November 28, 2024.

### 4. Accounts receivable

	2022	2021
Ontario Chamber of Commerce Safe Restart Initiative receivable	15,600	23,050
Harmonized Sales Tax recoverable	4,759	3,677
Trade receivables	5,592	1,318
	<b>25,951</b>	<b>28,045</b>

### 5. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Website and mobile application	8,760	730	8,030	-
Computer equipment	32,058	28,318	3,740	3,007
Event centre equipment	7,035	5,926	1,109	1,810
Office furniture and equipment	9,872	9,372	500	616
	<b>57,725</b>	<b>44,346</b>	<b>13,379</b>	<b>5,433</b>

### 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:

	Shop Local Initiative	Safe Restart Initiative	2022 Total	2021 Total
Balance, beginning of year	30,585	1,055	31,640	49,018
Funding received or receivable during the year	-	83,850	83,850	114,886
Revenue recognized during the year	(21,397)	(62,383)	(83,780)	(89,412)
Funding repayable	(9,188)	(22,522)	(31,710)	-
Revenue recognized during the year included in discontinued operations (notes 8 and 12)	-	-	-	(42,852)
Balance, end of year	-	-	-	31,640

# Brockville and District Chamber of Commerce

## Notes to the Financial Statements

*For the year ended December 31, 2022*

**6. Deferred contributions for expenses of future periods** *(Continued from previous page)*

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

The Safe Restart Initiative was 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 ran from July 12, 2021 to October 31, 2022.

Amounts claimed under these programs are subject to validation and detailed verification by the Ontario Chamber of Commerce or the government partners.

**7. Long-term debt**

	<b>2022</b>	2021
Canada Emergency Business Account ("CEBA")	<b>60,000</b>	60,000
Forgiveable portion of CEBA	<b>(20,000)</b>	(20,000)
	<b>40,000</b>	40,000
Less: Current portion of long-term debt	<b>40,000</b>	-
	<b>-</b>	40,000

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 past two prior years.

The CEBA was introduced in response to the COVID-19 pandemic and provided 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. COVID-19 support**

During the prior year, the Chamber recognized \$39,941 in Canada Emergency Wage Subsidy ("CEWS") as revenue and the forgivable portion of \$10,000 of the additional CEBA loan received. CEWS was introduced in response to the COVID-19 pandemic and provided 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. For further details on the CEBA loan refer to note 7.

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.

# Brockville and District Chamber of Commerce

## Notes to the Financial Statements

For the year ended December 31, 2022

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### 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.

### 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, and consideration of \$15,000 received for the sale of their tourism digital assets. During the prior year, the Chamber recognized \$58,904 in Regional Relief Recovery Fund ("RRRF"), including \$16,052 which was used to fund member fees and \$42,852 recognized as other revenue included in discontinued operations. RRRF was a Federal program, a portion of which was administered by the Tourism Industry Association of Ontario ("TIAO"), introduced in response to the COVID-19 pandemic. 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.

### 13. Commitments

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, 2023 is \$4,575, increasing annually by the Consumer Price Index, for a minimum aggregated commitment of approximately \$18,000.

Subsequent to year end, the Chamber entered into an agreement for an event in the 2023 fiscal year requiring minimum payment of \$43,000.

### 14. Comparative figures

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