

Brockville and District Chamber of Commerce
Financial Statements
December 31, 2023

Independent Practitioner's Review Engagement Report

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, 2023, 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, 2023, 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 26, 2024



Chartered Professional Accountants
Licensed Public Accountants

Brockville and District Chamber of Commerce Statement of Financial Position

As at December 31, 2023

	2023	2022
Assets		
Current		
Cash	177,053	209,324
Redeemable guaranteed investment certificate	-	100,000
Short-term guaranteed investment certificate (Note 3)	50,000	-
Accounts receivable (Note 4)	7,350	25,951
Prepaid expenses	-	4,000
	234,403	339,275
Capital assets (Note 5)	8,219	13,379
Long-term guaranteed investment certificates (Note 3)	100,000	50,000
	342,622	402,654
Liabilities		
Current		
Accounts payable and accrued liabilities	48,074	44,835
Deferred revenue	1,460	1,165
Current portion of long-term debt (Note 6)	-	40,000
	49,534	86,000
Net Assets		
Investment in capital assets	8,219	13,379
Internally restricted (Note 7)	64,139	64,139
Internally restricted - Young Professionals (Note 8)	2,408	4,137
Unrestricted - General	218,322	234,999
	293,088	316,654
	342,622	402,654

Approved on behalf of the Board

e-Signed by Christina Covey-Shannon

2024-03-26 17:10:16:16 GMT

Director

e-Signed by Steve Latimer

2024-03-26 18:04:43:43 GMT

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, 2023

	2023	2022
Revenue		
Federal Economic Development Agency for Southern Ontario Tourism Relief Fund <i>(Note 9)</i>	300,500	-
Functions and networking events	98,487	102,243
Membership fees	82,648	74,529
Ontario Chamber of Commerce Safe Restart Initiative <i>(Note 9)</i>	25,022	62,383
Canada Summer Jobs wage subsidy	9,800	9,429
Chamber events banner	9,000	7,500
Insurance commissions	6,636	6,799
Interest and other	3,185	2,249
Ontario Chamber of Commerce dues	2,889	2,880
Electronic mass mail fees	577	1,000
Ontario Chamber of Commerce Shop Local Initiative <i>(Note 9)</i>	-	20,397
	538,744	289,409
Expenses		
Equipment donated to the City of Brockville <i>(Note 9)</i>	178,556	-
Salaries, wages and benefits	140,188	141,599
Brockville Winter Classic hockey festival <i>(Note 9)</i>	93,818	-
Functions and networking events	58,747	51,206
Advertising and promotion	26,778	38,578
Professional fees	15,433	11,940
Accounting services	14,390	15,776
Telephone, office supplies, bank and credit card fees	9,034	15,366
Rent and insurance	7,350	6,966
Amortization of capital assets	5,160	2,689
Technology	4,863	7,512
Dues and fees	3,840	3,769
Meetings, conferences and travel	1,748	1,258
Miscellaneous	1,285	1,193
Member services	1,120	2,041
	562,310	299,893
Deficiency of revenue over expenses	(23,566)	(10,484)

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, 2023

	<i>Investment in capital assets</i>	<i>Internally restricted (Note 7)</i>	<i>Internally restricted - Young Professionals (Note 8)</i>	<i>Unrestricted - General</i>	2023	2022
Balance, beginning of year	13,379	64,139	4,137	234,999	316,654	327,138
Deficiency of revenue over expenses	(5,160)	-	-	(18,406)	(23,566)	(10,484)
Transfers between funds	-	-	(1,729)	1,729	-	-
Balance, end of year	8,219	64,139	2,408	218,322	293,088	316,654

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, 2023

	2023	2022
Cash provided by (used for):		
Operating		
Deficiency of revenue over expenses	(23,566)	(10,484)
Amortization of capital assets	5,160	2,689
	(18,406)	(7,795)
Changes in working capital accounts		
Accounts receivable	18,601	2,094
Prepaid expenses	4,000	(4,000)
Accounts payable and accrued liabilities	3,239	33,097
Deferred revenue	295	988
Deferred contributions for expenses of future periods	-	(31,640)
	7,729	(7,256)
Financing		
Repayment of long-term debt	(40,000)	-
Investing		
Purchase of capital assets	-	(10,635)
Purchase of guaranteed investment certificates	(100,000)	(50,000)
	(100,000)	(60,635)
Decrease in cash resources	(132,271)	(67,891)
Cash resources, beginning of year	309,324	377,215
Cash resources, end of year	177,053	309,324
Cash resources are composed of:		
Cash	177,053	209,324
Redeemable guaranteed investment certificate	-	100,000
	177,053	309,324

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, 2023

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.

Federal, provincial 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:

	Rate
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, 2023

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 funding agencies for unused restricted contributions are subject to review and changes by the funding agencies.

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 deficiency of revenue 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 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 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, 2023

3. Investments

	2023	2022
Guaranteed investment certificate, bearing interest at 4.45%, maturing November 2024	50,000	50,000
Guaranteed investment certificate, bearing interest at 5.30%, maturing December 2025	50,000	-
Guaranteed investment certificate, bearing interest at 5.00%, maturing December 2026	50,000	-
	150,000	50,000
Less: current portion	50,000	-
	100,000	50,000

4. Accounts receivable

	2023	2022
Trade receivables	4,047	5,592
Harmonized Sales Tax recoverable	3,303	4,759
Ontario Chamber of Commerce Safe Restart Initiative receivable	-	15,600
	7,350	25,951

5. Capital assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Website and mobile application	8,760	3,650	5,110	8,030
Computer equipment	32,058	29,742	2,316	3,740
Event centre equipment	7,036	6,631	405	1,109
Office furniture and equipment	9,872	9,484	388	500
	57,726	49,507	8,219	13,379

6. Long-term debt

The Canada Emergency Business Account ("CEBA") was a non-interest bearing loan with no required principal repayments until January 18, 2024. The balance payable at December 31, 2022 of \$40,000 was recognized net of the forgivable portion of \$20,000 which had been recognized as government assistance in 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 was partially forgivable if the repayable portion was repaid by the imposed deadline. During the year, the Chamber repaid the loan in advance of the deadline.

7. 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.

8. 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, 2023

9. Grant funding

The Tourism Relief Fund grant was funded by the Federal Economic Development Agency for Southern Ontario with the objective of enhancing tourism experiences in Brockville, Kingston and Gananoque by organizing a hockey festival, including purchasing and installing winter bleachers and lighting at the Rotary Park owned by the City of Brockville. The festival ran from February 16 to 20, 2023.

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 June 30, 2023.

Amounts claimed under these programs are subject to validation and detailed verification by funding agencies.

10. 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.

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.

11. 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, 2024 is \$4,749, increasing annually by the Consumer Price Index, for a minimum aggregated commitment of approximately \$14,000.