

BELLEVILLE CHAMBER OF COMMERCE

FINANCIAL STATEMENTS

December 31, 2022

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
BELLEVILLE CHAMBER OF COMMERCE

We have reviewed the accompanying financial statements of **BELLEVILLE CHAMBER OF COMMERCE** which comprise the statement of financial position as at December 31, 2022, and the statements of operations and 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

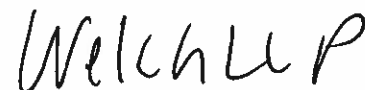
Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

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 **BELLEVILLE 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.



Belleville, Ontario
May 30, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

BELLEVILLE CHAMBER OF COMMERCE
(Incorporated under the laws of Ontario)
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2022

ASSETS

	<u>2022</u>	<u>2021</u>
CURRENT ASSETS		
Cash	\$ 107,902	\$ 264,846
Short term investments - note 4	100,000	-
Accounts receivable	123,652	27,893
Prepaid expenses	<u>1,500</u>	<u>1,500</u>
	333,054	294,239
CAPITAL ASSETS - note 5	<u>905</u>	<u>1,799</u>
	<u>\$ 333,959</u>	<u>\$ 296,038</u>

NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 31,490	\$ 22,345
Government remittances payable	1,887	32,744
Deferred revenue - note 6	<u>94,622</u>	<u>75,914</u>
	127,999	131,003
LONG-TERM DEBT - note 7	<u>28,855</u>	<u>27,555</u>
	156,854	158,558
NET ASSETS	<u>177,105</u>	<u>137,480</u>
	<u>\$ 333,959</u>	<u>\$ 296,038</u>

Approved by the Board

_____ Member

_____ Member

(Unaudited)
(See accompanying notes)

BELLEVILLE CHAMBER OF COMMERCE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 2022

	2022	2021
REVENUES		
Advertising	\$ 16,928	\$ 5,446
City of Belleville contract - note 6	317,000	184,528
Event revenues	234,251	61,548
Grants	94,777	36,040
Memberships	120,732	114,066
Other income	82,258	38,210
Sponsorships	84,072	79,920
	950,018	519,758
EXPENSES		
Advertising and promotion	91,126	76,511
Amortization	2,044	3,597
Bad debts	77	25
Computer expense	1,204	5,111
Events	423,755	116,031
Insurance	4,255	4,134
Interest and bank charges	5,610	3,283
Memberships	8,568	6,428
Office and administration	38,154	19,994
Professional fees	28,340	10,230
Occupancy costs	15,900	13,447
Salaries and benefits	291,360	251,803
	910,393	510,594
EXCESS OF REVENUES OVER EXPENSES	39,625	9,164
NET ASSETS, beginning of year	137,480	128,316
NET ASSETS, end of year	\$ 177,105	\$ 137,480

(Unaudited)
(See accompanying notes)

BELLEVILLE CHAMBER OF COMMERCE
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2022

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 39,625	\$ 9,164
Adjustments for:		
Amortization	2,044	3,597
Fair value adjustment for forgivable loan	1,300	1,300
	42,969	14,061
Change in non-cash working capital components:		
Accounts receivable	(95,759)	(25,608)
Prepaid expenses	-	15,200
Accounts payable and accrued liabilities	9,145	6,410
Government remittances payable	(30,857)	1,510
Deferred revenue	18,708	47,494
	(55,794)	59,067
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short term investments	(100,000)	-
Purchase of capital assets	(1,150)	-
	(101,150)	-
INCREASE (DECREASE) IN CASH	(156,944)	59,067
CASH, beginning of year	264,846	205,779
CASH, end of year	\$ 107,902	\$ 264,846

(Unaudited)
(See accompanying notes)

BELLEVILLE CHAMBER OF COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

1. NATURE OF OPERATIONS

Belleville Chamber of Commerce is a non-profit organization incorporated without share capital under the laws of Ontario for the purpose of bringing a collective voice of the business community in an effective manner to all levels of government on matters affecting business and industry in the Belleville area.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

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.

Membership fees are recognized as revenue proportionately over the fiscal year to which they relate.

Revenue from operation of events and the associated event costs are included in the Statement of Operations upon completion of the event.

Income taxes

The Organization is a not-for-profit organization under the Income Tax Act and as such is exempt from income taxes.

Investments

The purchase and sale of investments are accounting for using settlement date accounting. Transaction costs associated with the acquisition of investments and are expensed as incurred.

Capital assets

Capital assets are recorded at cost. The Organization provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives.

(Unaudited)

**BELLEVILLE CHAMBER OF COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed services

Directors, committee members and owners volunteer their time to assist in the corporation's activities. While these services benefit the corporation considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

Financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by transaction costs in the case where a financial asset or financial liability is subsequently measured at amortized cost. The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

Government assistance

Government assistance received is recorded as revenue in the period for which eligible expenditures are incurred. Government assistance related to interest free loans is recorded as revenue over the interest free period based on the present value of the loan. Government assistance related to loan forgiveness is recorded as revenue in the period that it is determined the forgivable portion of the loan will be forgiven.

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 balance sheet date and the reported amounts of revenues and expenses during the year. Management makes accounting estimates when determining the estimated useful life of the Organization's capital assets and the amount of accrued liabilities. Actual results could differ from those estimates.

(Unaudited)

BELLEVILLE CHAMBER OF COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022

3. FINANCIAL INSTRUMENTS

Credit risk

The Organization is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Organization's maximum exposure to credit risk represents the sum of the carrying value of its cash and cash equivalents and its accounts receivable. The Organization's cash is deposited with a Chartered bank and as a result management believes the risk of loss on these items to be remote. The Organization manages credit risk by reviewing accounts receivable regularly and following up on outstanding amounts. Management has assessed the allowance for doubtful accounts at December 31, 2022 to be \$Nil (2021- \$Nil).

Liquidity risk

Liquidity risk is the risk that the Organization cannot repay its obligations when they become due. The Organization 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 Organization low and is not material.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. Substantially all of the Organization's transactions occur in Canadian dollars, and therefore, are not subject to currency risk.

Interest rate risk

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments fluctuate due to changes in market interest rates. In the opinion of management the interest rate risk exposure to the Organization is low as there are no interest bearing financial instruments.

(Unaudited)

**BELLEVILLE CHAMBER OF COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

3. FINANCIAL INSTRUMENTS (continued)

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer, or factors affecting all similar instruments traded in the market.

Change in risk

There were no changes in risk exposure during the year.

4. SHORT TERM INVESTMENTS

Short term investments consist of cashable guaranteed investments certificates bearing interest at 1.3%, maturing on March 24, 2023.

5. CAPITAL ASSETS

	2022		2021	
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 11,942	\$ 11,037	\$ 905	\$ 1,799

(Unaudited)

**BELLEVILLE CHAMBER OF COMMERCE
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2022**

6. CITY OF BELLEVILLE CONTRACT

	2022	2021
Contract revenues	\$ 245,000	\$ 235,000
Additional contract revenues	40,000	-
Prior year deferred contract revenue	73,000	-
Site services and event reimbursements	51,000	22,528
Less: Deferred revenue	(92,000)	(73,000)
	\$ 317,000	\$ 184,528

At December 31, 2022, \$92,000 (2021 - \$73,000) of the contract revenues is included in deferred revenues as the funds were not fully spent in 2022.

7. LONG-TERM DEBT

Long-term debt consists of the following:

	2022	2021
Canada Emergency Business Account (CEBA) from TD Canada Trust, interest at 0% during initial term, initial term ending December 31, 2023, interest owing at 5% during extended term ending on December 31, 2025, first interest payment date is January 31, 2024, \$10,000 is forgivable if 75% repaid before initial term date.	\$ 28,855	\$ 27,555

The book value of the Canada Emergency Business Account (CEBA) at December 31, 2022 is \$40,000. The loan has been discounted to reflect the below market interest over the interest free period at a rate of 5%. The fair value adjustment on the loan is \$1,300 (2021 - \$1,300) and is included in expenses as Interest and bank charges. The loan forgiveness adjustment of \$10,000 was recorded into revenue in 2020.

(Unaudited)