

**BELLEVILLE CHAMBER OF COMMERCE**

**FINANCIAL STATEMENTS**

December 31, 2023

## 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** that comprise the statement of financial position as at December 31, 2023, 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, 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.



Belleville, Ontario  
May 23, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS  
LICENSED PUBLIC ACCOUNTANTS

**BELLEVILLE CHAMBER OF COMMERCE**  
*(Incorporated under the laws of Ontario)*  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2023**

**ASSETS**

	<u>2023</u>	<u>2022</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 76,355	\$ 107,902
Short term investments - note 4	120,000	100,000
Accounts receivable	41,760	123,652
Prepaid expenses	<u>1,500</u>	<u>1,500</u>
	239,615	333,054
<b>CAPITAL ASSETS - note 5</b>	<u>2,564</u>	<u>905</u>
	<u>\$ 242,179</u>	<u>\$ 333,959</u>

**NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 30,407	\$ 31,490
Deferred revenue - note 6	4,998	94,622
Government remittances payable	<u>4,242</u>	<u>1,887</u>
	39,647	127,999
<b>LONG-TERM DEBT - note 7</b>	<u>-</u>	<u>28,855</u>
	39,647	156,854
<b>NET ASSETS</b>	<u>202,532</u>	<u>177,105</u>
	<u>\$ 242,179</u>	<u>\$ 333,959</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, 2023**

	2023	2022
<b>REVENUES</b>		
Advertising	\$ 12,565	\$ 16,928
City of Belleville contract	477,000	317,000
Event revenues	149,794	234,251
Grants	38,918	94,777
Memberships	133,778	120,732
Other income	41,151	82,258
Sponsorships	129,033	84,072
	982,239	950,018
<b>EXPENSES</b>		
Advertising and promotion	72,192	91,126
Amortization	792	2,044
Bad debts	560	77
Computer expense	2,206	1,204
Events	433,008	423,755
Insurance	4,555	4,255
Interest and bank charges	5,488	5,610
Memberships	5,703	8,568
Occupancy costs	28,395	15,900
Office and administration	48,261	38,154
Professional fees	10,679	28,340
Salaries and benefits	344,973	291,360
	956,812	910,393
<b>EXCESS OF REVENUES OVER EXPENSES</b>	25,427	39,625
<b>NET ASSETS, beginning of year</b>	177,105	137,480
<b>NET ASSETS, end of year</b>	\$ 202,532	\$ 177,105

*(Unaudited)*  
*(See accompanying notes)*

**BELLEVILLE CHAMBER OF COMMERCE  
STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2023**

	<u>2023</u>	<u>2022</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 25,427	\$ 39,625
Adjustments for:		
Amortization	792	2,044
Fair value adjustment for forgivable loan	<u>1,144</u>	<u>1,300</u>
	27,363	42,969
Change in non-cash working capital components:		
Accounts receivable	81,892	(95,759)
Accounts payable and accrued liabilities	(1,083)	9,145
Deferred revenue	(89,624)	18,708
Government remittances payable	<u>2,355</u>	<u>(30,857)</u>
	<u>20,903</u>	<u>(55,794)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of short term investments	(20,000)	(100,000)
Purchase of capital assets	<u>(2,450)</u>	<u>(1,150)</u>
	<u>(22,450)</u>	<u>(101,150)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Repayment of CEBA Loan	<u>(30,000)</u>	<u>-</u>
<b>DECREASE IN CASH</b>	(31,547)	(156,944)
<b>CASH, beginning of year</b>	<u>107,902</u>	<u>264,846</u>
<b>CASH, end of year</b>	<u>\$ 76,355</u>	<u>\$ 107,902</u>

*(Unaudited)*  
*(See accompanying notes)*

**BELLEVILLE CHAMBER OF COMMERCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2023**

**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, 2023**

**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.

**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, 2023 to be \$Nil (2022- \$Nil).

*(Unaudited)*

**BELLEVILLE CHAMBER OF COMMERCE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

**3. FINANCIAL INSTRUMENTS (continued)**

**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.

**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.

*(Unaudited)*



**BELLEVILLE CHAMBER OF COMMERCE  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2023**

**4. SHORT TERM INVESTMENTS**

Short term investments consist of cashable guaranteed investments certificates bearing interest between 3.0 and 4.55%, with maturity dates ranging from from March 23, 2024 to April 26, 2024.

**5. CAPITAL ASSETS**

	2023		2022	
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 14,392	\$ 11,828	\$ 2,564	\$ 905

**6. CITY OF BELLEVILLE CONTRACT**

	2023	2022
Contract revenues	\$ 360,000	\$ 245,000
Additional contract revenues	25,000	40,000
Prior year deferred contract revenue	92,000	73,000
Site services and event reimbursements	-	51,000
Less: Deferred revenue	-	(92,000)
	\$ 477,000	\$ 317,000

At December 31, 2023, \$Nil (2022 - \$92,000) of the contract revenues is included in deferred revenues.

**7. LONG-TERM DEBT**

Long-term debt consists of the following:

	2023	2022
Canada Emergency Business Account (CEBA) from TD Canada Trust, interest at 0% during initial term. Loan fully repaid in 2023.	\$ -	\$ 28,855

The fair value adjustment on the loan is \$1,144 (2022 - \$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)*