



Financial Statements

KAMLOOPS CHAMBER OF COMMERCE

December 31, 2021

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Independent Practitioner's Review Engagement Report

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To the Members of
KAMLOOPS CHAMBER OF COMMERCE

We have reviewed the accompanying financial statements of KAMLOOPS CHAMBER OF COMMERCE that comprise the statement of financial position as at December 31, 2021, and the statements of changes in net assets, operations, 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.

Independent Practitioner's Review Engagement Report (continued)

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 KAMLOOPS CHAMBER OF COMMERCE as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Kamloops, Canada
March 14, 2022

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Chartered Professional Accountants

KAMLOOPS CHAMBER OF COMMERCE**Statement of Financial Position**

December 31

2021

2020

Assets

Current

Cash	\$ 249,636	\$ 81,564
Marketable securities and short-term deposits (Note 3)	78,857	78,621
Accounts receivable	28,752	9,789
Inventory	1,552	3,296
Prepaid expenses	9,433	2,055
Canada Emergency Wage Subsidy receivable	3,351	31,760
Canada Emergency Rent Subsidy receivable	-	1,061

371,581 208,146

Property and equipment (Note 4)

498,146 505,660

\$ 869,727 **\$ 713,806**

Liabilities

Current

Accounts payable and accrued liabilities (Note 5)	\$ 44,030	\$ 4,898
Wages payable	21,381	6,325
Goods and services tax payable	491	1,216
Deferred revenue (Note 6)	142,630	67,220
Current portion of long-term debt (Note 7)	15,376	14,715

223,908 94,374

Long-term debt (Note 7)

216,090 246,466

439,998 340,840**Net Assets**

Unrestricted

(11,526) (61,088)

Invested in property and equipment

281,680 274,479

Internally Restricted:

Building	72,987	72,987
Contingency	70,456	70,456
Equipment	10,000	10,000
Technology upgrades	6,132	6,132

429,729 372,966

\$ 869,727 **\$ 713,806**

On behalf of the board



Member

Member

See accompanying notes to the financial statements.

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KAMLOOPS CHAMBER OF COMMERCE

Statement of Changes in Net Assets

Year ended December 31

	Unrestricted	Invested in Property and Equipment	Building	Contingency	Equipment	Technology Upgrades	Total 2021	Total 2020
Balance, beginning of year	\$ (61,088)	\$ 274,479	\$ 72,987	\$ 70,456	\$ 10,000	\$ 6,132	\$ 372,966	\$ 318,001
Excess (deficiency) of revenues over expenditures	75,113	(18,350)	-	-	-	-	56,763	54,965
Purchase of Property and Equipment	(1,071)	1,071	-	-	-	-	-	-
Long term debt payments	<u>(24,480)</u>	<u>24,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ (11,526)</u>	<u>\$ 281,680</u>	<u>\$ 72,987</u>	<u>\$ 70,456</u>	<u>\$ 10,000</u>	<u>\$ 6,132</u>	<u>\$ 429,729</u>	<u>\$ 372,966</u>

See accompanying notes to the financial statements.

KAMLOOPS CHAMBER OF COMMERCE

Statement of Operations

Year ended December 31	2021 Budget	2021 Actual	2020 Actual
Revenues			
Memberships	\$ 217,725	\$ 205,491	\$ 204,852
Business Excellence awards	69,100	65,738	55,090
Made in BC	-	-	1,250
Special and monthly events	10,080	3,233	24,264
Insurance	62,100	66,477	62,911
Special projects	10,000	1,643	1,645
Rent (TK)	30,900	31,008	30,864
Chamber services	21,380	27,682	11,553
Corporate Partnership	12,000	18,000	6,000
Interest Income	2,000	236	463
Website	3,080	4,029	-
Canada Emergency Benefit Account (Note 7)	-	10,000	10,000
Canada Emergency Wage Subsidy (Note 8)	-	17,585	68,216
Canada Emergency Rent Subsidy (Note 8)	-	543	1,061
Economic recovery funding	51,300	83,607	-
	<u>489,665</u>	<u>535,272</u>	<u>478,169</u>
Expenditures			
Advertising and promotion	12,850	9,732	10,952
Affiliation fees	12,000	11,136	11,492
Amortization	-	8,584	8,708
Bad debts	-	1,508	2,200
Bookkeeping	6,000	5,209	4,953
Business Excellence awards	49,900	36,909	38,129
Conferences and training	650	840	720
Economic recovery expense	33,500	6,872	-
Equipment rental	6,200	5,797	6,493
Insurance	3,800	3,363	3,397
Interest and bank charges	8,100	6,560	7,297
Interest on long-term debt	12,480	9,765	10,356
Made in BC	-	-	14,000
Maintenance and janitorial	6,520	6,374	4,252
Management expense	2,000	2,924	1,236
Office	8,700	8,796	9,806
Postage	2,500	1,600	1,615
Professional fees	4,750	4,300	4,250
Property taxes	7,300	7,525	6,376
Salaries and related benefits	239,100	262,738	218,491
Special and monthly events	8,415	8,038	23,802
Special projects	7,500	9,606	464
Strata fees and parking	16,204	21,943	17,454
Subcontract	11,500	9,641	1,800
Telephone and utilities	6,500	7,326	6,468
Utilities	2,016	3,151	2,744
Vehicle	800	1,151	85
Website hosting and development	11,740	17,121	5,664
	<u>481,025</u>	<u>478,509</u>	<u>423,204</u>
Excess (deficiency) of revenues over expenditures	<u>\$ 8,640</u>	<u>\$ 56,763</u>	<u>\$ 54,965</u>

KAMLOOPS CHAMBER OF COMMERCE

Statement of Cash Flows

Year ended December 31	2021	2020
Increase (decrease) in cash		
Operating		
Excess (deficiency) of revenues over expenditures	\$ 56,763	\$ 54,965
Item not affecting cash		
Amortization	<u>8,584</u>	<u>8,708</u>
	65,347	63,673
Change in non-cash working capital items		
Accounts receivable	(18,963)	6,740
Inventory	1,744	463
Prepaid expenses	(7,378)	1,141
Canada Emergency Wage Subsidy receivable	28,409	(31,760)
Canada Emergency Rent Subsidy receivable	1,061	(1,061)
Accounts payable and accrued liabilities	39,133	(2,770)
Wages payable	15,056	(3,557)
Goods and services tax	(725)	3,307
Deferred revenue	<u>75,410</u>	<u>6,087</u>
	<u>199,094</u>	<u>42,263</u>
Financing		
Repayment of long-term debt	(49,715)	(20,450)
Proceeds of long-term debt	<u>20,000</u>	<u>40,000</u>
	<u>(29,715)</u>	<u>19,550</u>
Investing		
Purchase of property and equipment	<u>(1,071)</u>	<u>-</u>
Increase in cash	168,308	61,813
Cash		
Beginning of year	<u>160,185</u>	<u>98,372</u>
End of year	<u>\$ 328,493</u>	<u>\$ 160,185</u>
Cash consists of:		
Cash	\$ 249,636	\$ 81,564
Marketable securities and short-term deposits	<u>78,857</u>	<u>78,621</u>
	<u>\$ 328,493</u>	<u>\$ 160,185</u>

KAMLOOPS CHAMBER OF COMMERCE

Notes to the Financial Statements

December 31, 2021

1. Nature of operations

KAMLOOPS CHAMBER OF COMMERCE (the "Chamber") is a not-for-profit organization incorporated provincially under the Board of Trade Act of British Columbia.

The Chamber is exempt from tax under section 149(1) of the Income Tax Act.

2. Significant accounting policies

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Fund accounting deferred

The Chamber follows the deferral method of accounting for contributions. The operations of the Chamber are segregated into various funds as follows:

Invested in property and equipment represents the Chamber's net investment in property and equipment.

Unrestricted net assets comprise the excess of revenue over expenses accumulated by the Chamber each year and are available for general purposes.

Internally restricted net assets are funds which have been designated for a specific purpose by the Chamber's Board of Directors.

Financial instruments

The Chamber considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Chamber accounts for the following as financial instruments:

- cash and cash equivalents
- trade and other receivables
- prepaid expenses
- accounts payable and accrued liabilities
- long-term debt

A financial asset or liability is recognized when the Chamber becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

KAMLOOPS CHAMBER OF COMMERCE

Notes to the Financial Statements

December 31, 2021

2. Significant accounting policies (continued)

Financial instruments (continued)

The Chamber subsequently measures its financial assets and financial liabilities at amortized cost, except for financial assets quoted in an active market, which are subsequently measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and cash equivalents, trade and other receivables, and prepaid expenses.

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

The Chamber removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

Revenue recognition

The Chamber follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or restrictions met. 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 and revenue received as grants are recognized in the fiscal year in which they relate.

Interest income is recognized when earned on a time apportionment basis and collection is reasonably assured.

Rental revenue is recognized monthly on a straight-line basis based on the terms of the agreement when the ultimate collection is reasonably assured.

Event revenue is recognized when the event occurs and collection is reasonably assured.

Insurance revenues are recognized monthly at the end of the month for which they relate.

All other revenue is recognized when earned and collection is reasonably assured.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in money market funds and short-term deposits that are redeemable at any time without penalty.

KAMLOOPS CHAMBER OF COMMERCE

Notes to the Financial Statements

December 31, 2021

2. Significant accounting policies (continued)

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined using the first-in, first-out method.

Leases

Leases are classified as either capital or operating leases. Leases that transfer substantially all of the benefits and inherent risks of ownership of property to the Chamber are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Equipment recorded under capital leases is amortized on the same basis as described above. Payments under operating leases are expensed as incurred.

Property and equipment

Property and equipment are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is provided on a declining balance basis over the estimated useful life of the asset.

The amortization rates used for each class of property and equipment are:

Buildings	2.5% Declining balance
Furniture and fixtures	15% Declining balance
Computer equipment	20% Declining balance
Signs	20% Declining balance

The Chamber regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

Impairment of long-lived assets

The Chamber tests long-lived assets for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

KAMLOOPS CHAMBER OF COMMERCE

Notes to the Financial Statements

December 31, 2021

2. Significant accounting policies (continued)

Contributed services

Contributed services are recorded at their fair market value, when fair value can be reasonably estimated, at the date the services are contributed.

Volunteers contributed time to assist the Chamber in carrying out its programs. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Government assistance

The Chamber recognizes government assistance toward current expenses in the statement of earnings. When government assistance received is specified to relate to future expenses, the Chamber defers the assistance and recognizes it in the statement of earnings as the related expenses are incurred. When government assistance relates to the acquisition of property and equipment, the Chamber deducts the assistance from the cost of the related property and equipment.

3. Marketable securities and short-term deposits	<u>2021</u>	<u>2020</u>
Money Market Funds	<u>\$ 78,857</u>	<u>\$ 78,621</u>

4. Property and equipment			<u>2021</u>	<u>2020</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 266,876	\$ -	\$ 266,876	\$ 266,876
Buildings	284,430	60,237	224,193	231,304
Furniture and fixtures	15,130	15,019	111	780
Computer equipment	27,535	20,569	6,966	6,700
Signs	1,170	1,170	-	-
	<u>\$ 595,141</u>	<u>\$ 96,995</u>	<u>\$ 498,146</u>	<u>\$ 505,660</u>

5. Accounts payable and accrued liabilities	<u>2021</u>	<u>2020</u>
Trade payables	\$ 26,432	\$ 4,898
Funds to be distributed under City of Kamloops Vandalism Relief Program	<u>17,598</u>	<u>-</u>
	<u>\$ 44,030</u>	<u>\$ 4,898</u>

KAMLOOPS CHAMBER OF COMMERCE

Notes to the Financial Statements

December 31, 2021

6. Deferred revenue

	<u>2021</u>	<u>2020</u>
Membership revenue	\$ 70,785	\$ 67,220
BC Chamber grant funding	<u>71,845</u>	<u>-</u>
	<u>\$ 142,630</u>	<u>\$ 67,220</u>

7. Long-term debt

	<u>2021</u>	<u>2020</u>
Valley First Credit Union bearing interest at 4.35% per annum, repayable in monthly payments of \$2,040 including interest, due on demand. The loan is secured by land and building with a carrying amount of \$491,069. The loan matures on April 17, 2025.	\$ 216,466	\$ 231,181

Royal Bank of Canada, Canada Emergency Business Account - The amount of \$15,000 represents the unforgivable balance payable of the \$60,000 interest-free loan received under the Government of Canada COVID response programs. 33% of the loan will be eligible for loan forgiveness, up to \$20,000, if the loan is fully repaid on or before December 31, 2023. As at the year end date, a total of \$20,000 has been included in income and represents the maximum forgivable portion of the loan. If the unforgiven balance of the loan is not fully repaid by December 31, 2023 the remaining principal balance will be repayable and will bear interest at a rate of 5% per annum beginning on January 1, 2024. The loan is due in full December 31, 2025.

	<u>15,000</u>	<u>30,000</u>
	231,466	261,181
Less current portion	<u>15,376</u>	<u>14,715</u>
Due beyond one year	<u>\$ 216,090</u>	<u>\$ 246,466</u>

Estimated principal repayments are as follows:

2022	\$ 15,376
2023	31,058
2024	16,771
2025	<u>168,261</u>
	<u>\$ 231,466</u>

KAMLOOPS CHAMBER OF COMMERCE

Notes to the Financial Statements

December 31, 2021

8. Government assistance

The Chamber has received financial assistance from the Federal government totaling \$17,585 (2020 - \$63,786) under the Canadian Emergency Wage Subsidy (CEWS) program, \$Nil (2020 - \$4,430) under the 10% Temporary Wages Subsidy for Employers (TWS) program, \$543 (2020 - \$1,061) under the Canada Emergency Rent Subsidy (CERS) program and \$10,000 (2020 - \$10,000) under the forgivable portion of the Canada Emergency Business Account (CEBA). These amounts have been included in the determination of net income for the year.

9. Financial instruments

The Chamber is exposed to various risks through its financial instruments. The following analysis provides a measure of the Chamber's risk exposures and concentrations at December 31, 2021.

(a) 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's main credit risks relate to its accounts receivable and notes receivable. The entity provides credit to its clients in the normal course of its operations.

(b) Market risk

Market risk is the risk that the fair value or expected 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. The Chamber is mainly exposed to interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Chamber is exposed to interest rate risk on its fixed rate financial instruments. Given the current composition of long-term debt, fixed-rate instruments subject the Chamber to a fair value risk.

10. Budget amounts

The budget information disclosed is for information purposes only. The budget has been approved by the Board of Directors.
