

North Perth Chamber of Commerce

Financial Statements
Year Ended September 30, 2023

- prepared without audit -

North Perth Chamber of Commerce

INDEX

	Page
Independent Practitioner's Review Engagement Report	1
Statement of Financial Position	2
Statement of Operations and Net Assets	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 7
Schedule of Event Revenue	8

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the members of North Perth Chamber of Commerce:

We have reviewed the accompanying financial statements of North Perth Chamber of Commerce that comprise the statement of financial position as at September 30, 2023 and the statements of operations and net assets 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.

Basis for Qualified Conclusion

The organization receives funds to be held in trust as part of Chamber dollars in trust. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of North Perth Chamber of Commerce. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to Chamber dollars in trust and net assets for the years ended September 30, 2023 and 2022. Our conclusion on the financial statements as at and for the year ended September 30, 2023 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial position of North Perth Chamber of Commerce as at September 30, 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.

Independent Practitioner's Review Engagement Report continued on next page...

Independent Practitioner's Review Engagement Report continued...

Ward & Uptigrove

Listowel, Ontario

December 15, 2023

**Ward & Uptigrove
Chartered Professional Accountants
Licensed Public Accountants**



North Perth Chamber of Commerce

Statement of Financial Position

as at September 30, 2023

in dollars

Page 2

Prepared Without Audit - See Accompanying Notes

2023

2022

ASSETS

Current Assets

Cash	51,564	33,612
Chamber dollars account	82,357	91,981
Accounts receivable	2,250	-
Prepaid expenses	4,447	6,205
Short term investments - Note 4	104,370	79,581

244,988

211,379

Other Assets

Long term investments - Note 4	-	22,244
--------------------------------	---	--------

TOTAL ASSETS

244,988

233,623

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts payable and accruals	2,177	2,233
Chamber dollars payable	82,357	91,981
Deferred revenue	29,713	22,916
Current portion of long term debt	40,000	-

154,247

117,130

Long Term Liabilities

Long term debt - Note 5	40,000	40,000
Less current portion	(40,000)	-

-

40,000

TOTAL LIABILITIES

154,247

157,130

NET ASSETS

Unrestricted net assets	90,741	76,493
-------------------------	--------	--------

TOTAL NET ASSETS

90,741

76,493

TOTAL LIABILITIES AND NET ASSETS

244,988

233,623

Approved on Behalf of the Board of Directors by _____

North Perth Chamber of Commerce

Statement of Operations and Net Assets

year ended September 30, 2023 *in dollars*

Page 3

Prepared Without Audit - See Accompanying Notes

2023

2022

REVENUES

Group insurance commissions	7,143	4,602
Interest and miscellaneous	6,603	3,639
Memberships	39,886	40,340
Ontario Business Connects program	5,000	5,000
Partnership program	10,400	11,375
Provincial Antigen Screening program	-	6,436
Rental income	11,453	8,419
Shop Local Grant	-	57,903
Net event revenue - <i>Schedule 1</i>	41,702	24,642

122,187

162,356

EXPENDITURES

Advertising and promotion	1,248	2,231
Bad debts	108	-
Bank charges	1,569	1,779
Insurance	6,867	6,308
Membership dues	928	2,487
Office and general	6,323	9,859
Professional fees	2,912	455
Rent	5,000	5,000
Scholarships and bursaries	-	1,000
Shop local	44	55,552
Telephone and internet	1,957	2,178
Wages	80,983	90,312

107,939

177,161

EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES

14,248

(14,805)

Unrestricted net assets, beginning of year

76,493

91,298

UNRESTRICTED NET ASSETS, END OF YEAR

90,741

76,493

North Perth Chamber of Commerce

Statement of Cash Flows year ended September 30, 2023

in dollars

Page 4

Prepared Without Audit - See Accompanying Notes

2023

2022

CASH PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess (Deficiency) of revenues over expenditures for the year	14,248	(14,805)
Changes in non-cash working capital related to operations - Note 6	(3,375)	1,436
	10,873	(13,369)

INVESTING ACTIVITIES

Purchase of investments	(81,501)	(101,531)
Sale of investments	78,956	101,527
	(2,545)	(4)

CHANGE IN CASH AND CASH EQUIVALENTS

8,328

(13,373)

Cash and cash equivalents, beginning of year

125,593

138,966

Cash and cash equivalents, end of year

133,921

125,593

Represented by:

Cash	51,564	33,612
Chamber dollars account	82,357	91,981

133,921

125,593

North Perth Chamber of Commerce

Notes to the Financial Statements

year ended September 30, 2023 *in dollars*

Page 5

Prepared Without Audit

1 PURPOSE OF THE ORGANIZATION

The North Perth Chamber of Commerce is an association of business community members dedicated to improving the social, civic, and business environment in North Perth. The North Perth Chamber of Commerce is a non profit organization and as such is exempt from income taxes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

2.1 Basis of accounting

The organization follows the deferral method of accounting.

2.2 Portfolio Investments

Short term investments consist of investments with maturities of between three months and one year at the date of acquisition. Long term investments consist of investments in marketable securities and other instruments with maturities in excess of one year at the date of acquisition. The organization does not exercise significant influence with respect to any of these investments. Investments are reported at fair value at each statement of financial position date, and any change in fair value is recorded in income in the period in which the change occurs.

2.3 Tangible capital assets

Expenses related to the acquisition of tangible capital assets are expensed in the period in which they occur. Tangible capital assets purchased with a cost over \$1,000 are disclosed separately on the Statement of Operations and Net Assets.

2.4 Deferred revenue

Deferred revenue represents the portion of partnership program funds received during the year that pertain to the following fiscal year.

2.5 Revenue recognition

The organization follows the deferral method of accounting for events. Event revenues are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Membership fees and sign rental revenue is recognized on a straight-line basis over the term of the existing leases or membership periods and when collection is reasonably assured. Government funds are recognized on a straight-line basis over the term for which the fund was granted. If no terms exist, government funds are recognized on receipt or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured

North Perth Chamber of Commerce

Notes to the Financial Statements

year ended September 30, 2023 *in dollars*

Page 6

Prepared Without Audit

2.6 Use of estimates

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

2.7 Contributed services

The Municipality of North Perth provides the organization a premise at nil cost. The rental cost, calculated based on fair value, is presented as an expenditure, and an equivalent contribution is presented as revenue for the year. The organization also would not be able to carry out its activities without services of the volunteers who donate their hours. Because of the difficulty in compiling these hours, contributed services for volunteer hours are not recognized in the financial statements.

2.8 Financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets measured at amortized cost include cash and accounts receivable.

3 FINANCIAL INSTRUMENTS

The organization is exposed to various financial risks through transactions in financial instruments.

(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 company is not exposed to credit risk.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is not exposed to currency risk.

(c) 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 organization is exposed to interest rate risk on its fixed interest rate financial instruments.

(d) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The organization is not exposed to liquidity risk.

(e) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The organization is not exposed to other price risk.

North Perth Chamber of Commerce

Notes to the Financial Statements

year ended September 30, 2023 *in dollars*

Page 7

Prepared Without Audit

4 INVESTMENTS

	2023	2022
Libro GIC - 30 day non-redeemable, bearing interest at 3.00%, matures October 2023	39,632	-
Libro GIC - 12 month non-redeemable, bearing interest at 4.40%, matures November 2023	41,499	-
Libro GIC - 24 month non-redeemable, bearing interest at 1.25%, matures November 2023	22,244	22,244
Libro - class P profit shares	995	625
Libro GIC	-	38,583
Libro GIC	-	40,373
	104,370	101,825

5 LONG TERM DEBT

	2023	2022
Canada Emergency Business Account loan payable net of the forgivable portion of \$20,000, non-interest bearing until January 18, 2024, thereafter interest bearing at 5% payable monthly, with principal balance due December 31, 2026. Refinancing application was submitted by January 18, 2024 deadline. If refinanced by March 28, 2024, \$20,000 will be forgivable	40,000	40,000
	40,000	40,000

6 STATEMENT OF CASH FLOWS

The net change in non-cash working capital consists of:

	2023	2022
Accounts receivable	(2,250)	3,614
Prepaid expenses	1,758	386
Accounts payable and accruals	(56)	(701)
Chamber dollars payable	(9,624)	(5,954)
Deferred revenue	6,797	4,091
	(3,375)	1,436

North Perth Chamber of Commerce

Schedule 1

Schedule of Event Revenue

year ended September 30, 2023

in dollars

Page 8

<i>Prepared Without Audit - See Accompanying Notes</i>	2023	2022
REVENUE		
Business awards gala	30,810	-
Calendar	-	19,870
Event with the mayor	975	2,730
Golf tournament	22,431	21,315
Home and Lifestyles show	28,630	22,575
Travel with Chamber	1,800	-
Santa Claus parade	2,850	2,425
Workshop seminars	470	-
	87,966	68,915
EXPENDITURES		
Business awards gala	15,679	-
Calendar	-	18,763
Event with the mayor	575	535
Golf tournament	11,856	11,108
Home and Lifestyles show	14,931	11,170
Santa Claus parade	2,681	2,197
Welcome package	-	500
Workshop seminars	542	-
	46,264	44,273
NET EVENT REVENUE	41,702	24,642
Summary of Event Revenue		
Business awards gala	15,131	-
Calendar	-	1,107
Event with the mayor	400	2,195
Golf tournament	10,575	10,207
Home and Lifestyles show	13,699	11,405
Travel with Chamber	1,800	-
Santa Claus parade	169	228
Welcome package	-	(500)
Workshop seminars	(72)	-
EVENT REVENUE	41,702	24,642