

**CHAMBER OF COMMERCE
FOR GREATER MONCTON**

Financial Statements
For the year ended
December 31, 2022

THE CHAMBER OF COMMERCE FOR GREATER MONCTON

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For the year ended December 31, 2022

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INDEPENDENT AUDITOR'S REPORT

To the members of The Chamber of Commerce for Greater Moncton

Opinion

We have audited the financial statements of The Chamber of Commerce for Greater Moncton, which comprise the statement of financial position as at December 31, 2022, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with ASNPO.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ◆ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ◆ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.

INDEPENDENT AUDITOR'S REPORT, continued

- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Thiel Greene

CHARTERED PROFESSIONAL ACCOUNTANTS

Moncton, NB

May 8, 2023

THE CHAMBER OF COMMERCE FOR GREATER MONCTON
Statement of Financial Position


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As at December 31,	2022	2021
ASSETS		
Current assets		
Cash	\$ 231,238	\$ 99,021
Investments (note 3)	537,285	530,864
Accounts receivable (note 4)	81,305	63,759
Prepaid expenses	2,462	5,076
HST receivable	2,364	-
	854,654	698,720
Receivable from the GMCC Trust (note 5)	62,484	63,178
Capital assets (note 6)	36,505	36,900
	\$ 953,643	\$ 798,798
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 46,299	\$ 21,045
Deferred revenue	326,532	209,500
HST payable	-	4,794
	372,831	235,339
NET ASSETS		
Unrestricted	544,307	526,559
Invested in capital assets	36,505	36,900
	580,812	563,459
	\$ 953,643	\$ 798,798

COMMITMENTS

Signed on Behalf of the Board


 _____ Member


 _____ Member

See accompanying notes

THE CHAMBER OF COMMERCE FOR GREATER MONCTON
Statement of Changes in Net Assets

For the year ended December 31,

	Unrestricted	Invested in capital assets	Total 2022	Total 2021
BALANCE, BEGINNING OF YEAR	\$ 526,559	\$ 36,900	\$ 563,459	\$ 459,615
Excess (deficiency) of revenues over expenditures	25,607	(8,254)	17,353	103,844
Purchase of capital assets	(7,859)	7,859	-	-
BALANCE, END OF YEAR	\$ 544,307	\$ 36,505	\$ 580,812	\$ 563,459

See accompanying notes

THE CHAMBER OF COMMERCE FOR GREATER MONCTON
Statement of Operations

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For the year ended December 31,	2022	2021
REVENUES		
Membership fees	\$ 311,214	\$ 282,543
Administrative fees	55,852	20,250
Advertising	14,467	10,850
Miscellaneous income	5,676	4,073
Group insurance rebates	54,273	56,209
Sponsorships	14,948	10,768
Programs and functions	251,002	150,134
Grant projects	328,670	126,721
	1,036,102	661,548
EXPENDITURES		
Advertising and promotion	8,657	8,724
Affiliation	11,427	9,828
Amortization	8,254	7,597
Benefits	50,144	47,299
Committee expenses	2,475	112
Equipment rental	1,503	1,526
Grant projects	259,654	126,721
Insurance	3,678	3,576
Interest and bank charges	9,688	6,671
Memberships	1,270	866
Miscellaneous	9,604	5,398
Office	6,332	4,908
Postage and courier	1,606	1,117
Professional fees	14,100	12,370
Programs and functions	179,838	55,578
Rent	61,592	47,057
Repairs and maintenance	23,387	20,534
Salaries and wages	353,811	345,570
Scholarships	3,000	3,000
Telephone and utilities	10,360	9,945
Training	1,083	725
Travel	16,164	5,590
	1,037,627	724,712
DEFICIENCY OF REVENUES OVER EXPENDITURES FROM OPERATIONS	(1,525)	(63,164)
OTHER INCOME (EXPENSE)		
Investment income on marketable securities, net from expenses	(56,757)	54,409
Federal government assistance	13,151	49,421
Allocation from the GMCC Trust	62,484	63,178
	18,878	167,008
EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	\$ 17,353	\$ 103,844

See accompanying notes

THE CHAMBER OF COMMERCE FOR GREATER MONCTON
Statement of Cash Flows

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For the year ended December 31,	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	\$ 17,353	\$ 103,844
Adjustments for		
Amortization	8,254	7,597
Allocation from the GMCC Trust	(62,484)	(63,178)
Unrealized (gain) loss on investments	56,757	(29,345)
	19,880	18,918
Change in non-cash working capital items		
Accounts receivable	(17,546)	23,391
Prepaid expenses	2,614	(741)
HST	(7,158)	2,712
Accounts payable and accrued liabilities	25,254	(15,499)
Deferred revenue	117,032	63,779
	140,076	92,560
INVESTING ACTIVITIES		
Purchase of investments	-	(24,404)
Proceeds on investments	-	5,000
Purchase of capital assets	(7,859)	(9,565)
	(7,859)	(28,969)
INCREASE IN CASH AND CASH EQUIVALENTS	132,217	63,591
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	99,021	35,430
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 231,238	\$ 99,021

See accompanying notes

For the year ended December 31, 2022

1. STATUS AND NATURE OF ACTIVITIES

The Chamber of Commerce for Greater Moncton (the "Corporation") is incorporated without share capital under the Board of Trade Act of Canada and its principal activities include being the advocate and representative of the business community in the economic development of Greater Moncton. The Chamber is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Capital assets

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

Furniture and fixtures	10%
Leasehold improvements	5%
Computer equipment	20%
Website	20%
Signs	20%

Deferred contributions are amortized at the same rate as the corresponding capital assets to which they relate.

Deferred revenue

Deferred revenues include membership fees, which are taken into revenue as earned over the term of the membership.

Contributed services

Directors, committee members and others 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.

Revenue recognition

Revenue from services is recognized when the services are rendered and reasonable assurance exists regarding the consideration to be received and ultimate collection.

Government and other operating grants are accounted for as revenue when they are received or receivable if the amount receivable can be reasonably estimated and its collection is reasonably assured.

THE CHAMBER OF COMMERCE FOR GREATER MONCTON
Notes to the Financial Statements

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For the year ended December 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Measurement uncertainty

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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

Financial Instruments

The Corporation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The Corporation subsequently measures its financial assets and financial liabilities at amortized cost, except for securities quoted in an active market, which are subsequently measured at fair value.

3. INVESTMENTS

	2022 Cost	2022 Market	2021 Cost	2021 Market
Cash and equivalents	\$ 1,513	\$ 1,513	\$ 931	\$ 931
Fixed income	237,361	213,589	197,755	201,378
Equities and other assets	280,691	322,183	244,967	328,555
	<u>\$ 519,565</u>	<u>\$ 537,285</u>	<u>\$ 443,653</u>	<u>\$ 530,864</u>

4. ACCOUNTS RECEIVABLE

	2022	2021
Trade	\$ 90,055	\$ 83,708
Allowance for doubtful accounts	(15,000)	(20,000)
Other	6,250	51
	<u>\$ 81,305</u>	<u>\$ 63,759</u>

THE CHAMBER OF COMMERCE FOR GREATER MONCTON
Notes to the Financial Statements

For the year ended December 31, 2022

5. THE GREATER MONCTON CHAMBER OF COMMERCE TRUST FUND (THE GMCC TRUST)

The Corporation controls the GMCC Trust through the appointment of all Trustees. The GMCC Trust was established in May 2008 utilizing the proceeds obtained on the dissolution of the predecessor, which was created utilizing the proceeds of the sale in 1986 of its wholly-owned subsidiary, the Credit Bureau of Moncton, N.B. Ltd. The principal activity of the GMCC Trust is the holding and managing of investments, the net revenues from which are allocated to the Corporation as sole beneficiary of the GMCC Trust.

The amount payable represents the amounts paid to the Corporation in deficiency of the net revenues which have been allocated.

Financial information of the GMCC Trust as at December 31 and for the years then ended is as follows:

	2022	2021
Cash and portfolio investments	\$ 1,084,902	\$ 1,275,499
Payable to The Greater Moncton Chamber of Commerce	\$ 62,484	\$ 63,178
Net assets	<u>1,022,418</u>	<u>1,212,321</u>
	<u>\$ 1,084,902</u>	<u>\$ 1,275,499</u>

	2022	2021
Total revenues	\$ 74,028	\$ 75,729
Total expenses	<u>(11,544)</u>	<u>(12,551)</u>
Income allocation to GMCC	62,484	63,178
Unrealized gain on investments	<u>(62,484)</u>	<u>(63,178)</u>
	(189,903)	77,014
Excess (deficiency) of revenue over expenses	<u>\$ (189,903)</u>	<u>\$ 77,014</u>

THE CHAMBER OF COMMERCE FOR GREATER MONCTON
Notes to the Financial Statements

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For the year ended December 31, 2022

6. CAPITAL ASSETS

			<u>2022</u>		<u>2021</u>	
	Cost	Accumulated amortization	Net	Net	Net	Net
Furniture and fixtures	\$ 27,527	\$ 25,993	\$ 1,533	\$ 1,789		
Leasehold improvements	50,705	32,958	17,747	20,282		
Computer equipment	34,886	24,274	10,612	13,482		
Website	6,150	615	5,535	-		
Signs	2,924	1,846	1,078	1,347		
	<u>\$ 122,192</u>	<u>\$ 85,687</u>	<u>\$ 36,505</u>	<u>\$ 36,900</u>		

7. OPERATING LINE OF CREDIT

The Corporation has access to an authorized line of credit to a maximum of \$50,000 at a rate of prime plus 2.75%. The line of credit is secured by a general security agreement. As of December 31, 2022, the line of credit was unused.

8. COMMITMENTS

The Corporation is committed to payments under an operating lease for office space for \$28,980 per year plus a proportionate share of operating costs until October 31, 2026.

9. FINANCIAL INSTRUMENTS

The Corporation is exposed to various risks through its financial instruments. The following analysis provides information about the Corporation's risk exposure and concentration as of December 31, 2022.

(a) 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 Corporation is exposed to currency risk through its marketable securities investments in shares of companies traded in USD.

(b) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Corporation is exposed to market risk on its marketable securities investments in equities and other assets.

For the year ended December 31, 2022

9. FINANCIAL INSTRUMENTS, continued

(c) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Corporation is exposed to credit risk from members, specifically with regards to non-renewals. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Corporation has a significant number of members which minimizes concentration of credit risk.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Corporation is exposed to this risk mainly in respect of its receipt of funds from its members and sponsors, bank indebtedness, and accounts payable.

(e) 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 Corporation is exposed to interest rate risk on its marketable securities investments in fixed income.
