

**CALEDONIA REGIONAL
CHAMBER OF COMMERCE**

**FINANCIAL STATEMENTS
For the year ended December 31, 2023**

Draft

**CALEDONIA REGIONAL
CHAMBER OF COMMERCE**

For the year ended December 31, 2023

INDEX

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	3
Schedule of Expenses	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 8

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of
Caledonia Regional Chamber of Commerce

We have reviewed the accompanying financial statements of Caledonia Regional Chamber of Commerce that comprise the statement of financial position as at December 31, 2023, and the statements of operations, 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.

Basis for Qualified Conclusion

In common with many non-profit organizations, Caledonia Regional Chamber of Commerce derives revenue from committee and special projects and fundraising, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of Caledonia Regional Chamber of Commerce. Therefore, we were not able to determine whether any adjustments might be necessary to special projects revenue, excess of revenue over expenses, and cash flows from operations for the years ended December 31, 2023 and December 31, 2022, current assets as at December 31, 2023 and December 31, 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our review conclusion on the financial statements for the year ended December 31, 2022 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 financial statements do not present fairly, in all material respects, the financial position of Caledonia Regional 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.

Approval Date
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

CALEDONIA REGIONAL CHAMBER OF COMMERCE

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

As at December 31	2023	2022 <i>(Restated)</i>
ASSETS		
Unrestricted fund		
Cash and bank - unrestricted	53,406	64,330
Investments	40,553	-
Accounts receivable	1,158	284
HST receivable	397	2,585
Prepaid expenses - unrestricted	1,611	1,611
Due from internally restricted fund	-	1,340
	97,125	70,150
Internally Restricted Funds		
Cash and bank - internally restricted	24,303	52,509
	121,428	122,659
LIABILITIES AND FUND BALANCES		
Unrestricted fund		
Accounts payable	4,099	4,099
Payroll taxes payable	-	3,323
Unearned membership dues revenue	12,530	8,226
Current portion of long term liability (Note 6)	40,000	-
	56,629	15,648
Long Term Liability (Note 6)	-	40,000
	56,629	55,648
Unrestricted net assets	40,496	14,502
	97,125	70,150
Internally Restricted Funds		
Due to unrestricted fund	-	1,340
Net assets internally restricted (Note 5)	24,303	51,169
	24,303	52,509
	121,428	122,659

Approved on behalf of the Board of Directors

..... *Director*

..... *Director*

See accompanying notes

CALEDONIA REGIONAL CHAMBER OF COMMERCE

STATEMENT OF OPERATIONS (UNAUDITED)

For the year ended December 31	2023	2022 <i>(Restated)</i>
Revenue - Unrestricted		
Membership dues	18,757	22,100
Insurance administration	6,433	5,515
Grants	31,907	6,701
Special events and fundraising	89,629	12,833
Interest earned	739	81
	147,465	47,230
Revenue - Internally Restricted (Note 5)		
Special Projects	8,129	7,832
Victoria Day Fireworks	-	19,467
Canada Day	-	53,866
	8,129	81,165
Total Revenue	155,594	128,395
Expenses - Unrestricted (Page 4)	148,355	77,175
Expenses - Internally Restricted (Page 4)	8,111	69,428
Excess of Expenses over Revenue Before Undernoted Items	(872)	(18,208)
Revitalization Program Funding	-	4,000
Excess of Expenses over Revenue	(872)	(14,208)

STATEMENT OF CHANGES IN NET ASSETS (UNAUDITED)

For the year ended December 31	Internally Restricted	Unrestricted	Total 2023	Total 2022 <i>(Restated)</i>
Balance - Beginning of Year	51,169	14,502	65,669	79,877
Excess of expenses over revenue	-	(872)	(872)	(14,208)
Internally restricted expenses over revenue (Note 5)	18	(18)	-	-
Net interfund transfers (Note 5)	(26,884)	26,884	-	-
Balance - End of Year	24,303	40,496	64,797	65,669

CALEDONIA REGIONAL CHAMBER OF COMMERCE

SCHEDULE OF EXPENSES - UNRESTRICTED (UNAUDITED)

For the year ended December 31	2023	2022 <i>(Restated)</i>
Executive director expense and staff wages	60,190	47,037
Rent and utilities	2,000	2,288
Insurance	3,222	3,891
Office equipment repairs and maintenance	29	1,722
Special events and fundraising	67,723	6,865
Telephone and telecommunications	375	528
Stationery and supplies	6,052	4,399
Postage and delivery	-	227
Advertising	596	1,506
Scholarship	117	-
Membership affiliations	1,351	1,663
Professional fees	6,000	6,550
Interest and bank charges	700	499
	148,355	77,175

SCHEDULE OF EXPENSES - INTERNALLY RESTRICTED (Note 5) (UNAUDITED)

For the year ended December 31	2023	2022 <i>(Restated)</i>
Special Projects	8,111	7,980
Victoria Day Fireworks	-	19,261
Canada Day	-	42,187
	8,111	69,428

CALEDONIA REGIONAL CHAMBER OF COMMERCE

STATEMENT OF CASH FLOWS (UNAUDITED)

For the year ended December 31	2023	2022 <i>(Restated)</i>
Cash Flows From Operating Activities		
Excess of expenses over revenue	(872)	(14,208)
Items not impacting cash:		
Recognition of Canada Emergency Business Account loan forgivable portion	-	-
Net change in non-cash working capital balances related to operations:		
Accounts receivable	(857)	1,264
Prepaid expenses	-	66
Accounts payable, payroll taxes and HST payable	(1,151)	(4,293)
Unearned membership dues	4,304	(6,585)
	1,424	(23,756)
Net Increase in Cash and Cash Equivalents	1,424	(23,756)
Opening Cash and Cash Equivalents	116,838	140,594
Closing Cash and Cash Equivalents	118,262	116,838
Composed of:		
Cash and bank - unrestricted	53,406	64,330
GIC - unrestricted	40,553	-
Cash and bank - internally restricted	24,303	52,509
	118,262	116,839

See accompanying notes

CALEDONIA REGIONAL CHAMBER OF COMMERCE

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

For the year ended December 31, 2023

1. PURPOSE OF THE ORGANIZATION

The Caledonia Regional Chamber of Commerce is a non-profit organization with a mandate to promote the free enterprise system through improved trade and commerce and to enhance the economic prosperity and quality of life in the Caledonia region.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

(a) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(b) Revenue Recognition

The organization follows the deferral method of accounting for contributions. Membership dues and advertising revenue are deferred and amortized over the life of the contract. All other revenue is recognized when the event occurs or the provision of services is delivered. Government assistance is recognized in income provided there is reasonable assurance that the organization has complied and will continue to comply with all the conditions of the government assistance.

(c) Financial Instruments

The organization initially measures its financial assets and financial liabilities originated or exchanged in arm's length transactions at fair value.

Financial assets and financial liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms.

The organization subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets subsequently measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include the bank loan and accounts payable and accrued liabilities.

(d) Property, Plant and Equipment

In accordance with section 4433.03 of the CPA Canada Handbook, expenditures on property, plant and equipment are charged to current expenditures in the year of acquisition. Property, plant and equipment expensed by the organization are categorized as computer equipment and office furniture and equipment. During the year, office equipment in the amount of \$nil was expensed (2022 - \$nil).

CALEDONIA REGIONAL CHAMBER OF COMMERCE

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

For the year ended December 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Fund Accounting

The internally restricted funds reflect the activity of the Special Projects Committee.

(f) Income Taxes

The organization is incorporated as a not-for-profit organization and is exempt from income tax under paragraph 149(1)(e) of the *Income Tax Act*.

3. RESTATEMENT OF 2022 COMPARATIVE FIGURES

During the 2023 year, it was determined that the special projects fund was incorrectly accounted for in 2022. This resulted in changes in net assets, and excess of revenues over expenses.

	As Previously Reported	Adjustment	2022 As Restated
Revenue Internally Restricted - Special Projects	3,917	3,915	7,832
Expenses Internally Restricted - Special Projects	28,350	(20,370)	7,980
Net Assets - Unrestricted	14,499	3	14,502
Net Assets - Internally Restricted	26,884	24,285	51,169
Excess of Revenues over Expenses before Undernoted Items	(42,492)	24,285	(18,207)

4. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis presents the organization's exposures to significant risk at December 31, 2023:

Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. Accounts payable are generally paid within 30 days.

CALEDONIA REGIONAL CHAMBER OF COMMERCE

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

For the year ended December 31, 2023

5. INTERNAL RESTRICTIONS ON NET ASSETS

The board of directors of Caledonia Regional Chamber of Commerce has internally restricted \$24,303 (2022 - \$51,169) of unrestricted net assets to be held as follows:

	Special Projects Reserve	Canada Day Reserve	Victoria Day Fireworks	Total
Balance - Beginning of Year	24,285	25,146	1,738	51,169
Fund Revenues	8,129	-	-	8,129
Fund Expenses	(8,111)	-	-	(8,111)
Inter Fund Transfer	-	(25,146)	(1,738)	(25,146)
	18	(25,146)	(1,738)	(26,866)
Balance - End of Year	24,303	-	-	24,303

These amounts are not available for other purposes without the approval of the board of directors. These reserves are maintained in order to provide financial stability to the programs. The board of directors approved the transfer of the Canada Day reserve and Victoria Day reserve fund balances to the general account on March 20, 2023.

6. GOVERNMENT ASSISTANCE

The organization has received the \$60,000 Canada Emergency Business Account Loan (CEBA). This is an interest free loan that, if repaid on or before January 18, 2024, will result in loan forgiveness of 33 percent (up to \$20,000). Otherwise, an interest rate of 5% will apply to the balance, which will be repayable in monthly blended instalments. The loan was repaid in full on January 2, 2024.

7. COMPARATIVE FIGURES

Certain of the prior year's figures, provided for purposes of comparison, have been reclassified to conform with the current year's presentation.