

GABRIOLA ISLAND CHAMBER OF COMMERCE
Financial Statements
Year Ended October 31, 2023

GABRIOLA ISLAND CHAMBER OF COMMERCE

Index to Financial Statements

Year Ended October 31, 2023

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Board of Directors of Gabriola Island Chamber of Commerce

We have reviewed the accompanying financial statements of Gabriola Island Chamber of Commerce (the Organization) that comprise the statement of financial position as at October 31, 2023, and the statements of changes in net assets, receipts and expenditures 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 (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.

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 Gabriola Island Chamber of Commerce as at October 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Johnston Johnston & Associates

JOHNSTON, JOHNSTON & ASSOCIATES LTD.
CHARTERED PROFESSIONAL ACCOUNTANTS

Nanaimo, BC
January 29, 2024

A Professional Corporation

GABRIOLA ISLAND CHAMBER OF COMMERCE
Statement of Financial Position
October 31, 2023

	General 2023	RDN Economic Development & Tourism 2023	Canada Summer Jobs 2023	Rural Dividend Fund 2023	Triumph Fund 2023	Rural Economic Diversification and Infrastructure Program 2023	BC Shop Local Funding 2023	2023	2022
ASSETS									
CURRENT									
Cash	\$ 113,155	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,155	\$ 69,957
Accounts receivable	1,386	-	-	-	-	-	-	1,386	19,705
Term deposits - <i>note 3</i>	70,000	-	-	-	-	-	-	70,000	60,331
Interest receivable	180	-	-	-	-	-	-	180	53
Goods and services tax recoverable	1,145	979	-	-	268	74	-	2,466	933
Prepaid expenses	1,299	697	-	-	-	-	-	1,996	12,958
	187,165	1,676	-	-	268	74	-	189,183	163,937
PROPERTY, PLANT AND EQUIPMENT - <i>note 4</i>	438	-	-	-	-	-	-	438	551
LONG TERM INVESTMENTS - <i>note 5</i>	500	-	-	-	-	-	-	500	500
INTERFUND TRANSFERS - <i>note 6</i>	(108,114)	28,668	-	-	(268)	79,714	-	-	-
	\$ 79,989	\$ 30,344	\$ -	\$ -	\$ -	\$ 79,788	\$ -	\$ 190,121	\$ 164,988

The accompanying notes are an integral part of these financial statements.

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GABRIOLA ISLAND CHAMBER OF COMMERCE
Statement of Financial Position
October 31, 2023

	General 2023	RDN Economic Development & Tourism 2023	Canada Summer Jobs 2023	Rural Dividend Fund 2023	Triumph Fund 2023	Rural Economic Diversification and Infrastructure Program 2023	BC Shop Local Funding 2023	2023	2022
LIABILITIES AND NET ASSETS									
CURRENT									
Accounts payable and accrued liabilities	\$ 3,943	\$ 475	\$ -	\$ -	\$ -	\$ 31	\$ -	\$ 4,449	\$ 34,210
Employee deductions payable	357	1,070	-	-	-	-	-	1,427	4,979
	4,300	1,545	-	-	-	31	-	5,876	39,189
CANADA EMERGENCY BUSINESS ACCOUNT - note 11									
	40,000	-	-	-	-	-	-	40,000	40,000
	44,300	1,545	-	-	-	31	-	45,876	79,189
NET ASSETS	35,689	28,799	-	-	-	79,757	-	144,245	85,799
	\$ 79,989	\$ 30,344	\$ -	\$ -	\$ -	\$ 79,788	\$ -	\$ 190,121	\$ 164,988

ON BEHALF OF THE BOARD

_____ Director

The accompanying notes are an integral part of these financial statements.

GABRIOLA ISLAND CHAMBER OF COMMERCE
Statement of Changes in Net Assets
Year Ended October 31, 2023

	General	RDN Economic Development & Tourism	Canada Summer Jobs	Rural Dividend Fund	Triumph Fund	Rural Economic Diversification and Infrastructure Program	BC Shop Local Funding	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 59,685	\$ 25,742	\$ 372	\$ -	\$ -	\$ -	\$ -	\$ 85,799	\$ 60,700
Excess of receipts over expenditures	(24,157)	3,057	-	-	(211)	79,757	-	58,446	25,099
Close final fund balances to general fund - note 6	161	-	(372)	-	211	-	-	-	-
NET ASSETS - END OF YEAR	\$ 35,689	\$ 28,799	\$ -	\$ -	\$ -	\$ 79,757	\$ -	\$ 144,245	\$ 85,799

The accompanying notes are an integral part of these financial statements.

GABRIOLA ISLAND CHAMBER OF COMMERCE
Statement of Receipts and Expenditures
Year Ended October 31, 2023

	General	RDN Economic Development & Tourism	Canada Summer Jobs	Rural Dividend Fund	Triumph Fund	Rural Economic Diversification and Infrastructure Program	BC Shop Local Funding	2023	2022
RECEIPTS									
Advertising revenue	\$ 2,670	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,670	\$ -
Commission income	2,921	-	-	-	-	-	-	2,921	1,951
Donations	578	-	-	-	-	-	-	578	355
Grants	15,000	68,900	-	-	33,000	105,000	-	221,900	179,207
Memberships	14,215	-	-	-	-	-	-	14,215	18,413
Visitor guide revenues	2,389	-	-	-	-	-	-	2,389	14,380
	<u>37,773</u>	<u>68,900</u>	<u>-</u>	<u>-</u>	<u>33,000</u>	<u>105,000</u>	<u>-</u>	<u>244,673</u>	<u>214,306</u>
EXPENDITURES (Schedule 1)	<u>62,882</u>	<u>65,843</u>	<u>-</u>	<u>-</u>	<u>33,211</u>	<u>25,243</u>	<u>-</u>	<u>187,179</u>	<u>189,704</u>
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES FROM OPERATIONS	(25,109)	3,057	-	-	(211)	79,757	-	57,494	24,602
OTHER INCOME									
Interest income	952	-	-	-	-	-	-	952	497
EXCESS (DEFICIENCY) OF RECEIPTS OVER EXPENDITURES	<u>\$ (24,157)</u>	<u>\$ 3,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (211)</u>	<u>\$ 79,757</u>	<u>\$ -</u>	<u>\$ 58,446</u>	<u>\$ 25,099</u>

The accompanying notes are an integral part of these financial statements.

GABRIOLA ISLAND CHAMBER OF COMMERCE

Statement of Cash Flows
Year Ended October 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of receipts over expenditures	\$ 58,446	\$ 25,099
Item not affecting cash:		
Amortization of property, plant and equipment	112	142
	58,558	25,241
Changes in non-cash working capital:		
Accounts receivable	18,193	54,436
Prepaid expenses	10,961	(8,864)
Accounts payable and accrued liabilities	(29,760)	11,193
Wages payable	-	(1,000)
Goods and services tax payable	(1,533)	137
Deferred revenue	-	(101,974)
Employee deductions payable	(3,552)	3,485
	(5,691)	(42,587)
Cash flow from (used by) operating activities	52,867	(17,346)
INVESTING ACTIVITY		
Investments in term deposits	(9,669)	15,763
INCREASE (DECREASE) IN CASH FLOW	43,198	(1,583)
Cash - beginning of year	69,957	71,540
CASH - END OF YEAR	\$ 113,155	\$ 69,957
CASH CONSISTS OF:		
Petty cash	\$ 298	\$ 214
PayPal	-	2,267
CCCU chequing account	96,022	41,798
CCCU savings account	16,778	25,622
CCCU equity	57	56
	\$ 113,155	\$ 69,957

The accompanying notes are an integral part of these financial statements.

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GABRIOLA ISLAND CHAMBER OF COMMERCE

Notes to Financial Statements

Year Ended October 31, 2023

1. PURPOSE OF THE ORGANIZATION

Gabriola Island Chamber of Commerce (the "Organization") is a not-for-profit organization incorporated federally under the Boards of Trade Act - Part II on June 11, 1984. As a registered board of trade, the Organization is exempt from the payment of income tax under Subsection 149(1)(e) of the Income Tax Act. In order to maintain the tax exempt status, the Organization must meet the criteria of a not-for-profit organization. It is the opinion of management that these requirements have been met.

The Organization operates to facilitate economic growth and the common good of the Gabriola Island community by providing services, support and networking opportunities for businesses to succeed.

2. SUMMARY OF 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

Gabriola Island Chamber of Commerce follows the restricted fund method of accounting for contributions and maintains four funds: General, RDN Economic Development & Tourism Fund, Rural Economic Diversification and Infrastructure Program (REDIP), and the Triumph Fund.

The General Fund accounts for the Organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The RDN Economic Development & Tourism Fund reports grant funding by the RDN and expenditures related to economic development and tourism marketing activities for RDN Electoral Area B.

The Canada Summer Jobs Fund reports grants contributed by Employment and Social Development Canada to employers to create quality summer work experiences for young individuals aged 15 to 30 years and the related employment expenses. No funding was received under this program during the year, the net asset of the fund were transferred to the general fund during the year.

The Rural Dividend Fund reported grant funding by the BC Government and related expenditures for the purposes of development, growth and diversity of local economies. This fund was completed in the previous year and the remaining fund assets were closed out to the general fund in the previous year.

The Triumph Fund reports grant funding received from the Department of Canadian Heritage through the Gabriola Arts Council for the purposes of developing and presenting a Gabriola Business Showcase to promote local business, products and owners and to promote the values of shopping local.

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GABRIOLA ISLAND CHAMBER OF COMMERCE

Notes to Financial Statements

Year Ended October 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

The Rural Economic Diversification and Infrastructure Program Fund reports grant funding by the The Ministry of Jobs, Economic Development and Innovation and related expenditures for the purposes of economic diversification, resilience, infrastructure and clean growth opportunities of rural communities.

The BC Shop Local Fund reported temporary grant funding and expenditures received from the Federal Government and BC Chamber of Commerce in partnership, for the purpose of supporting small to medium sized businesses in the community as they recovered from the COVID-19 pandemic. There was a temporary fund and the final fund deficit was closed out to the general fund in the previous year.

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 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.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are highly liquid investments valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than one year.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Goods and services tax

Goods and services tax paid on contributed materials and services related to non-taxable not-for-profit expenditures are recoverable at 50% as a rebate. The unrecoverable portion is recorded as an expense with the rebate treated as a receivable. Expenditures on materials and services related to taxable income streams is fully recoverable.

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GABRIOLA ISLAND CHAMBER OF COMMERCE

Notes to Financial Statements

Year Ended October 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Property, plant and equipment

Property, plant and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life at the following rates and methods:

Computer equipment	55%	declining balance method
Computer software	100%	declining balance method
Equipment	20%	declining balance method

The Organization regularly reviews its property, plant and equipment to eliminate obsolete items.

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

Investments

Term deposits with maturity dates of one year or less are carried at amortized cost. Deposits with maturity dates beyond twelve months are reported at amortized cost as long term. Interest income is accrued and included in income as earned.

The Company uses the cost method to account for long term investments. The investment is initially recorded at its cost and dividends received or receivable are reported in income. Impairment of the investment is determined when events or changes in circumstances indicate that there is possible impairment.

Net assets

Net assets comprise the excess of revenue over expenditures accumulated by the Organization each year, net of transfers and are available for specific purposes.

Donated goods and contributed services

Donated goods and contributed services are recorded in the financial statements when the fair market value can reasonably be determined and they are used in the normal course of operations and would otherwise have been purchased.

Revenue recognition

Gabriola Island Chamber of Commerce follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Memberships and advertising revenues are recorded at the time they are earned as income of the General Fund as long as services have been provided, amounts are fixed or can be determined, the ability to collect is reasonably assured, and there are no significant obligations for future performance.

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GABRIOLA ISLAND CHAMBER OF COMMERCE

Notes to Financial Statements

Year Ended October 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Government grants are recorded in income when received or receivable if there is a reasonable assurance that the Organization has complied with and will continue to comply with, all the necessary conditions to obtain the grants. Government grant receipts are recorded as revenue in the related fund.

Investment and other income is recognized in the General Fund in the period earned.

Foreign currency translation

Transactions in foreign currencies have been translated at the rate of exchange prevailing at the date of transaction.

3. TERM DEPOSITS

	2023	2022
<u>Guaranteed Investment Certificates</u>		
Coastal Community Credit Union - 3 - Year Rate Climber bearing interest at 1.25% per annum (2022 - 0.8%) with a maturity date of September 21, 2023.	\$ -	\$ 60,331
Coastal Community Credit Union - 90 day Non-redeemable Convertible GIC bearing interest at 2.75% per annum with a maturity date of December 26, 2023.	70,000	-
	\$ 70,000	\$ 60,331

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 1,443	\$ 1,439	\$ 4	\$ 8
Computer software	477	477	-	-
Equipment	6,610	6,176	434	543
	\$ 8,530	\$ 8,092	\$ 438	\$ 551

5. LONG TERM INVESTMENTS

	2023	2022
Gabriola Island Community Investment Co-op		
1 share with par value \$500	\$ 500	\$ 500
	\$ 500	\$ 500

GABRIOLA ISLAND CHAMBER OF COMMERCE

Notes to Financial Statements

Year Ended October 31, 2023

6. INTERFUND LOANS

Interfund loans receivable and payable between the funds are non-interest bearing and have no set repayment terms. Cash funds are maintained in the general fund and disbursed for expenditures on behalf of the funds.

Excess fund balances remaining are transferred to the general fund to be used for administrative purposes at the time the fund program ends.

7. BANK INDEBTEDNESS

The Organization has a line of credit with Coastal Community Credit Union in the amount of \$15,000 for the purpose of funding operations. The facility bears interest at a rate of prime plus 4% for a total rate of 11.2% at October 31, 2023 (2022 - 9.95%). The line of credit is secured by a Commercial Security Agreement registering a first charge over all present and after-acquired property of the borrower.

There is currently no balance drawn on the line of credit (2022 - nil).

8. LEASE COMMITMENTS

The Organization leases premises under a long term lease that expires on June 30, 2024. Under the lease, the Organization is required to pay a base rent of \$5,040 plus GST for the three-year term. All other costs, such as utilities, insurance, and municipal tax costs are covered at the Organizations expense.

2024	\$ <u>3,360</u>
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9. MEMBER REMUNERATION

No members of the board were paid remuneration for services in excess of \$75,000 during the year ended October 31, 2023.

10. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of October 31, 2023.

Credit risk

(continues)

GABRIOLA ISLAND CHAMBER OF COMMERCE

Notes to Financial Statements

Year Ended October 31, 2023

10. FINANCIAL INSTRUMENTS *(continued)*

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers. In order to reduce its credit risk, the Organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of customers which minimizes concentration of credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers, government grants, and other related sources, long-term debt, and accounts payable.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Organization is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable transacted in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in interest rates may effect the cash flows associates with some of the Company's financial assets and liabilities. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its floating interest rate on bank indebtedness and credit facilities.

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 (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk through its investment term deposits.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

GABRIOLA ISLAND CHAMBER OF COMMERCE

Notes to Financial Statements

Year Ended October 31, 2023

11. GOVERNMENT ASSISTANCE

In previous years, the Chamber utilized the Canada Emergency Business Account (CEBA) through Community Futures Central Island, which is a 0% interest operating line of credit until December 31, 2023. The full \$60,000 available under the program had been used as of October 31, 2023. CEBA was intended to support organizations by providing financing for expenses that could not be avoided or deferred as they took steps to safely navigate the period of shutdown due to the COVID-19 pandemic, thereby helping to position the operation for successful relaunch as the economy reopened.

The deadline to repay the balance of the loan was extended by the Federal Government to January 18, 2024 (previously December 31, 2023). Repayment of \$40,000, on or before this date will result in loan forgiveness of 33%. The \$20,000 forgiveness of debt was included in income in the General Fund during the 2021 fiscal year.

Subsequent to the year end, the outstanding balance of \$40,000 was repaid in full.

GABRIOLA ISLAND CHAMBER OF COMMERCE

Expenditures

(Schedule 1)

Year Ended October 31, 2023

	General	RDN Economic Development & Tourism	Canada Summer Jobs	Rural Dividend Fund	Triumph Fund	Rural Economic Diversification and Infrastructure Program	BC Shop Local Funding	2023	2022
Accounting and legal fees	\$ 3,266	\$ 8,838	\$ -	\$ -	\$ -	\$ 409	\$ -	\$ 12,513	\$ 10,762
Advertising and promotion	13,306	11,916	-	-	9,436	-	-	34,658	28,959
Amortization - note 4	112	-	-	-	-	-	-	112	142
Business taxes, licences and memberships	1,405	-	-	-	-	-	-	1,405	3,881
Computer related expense	1,378	1,686	-	-	-	338	-	3,402	4,698
Consulting fees	910	910	-	-	19,599	2,075	-	23,494	-
Delivery, freight and express	143	-	-	-	-	-	-	143	167
GrowthZone expenses	4,730	-	-	-	-	-	-	4,730	3,521
Insurance	1,363	-	-	-	-	-	-	1,363	1,365
Interest and bank charges	854	-	-	-	-	-	-	854	1,177
Management fees - note 9	10,094	14,861	-	-	2,966	2,508	-	30,429	14,205
Office	710	279	-	-	-	-	-	989	7,233
Project expenses	-	-	-	-	-	-	-	-	5,000
Rental - note 8	2,970	3,039	-	-	-	-	-	6,009	6,014
Salaries and wages - note 9	2,463	8,089	-	-	-	17,294	-	27,846	62,733
Sub-contracts	9,099	11,395	-	-	-	2,542	-	23,036	33,777
Telephone	2,031	92	-	-	-	-	-	2,123	2,305
Training	551	977	-	-	-	-	-	1,528	499
Travel	-	-	-	-	-	-	-	-	6
Visitor guide expenses	7,367	3,526	-	-	-	-	-	10,893	2,306
Visitor info centre expenses	20	21	-	-	-	-	-	41	495
Workshops	110	214	-	-	1,210	77	-	1,611	459
	\$ 62,882	\$ 65,843	\$ -	\$ -	\$ 33,211	\$ 25,243	\$ -	\$ 187,179	\$ 189,704

The accompanying notes are an integral part of these financial statements.