

Financial Statements of
**WEST SHORE CHAMBER
OF COMMERCE**
December 31, 2023

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FLEMING & COMPANY

CHARTERED PROFESSIONAL ACCOUNTANT

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of West Shore Chamber of Commerce

I have reviewed the accompanying financial statements of West Shore 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, as well as 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

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me 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, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention causing me to believe that the financial statements do not present fairly, in all material respects, the financial position of West Shore 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.

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Chartered Professional Accountant
Victoria, British Columbia
May 23, 2024

WEST SHORE CHAMBER OF COMMERCE
Statement of Financial Position
December 31, 2023

	2023	2022
Assets		
CURRENT ASSETS		
Cash and cash equivalents	\$ 64,093	\$ 110,975
Accounts receivable (Note 3 & 7)	11,708	11,406
Prepaid expenses	1,863	1,886
	77,664	124,267
CAPITAL ASSETS (Note 4)	37,935	40,398
	\$ 115,599	\$ 164,665
Liabilities and Net Assets		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 7)	\$ 6,788	\$ 6,338
Accrued payroll liabilities	107	897
Unearned revenue (Note 6)	65,370	60,854
Due to government agencies	7,118	5,099
Current portion of long term debt (Note 9)	-	40,000
	79,383	113,188
	79,383	113,188
NET ASSETS		
Invested in capital assets	37,935	40,398
Unrestricted	(1,719)	11,079
	36,216	51,477
	\$ 115,599	\$ 164,665

S. Vaughan

Approved on behalf of the Board

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

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WEST SHORE CHAMBER OF COMMERCE
Statement of Changes in Net Assets
Year ended December 31, 2023

	Invested in capital assets	General fund	Total
Balance, December 31, 2022	\$ 40,398	\$ 11,079	\$ 51,477
Shortfall of revenue over expenses	(2,463)	(12,798)	(15,261)
Balance, December 31, 2023	\$ 37,935	\$ (1,719)	\$ 36,216

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

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WEST SHORE CHAMBER OF COMMERCE
Statement of Operations
Year ended December 31, 2023

	2023	2022
Revenue		
Advertising revenue	\$ 14,981	\$ 17,544
Corporate partner program	9,000	4,500
Donations and grants	365	54,250
Fees for services	39,690	36,501
Membership dues	120,439	118,854
Member events	54,387	44,895
Rental revenue	12,710	12,200
Sponsorships and fundraising	2,888	3,326
Trade shows, insurance fee, and other	26,864	23,157
	281,324	315,227
Cost of activities		
Advertising and awards	13,770	65,590
Amortization	2,463	2,871
Contract services	26,824	27,817
Forfeited deposit (recovery)	-	(2,000)
Insurance and dues	13,977	14,068
Interest and bank charges	4,869	4,224
Lunches, meetings, and member events	32,327	26,334
Office	14,229	12,100
Personnel costs	158,979	150,406
Professional development	1,829	2,344
Professional fees	10,000	12,290
Publishing	-	80
Repairs and maintenance	6,827	3,200
Telephone and utilities	7,949	8,108
Travel	2,542	1,678
	296,585	329,110
Shortfall of revenue over expenses	(15,261)	(13,883)
Other income		
Wage subsidy	-	3,669
Shortfall of revenue over expenses	\$ (15,261)	\$ (10,214)

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

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WEST SHORE CHAMBER OF COMMERCE
Statement of Cash Flows
December 31, 2023

	2023	2022
Operating activities		
Shortfall of revenue over expenses	\$ (15,261)	\$ (10,214)
Items not affecting cash		
Amortization	2,463	2,871
	(12,798)	(7,343)
Change in non-cash working capital		
Accounts receivable	(302)	3,192
Prepaid expenses	23	1,207
Accounts payable and accrued payroll liabilities	(340)	364
Unearned revenue	4,516	(46,318)
Due to government agencies	2,019	(850)
	(6,882)	(49,748)
Investing activities		
Purchase of capital assets	-	(1,158)
Financing activities		
Net repayments of long term debt	(40,000)	-
Decrease in cash and cash equivalents, during the year	(46,882)	(50,906)
Cash and cash equivalents, beginning of year	110,975	161,881
Cash and cash equivalents, end of year	\$ 64,093	\$ 110,975

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

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WEST SHORE CHAMBER OF COMMERCE
Notes to Financial Statements
December 31, 2023

The Chamber is incorporated under the Board of Trade Act of Canada and its principle activity is to promote and improve trade and commerce and the economic, civic, and social welfare of the West Shore region of Greater Victoria. The Chamber is a non-profit entity and is exempt from Part I income tax under paragraph 149(1)(e) of the Income Tax Act.

1. Summary of significant accounting policies

BASIS OF ACCOUNTING

The Chamber prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

FUND ACCOUNTING

The Chamber follows the restricted fund method of accounting for contributions.

The General Fund accounts for all unrestricted contributions and expenses that are not specifically designated under a Restricted Fund.

The Capital Asset Fund reports the assets, liabilities, revenues, and expenses related to the Chamber's capital assets.

REVENUE RECOGNITION

Fees for various services are recorded as revenue when the related services have been provided, or a contract for services has been established. Fees for service are contributions to the General Fund.

Membership revenue is recorded annually for each member and adjusted for any unearned portion, depending on the effective dates of the particular membership. Membership revenues are contributions to the General Fund.

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

Restricted contributions are recognized as income to the extent that they can be matched with their specified expense. All other restricted contributions are deferred to the period where the expenses occur.

CASH AND CASH EQUIVALENTS

The Chamber classifies high quality liquid investments redeemable in one year or less for fixed values as cash and cash equivalents.

DONATED ASSETS, MATERIALS AND SERVICES

The Chamber records donated property, plant and equipment at fair value. Donated services and materials are not recorded due to the difficulty in assessing their fair value.

WEST SHORE CHAMBER OF COMMERCE
Notes to Financial Statements
December 31, 2023

RECIPROCAL MEMBERSHIPS

The Chamber has multiple agreements with groups and organizations including other municipal Chambers of Commerce whereby memberships are exchanged. The exchange is not recorded in the Chamber's financial statements as the value of the exchange cannot be reasonably determined.

CAPITAL ASSETS

Capital assets are recorded at cost and amortized using the declining balance method at rates sufficient to substantially amortize the cost over their estimated useful lives as follows:

Building	4% declining balance
Leasehold improvements	20% straight line
Furniture and fixtures	20% declining balance
Computer hardware	55% declining balance
Computer software	100% declining balance

Amortization expense is reported in the Capital Asset Fund. Impairment of tangible capital assets is reviewed whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

USE OF ESTIMATES

The preparation of financial statements in accordance 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 the reported amounts of revenue and expenses. The main estimates include allowance for doubtful accounts, estimated useful lives of tangible capital assets, impairment of long-lived assets, accrued liabilities, and disclosure of contingencies.

2. Financial instruments

The Chamber initially measures its financial assets and financial liabilities at fair value. Subsequently it measures all its financial assets and financial liabilities at amortized cost.

The Chamber's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and long term debt.

The Chamber is exposed to various risks through its financial instruments without being exposed to concentrations of risk. The following analysis provides a measure of the organization's risk as at December 31, 2023.

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 fulfil an obligation.

The Chamber is exposed to credit risk principally in connection with accounts receivable. The Chamber maintains cash and cash equivalents with reputable and major financial institutions. Management considers the risk of non-performance of these instruments to be remote.

LIQUIDITY RISK

Liquidity risk is the risk that the Chamber will encounter difficulty in meeting its obligations associated with financial liabilities.

The Chamber is exposed to liquidity risk in meeting its obligations associated with financial liabilities, which is dependent on receipt of funds from contributors and continued support by financial institutions providing sufficient operating lending facilities.

WEST SHORE CHAMBER OF COMMERCE
Notes to Financial Statements
December 31, 2023

2. Financial instruments (continued)

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. Changes in interest rates can affect the fair value of investments and the cash flows related to interest income and expense.

The Chamber is not currently exposed to interest rate risk.

3. Accounts receivable	2023		2022	
Trade accounts receivable (Note 7)	\$	11,708	\$	8,406
Wage subsidy		-		3,000
	\$	11,708	\$	11,406

4. Capital assets	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Building*	\$ 85,472	\$ 49,035	\$ 36,437	\$ 37,955
Leasehold improvements	5,000	5,000	-	-
Furniture and fixtures	20,445	19,533	912	1,140
Computer hardware	15,240	14,654	586	1,303
Computer software	6,961	6,961	-	-
	\$ 133,118	\$ 95,183	\$ 37,935	\$ 40,398

*See further notes about Building asset under Note 5 Lease obligations.

5. Lease obligations

EQUIPMENT

On May 11, 2023, the Chamber commenced a 48 month operating lease for office equipment, which requires quarterly payments of \$294 plus applicable taxes. The lease may be cancelled by either party at the end of each consecutive 12 month term. Future obligations are as follows:

2024 - \$1,176
2025 - \$1,176
2026 - \$1,176
2027 - \$588



WEST SHORE CHAMBER OF COMMERCE
Notes to Financial Statements
December 31, 2023

Lease obligations (continued)

LAND

The Chamber has entered into a 33 year lease with the City of Langford for the land at 2830 Aldwynd Road in Langford with the lease expiring on February 28, 2034. There is provision for two 33 year term renewals on this lease. A payment of \$33 is due at the beginning of each 33 year term. The Chamber is responsible for property taxes on the property however a property tax exemption is requested annually. This year, as in previous years, the exemption has been approved.

As part of the land lease over 2830 Aldwynd Road, the title and ownership of buildings and structures on the property shall vest with the Chamber. Upon expiration or termination of the land lease, the ownership of the buildings and structures transfer to the Lessor with no compensation to the Chamber.

SUPPLEMENTAL INFORMATION – lease obligations

The on-going benefit associated with the lease, as described in note 5, is a reduction in rental operating costs and cash flow requirements.

6. Unearned revenue	2023	2022
Prepaid membership fees and deposits	\$ 65,370	\$ 60,854

7. Related party transactions

All transactions with related parties that occurred in the normal course of operations are measured at the exchange amount, which represents the fair value of the transaction.

During the year, there were expenses incurred in the normal course of business in the amount of \$16,494 (\$9,262 - 2022) by employees, directors, and/or companies related to them.

During the year, there were revenues received in the normal course of business totaling \$2,750 (\$2,921 - 2022) from related parties including employees, directors, and/or companies related to them.

Included in the Accounts Receivable balance is \$0 (\$530 - 2022) due from related parties. Included in the Accounts Payable balance is \$473 (\$473 - 2022) due to related parties for a recurring invoice. Payments were received and made in the normal course of operations.

8. Line of credit

The Chamber has access to a line of credit of \$15,000 with interest rate charged at prime plus 2.5%. The outstanding balance of the line of credit is \$0 in 2023 (\$0 - 2022).

9. Long term debt and current portion	2023	2022
The Chamber obtained the Canada Emergency Business Account loan in the amount of \$40,000 in fiscal 2020 and \$20,000 in fiscal 2021. The loan was repaid in full by December 31, 2023, less the forgivable amount of \$20,000.	\$ -	\$ 40,000
Less current portion	-	(40,000)
	\$ -	\$ -

