

GABRIOLA ISLAND CHAMBER OF COMMERCE
Financial Statements
Year Ended October 31, 2021

GABRIOLA ISLAND CHAMBER OF COMMERCE
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Year Ended October 31, 2021

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INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members 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, 2021, and the statements of changes in net assets, revenues 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, 2021, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Johnston Johnston & Associates

Nanaimo, BC
January 24, 2022

JOHNSTON, JOHNSTON & ASSOCIATES LTD.
CHARTERED PROFESSIONAL ACCOUNTANTS

A Professional Corporation

GABRIOLA ISLAND CHAMBER OF COMMERCE
Statement of Financial Position
October 31, 2021

	General Fund	Restricted Fund <i>(Schedule 2)</i>	RDN Economic Development Fund	Total 2021	Total 2020
ASSETS					
CURRENT					
Cash	\$ 71,540	\$ -	\$ -	\$ 71,540	\$ 117,071
Term deposits - <i>note 3</i>	16,094	-	-	16,094	15,935
Accounts receivable	9,194	-	65,000	74,194	14,128
Goods and services tax recoverable	1,070	-	-	1,070	1,642
Prepaid expenses	4,093	-	-	4,093	3,563
	101,991	-	65,000	166,991	152,339
PROPERTY, PLANT AND EQUIPMENT - <i>note 4</i>	694	-	-	694	875
TERM DEPOSITS - <i>note 3</i>	60,000	-	-	60,000	-
LONG TERM INVESTMENTS - <i>note 5</i>	500	-	-	500	500
INTERFUND TRANSFERS	(96,638)	74,891	21,747	-	-
	\$ 66,547	\$ 74,891	\$ 86,747	\$ 228,185	\$ 153,714

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, 2021

	General Fund	Restricted Fund (Schedule 2)	RDN Economic Development Fund	Total 2021	Total 2020
LIABILITIES AND NET ASSETS					
CURRENT					
Accounts payable and accrued liabilities	\$ 23,018	\$ -	\$ -	\$ 23,018	\$ 7,369
Canada Emergency Business Account - <i>note 12</i>	40,000	-	-	40,000	-
Wages payable	2,494	-	-	2,494	1,145
Deferred revenue - <i>note 7</i>	-	74,891	27,082	101,973	131,920
	65,512	74,891	27,082	167,485	140,434
NET ASSETS	1,035	-	59,665	60,700	13,280
	\$ 66,547	\$ 74,891	\$ 86,747	\$ 228,185	\$ 153,714

LEASE COMMITMENTS - *note 9*

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

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

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GABRIOLA ISLAND CHAMBER OF COMMERCE
Statement of Changes in Net Assets
Year Ended October 31, 2021

	General Fund	Restricted Fund (Schedule 2)	RDN Economic Development Fund	Total 2021	Total 2020
NET ASSETS - BEGINNING OF YEAR					
As previously reported	\$ (21,630)	\$ 625	\$ 34,285	\$ 13,280	\$ 85,351
Prior period adjustments to correct deferred revenues - note 8	-	-	-	-	(76,136)
As restated	(21,630)	625	34,285	13,280	9,215
Excess of revenues over expenditures	22,040	-	25,380	47,420	4,065
Interfund transfers (Schedule 2)	625	(625)	-	-	-
NET ASSETS - END OF YEAR	\$ 1,035	\$ -	\$ 59,665	\$ 60,700	\$ 13,280

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

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GABRIOLA ISLAND CHAMBER OF COMMERCE
Statement of Revenues and Expenditures
Year Ended October 31, 2021

	General Fund	Restricted Fund <i>(Schedule 2)</i>	RDN Economic Development Fund	Total 2021	Total 2020
REVENUES					
Chamber events and workshops	\$ -	\$ -	\$ -	\$ -	\$ 6,556
Commission income	1,402	-	-	1,402	1,190
Grants	46,512	120,179	65,000	231,691	121,165
Memberships	18,215	-	-	18,215	18,907
Visitor guide revenues	21,021	-	-	21,021	24,862
	87,150	120,179	65,000	272,329	172,680
EXPENDITURES <i>(Schedule 1)</i>	85,313	120,179	39,620	245,112	169,700
EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS	1,837	-	25,380	27,217	2,980
OTHER INCOME					
Government assistance - <i>note 12</i>	20,000	-	-	20,000	-
Interest income	203	-	-	203	1,085
	20,203	-	-	20,203	1,085
EXCESS OF REVENUES OVER EXPENDITURES	\$ 22,040	\$ -	\$ 25,380	\$ 47,420	\$ 4,065

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

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GABRIOLA ISLAND CHAMBER OF COMMERCE

Statement of Cash Flows Year Ended October 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 47,420	\$ 4,065
Item not affecting cash:		
Amortization of property, plant and equipment	182	234
	<u>47,602</u>	<u>4,299</u>
Changes in non-cash working capital:		
Accounts receivable	(60,066)	5,272
Prepaid expenses	(530)	(2,517)
Accounts payable and accrued liabilities	15,648	(6,084)
Wages payable	1,349	1,145
Goods and services tax payable	572	1,089
Deferred revenue	(29,947)	55,785
	<u>(72,974)</u>	<u>54,690</u>
Cash flow from (used by) operating activities	<u>(25,372)</u>	<u>58,989</u>
INVESTING ACTIVITY		
Long term investments	-	(500)
Cash flow from (used by) investing activity	<u>-</u>	<u>(500)</u>
FINANCING ACTIVITY		
Short term debt	40,000	-
Cash flow from financing activity	<u>40,000</u>	<u>-</u>
INCREASE IN CASH FLOW	<u>14,628</u>	<u>58,489</u>
Cash - beginning of year	<u>133,006</u>	<u>74,517</u>
CASH - END OF YEAR	<u>\$ 147,634</u>	<u>\$ 133,006</u>
CASH CONSISTS OF:		
Cash	\$ 71,540	\$ 117,071
Term deposits - current	16,094	15,935
Term deposits - long term	60,000	-
	<u>\$ 147,634</u>	<u>\$ 133,006</u>

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, 2021

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 as a not-for-profit organization on June 11, 1984. As a board of trade, the organization is exempt from the payment of income tax under Section 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).

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, liabilities, revenues and expenses during the period. Areas requiring management estimates include amortization expense and deferred revenues. 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.

Fund accounting

Gabriola Island Chamber of Commerce adopted the restricted fund method of accounting for contributions and maintains three funds: General, Restricted and the RDN Economic Development Funds.

The General Fund accounts for the organization's day to day operational and administrative activities. This fund reports unrestricted resources available for immediate purposes.

The Restricted Fund reports grants contributed by various funders for purposes restricted by the conditions of those grants. The specific projects included in the Restricted Fund are set out on Schedule 2 on page 15.

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

(continues)

GABRIOLA ISLAND CHAMBER OF COMMERCE

Notes to Financial Statements

Year Ended October 31, 2021

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

Cash and cash equivalents

Cash and cash equivalents consist of highly liquid cash on hand and held in deposit at a financial institution.

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.

Net assets

Net assets comprise the excess of revenue over expenses 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 their 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.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

RDN Economic Development grants are recognized as revenue of the RDN Economic Development Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

GABRIOLA ISLAND CHAMBER OF COMMERCE

Notes to Financial Statements

Year Ended October 31, 2021

3. TERM DEPOSITS

	2021	2020
<u>Non - Registered Term Deposits</u>		
Coastal Community Credit Union 12 - 60 Month Redeemable GIC, bearing interest at 0.10% with a maturity date of December 4, 2021	\$ 16,094	\$ 15,935
Coastal Community Credit Union - 3 - Year Rate Climber GIC bearing interest at 0.55% with a maturity date of September 21, 2024	60,000	-
	\$ 76,094	\$ 15,935

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer equipment	\$ 1,443	\$ 1,428	\$ 15	\$ 26
Computer software	477	477	-	-
Equipment	6,610	5,931	679	849
	\$ 8,530	\$ 7,836	\$ 694	\$ 875

5. LONG TERM INVESTMENTS

	2021	2020
Gabriola Island Community Investment Co-op		
Shares	\$ 500	\$ 500

6. BANK INDEBTEDNESS

The organization has a line of credit with Coastal Community Credit Union in the amount of \$15,000 which bears interest at prime plus 4%. 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 (2020 - nil).

GABRIOLA ISLAND CHAMBER OF COMMERCE

Notes to Financial Statements

Year Ended October 31, 2021

7. DEFERRED REVENUE

Included in deferred revenue are the following amounts applicable to expenditures to be made in subsequent periods.

	2021	2020
Restricted Fund		
Youth Community Partnerships - Community Workforce Response Grant	\$ 40,980	\$ -
Province of B.C. Rural Dividend Fund - 2018	-	4,838
Province of B.C. Rural Dividend Fund - 2020	33,911	100,000
	74,891	104,838
RDN Economic Development Fund		
RDN Marketing Plan	27,082	27,082
	\$ 101,973	\$ 131,920

8. PRIOR PERIOD ADJUSTMENT

Prior period adjustments were made to correctly report government grants and funding received to the period in which the expenditures were incurred. Adjustments were made as follows to correct receipts and deferred income for the following project funds and years.

	2021	2020
<u>2019 fiscal year</u>		
BC Rural Dividend Fund		
Deferred income balance forward	\$ -	\$ 91,110
Expenses incurred during fiscal 2019	-	(23,974)
BC Rural Dividend Fund - Deferred Income	-	67,136
BC Rural Dividend Fund - Enterprise Zoning		
Funding grant received in 2019	-	9,000
BC Rural Dividend Enterprise Zoning - Deferred Income	-	9,000
Total prior period adjustments recorded to correct deferred income for projects	\$ -	\$ 76,136

GABRIOLA ISLAND CHAMBER OF COMMERCE

Notes to Financial Statements

Year Ended October 31, 2021

9. 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.

2022	\$	5,040
2023		5,040
2024		3,360
		<hr/>
	\$	<u>13,440</u>

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, 2021.

Credit risk

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.

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. 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 bank indebtedness and credit facilities.

Additional risk

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, 2021

11. PROJECT EXPENSES

Project specific expenditures incurred during the year were classified as follows:

	2021	2020
Restricted Fund		
Administration	\$ 10,804	\$ -
Advertising	11,657	9,145
Computer related	-	165
Consultant	-	11,649
Office	2,398	1,574
Partnerships	-	1,090
Professional fees	3,250	2,575
Project costs	5,050	-
Rent	2,040	-
Sub-contracts	6,352	26,159
Training	45,233	-
Wages	33,395	21,282
	<u>120,179</u>	<u>73,639</u>
RDN Economic Development Fund		
Administration	1,297	-
Advertising	5,178	-
Computer related	-	385
Office expense	985	-
Professional fees	900	-
Project costs	1,639	-
Rent	630	2,520
Sub-contracts	12,294	26,000
Wages	16,697	8,364
	<u>39,620</u>	<u>37,269</u>
	<u>\$ 159,799</u>	<u>\$ 110,908</u>

GABRIOLA ISLAND CHAMBER OF COMMERCE

Notes to Financial Statements

Year Ended October 31, 2021

12. GOVERNMENT ASSISTANCE

During the year, the Company 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 that is available under the program has been used as of October 31, 2021. CEBA is intended to support businesses by providing financing for their expenses that cannot be avoided or deferred as they take steps to safely navigate a period of shutdown due to the COVID-19 pandemic, thereby helping to position businesses for successful relaunch when the economy reopens.

Repaying the balance of the loan has been extended by the Federal Government to December 31, 2023 (previously December 31, 2022). Repayment of \$40,000 on or before this date will result in loan forgiveness of 33%. As a result, \$20,000 has been included in income in the General Fund in the current year. If, the Company exercises the option for a 2-year term extension to December 31, 2025, 5% interest during this term extension period will apply on any balance remaining. Repayments will be interest only at that time until December 31, 2025 when the full balance of the original loan will be due.

13. COMPARATIVE FIGURES

Some of the prior year figures have been restated to conform with current year presentation.

GABRIOLA ISLAND CHAMBER OF COMMERCE

Expenditures

(Schedule 1)

Year Ended October 31, 2021

	General Fund	Restricted Fund <i>(Schedule 2)</i>	RDN Economic Development Fund	Total 2021	Total 2020
Accounting and legal fees	\$ 3,735	\$ -	\$ -	\$ 3,735	\$ 1,400
Advertising and promotion	3,598	-	-	3,598	2,211
Amortization - <i>note 4</i>	182	-	-	182	234
Business taxes, licences and memberships	434	-	-	434	1,584
Computer related expense	1,125	-	-	1,125	1,050
Insurance	683	-	-	683	956
Interest and bank charges	1,432	-	-	1,432	1,521
Office	640	-	-	640	706
Project expenses - <i>note 11</i>	-	120,179	39,620	159,799	110,908
Rental - <i>note 9</i>	2,670	-	-	2,670	2,520
Salaries and wages	28,020	-	-	28,020	8,364
Sub-contracts	21,319	-	-	21,319	17,748
Telephone	1,240	-	-	1,240	899
Travel	224	-	-	224	6
Visitor guide expenses	19,424	-	-	19,424	13,785
Visitor info centre expenses	587	-	-	587	156
Workshops	-	-	-	-	5,652
	\$ 85,313	\$ 120,179	\$ 39,620	\$ 245,112	\$ 169,700

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

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GABRIOLA ISLAND CHAMBER OF COMMERCE

Restricted Funds

(Schedule 2)

Year Ended October 31, 2021

	Fund balance, beginning of year	Contributions	Expenditures	Transfers and adjustments	Fund balance, end of year
RESTRICTED FUNDS					
B.C. Rural Dividend Fund	\$ (100)	\$ 70,926	\$ (70,926)	\$ 100	\$ -
ICET Community Profile Grant	725	-	-	(725)	-
Canada Summer Jobs Grant	-	-	-	-	-
Youth Partnership Community Fund	-	45,233	(45,233)	-	-
Work Experience Opportunity Program	-	4,020	(4,020)	-	-
RESTRICTED FUNDS total	\$ 625	\$ 120,179	\$ (120,179)	\$ (625)	\$ -

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

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