



## Financial Statements

Truro and Colchester Chamber of Commerce

December 31, 2023

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## Independent auditor's report

To the Members of the Truro and Colchester Chamber of Commerce

### Qualified Opinion

We have audited the financial statements of Truro and Colchester Chamber of Commerce ("the Chamber"), which comprise the statement of financial position as at December 31, 2023, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Truro and Colchester Chamber of Commerce as at December 31, 2023, and its results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Chamber derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Chamber. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2023 and December 31, 2022 and, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 Chamber 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 qualified opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statement

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.

In preparing the financial statements, management is responsible for assessing the Chamber'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 Chamber or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Chamber'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 Chamber's internal control.
- 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 Chamber'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 Chamber 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.

*Grant Thornton LLP*

Truro, Canada  
February 15, 2024

Chartered Professional Accountants

## Truro and Colchester Chamber of Commerce Statement of Revenues and Expenses

Year ended December 31, 2023	Budget (unaudited)	2023	2022
<b>Revenues</b>			
Membership fees	\$ 96,000	\$ 94,151	\$ 88,159
Insurance commissions	65,000	65,828	63,094
Regional Enterprise Network	-	-	30,000
Contribution and grant funding			
ACOA re-discover main street	-	130,268	104,732
ACOA winter festival	-	-	41,635
Canada Employment and Social Development	-	4,568	-
Central Nova tourism initiatives	-	5,000	-
Community visitor information centres	-	68,233	68,786
Explore Central	-	15,751	40,943
Physician recruitment lodging	-	11,250	16,000
Population growth project	-	33,243	1,757
Shoplocal-opoly	-	-	1,936
Other earnings (Note 3)	69,960	88,682	92,823
	<u>230,960</u>	<u>516,974</u>	<u>549,865</u>
<b>Expenses</b>			
Advertising	4,000	9,359	4,219
Amortization	5,030	2,692	3,169
Annual meeting and conferences	5,000	4,732	5,346
Bad debt	300	-	-
Bank charges	3,000	3,640	3,548
Consulting fees	2,500	2,450	-
Dues and fees	4,160	4,830	3,569
Insurance	1,600	1,738	1,686
Meeting and travel expenses	4,500	4,203	2,824
Membership management software	1,100	1,056	1,056
Office rent	13,200	14,400	14,400
Office supplies and cleaning	3,360	3,862	3,232
Other expenses	200	540	-
Postage	750	552	644
Professional fees	14,000	30,728	13,957
Salaries and benefits	154,760	138,222	150,530
Technology	3,000	-	-
Utilities	5,000	4,582	5,168
	<u>225,460</u>	<u>227,586</u>	<u>213,348</u>
Net from operations	<u>5,500</u>	<u>289,388</u>	<u>336,517</u>
<b>Special project expenses</b>			
ACOA re-discover main street	-	130,268	104,732
ACOA winter festival	-	-	41,636
Canada Employment and Social Development	-	4,568	-
Central Nova tourism initiatives	-	5,000	-
Community visitors information centres	-	68,233	68,786
Explore Central	-	15,751	40,943
Legacy award	2,500	2,500	-
Physician recruitment & trades	-	11,250	16,000
Population growth	-	33,243	1,757
Regional Enterprise Network	-	-	30,000
Scholarship	3,000	2,000	2,000
Shoplocal-opoly	-	-	800
	<u>5,500</u>	<u>272,813</u>	<u>306,654</u>
Excess of revenues over expenses	\$ -	\$ 16,575	\$ 29,863

See accompanying notes to the financial statements

# Truro and Colchester Chamber of Commerce

## Statement of Financial Position

December 31 2023 2022

### Assets

<b>Current</b>			
Cash and cash equivalents (Note 4)	\$	282,863	\$ 344,934
Receivables		9,721	130,843
Prepays		<u>1,300</u>	<u>5,851</u>
		293,884	481,628
Capital assets (Note 5)		<u>5,842</u>	<u>8,534</u>
	\$	<u>299,726</u>	\$ <u>490,162</u>

### Liabilities


<b>Current</b>			
Payables and accruals	\$	19,355	\$ -
Unearned revenue (Note 6)		<u>16,818</u>	<u>213,184</u>
		36,173	213,184
Long-term debt		<u>-</u>	<u>30,000</u>
		<u>36,173</u>	<u>243,184</u>

### Net Assets (Page 6)

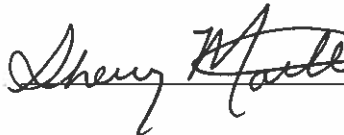
Investment in capital assets		5,842	8,534
Unrestricted		<u>257,711</u>	<u>238,444</u>
		<u>263,553</u>	<u>246,978</u>
	\$	<u>299,726</u>	\$ <u>490,162</u>

Commitments (Note 7)

On behalf of the Board



President



Executive Director

## Truro and Colchester Chamber of Commerce

### Statement of Cash Flows

Year ended December 31	2023	2022
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess of revenues over expenses	\$ 16,575	\$ 29,863
Amortization	<u>2,692</u>	<u>3,169</u>
	19,267	33,032
Change in non-cash operating working capital		
Receivables	121,122	(62,436)
Prepays	4,551	128
Payables	19,355	(4,049)
Unearned revenue	<u>(196,366)</u>	<u>152,894</u>
	<u>(32,071)</u>	<u>119,569</u>
<b>Investing</b>		
Repayment of CEBA loan	<u>(30,000)</u>	-
	<u>(30,000)</u>	-
(Decrease) increase in cash and cash equivalents	(62,071)	119,569
Cash and cash equivalents, beginning of year	<u>344,934</u>	<u>225,365</u>
Cash and cash equivalents, end of year	<u>\$ 282,863</u>	<u>\$ 344,934</u>
<hr/>		
Represented by:		
Cash and cash equivalents	\$ 271,863	\$ 333,734
Restricted cash	<u>11,000</u>	<u>11,200</u>
	<u>\$ 282,863</u>	<u>\$ 344,934</u>

See accompanying notes to the financial statements

## Truro and Colchester Chamber of Commerce Statement of Changes in Net Assets

Year ended December 31

	<u>Investment in capital assets</u>	<u>Unrestricted</u>	<u>2023 Total</u>	<u>2022 Total</u>
Net assets, beginning of year	\$ 8,534	\$ 238,444	\$ 246,978	\$ 217,115
(Deficiency) excess of revenues over expenses	(2,692)	19,267	16,575	29,863
Transfer	-	-	-	-
Net assets, end of year	<u>\$ 5,842</u>	<u>\$ 257,711</u>	<u>\$ 263,553</u>	<u>\$ 246,978</u>

See accompanying notes to the financial statements



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# Truro and Colchester Chamber of Commerce

## Notes to the Financial Statements

December 31, 2023

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### 1. Nature of operations

The Chamber promotes trade and commerce in Truro and surrounding areas.

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### 2. Summary of significant accounting policies

#### Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. Accounting standards for not-for-profit organizations require entities to select policies appropriate for their circumstances from choices provided in the specific standards. Following are details of the choices selected by the Chamber and applied in these financial statements.

#### Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires the Chamber's management to make estimates and assumptions that affect the amounts of assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. Actual results could differ from those reported.

#### Revenue recognition

The Chamber follows the deferral method of accounting. Externally restricted funds received from various organizations, agencies and individuals are recognized as revenue in the year in which the related expenses are incurred.

Annual memberships are recorded as revenue in the year the membership relates to when received or receivable if the amount can be reasonably estimated and collection reasonably assured. Any annual memberships received in advance of the year they relate to are appropriately deferred.

Insurance commissions are recognized as revenue when services are provided.

Fundraising revenues are recognized when the fundraising activity occurs, provided that payment is received or receivable if amount can be reasonably estimated and collections reasonably assured.

#### Capital assets

Capital assets are recorded at cost except for donated assets which are recorded at fair market value at the date of contribution. Capital assets are amortized over their estimated useful lives as follows:

Equipment	20%, declining balance
Computer equipment	30%, declining balance
Software	50%, straight line
Leasehold Improvements	5 year, straight line

#### Income tax status

The Truro and Colchester Chamber of Commerce is exempt from income taxes under Section 149(1)(e) of the *Canadian Income Tax Act*.

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# Truro and Colchester Chamber of Commerce

## Notes to the Financial Statements

December 31, 2023

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### 2. Summary of significant accounting policies (continued)

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks, and marketable securities maturing in the next year. Restricted cash is maintained for specific uses by the Chamber.

#### Financial Instruments

The Chamber considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Chamber accounts for the following as financial instruments:

- Cash and cash equivalents
- Receivables
- Payables and accruals
- Long-term debt

A financial asset or liability is recognized when the Chamber becomes party to contractual provisions of the instrument.

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value.

Financial assets or liabilities obtained in related party transactions are initially measured at cost, with the exception of the following instruments which are initially measured at fair value: investments in equity instruments that are quoted in an active market, debt instruments that are quoted in an active market, debt instruments when the inputs significant to the determination of the fair value of the instrument are observable, and derivative contracts.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Company initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. The Chamber removes financial liabilities, or a portion thereof, when the obligation is discharged, cancelled or expires.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

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# Truro and Colchester Chamber of Commerce

## Notes to the Financial Statements

December 31, 2023

### 3. Other earnings

	Budget (net) (unaudited)	Revenue	Expense	Net revenue over expenses
<b>2023</b>				
Interest income	\$ -	\$ 8,077	\$ -	\$ 8,077
Project administrative fees	10,350	14,700	-	14,700
Other fundraising and events	59,610	98,085	32,180	65,905
	<u>\$ 69,960</u>	<u>\$ 120,862</u>	<u>\$ 32,180</u>	<u>\$ 88,682</u>
<b>2022</b>				
Interest income	\$ -	\$ 3,087	\$ -	\$ 3,087
Podcasts	750	-	-	-
Project administrative fees	7,560	11,850	82	11,768
Other fundraising and events	72,440	116,052	38,084	77,968
	<u>\$ 80,750</u>	<u>\$ 130,989</u>	<u>\$ 38,166</u>	<u>\$ 92,823</u>

### 4. Cash and cash equivalents

Included in cash and cash equivalents is \$11,000 (2022 - \$11,200) that has been restricted for Central Nova Tourism Initiatives and the Regional Enterprise Network project.

### 5. Capital assets

	2023		2022	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	\$ 22,072	\$ 21,596	\$ 476	\$ 595
Computer equipment and software	33,127	30,690	2,437	3,482
Leasehold Improvements	7,640	4,711	2,929	4,457
	<u>\$ 62,839</u>	<u>\$ 56,997</u>	<u>\$ 5,842</u>	<u>\$ 8,534</u>

### 6. Unearned revenues

	2023	2022
ACOA re-discover main street	\$ -	\$ 130,267
Central Nova tourism initiatives	6,014	11,014
Explore Central project	10,494	26,245
Population growth	-	33,243
Other deferred revenue	310	12,415
	<u>\$ 16,818</u>	<u>\$ 213,184</u>

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# Truro and Colchester Chamber of Commerce

## Notes to the financial statements

December 31, 2023

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### 7. Commitments

The Chamber leases office space under the terms of a lease agreement expiring December 31, 2026. Lease payments are made on a monthly basis in the amount of \$1,100. An apartment was rented annually as part of the physician recruitment program, which expired April 30, 2023 for monthly rent of \$2,000 plus HST.

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### 8. Financial instruments – risk management

The Chamber is exposed to various risks through its financial instruments. The following analysis provides a measure of the Chamber's risk exposure and concentrations as at December 31, 2023.

#### a) Credit risk

Credit risk is the risk of financial loss to the Chamber if a debtor fails to make payments when due. The Chamber is exposed to this risk relating to its receivables. Management closely evaluates the collectability of its receivables which are assessed on a regular basis. There was no significant change in exposure from the prior year.

#### b) Liquidity risk

Liquidity risk is the risk that the Chamber will encounter difficulty in meeting the obligations associated with its financial liabilities. The Chamber is exposed to this risk mainly in respect of its accounts payable. In the opinion of management, the liquidity risk to the Chamber is low and not material. There was no significant change in exposure from the prior year.

#### c) Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Chamber is mainly exposed to 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 Chamber is exposed to interest rate risk on guaranteed investments certificates. In the opinion of management, the interest rate risk to the Chamber is low and not material. There was no significant change in exposure from the prior year.