

Halifax Chamber of Commerce
Financial Statements
December 31, 2020

Halifax Chamber of Commerce Contents

For the year ended December 31, 2020

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To the Members of Halifax Chamber of Commerce:

Qualified Opinion

We have audited the financial statements of Halifax Chamber of Commerce (the "Chamber"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations, 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 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 the Chamber as at December 31, 2020, 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.

Basis for Qualified Opinion

The Chamber recognizes membership fees as revenue when received or receivable rather than evenly over the life of the membership, which constitutes a departure from Canadian accounting standards for not-for-profit organizations. The Chamber's records indicate that, had management recorded membership fees over the life of the membership, an amount of approximately \$330,378 and \$359,467 respectively would have been required to be set up as deferred membership fees at December 31, 2020 and December 31, 2019, respectively. Accordingly, unrestricted net assets would have been reduced by \$330,378 and \$359,467 as at December 31, 2020 and December 31, 2019. The impact on excess of revenues over expenses on the statement of operations is minimal.

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.

Other Matter

The financial statements of the Chamber for the year ended December 31, 2019 were audited by another firm of professional accountants who expressed an unmodified opinion on those statements on March 12, 2020.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

Dartmouth, Nova Scotia

March 4, 2021

MNP LLP

Chartered Professional Accountants

Halifax Chamber of Commerce Statement of Financial Position

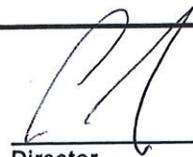
As at December 31, 2020

	2020	2019 <i>(revised)</i>
Assets		
Current		
Cash	535,510	208,892
Accounts receivable (Note 4)	579,139	442,215
Current portion of note receivable (Note 10)	13,707	12,656
Prepays	8,501	2,306
Investments (Note 5)	956,498	711,660
	2,093,355	1,377,729
Note receivable (Note 10)	66,589	80,296
Capital assets (Note 6)	123,735	166,006
	2,283,679	1,624,031
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 8)	245,132	209,314
Deferred contributions (Note 9)	344,220	325,649
Current portion of deferred leasehold incentives (Note 10)	13,707	12,656
	603,059	547,619
Deferred leasehold incentives (Note 10)	104,184	80,296
Loan payable (Note 11)	40,000	-
	747,243	627,915
Commitments (Note 10)		
COVID-19 (Note 15)		
Net Assets		
Invested in capital assets	123,735	166,006
Internally restricted reserve fund	977,396	736,306
Unrestricted	435,305	93,804
	1,536,436	996,116
	2,283,679	1,624,031

Approved on behalf of the Board



Director
Gavin MacDonal
Chairman



Director
P. Sullivan
CEO

The accompanying notes are an integral part of these financial statements

Halifax Chamber of Commerce Statement of Operations

For the year ended December 31, 2020

	2020	2019
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Revenues		
Memberships	876,258	909,901
Events	342,055	891,132
Insurance commissions	520,350	461,413
Special projects (Note 12)	605,393	63,693
Certificates of origin	43,264	45,176
Other	14,470	55,343
	<hr/>	<hr/>
	2,401,790	2,426,658
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Expenses		
Amortization of capital assets	56,129	53,982
Chamber business	19,185	51,440
Dues and fees	27,689	23,435
Events	170,899	490,440
Government relations	-	1,006
Insurance	6,366	4,572
Interest and bank charges	24,466	31,232
Internet service	7,044	4,420
Marketing and promotion	51,558	100,673
Office	25,769	18,416
Postage and courier	4,740	5,810
Professional development	11,605	9,849
Professional fees	13,338	9,685
Rent (Note 10)	193,381	146,277
Repairs and maintenance	33,840	28,989
Salaries, benefits and contracts (Note 15)	885,173	1,297,087
Special projects (Note 12)	353,184	26,521
Telephone	15,520	14,492
Travel	3,228	22,373
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	1,903,114	2,340,699
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Excess of revenues over expenses from operations	498,676	85,959
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Other items		
Unrealized gain on investments	21,019	57,303
Investment income	19,680	17,967
Realized gain on sale of investments	4,631	2,426
Investment management fees	(3,686)	(3,627)
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	41,644	74,069
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Excess of revenues over expenses	540,320	160,028
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The accompanying notes are an integral part of these financial statements

Halifax Chamber of Commerce Statement of Changes in Net Assets

For the year ended December 31, 2020

	<i>Invested in Capital Assets</i>	<i>Internally Restricted Reserve Fund</i>	<i>Unrestricted</i>	<i>2020</i>	<i>2019</i>
					<i>(revised)</i>
Net assets, beginning of year, as previously stated	166,006	-	830,110	996,116	836,088
Prior period adjustment (Note 3)	-	736,306	(736,306)	-	-
Net assets, beginning of year, as restated	166,006	736,306	93,804	996,116	836,088
Excess of revenues over expenses	(56,129)	41,644	554,805	540,320	160,028
	109,877	777,950	648,609	1,536,436	996,116
Acquisition of capital assets	13,858	-	(13,858)	-	-
Transfer to reserve fund (Note 13)	-	199,446	(199,446)	-	-
	13,858	199,446	(213,304)	-	-
Net assets, end of year	123,735	977,396	435,305	1,536,436	996,116

The accompanying notes are an integral part of these financial statements

Halifax Chamber of Commerce Statement of Cash Flows

For the year ended December 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating		
Excess of revenues over expenses	540,320	160,028
Amortization of capital assets	56,129	53,982
Amortization of deferred leasehold incentives	(12,655)	(19,635)
Unrealized gain on investments	(21,019)	(57,303)
Realized gain on sale of investments	(4,631)	(2,426)
	558,144	134,646
Changes in working capital accounts		
Accounts receivable	(136,925)	(2,860)
Prepays	(6,195)	(40)
Accounts payable and accrued liabilities	35,818	(53,555)
Deferred contributions	18,571	(31,123)
Deferred leasehold incentives	37,595	-
	507,008	47,068
Financing		
Advance of loan payable	40,000	-
Investing		
Purchase of investments	(542,339)	(501,762)
Proceeds on disposal of investments	323,151	409,200
Purchase of capital assets	(13,858)	(45,307)
Note receivable	12,656	19,635
	(220,390)	(118,234)
Increase (decrease) in cash resources	326,618	(71,166)
Cash resources, beginning of year	208,892	280,058
Cash resources, end of year	535,510	208,892

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Halifax Chamber of Commerce (the “Chamber”) is a not-for-profit organization representing the Halifax business community. It was incorporated under the authority of the Federal Boards of Trade Act on June 29, 1995 and is exempt from income tax under Section 149.1(1) of the Income Tax Act.

The mission of the Halifax Chamber of Commerce is to support growth of businesses by providing a voice for businesses, providing services to businesses which help them grow and prosper, and helping businesses contribute to a self-reliant community.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Fund accounting

The Chamber follows the deferral method of accounting for contributions and reports using fund accounting, and maintains three funds: the Unrestricted Fund, the Invested in Capital Asset Fund and the Internally Restricted Reserve Fund.

The Unrestricted Fund reports the Chamber’s day-to-day ongoing activities. This fund includes the assets, liabilities, revenues and expenses other than those related to the Invested in Capital Asset Fund and the Internally Restricted Reserve Fund.

The Invested in Capital Asset Fund reports the Chamber’s capital assets including their purchases, amortization and disposal.

The Internally Restricted Reserve Fund reports the Chamber’s reserve funds that have been restricted by the Board with the intention to be used as an operational reserve for unexpected events such as economic downtown and worthwhile projects.

Cash

Cash includes cash on hand and balances held with a bank and an investment broker.

Capital assets

Purchased capital assets are recorded at cost less any accumulated amortization and impairment loss.

Amortization is provided using the following methods at rates intended to amortize the cost of assets over their estimated useful lives, with half year rule applied in the year of acquisition.

	Method	Rate
Audio visual equipment	straight-line	3 years
Computer equipment	straight-line	3 years
Office equipment	declining balance	20 %
Furniture and fixtures	declining balance	25 %
Leasehold improvements	straight-line - lease term	10 years
Signs	straight-line - lease term	10 years
Website and software	straight-line	3 years

Long-lived assets

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Chamber writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Chamber’s ability to provide goods and services. The asset is also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Chamber determines that a long-lived asset is impaired, its carrying amount is written down to the asset’s fair value.

Deferred leasehold incentives

Leasehold incentives are accounted for as reductions of the lease expense over the term of the lease.

Revenue recognition

Contributions

The Chamber follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Memberships

Membership fees are recognized as revenue when received or receivable if collection is reasonably assured.

Events

Event revenues are recognized in the year in which the related event occurs and collection is reasonably assured.

Investment income, insurance commissions and other

Investment income, insurance commissions and other income are recognized as revenue when earned and collection is reasonably assured.

Government assistance

Government assistance for qualifying expenses is recognized when there is reasonable assurance that the Chamber complied with, or will comply with, all conditions necessary to obtain the assistance. As disclosed in Note 15, government assistance related to CEWS is recorded net of the expense to which it relates.

Contributed goods and services

Contributions of goods and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the goods and services are used in the normal course of the Chamber's operations and would otherwise have been purchased.

The Chamber benefits from donated services in the form of volunteer time for various programs and objectives of the Chamber. Due to the difficulty in determining the fair value, any contributed services are not recognized in the financial statements.

Financial instruments

The Chamber recognizes its financial instruments when the Chamber becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Chamber may irrevocably elect to subsequently measure any financial instrument at fair value. The Chamber has not made such an election during the year.

The Chamber subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Halifax Chamber of Commerce Notes to the Financial Statements

For the year ended December 31, 2020

Financial asset impairment:

The Chamber assesses impairment of all of its financial assets measured at cost or amortized cost. The Chamber groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant, etc.. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Chamber determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Chamber reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Chamber reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

Measurement uncertainty (use of estimates)

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Chamber's estimates include allowance for doubtful accounts, the useful lives of capital assets, and certain accrued receivables and liabilities.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization of capital assets are based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

3. Prior period adjustment

During the year, the Chamber determined that its internally restricted reserve fund was not presented separately from its unrestricted net assets despite having a reserve policy in place restricting the use of funds held in cash and investments. For 2019, the impact of this correction has resulted in an increase in the Internally Restricted Reserve Fund and a decrease in Unrestricted Net Assets of \$736,306.

4. Accounts receivable

	2020	2019
Government assistance receivable (Note 15)	152,668	-
Trade receivables and accrued receivables	164,901	134,859
Events	48,980	56,882
Memberships	246,065	272,805
Allowance for doubtful accounts	(33,475)	(22,331)
	579,139	442,215

Halifax Chamber of Commerce
Notes to the Financial Statements
For the year ended December 31, 2020

5. Investments

	2020	2019
Measured at cost:		
Treasury bills	79,979	-
Measured at fair value:		
Fixed income and equities	876,519	711,660
	956,498	711,660

Investments consist of treasury bills, fixed income and equities with a book value of \$797,129 (2019 - \$573,309). The change in the investment account during the year is a result of the following:

	2020	2019
Investments, beginning of year	711,660	559,369
Investment income	19,680	17,967
Realized gain on sale of investments	4,631	2,426
Unrealized gain on investments	21,019	57,303
Management and administration fees	(4,240)	(3,636)
Transfer from operations	200,000	100,000
Change in investment cash balance	3,748	(21,769)
	956,498	711,660

6. Capital assets

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Audio visual equipment	7,940	3,470	4,470	5,367
Computer equipment	230,824	202,929	27,895	36,282
Office equipment	6,350	4,420	1,930	2,413
Furniture and fixtures	385,269	371,904	13,365	16,421
Leasehold improvements	109,118	65,471	43,647	54,559
Signs	32,823	16,543	16,280	19,904
Website and software	215,823	199,675	16,148	31,060
	988,147	864,412	123,735	166,006

7. Operating line of credit

The Chamber has an operating line of credit authorized in the amount of \$80,000, secured by a first ranking security interest in all personal property of the Chamber. The operating line of credit bears interest at prime rate plus 2.25% per annum. At December 31, 2020 the balance of the operating line of credit was \$NIL (2019 - \$NIL).

Halifax Chamber of Commerce
Notes to the Financial Statements
For the year ended December 31, 2020

8. Accounts payable and accrued liabilities

	2020	2019
Trade payables	92,391	26,547
Accrued liabilities	144,038	145,131
Government remittances	8,703	37,636
	245,132	209,314

9. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for special projects, event sponsorship for future events and annual membership renewals for January and February of the next fiscal year. Changes in the deferred contribution balance are as follows:

	2020	2019
Balance, beginning of year	325,649	356,772
Amount received during the year	344,220	325,649
Less: Amount recognized as revenue during the year	(325,649)	(356,772)
Balance, end of year	344,220	325,649

Deferred contributions consist of:

	2020	2019
Memberships	219,782	212,490
Events	83,431	54,416
Special projects and other	41,007	58,563
	344,220	325,469

10. Commitments

On December 1, 2015, the Chamber moved to its current office location at 32 Akerley Boulevard, Dartmouth, Nova Scotia. At the time, the Chamber entered into a long-term operating lease of the premise which expires on November 30, 2025. The landlord agreed to reimburse the Chamber for \$137,500 of leasehold improvements through a multi-year rental incentive at a discount rate of 8%. This is presented in the statement of financial position as both a note receivable and deferred leasehold incentive. Leasehold incentives also included an initial rent-free period and reduced rent payments for the first five years. All leasehold incentives are accounted for as reductions of the lease expense over the term of the lease.

The minimum lease payments for each of the next five years are estimated as follows:

	Annual rent	Incentive	Interest	Net rent
2021	186,595	21,353	5,928	159,314
2022	186,596	22,491	4,791	159,314
2023	186,596	23,723	3,559	159,314
2024	186,595	25,057	2,224	159,314
2025	186,595	25,267	772	160,556

Halifax Chamber of Commerce
Notes to the Financial Statements
For the year ended December 31, 2020

11. Loan payable

Due to the outbreak of COVID-19 (coronavirus), the Chamber gained access to a COVID-19 Relief Line of Credit as part of the Government-sponsored Canada Emergency Business Account (CEBA). The Chamber received \$40,000 as a 0% interest bearing operating line of credit which will remain as such until December 31, 2020. On January 1, 2021, the operating line of credit will be converted to a 2-year 0% interest term loan, to be repaid by December 31, 2022. \$10,000 of the loan will be forgiven if \$30,000 is repaid in full on or before December 31, 2022.

12. Contributions by major source

During the year, the Chamber received contributions from the following sources:

	<i>2020 Revenue</i>	<i>2020 Project expenses excluding wages</i>	<i>2019 Revenue</i>	<i>2019 Project expenses excluding wages</i>
Federal	212,713	88,649	-	-
Provincial	320,588	206,634	63,693	26,521
Other	72,092	57,901	-	-
	605,393	353,184	63,693	26,521

Innovation, Science and Economic Development Canada

The Chamber has entered into a three year contribution agreement with Innovation, Science and Economic Development Canada from April 1, 2019 to March 31, 2022. Under this agreement the Chamber will receive contributions to a maximum of \$425,000 of total eligible costs of the project of which \$212,713 have been claimed in the year.

Atlantic Canada Opportunities Agency (ACOA)

The Chamber has entered into a seven month contribution agreement with ACOA from August 31, 2020 to March 31, 2021. Under this agreement the Chamber will receive contributions to a maximum of \$199,000 of total eligible costs of the project of which \$139,490 have been claimed in the year.

13. Interfund transfer

During the year, the Board of Directors approved a transfer of \$200,000 (2019 - \$100,000) to the Internally Restricted Reserve Fund. This is presented net of the HST on investment management fees of \$554 for a total of \$199,446.

14. Financial instruments

The Chamber, as part of its operations, carries a number of financial instruments. It is management's opinion that the Chamber is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Chamber's main credit risks relate to its cash, investments and accounts receivable. The Chamber is exposed to concentration risk on its cash and investments held with a financial institution. To minimize this risk, the Chamber holds its cash and investments with a high quality Canadian institution. The Chamber provides credit to members and sponsors in the normal course of operations. The Chamber believes this credit risk is minimized as the Chamber has a large and diverse customer base. To reduce this risk, the Chamber only extends credit to those individuals and organizations they believe are credit worthy. A provision for impairment of accounts receivable is established when there is objective evidence that the Chamber will not be able to collect all amounts due.

Liquidity risk

Liquidity risk is the risk that the Chamber will encounter difficulty in meeting obligations associated with financial liabilities. The Chamber's exposure to liquidity risk mainly in respect of its accounts payable and accrued liabilities and loan payable. Sufficient financing facilities are in place should cash requirements exceed cash generated from operations.

Market risk

Market risk is the risk that the fair value of 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 other price risk.

Other price risk

Other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign 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 Chamber is exposed to other price risk on its investments.

15. COVID-19

During the year, there was a global outbreak of COVID-19 (Coronavirus), which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The Chamber received funding for projects to provide support to businesses during this time.

Gathering limits put in place by the Canadian, provincial and municipal governments meant the Chamber had to cancel some of its largest annual events.

It is unknown what the extent of the impact of the ongoing situation will be to the Chamber as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, this outbreak may cause reduced demand for memberships, staff shortages, increased government regulations, and reduced government spending all of which may negatively impact the Chamber's operations and financial condition.

Canada Emergency Wage Subsidy (CEWS)

The CEWS program was provided by the Federal government to ensure organizations maintained employees. The Chamber was able to utilize the CEWS program to maintain employees in the face of a significant decline in events. Employees were focused on pivoting from in person to virtual programming and ramping up communications to members to help businesses during the COVID-19 pandemic.

CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as a result of COVID-19. The subsidy was retroactive to March 15, 2020. The qualification and application of the CEWS is being assessed over multiple four-week application periods. The Chamber has determined that it qualified for this subsidy from March 15, 2020 through December 31, 2020 and has, accordingly, applied for the CEWS. The Chamber recognizes government assistance when there is reasonable assurance that it will comply with the conditions required to qualify for the assistance. The Chamber has recognized government assistance of \$414,329 for CEWS which is recorded net of the expense to which it relates.

16. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.