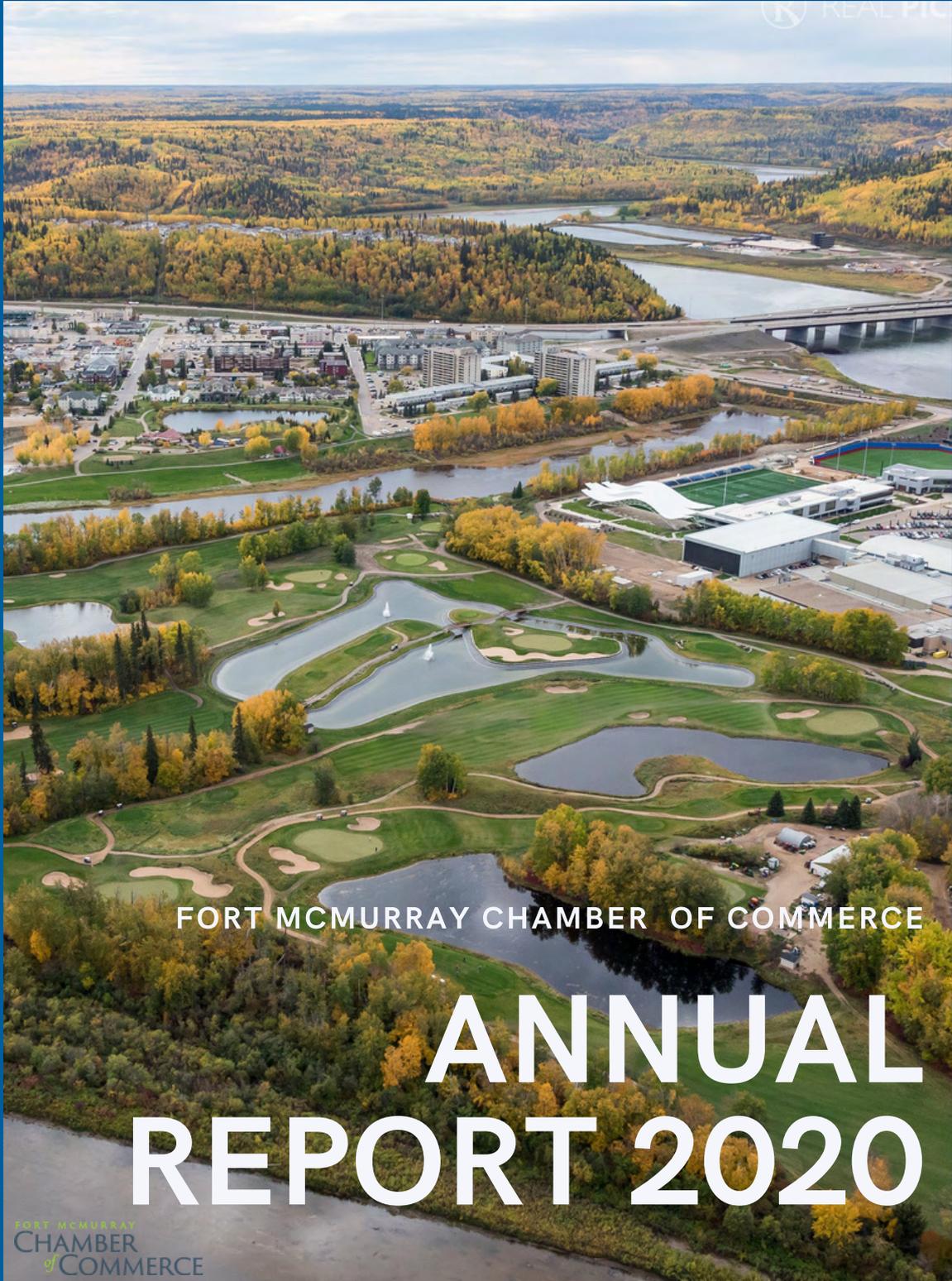


REAL ESTATE



FORT MCMURRAY CHAMBER OF COMMERCE

# ANNUAL REPORT 2020

MEMBER  
CHAMBER  
OF COMMERCE



**SUSTAIN  
RECOVER  
THRIVE**



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# MESSAGE FROM THE CHAIR

In June 2020 when the new board came together there was no doubt how much work would be ahead to remain an important voice of advocacy for our members but as important we had an organization that had a number of challenges operationally and needed to be stabilized. Simply put we had our work cut out for us and when I reflect back on the past 12 months I'm so proud of what the Chamber has accomplished.

First I would like to take this time and extend gratitude to past and present Directors for their contribution, for without each person playing their role, our successes would not have been possible. Remember these are volunteers who have significant accountabilities outside the Chamber and have dedicated their time, expertise and wisdom to guide this organization.

On behalf of the Board, I would also like to acknowledge our amazing team at the Chamber. Our interim Executive Director Nick Sanders who graciously stepped into the office after serving on the board for over a decade and then our new permanent Executive Director, Dianna de Sousa, who joined us in September 2020 has taken on her role with exceptional energy and has provided exceptional leadership and vision during this incredibly challenging time.

The past year has been a test of our community's resolve with a trifecta of events we could never have imagined and came at a time when Fort McMurray was regaining momentum. Record flooding in April of 2020 which put so many residents and businesses back on their knees after recovering from the 2016 Wildfire, an unprecedented world wide pandemic that continues to erode all businesses across Canada and significant headwinds on the industry that put Fort McMurray on the global map.

Despite these challenges the new board's focus remained on transitioning the operating model and helping guide our leadership to stabilize the operations of the Chamber, repair finances and set the foundation to come out stronger. The work to transition a board to a policy governance model was no simple feat. A new bylaw that was in the works prior to this new Board came into effect just as this new session started. Then came a significant lift on new governance policies and a major update of financial policies to protect the organization. Features of this model included ensuring the Board governs but doesn't manage, Board Committees focus on governance and not management and empowering the Executive Director to direct the operations.

With an effective Board and new leadership it was amazing to watch how much was accomplished in such a short timeframe. However no matter how far the Chamber came in the past twelve months this will forever be shadowed by the impacts of COVID-19 on our business community. Not only the health implications but the devastation to many businesses who have been required to shut down their normal mode of operation. While some have found ingenious alternative models, many small business owners have witnessed their dreams erode and face so much future uncertainty. The one glimmer of hope I do see is simply that Fort McMurray has been and will always be comprised of the most resilient people who always come together and always figure out a way to prosper.

It has been a privilege to serve as your Board Chair and I can assure our members that the Chamber will continue to be an important part of businesses thriving in the region.

**TOM GEAR**

*Tom Gear*



## MESSAGE FROM THE EXECUTIVE DIRECTOR

*We have marked an entire year of dealing with COVID-19 in our community and it is still not over....*

A year of our businesses struggling to stay afloat. A year of us not being able to meet in person. A year of adapting our own business models to adjust to the new realities of our members and our customers. The economic impact of COVID-19 — the first shutdown, the second wave and the new lockdowns — and now the third wave has been nothing short of devastating to businesses everywhere. As a community who also faced a 1 in 100-year flood in 2020, we prepared, adapted and persevered during 2020.

In the moment of greatest need, chambers across this country rose to the challenge and found innovative ways to help and remain connected to their members. Many businesses stepped up to help our communities weather this economic storm. The Chamber network has come together in a way we have never been asked to before. Our collective voice has been, and continues to be, focused on the needs of businesses every single day. This has brought a singular clarity to our advocacy efforts. Regional, provincial, territorial and federal governments have heard the exact same message from us. Our chamber network has never had more respect or influence with decision-makers. At a local level, we worked with several local business organizations on business recovery.

I wish, I could tell you the hard part is behind us. Despite the amazing breakthroughs that have resulted in safe and effective vaccines, the massive challenge of rebuilding our economy from the effects of COVID-19 remains. The best hope for a better future is to start planning to build one. As business leaders, we don't have the luxury of waiting for a recovery to happen because we are the ones who will help shape it. With your input, your insight and your influence, we will push forward. Each of us must have a hand in our community's recovery. The new vaccines, the safety protocols, and the improvements in personal protective equipment will create the necessary health safety net that we need to move forward. I joined the Chamber in the midst of this pandemic and I am Eternally Grateful to my Board, colleagues from other business organizations, the Alberta and Canadian Chamber of Commerce as well as our members at large, for providing feedback and support to help me continue to rebuild and move forward as a Chamber of Commerce. I am grateful that you, our valued members will be part of our network, making it happen everyday in our community. Remember our Chamber Network will be right there beside you, our members, every step of the way. Your support and your efforts for business over 2020 have made the difference. With your continued commitment, we will build a brighter future for all.

**DIANNA DE SOUSA** *Dianna de Sousa*



**Our Purpose  
is to  
Cultivate an  
Environment that  
Supports  
Local Businesses  
to Grow and Thrive**



# ABOUT THE CHAMBER

Since its inception, the Fort McMurray Chamber of Commerce has been dedicated to promoting business growth and development, advocating for sound public policy, and serving its members with outstanding programs and benefits.

The Chamber of Commerce is the premier advocate for the region's business community, representing hundreds of members across the region with one voice.

## A Voice for Local Businesses

First and foremost, the Chamber exists to advocate for local business. The Chamber continues to give a unified voice to concerns of business within the Regional Municipality of Wood Buffalo, including to Mayor and Council.

At the Provincial level, there is a bonded unity with regional Chambers across Alberta to demand more transparency from the Government on the reopening of business amid the pandemic as well as additional financial supports for business.

The Fort McMurray Chamber of Commerce is an affiliate of both the Alberta and Canadian Chambers, and we leverage our position within these networks to help shape policies that benefit our member businesses. We will be reaching out to members at large in 2021 so we can strengthen our provincial and federal policy and advocacy efforts and results.

## A Focus on Member Engagement and Value Moving Forward

The Chamber has committed to focused member engagement and value moving into 2021. To achieve our goals, we continue to put our focus squarely on members and membership value and we are actively developing new tools and initiatives to increase value including, the launch of the new Podcast series "Chamber Voices," which features conversation and stories shared by members of the Fort McMurray Business Community.

**Networking** is another cornerstone activity for our Chamber featuring keynote presentations and panel discussions chosen specifically for their value to the local business community.

Supporting **Shop Local** has always been one of the primary business of the Fort McMurray Chamber and moving forward we will be introducing new and innovative Shop Local Initiatives to support our many small businesses through the road to recovery including the Love.Shop.Local Giftcard Program launched in May 2021

### REASONS TO JOIN THE CHAMBER

- VALUE ADDED BENEFIT PROGRAMS
- NETWORKING
- VISIBILITY
- LEARNING
- CREDIBILITY
- DISCOUNTS
- ADVOCACY
- INNOVATION
- COMMUNICATION

ANY BUSINESS OWNER INTERESTED IN CHAMBER MEMBERSHIP CAN COMPLETE AN APPLICATION FOUND IN THE "MEMBER CENTRE" AT [WWW.FORTMCMURRAYCHAMBER.CA](http://WWW.FORTMCMURRAYCHAMBER.CA)



# BOARD OF DIRECTORS

**KRISTI HINES - VICE CHAIR**

**CAMERON SPRING - SECRETARY**



**DENEAN ROBINSON - TREASURER**

**NAYEF MAHGOUB**





# BOARD OF DIRECTORS

JEFF PENNEY



SANGRAM HANSRA



LEANNE HAWCO



MALCOLM SETTER





# BOARD OF DIRECTORS

BRITTANY GANASE



STU WIGLE



JAMES SECORD



## OUR STAFF



**DIANNA DE SOUSA - EXECUTIVE DIRECTOR**

**DENISE BARROW - FINANCE, OPERATIONS, ADMIN AND TRADESHOWS**

**REGHAN MARSHALL - MEMBER ENGAGEMENT SPECIALIST**

**STUART MCINTOSH - MARKETING AND COMMUNICATIONS SPECIALIST**



# OUR YEAR IN REVIEW

## JANUARY & FEBRUARY

- We charged out of the gate in January, knowing that we had operational and fiscal concerns but ready to face the challenges head-on and bring about a turnaround

## MARCH & APRIL

- March saw the World Health Organization declare a COVID-19 Pandemic. Air travel was restricted and lockdowns ensued. In April while businesses were reeling from the impact of the pandemic, Fort McMurray faced another catastrophe in the form of a 1 in 100 year flood
- New Chamber Bylaws were passed moving the Chamber board to a strong governance model
- The Chamber saw a long standing director and past president step down and take on the operations mantle as Interim Executive Director to assist the Chamber with much needed operational and fiscal stabilization measures
- The Chamber joined a local Business Recovery Task-force comprising of other Business Support and Development Organizations to help businesses with key information and guidance as needed during unprecedented time
- The Chamber's website was kept updated with relevant COVID-19 and Flood Information

## MAY AND JUNE

- The Chamber contacted over 500 businesses directly with information on the Disaster Recovery Program as well as COVID-19 related Information
- The Chamber participated in a return to work safely campaign as part of the Business Recovery Task-force
- Commenced the recruitment process for a permanent Executive Director

## JULY & AUGUST

- The tradeshow returned home to the Chamber
- The Chamber continued to work on fiscal and operational stabilization as well as support of our membership

## SEPTEMBER & OCTOBER

- Newly recruited Executive Director on boarded in September
- Business Visitation Project commenced to engage members
- Survey conducted to determine the direction the membership wanted the chamber to take.
- Participated in the Alberta Chamber AGM, supporting key policy resolutions
- Supported Flood Mitigation to 1 in 200 levels for Taiganova, Downtown and Longboat Landing

## NOVEMBER & DECEMBER

- The Board and Executive Director completed a Strategic Planning exercise which yielded 4 strategic priorities:
  - Revenue Expansion
  - Operational Stability
  - Stronger and Effective Advocacy
  - Relevant and Timely Communication
- A weekly newsletter was launched and daily updates to social media commenced
- Presentation of survey findings and priorities of businesses made to Council
- Stronger participation in the Alberta Chamber Network, leading to improved programs and stronger advocacy for members
- The Chamber secured funding for Shop Local Initiatives for Business Recovery in 2021



# AUDITED 2020 FINANCIAL STATEMENTS

## Independent Auditor's Report



To the Members of Fort McMurray Chamber of Commerce Society:

### Opinion

We have audited the financial statements of Fort McMurray Chamber of Commerce Society (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, 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 Opinion

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 opinion.

### 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.



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# AUDITED 2020 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.

Fort McMurray, Alberta

May 17, 2021

*MNP* LLP

Chartered Professional Accountants

**MNP**

# AUDITED 2020 FINANCIAL STATEMENTS

## Fort McMurray Chamber of Commerce Society Statement of Financial Position

As at December 31, 2020

	2020	2019
<b>Assets</b>		
<b>Current</b>		
Cash	175,985	9,621
Short-term deposits (Note 3)	59,961	59,848
Accounts receivable (Note 4)	71,987	3,975
Prepaid expenses and deposits	4,367	4,367
	312,300	77,811
<b>Capital assets (Note 5)</b>	<b>4,982</b>	<b>11,046</b>
	<b>317,282</b>	<b>88,857</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals	59,571	77,370
Advances from Community Futures Wood Buffalo (Note 6)	3,815	3,815
Unearned membership fees (Note 8)	79,336	60,327
Deferred revenue (Note 8)	104,437	-
Leasehold inducement	-	800
	247,159	142,312
<b>Long-term debt (Note 9), (Note 13)</b>	<b>30,000</b>	<b>-</b>
	<b>277,159</b>	<b>142,312</b>
<b>Commitment (Note 10)</b>		
<b>Significant event (Note 13)</b>		
<b>Net Assets (Deficiency)</b>		
Invested in capital assets	4,982	11,046
Internally restricted (Note 11)	17,278	17,278
Unrestricted	17,863	(81,779)
	40,123	(53,455)
	317,282	88,857

Approved on behalf of the Board

signed by "Denean Robinson"

Director

signed by "Tom Gear"

Director

The accompanying notes are an integral part of these financial statements

# AUDITED 2020 FINANCIAL STATEMENTS

## Fort McMurray Chamber of Commerce Society Statement of Operations

For the year ended December 31, 2020

	2020	2019
<b>Revenue</b>		
Memberships (Note 8)	206,069	184,467
Grant revenue (Note 8)	95,827	-
Government subsidies (Note 13)	63,429	-
Group insurance commission	45,037	48,616
Fundraising	7,524	103,971
Investment income	490	1,397
	<b>418,376</b>	<b>338,451</b>
<b>Expenses</b>		
Salaries and benefits	214,623	169,418
Office	24,791	36,620
Rent (Note 13)	22,215	34,579
Bad debts	21,472	11,461
Professional fees	17,805	34,280
Amortization	6,064	10,819
Bank charges and interest	5,762	4,109
Chamber dues	5,532	7,981
Insurance	4,184	2,924
Fundraising expenses	3,475	85,609
Advertising and promotion	75	6,345
Conference and travel	-	9,314
Board and executive	-	5,994
Job fair	-	10,619
Contracted services (recovery)	(1,200)	48,195
	<b>324,798</b>	<b>478,267</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>93,578</b>	<b>(139,816)</b>

The accompanying notes are an integral part of these financial statements

# AUDITED 2020 FINANCIAL STATEMENTS

## Fort McMurray Chamber of Commerce Society Statement of Changes in Net Assets

For the year ended December 31, 2020

	<i>Invested in capital assets</i>	<i>Internally restricted</i>	<i>Unrestricted</i>	<i>2020</i>	<i>2019</i>
Net assets (deficiency), beginning of year	11,046	17,278	(81,779)	(53,455)	86,361
Excess (deficiency) of revenue over expenses	(6,064)	-	99,642	93,578	(139,816)
Net assets (deficiency), end of year	4,982	17,278	17,863	40,123	(53,455)

The accompanying notes are an integral part of these financial statements

# AUDITED 2020 FINANCIAL STATEMENTS

## Fort McMurray Chamber of Commerce Society Statement of Cash Flows

For the year ended December 31, 2020

	2020	2019
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Cash received from members	179,374	193,461
Cash received from grants	155,618	-
Government subsidies (Note 13)	63,429	-
Cash received from group insurance and other	45,037	48,616
Cash received from fundraising	7,524	103,971
Interest received	395	1,431
Cash paid for program service expenses	(315,013)	(431,103)
	<b>136,364</b>	<b>(83,624)</b>
<b>Financing</b>		
Advances of Canada Emergency Business Account loan (Note 13)	30,000	-
Repayments of advances from Community Futures Wood Buffalo	-	(10)
	<b>30,000</b>	<b>(10)</b>
<b>Investing</b>		
Purchase of capital assets	-	(800)
Proceeds on sale of short-term investments	-	60,573
	<b>-</b>	<b>59,773</b>
<b>Increase (decrease) in cash resources</b>	<b>166,364</b>	<b>(23,861)</b>
<b>Cash resources, beginning of year</b>	<b>9,621</b>	<b>33,482</b>
<b>Cash resources, end of year</b>	<b>175,985</b>	<b>9,621</b>

The accompanying notes are an integral part of these financial statements

# AUDITED 2020 FINANCIAL STATEMENTS

## Fort McMurray Chamber of Commerce Society Notes to the Financial Statements

For the year ended December 31, 2020

### 1. Incorporation and nature of the organization

The Fort McMurray Chamber of Commerce Society (the "Chamber") is a non-profit organization incorporated on November 6, 1974 under the Societies Act of Alberta. The Chamber promotes Fort McMurray, operates programs and provides services to its members in the region. Members consist of businesses in the Fort McMurray area. The Chamber is affiliated with the Alberta Chamber of Commerce and the Canadian Chamber of Commerce. It is exempt from income taxes under the Income Tax Act (Canada).

### 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 using the following significant accounting policies:

#### Revenue recognition

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.

Revenue from memberships and group insurance commission is recognized in the period in which the services are rendered.

Investment income is recorded when earned.

#### Contributed materials and services

Contributions of materials 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 materials and services are used in the normal course of the Chamber's operations and would otherwise have been purchased. During the year, gifts-in-kind of \$nil (2019 - \$6,690) were recorded and recognized as revenue with an offsetting expense. No contributed services were recognized in the year.

#### Cash resources

Cash resources include balances with banks.

#### Capital assets

Purchased capital assets are recorded at cost.

Capital assets are amortized over their estimated useful lives at the following rates and methods:

	Method	Rate
Computer equipment	declining balance	30 %
Furniture and equipment	declining balance	20 %
Leasehold improvements	straight-line	lease term

The Chamber regularly reviews its capital assets to eliminate obsolete items.

#### Long-lived assets

Long-lived assets consist of capital assets, which 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.

# AUDITED 2020 FINANCIAL STATEMENTS

## Fort McMurray Chamber of Commerce Society Notes to the Financial Statements

For the year ended December 31, 2020

### 2. Significant accounting policies (Continued from previous page)

#### Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

#### Financial instruments

All financial instruments are initially recorded at their fair value, excluding financial assets and liabilities originated and issued in a related party transaction measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions*. 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. All other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to financial instruments subsequently measured at fair value are immediately recognized in the excess (deficiency) of revenue over expenses for the current period. Transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

The Chamber assesses impairment of all of its financial assets measured at cost or amortized cost when there is an indication of impairment. Any impairment which is not considered temporary is included in current year excess (deficiency) of revenue over expenses.

#### 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 excess (deficiency) of revenue and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in deficiency of revenues over expenses in the periods in which they become known.

### 3. Short-term deposits

	2020	2019
Guaranteed investment certificate, internally restricted as described in Note 11, bearing interest at 1.10% (2019 - 1.00%), maturing April 2021	17,278	17,278
Guaranteed investment certificate, restricted as security for gift certificate programs as described in Note 7, bearing interest at 0.50% (2019 - 0.50%), maturing March 2021	40,000	40,000
Guaranteed investment certificate, unrestricted, bearing interest at 0.50% (2019 - 0.50%), maturing March 2021	2,683	2,570
	<u>59,961</u>	<u>59,848</u>

# AUDITED 2020 FINANCIAL STATEMENTS

## Fort McMurray Chamber of Commerce Society Notes to the Financial Statements

For the year ended December 31, 2020

4. Accounts receivable	2020	2019
Grant receivable	44,646	-
Membership and other receivables	41,851	5,439
Accrued interest	306	324
GST receivable	-	848
Allowance for doubtful accounts	(14,816)	(2,636)
	<u>71,987</u>	<u>3,975</u>

5. Capital assets	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computer equipment	16,142	15,582	560	800
Furniture and equipment	40,290	35,868	4,422	5,527
Leasehold improvements	47,189	47,189	-	4,719
	<u>103,621</u>	<u>98,639</u>	<u>4,982</u>	<u>11,046</u>

#### 6. Advances from Community Futures Wood Buffalo

Advances from Community Futures Wood Buffalo ("CFWB") consist of amounts payable for the Chamber's share of leasehold improvements, rent, and administrative fees incurred for the Business Innovation Centre, which is the premises shared with CFWB. The advances are non-interest bearing, unsecured, and have no specified terms of repayment.

#### 7. Gift certificate programs

The Chamber has a bank account in its name for the gift certificate program with Syncrude Canada ("Syncrude"). The Chamber maintains the account on behalf of Syncrude, however it is not the property of the Chamber and as such it has not been reported as assets (liabilities) in these financial statements. The account is replenished by Syncrude as required. The balance of the account as at December 31, 2020 is as follows:

	2020	2019
Syncrude Canada gift certificate account (overdraft)	(14,785)	5,622

# AUDITED 2020 FINANCIAL STATEMENTS

## Fort McMurray Chamber of Commerce Society Notes to the Financial Statements

For the year ended December 31, 2020

### 8. Deferred revenue

Deferred revenue represents memberships revenue and restricted funding which has not been expended at year-end:

	Opening balance	Amounts received or receivable	Recognized as revenue	2020
Memberships	60,327	225,078	(206,069)	79,336
Canadian Red Cross Society	-	75,827	(75,827)	-
Small and Medium Enterprise Relaunch Grant	-	20,000	(20,000)	-
Sponsorship	-	4,762	-	4,762
Wood Buffalo Economic Development	-	99,675	-	99,675
	60,327	425,342	(301,896)	183,773

During 2020, the Chamber received a grant in the amount of up to \$124,723 from the Canadian Red Cross Society for Business Visitation Program for Businesses Impacted by 2016 Northern Alberta Wildfires. The grant provides funding for eligible activities carried out between July 1, 2020 and March 31, 2021. During the year, the Chamber incurred \$54,227 for expenses under this program and has recognized grant revenue in the amount of \$54,227 in the Statement of Operations. The Chamber received cash advances of \$31,181 and the balance of \$23,046 is recognized as accounts receivable as at December 31, 2020. Subsequent to year-end, the grant was amended to extend the project completion date to June 30, 2021.

The Chamber also received grant funding in the amount of \$21,600 from the Canadian Red Cross Society for program support related to the 2020 Northern Alberta Floods Disaster Recovery Program Reach-Out Project. The financial contribution covers eligible project activities for the period July 20, 2020 to November 30, 2020. The Chamber has satisfied the obligations under the project and the full amount of this project funding has been recognized as grant revenue in the Statement of Operations.

During 2020, the Chamber entered an agreement with Wood Buffalo Economic Development for the provision of goods and services for Business Retention and Growth to Support and Incentivize Shop Local. Under the terms of the agreement, the Chamber is reimbursed for services performed under the project and is to provide project status reports outlining how the project objectives have been met. The Chamber received funds in the amount of \$100,000 and has recognized expenses of \$325 in the Statement of Operations. The balance of \$99,675 is recognized as deferred revenue at December 31, 2020.

### 9. Long-term debt

	2020	2019
Servus Credit Union, Canada Emergency Business Account ("CEBA") loan, unsecured, non-interest bearing, repayable December 31, 2022 (Note 13)	30,000	-

# AUDITED 2020 FINANCIAL STATEMENTS

## Fort McMurray Chamber of Commerce Society Notes to the Financial Statements

For the year ended December 31, 2020

### 10. Commitment

The Chamber has entered into lease agreements with estimated minimum annual payments as follows:

2021	75,868
2022	76,573
2023	73,740
2024	59,371
2025	45,589

The Chamber occupies leased premises subject to minimum monthly rent of \$4,594 with scheduled increase to a maximum of \$5,065 during the 5-year term expiring September 30, 2025. The Chamber leases a second space subject to minimum monthly rent of \$1,728 to \$1,806 for a three year term expiring September 30, 2023.

### 11. Internally restricted net assets

The Chamber has internally restricted net assets for the following purposes:

	2020	2019
<b>Socio Economic Impact Assessment Fund</b>		
Amounts restricted to undertake a socio economic impact assessment and to hold a strategic planning session so the Chamber can appropriately address the challenges and issues faced by the local community	17,278	17,278

During the year, \$nil (2019 - \$26,413) of internally restricted net assets were transferred to unrestricted net assets to cover operating expenses.

### 12. 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 risk**

The Chamber is exposed to credit risk through its accounts receivable. The maximum amount of credit risk exposure is limited to the carrying value of the balances as disclosed in these financial statements. The Chamber has a significant number of members which minimizes concentration of credit risk. The Chamber manages its exposure to credit risk by assessing, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts (Note 4).

#### **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 market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Chamber is exposed to interest rate price risk with respect to short-term deposits which bear interest at fixed rates (Note 3).

#### **Liquidity risk**

Liquidity risk is the risk that the Chamber will encounter difficulty in meeting obligations associated with financial liabilities. The Chamber manages its liquidity risk by monitoring operating requirements. The Chamber prepares budgets to ensure it has sufficient funds to fulfill its obligations.

# AUDITED 2020 FINANCIAL STATEMENTS

## Fort McMurray Chamber of Commerce Society Notes to the Financial Statements

For the year ended December 31, 2020

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### 13. Significant event

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. The Chamber has continued to provide services in accordance with provincial and federal restrictions and regulations. However, the Chamber was unable to hold certain fundraising activities due to restrictions and regulations in place during the year.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on 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.

#### **Canada Emergency Wage Subsidy ("CEWS") and Temporary Wage Subsidy ("TWS")**

Under the CEWS and TWS programs, organizations experiencing significant revenue reductions during the COVID-19 pandemic are eligible to receive a subsidy for a portion of employee wages. For the year ended December 31, 2020, the Chamber claimed subsidies under the CEWS and TWS programs of \$49,304 and \$4,125, respectively.

#### **Canada Emergency Business Account ("CEBA")**

The Chamber secured a \$40,000 interest-free loan through the CEBA program. No principal payments are required until December 2022. Repayment of the balance of the loan on or before December 31, 2022 will result in loan forgiveness of 25% or \$10,000 of the loan. After 2022, any unpaid balances will be converted to a three-year term at a 5% interest rate.

Subsequent to year-end, the Chamber secured an additional \$20,000 interest-free loan through the CEBA program, of which \$10,000 is forgivable under the same terms.

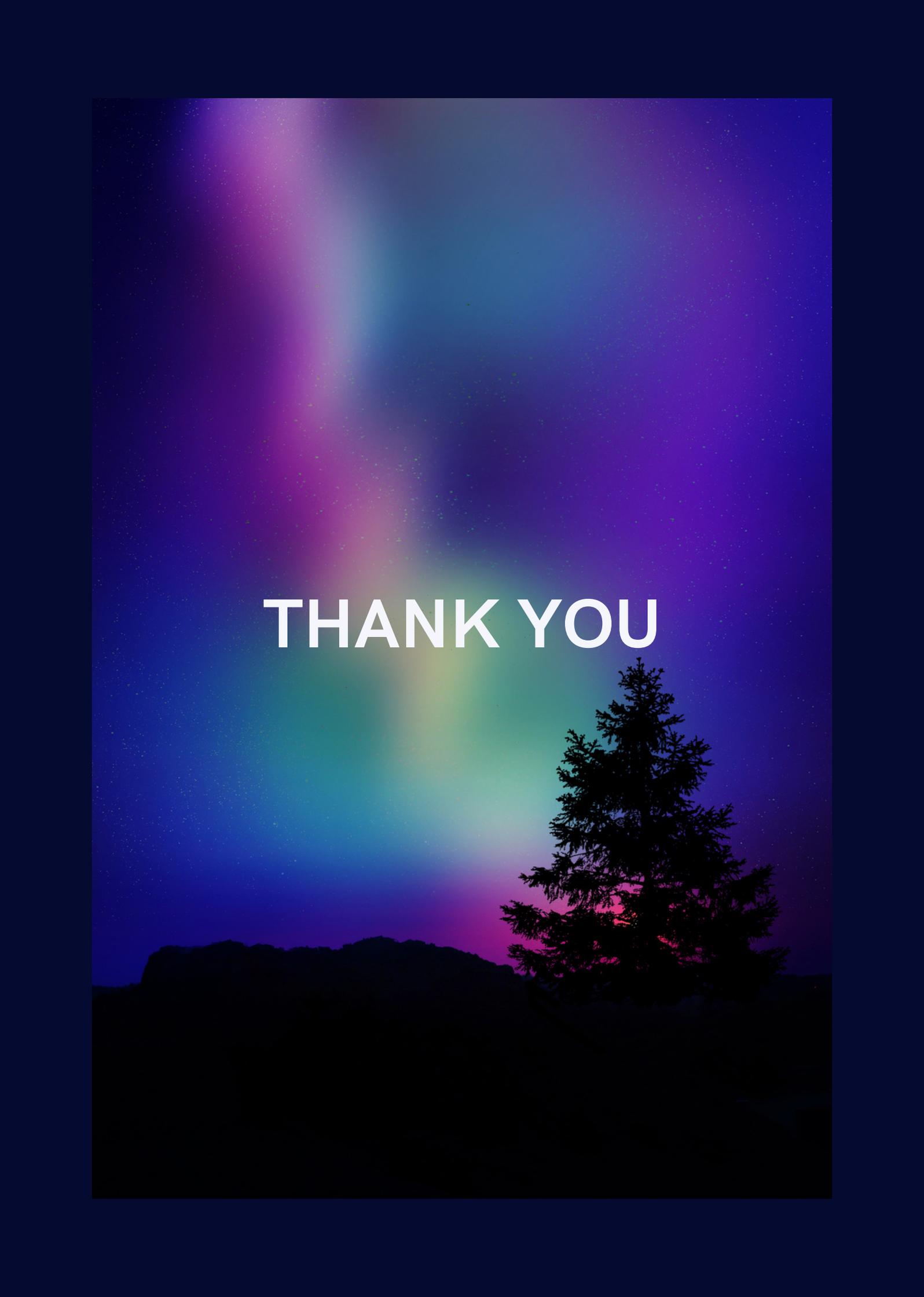
#### **COVID-19 Related Rent Concessions**

During the year, the Chamber received rent concessions which were directly related to the COVID-19 pandemic. The Chamber received a reduction in rent for five months totaling \$6,789 which has been recorded as a direct reduction to rent expense.

# Love.Shop.Local.



Thank you for  
supporting local  
businesses

A vertical rectangular image featuring a vibrant aurora borealis in a starry night sky. The aurora displays a spectrum of colors including purple, blue, green, and yellow. In the foreground, the dark silhouettes of a mountain range and a large evergreen tree are visible against the colorful light. The text "THANK YOU" is centered in the middle of the image in a white, bold, sans-serif font.

**THANK YOU**