



**ANNUAL
REPORT**



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2019 BOARD OF DIRECTORS & STAFF



Kyle Thomas
With Media
President



Vacant
1st Vice President



Tim Syer
Lawson Lundell LLP
2nd Vice President



Daryl Fetaz
Northland Utilities
Treasurer



Mike Lalonde
Century 21 Prospect Realty
Immediate Past President



Bright Lubansa
Northview Apartment REIT
Director



Rob Warburton
CloudWorks
Director



Brittany Scott
Denroche & Associates
Director



Natalie Kellar
Avery Cooper & Co. Ltd.
Director



Paul Betsina
Det-on Cho Corporation
Director



Jo-Ann Martin
Bullocks Bistro
Director



Paul Gillard
Northwestel
Director



Deneen Everett
Executive Director

Staff:

Angela Heal, Executive Assistant (joined the team Dec. '17)

Samantha Stuart, Programs Coordinator (joined the team Jan. '20)

PRESIDENT & EXECUTIVE DIRECTOR'S REPORT

The Yellowknife Chamber of Commerce is your business network! With 383 local businesses as members, we're dedicated to strengthening the Yellowknife business community. Our mission is to be a leader in the improvement and development of a strong Yellowknife business community with a diversified economy and sustainable growth. We work to achieve our mission by focusing on five key areas: advocacy, promotion, education, connections and savings.

Advocacy

We believe that the key to Yellowknife's prosperity is growth – increasing our population and attracting more businesses and investment to Yellowknife. This theme is woven throughout all our advocacy work and in 2019, we lobbied the municipal, territorial and federal government on 23 issues!

At the municipal level, our efforts primarily focused on the Community Plan, the Economic Development Strategy and the 2020 budget. Our submission on the City of Yellowknife's Community Plan encouraged Council to pay particular attention to four key issues: the lack of commercial land availability, making better use of the spaces currently available, ensuring space for our community's diverse needs and preparing for potential development at the Yellowknife Airport.

President, Kyle Thomas, has been an active member of the Mayor's Task Force on Economic Development, where he's pushed for a data-centric approach to economic development. Specifically, we've lobbied the City to create an informational investors guide, to analyze territorial reports to gain a better understanding of industry impacts on Yellowknife, and to ensure that supporting the mineral and exploration industries, along with economic diversification initiatives are included in the Economic Development Strategy.

At the territorial level, we focused on engaging with our membership to create Vote Growth, a policy paper that outlines five key issues and potential solutions that we believe will strengthen the Yellowknife business community and contribute to long-term prosperity. The five key issues are: liquor licensing and regulations, fibre redundancy, community government underfunding, post-secondary transformation and land availability.

For example, the lack of fibre redundancy causes significant disruption and loss of sales to Yellowknife businesses if the line is damaged – something that occurred twice in 2019. It is estimated that a 1-day outage results in a GDP loss of \$4.75 million. We recommend that the GNWT work with Northwestel to fund and build redundant fibre into Yellowknife by December 31, 2021.

At the federal level, our lobbying efforts primarily focus on collaboration with the Canadian Chamber of Commerce. Our Executive Director, Deneen Everett, chairs the Territorial Policy Committee, which put forth a resolution during the Canadian Chamber of Commerce's AGM and Convention in St. John, NB. The resolution, A Pan-Territorial Infrastructure Strategy, recommends that the federal government adopt a strategy to identify common requirements for increased marine traffic through the Northwest Passage, multi-national security, environmental protection, resource development, community resupply, energy transmission and broadband telecommunications. The resolution was adopted and is now an official policy of the Canadian Chamber of Commerce.

Promotion

Studies show that membership with a local chamber of commerce provides a 73% increase in consumer awareness. When consumers know that a business is a chamber member, they are 49% more likely to think favorably of it, and 80% more likely to purchase goods and services from that company in the future. We're passionate about the Yellowknife business community and we love promoting our members.

Campaigns like #ShopYK, in partnership with the City of Yellowknife, help to grow the local economy. On average, for every \$100 spent at a local business, \$68 remain in the city! Local businesses provide sponsorships, meaningful employment and keep our community unique by providing a variety of custom services and products. In 2019, there were 46 participating businesses, and consumers spent \$769,800 locally throughout the campaign.

While many of our initiatives provide an opportunity for local businesses to showcase their products and services, our Spring Trade Show is our signature event and a long-standing community tradition. Our 2019 vendors included a variety of community programs and services such as the Canadian Coast Guard, NWT Foster Family Coalition and NWT SPCA; professional services such as banking and accounting; tourism services such as fishing adventures and festivals; a delicious food court with six different vendors; and a variety of artisans, including live demonstrations and the sales of artwork and merchandise. Over 6,000 people attended the 2019 trade show to see 185 exhibitors. There will be 189 booths available in 2020.

Our magazine, Yellowknife Chamber Insider, is sent to all residents and businesses in Yellowknife, complete with a business directory of our members. Members are also listed on our website, which has over 15,000 hits per month. Our online business directory has been enhanced for 2020, with the addition of social media links, a business description, and hours of operation. We've also added categories for Aboriginal Owned and Female Owned businesses.

Education

Throughout the year, we facilitate educational training and professional development opportunities for business owners and their employees. According to the 2019 Membership survey, access to affordable business training such as social media and marketing, human resource management, management and customer service training were identified as important issues facing local businesses.

Our members can participate in educational training and professional development in a variety of formats, from Business Club Luncheons to informal Lunch & Learns and conference style events. In 2019, we hosted four Business Club Luncheons, seven Lunch & Learns, our 2-day Small Business Week Conference and a 1-day Trailblazers Symposium, in partnership with the City of Yellowknife.

Our Small Business Week Conference combines nationally renowned speakers and local knowledge powerhouses to provide Yellowknife businesses with a fun opportunity for networking and professional development. Our 2019 event focused on the 3 P's: People, Planet and Profit and topics included: attracting and retaining top talent, social media marketing, social entrepreneurship, how to make your business greener and how to take advantage of Yellowknife's growing tourism numbers. The Trailblazers Symposium, in celebration of International Women's Day, is important not only for inclusivity and equality, but to celebrate local trailblazers who are breaking ground and excelling in their fields.

Connections

We aim to host events that connect entrepreneurs to potential suppliers, customers and fellow businesspeople so that businesses can grow and flourish. Networking is a valuable way to expand your knowledge, learn from the success (and failures) of others, gain new clients and collaborate.

Ask anyone who's participated in our annual travel program – there's no better way to build business connections with fellow Yellowknifers than exploring a new part of our beautiful world. We host international getaways with competitive pricing, quality tours, including guides and premium accommodations. In April of 2019, 42 people

joined us for our Discover Bali program.

Another important part of networking is celebrating business growth and achievement within our vibrant business community.

Throughout 2019, we hosted two Business After Hours events in partnership with our members – these events were celebrating new artwork for NWTel’s Telephone Directory and a Client Appreciation event for Stantec Architecture.

In addition, our annual Business Award Gala is an important celebration of the outstanding contributions of our local business community and allows us to recognize achievement in 11 diverse categories. Our 2019 winners were:

- Small Business of the Year Award - Tom & Jer Catering;
- Corporate Business of the Year Award - Northland Utilities;
- Aboriginal Entrepreneurship Award - Wallbridge Law Office;
- Customer Service Award of Excellence - Roy’s Audio Video Unlimited;
- Community Impact Award - The Medicine Shoppe Pharmacy;
- Breakout New Business Award - Barren Ground Coffee;
- Young Entrepreneurship of the Year Award - With Media;
- Workplace Health and Safety Award - Gahcho Kué Mine;
- Trailblazers Women in Business Award - Angela Gzowski Photography;
- Innovation Award - Guy Architects
- Chamber Member of the Year – CIBC

Savings

A membership with the Yellowknife Chamber of Commerce saves your business money! We provide free notary services, discounted flights through our annual sponsor, Canadian North, discounts on credit card processing, shipping costs and fuel and an extensive collection of Member2Member benefits. For 2020, 25 business are offering discounts - ranging from advertising, tourism experiences, yoga passes, workshops, select products for the home and business, boardroom rentals and legal services. In addition, many of our members take advantage of Chambers Plan, which is Canada’s leading group benefit plan, including health & dental, for firms with 1-50 employees, including home-based businesses.

2019 proved to be an expansive and exciting year for the Yellowknife Chamber of Commerce! We could never pull it off without our dedicated Board of Directors and staff, and the support of our sponsors: Canadian North, Northwestel, Northland Utilities, Crowe Mackay, CIBC, Northview Property REIT and Lawson Lundell LLP.

Cheers to the year ahead!



Kyle Thomas
President



Deneen Everett
Executive Director

ADVOCACY



President, Kyle Thomas, and Executive Director, Deneen Everett, presented to the City of Yellowknife and asked them to support the recommendations outlined in our Vote Growth platform. To see the City of Yellowknife's letter of support, please visit: www.ykchamber.com



Executive Director, Deneen Everett, MP McLeod, Director Paul Gillard, Past President Mike Lalonde and President, Kyle Thomas, discussed opportunities for collaboration and the importance of attracting additional infrastructure funding to the NWT.



Director Paul Betsina, Director Jo-Ann Martin, Director Bright Lubansa and Director Paul Gillard attending a presentation at the City of Yellowknife. Representatives were in attendance to learn more about community underfunding.

PROMOTION



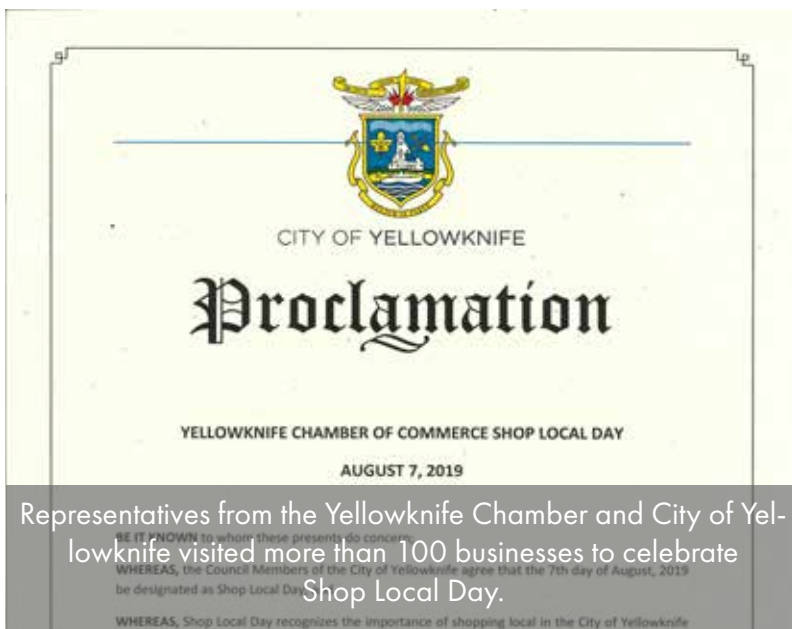
Our Business Award Gala recognizes and celebrates the outstanding contributions of Yellowknife businesses



The YK Chamber Spring Trade Show was a resounding success with 185 exhibitors and over 6,000 people in attendance

#ShopYK

When we shop local, everyone benefits! The more money that is kept in our community, the more small businesses are able to give back to our community in goods, services, time and talent and enrich the shopping experiences with their knowledge and passion. This campaign promotes shopping local and highlights participating local businesses. There were 46 participating locations in 2019.



SHOP LOCAL!



CONNECTIONS



2019 Trailblazers Symposium in celebration of International Women's Day.



A full house during one of our Business Club Luncheons.



Our Business Awards Gala is a great way to end Small Business Week.



41 people participated in our 2019 travel program - Discover Bali!

SAVINGS

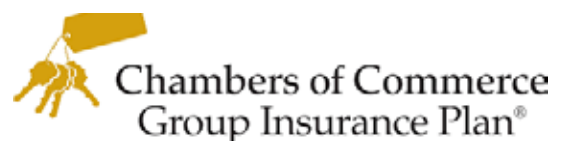
One of the key benefits to being a YK Chamber Member is our savings program. Through the power of the chamber network, we are able to offer value-added savings on credit card processing with First Data; fuel discounts with ESSO; shipping solutions with Freightcom.



We're also excited to continue offering savings and value to our members through 2020 on:

- Discounted flights through Canadian North - Fly the Arctic
- Notary public services
- Chamber Group Insurance
- Special Rates at Chamber Events such as our Spring Trade Show, #ShopYK campaign, Small Business Week and the Business Award Gala.

We are pleased to continue offering Member2Member discounts in 2020! We've included 25 Member2Member discounts in our 2020 Membership Benefits Package as a value-added benefit of being a chamber member. Please see pages 9-13 for detailed information on discounts for advertising, products, workshops, boardroom rentals, tourism adventures, legal services, yoga classes, catering and other services.



MEMBER 2 MEMBER

EDUCATION



Cheryl Cran's presentation on "Winning the War for Talent - How to Attract & Retain Top Talent" during Small Business Week.



Mark Brand's presentation on "Business with a Conscious" during the Trailblazers Symposium.

TREASURER'S REPORT

2019 Treasurer's Report

On behalf of the Board of Directors and our Executive Director, I am pleased to share the Yellowknife Chamber of Commerce's 2019 audited financial statements, prepared by Crowe MacKay LLP.

The Statement of Operations is presented on Page 5 of the audited financial statements and shows net income of \$25,718 for 2019. Revenues for 2019 were \$521,846 – a 18.86% increase over 2018 – primarily due to an increase in government funding. Historically, we've been fortunate to receive \$25,000 in SEED funding annually from the Government of the Northwest Territories, Department of Industry, Tourism and Investment, but the remainder of government funding varies year-over-year, depending on funding availability and the programs and services we're offering. For 2019, we were fortunate to receive funding from CanNor, allowing us to expand the Trailblazers Symposium and host the Small Business Week Conference.

Expenses for 2019 were \$506,420 – a 14.56% increase over 2018. The majority of increased expenditures align with the CanNor funding we received and are reflected in Contract Services, which includes fees paid to our conference speakers. Other notable increases in expenditures include facility operations, office salaries and travel/accommodation. These expenses are operational in nature and are the result of employment contract commitments, attending the Canadian Chamber of Commerce conference in St. John, NB and an increase in rent as we moved into a bigger office space.

The 'other income' line item reflects net income generated from our annual travel program. The net income displayed is from our Discover Bali program – where the majority of revenues and expenditures occurred in 2018, but the actual trip took place in 2019. A full breakdown of revenues and expenditures can be viewed in Note 3, on Page 11. Revenues and expenditures for the South Africa program will be reflected on the 2020 audited financial statements.

Schedule 1 on Page 14 provides a detailed breakdown of revenue and expenses for Chamber initiatives. The Operations category reflects operational expenses and revenue – this is the annual cost of running the Yellowknife Chamber of commerce. Notable expenses include bank fees, rent, salaries, conference attendance, insurance, janitorial / maintenance, and printing. Few revenue sources are allocated to Operations, however, notable revenue sources include commission from the Chambers Plan Group Insurance, and funds generated from our annual sponsorships.

The Membership category reflects the \$126,936 generated in revenue from annual membership fees, along with \$820 in expenses for printing our annual Membership Benefits Package. The Spring Trade Show category shows a net income of \$89,393. This is a record for the Yellowknife Chamber of Commerce and is a result of increased booth and admission sales.

Small Business Week shows a loss of \$5,168. It is worth noting that there is \$20,000 in office salaries allocated to this project, a reporting requirement for government funding. This is the only project that has office salaries allocated to it, as it is the Yellowknife Chamber of Commerce's policy to allocate wages more generally to the Operations project. This is referenced in Note 8 on Page 12.

The final category is Chamber Programs and reflects revenues and expenses from all other Chamber activities including Business Club Luncheons, Lunch & Learns, and Business After Hours, to name a few. This category shows a net income of \$35,244.

Overall, the Yellowknife Chamber of Commerce is ending 2019 with net income of \$25,718. On Page 7 of the audited financial statements, you'll see Members' Equity of \$346,991 – a 45.79% increase over 2018! Strong financial management by the Board of Directors and Executive Director have resulted in another year of outstanding growth for our organization, but this wouldn't be possible without the financial contributions of our members. Thank you for choosing to be a member of the Yellowknife Chamber of Commerce, our success wouldn't be possible without you.

Thank you,



Daryl Fetaz
Treasurer



Yellowknife Chamber of Commerce

Financial Statements

December 31, 2019

Yellowknife Chamber of Commerce

Financial Statements

December 31, 2019

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Independent Auditor's Report

To the Directors of Yellowknife Chamber of Commerce

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Yellowknife Chamber of Commerce, which comprise the statement of financial position as at December 31, 2019, and the statements of operations, 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 Yellowknife Chamber of Commerce as at December 31, 2019 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.

Independent Auditor's Report (continued)

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.

Yellowknife Chamber of Commerce

Statement of Operations

For the year ended December 31,	2019	2018
Revenues		
Commissions	\$ 15,764	\$ 13,612
Government funding - Canada	80,800	-
Government funding - Government of the Northwest Territories	36,050	37,200
Other revenue	1,286	962
Project revenue	314,863	298,609
Sponsorships	73,083	73,000
	521,846	423,383
Expenses		
Advertising and promotion	11,313	9,036
Amortization	1,049	847
Bad debts	-	249
Bank charges and interest	10,781	10,013
Catering	62,506	61,207
Contract service	126,481	78,314
Facility operations	40,728	33,518
Insurance	3,424	3,413
Office	14,641	17,104
Office salaries	196,310	172,604
Printing	11,066	11,486
Professional fees	10,230	18,554
Scholarships	-	1,500
Training	5,644	17,508
Travel and accommodation	12,247	6,697
	506,420	442,050
Excess (deficiency) of revenues over expenses before other item	15,426	(18,667)
Other income		
Net travel program income (Note 3)	10,292	3,045
Excess (deficiency) of revenues over expenses	\$ 25,718	\$ (15,622)

Yellowknife Chamber of Commerce

Statement of Changes in Net Assets

For the year ended December 31, 2019

	Unrestricted surplus	Investment in Tangible Capital Assets	Total 2019	Total 2018
Balance, beginning of year	\$ 126,874	\$ 3,997	\$ 130,871	\$ 146,493
Excess (deficiency) of revenues over expenses	25,718	-	25,718	(15,622)
Amortization	1,049	(1,049)	-	-
Balance, end of year	\$ 153,641	\$ 2,948	\$ 156,589	\$ 130,871

Yellowknife Chamber of Commerce

Statement of Financial Position

December 31, 2019 2018

Assets

Current

Cash	\$ 338,444	\$ 218,392
Accounts receivable (note 4)	5,217	16,132
Prepaid expenses	1,767	879

345,428 235,403

Tangible capital assets (note 5) 1,563 2,612

\$ 346,991 **\$ 238,015**

Liabilities

Current

Accounts payable and accrued liabilities (note 6)	\$ 23,678	\$ 21,349
Customer deposits - Travel program	133,876	85,795
Deferred memberships	1,400	-
Deferred revenue (note 7)	31,448	-

190,402 107,144

Members' Equity and Funds

Unrestricted surplus	153,641	126,874
Investment in Tangible Capital Assets	2,948	3,997

156,589 130,871

\$ 346,991 **\$ 238,015**

Approved on behalf of the board:

_____ Member

_____ Member

Yellowknife Chamber of Commerce

Statement of Cash Flows

For the year ended December 31,	2019	2018
Cash provided by (used for)		
Operating activities		
Excess (deficiency) of revenues over expenses	\$ 25,718	\$ (15,622)
Item not affecting cash		
Amortization	1,049	847
	26,767	(14,775)
Change in non-cash working capital items		
Accounts receivable	10,915	1,831
Prepaid expenses	(888)	(879)
Accounts payable and accrued liabilities	2,329	4,433
Customer deposits - Travel program	48,081	81,064
Deferred memberships	1,400	(5,500)
Deferred revenue	31,448	-
	120,052	66,174
Investing activity		
Purchase of tangible capital assets	-	(2,074)
Increase in cash	120,052	64,100
Cash, beginning of year	218,392	154,292
Cash, end of year	\$ 338,444	\$ 218,392

Yellowknife Chamber of Commerce

Notes to the Financial Statements

December 31, 2019

1. Nature of operations

Yellowknife Chamber of Commerce (the "Chamber") is incorporated under the laws of the *Boards of Trade Act* of Canada to provide services and support to members, through planning, coordination and relations with government, national and territorial organizations and the public. The Chamber is exempt from tax under section 149(1)(e) of the *Income Tax Act*.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Revenue recognition

The Chamber follows the deferral method of accounting for contributions. Restricted contributions and government funding 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.

Project revenue is recognized upon provision of the services if the amount to be received can be reasonably estimated and collection is reasonably assured.

Sponsorship revenue is recognized as the underlying event occurs if the amount to be received can be reasonably estimated and collection is reasonably assured.

Net commissions revenue are recognized upon completion of the customer's orders and/or completion of services. Commissions are earned from insurance referrals and from the travel program.

Other revenue is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Tangible capital assets

Tangible capital assets are recorded at cost. The Chamber provides for amortization using the declining balance method at rates designed to amortize the cost of the assets over their estimated useful lives, as set out in note 5.

One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits.

Yellowknife Chamber of Commerce

Notes to the Financial Statements

December 31, 2019

2. Significant accounting policies (continued)

(d) Financial instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

The Chamber subsequently measures the following financial assets and financial liabilities at amortized cost:

Financial assets measured at amortized cost include cash, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and customer deposits - travel program.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

(e) Donated material and services

The Chamber relies on volunteer time and donated goods and services to achieve its purposes. Because of the difficulty of determining their fair values, volunteer time and donated goods and services are not recognized in these financial statements.

(f) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

(g) Allocation of expenses

The Chamber reports payroll expenses by function. Payroll expenses which benefit more than one function have been allocated based on the estimated time required to complete each project listed in Schedule 1.

Yellowknife Chamber of Commerce

Notes to the Financial Statements

December 31, 2019

3. Travel program

	2019	2018
Project revenue	\$ 102,470	\$ 139,218
Advertising and promotion	(300)	(265)
Travel & Meals	(91,878)	(135,908)
Net travel program income	\$ 10,292	\$ 3,045

4. Accounts receivable

	2019	2018
Trade receivable	\$ 5,217	\$ 14,932
Contribution receivable	-	1,200
	\$ 5,217	\$ 16,132

5. Tangible capital assets

			2019	2018	
	Rate	Cost	Accumulated amortization	Net book value	Net book value
Office equipment	20%	\$ 1,923	\$ 1,642	\$ 281	\$ 1,108
Computer equipment	55%	2,074	792	1,282	1,504
		\$ 3,997	\$ 2,434	\$ 1,563	\$ 2,612

6. Accounts payable and accrued liabilities

	2019	2018
Trade payables	\$ 12,935	\$ 10,839
Government remittances payable	10,743	10,510
	\$ 23,678	\$ 21,349

Yellowknife Chamber of Commerce

Notes to the Financial Statements

December 31, 2019

7. Deferred revenue

	2019	2018
Government of Canada - Canadian Northern Economic Development Agency (CanNor) - Small business week	\$ 31,448	\$ -

Funds are deferred and used under agreements for the projects as noted.

8. Allocation of expenses

On Schedule 1 - Revenues and expenses by program, Office salaries are included under Operations, with the exception of a \$20,000 (2018 - nil) allocation for Small Business Week, as per the terms of the Yellowknife Chamber of Commerce's funding agreement with the Government of Canada - Canadian Northern Economic Development Agency (CanNor).

Where office salaries were allocated to Small Business Week, the corresponding office salary amount was reduced from Operations. These inter-program allocations have also been eliminated in the Statement of Operations.

9. Commitments

Future minimum rental payments required under operating leases that have remaining terms in excess of one year are:

2020	\$ 28,614
2021	26,018
2022	26,018
2023	26,018
2024	6,505
	<hr/>
	\$ 113,173

10. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year.

Yellowknife Chamber of Commerce

Notes to the Financial Statements

December 31, 2019

11. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

The Chamber does have credit risk in accounts receivable of \$5,217 (2018 - \$16,132). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. There is no change to this risk from the prior year.

The Chamber has amounts on deposit with a federally regulated financial institution in excess of the deposit insurance. There is no change to this risk from the prior year.

(b) Liquidity risk

The Chamber does have a liquidity risk in the accounts payable and accrued liabilities, and customer deposits - travel program of \$157,554 (2018 - \$107,144). Liquidity risk is the risk that the Chamber cannot repay its obligations when they become due to its creditors. There is no change to this risk from the prior year.

Yellowknife Chamber of Commerce

Schedule 1 - Revenues and expenses by program

For the year ended December 31,							2019	2018
	Operations	Membership	Spring Trade Show	Small Business Week	Chamber Programs	Total	Total	
Revenues								
Commissions	\$ 15,764	\$ -	\$ -	\$ -	\$ -	\$ 15,764	\$ 13,612	
Government funding - Canada	-	-	-	54,800	26,200	80,800	-	
Government funding - Government of the Northwest Territories	1,050	-	21,000	10,000	4,000	36,050	37,200	
Other revenue	1,286	-	-	-	-	1,286	962	
Project revenue	10,654	126,936	122,573	23,825	30,875	314,863	298,609	
Sponsorships	31,500	-	2,500	26,500	12,583	73,083	73,000	
Total Revenues	60,254	126,936	146,073	114,925	73,658	521,846	423,383	
Expenses								
Advertising and promotion	1,427	-	1,160	2,958	5,768	11,313	9,036	
Amortization	1,049	-	-	-	-	1,049	847	
Bad debts	-	-	-	-	-	-	249	
Bank charges and interest	10,781	-	-	-	-	10,781	10,013	
Catering	2,793	-	15,684	32,632	11,397	62,506	61,207	
Contract service	3,789	-	34,151	63,004	25,537	126,481	78,314	
Facility operations	40,504	-	123	-	101	40,728	33,518	
Insurance	3,424	-	-	-	-	3,424	3,413	
Office	10,062	-	495	1,134	2,950	14,641	17,104	
Office salaries	176,310	-	-	20,000	-	196,310	172,604	
Printing	4,742	820	5,067	365	72	11,066	11,486	
Professional fees	10,230	-	-	-	-	10,230	18,554	
Scholarships	-	-	-	-	-	-	1,500	
Training	5,644	-	-	-	-	5,644	17,508	
Travel and accommodation	9,366	-	-	-	2,881	12,247	6,697	
Total Expenses	280,121	820	56,680	120,093	48,706	506,420	442,050	
Other income								
Net travel program income	-	-	-	-	10,292	10,292	3,045	
Excess (deficiency) of revenues over expenses	\$ (219,867)	\$ 126,116	\$ 89,393	\$ (5,168)	\$ 35,244	\$ 25,718	\$ (15,622)	

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