



Greater Victoria
CHAMBER of COMMERCE

2010 Annual Report

Presented May 11, 2011

2011 Annual General Meeting Agenda

1. Call to Order (Including Confirmation of Quorum Status)
2. Approval of 2011 AGM Agenda
3. Approval of 2010 AGM Minutes
4. Presentation of 2010 Audited Financial Statements
5. Appointment of Auditors
6. Motion to Adjourn 2011 AGM
7. Event Sponsor Comments
8. Presentation by Mayor Dean Fortin, City of Victoria

Minutes of the Greater Victoria Chamber of Commerce Annual General Meeting Wednesday, May 12th, 2010 11:45 a.m. at the Victoria Marriott Inner Harbour

Bruce Carter, Chief Executive Officer of the Greater Victoria Chamber of Commerce called upon Acting Chair, Dave Marshall to conduct the business of the Annual General Meeting.

Call to Order

Dave Marshall called the 2009 AGM to order and called upon Board member Rose Arsenault to provide an attendance report. She reported that we had a quorum with 113 votes present.

Agenda

Motion to approve the agenda of the May 12th, 2010, 2009 Annual General Meeting

Moved by: Mike Black

Seconded by: Gerry Brimacombe

Motion: carried

2009 AGM Minutes

Motion to approve the minutes of the last AGM dated May 14, 2009

Moved By: Dan Dagg

Seconded by: Annie Wong-Harrison

Motion: carried

Audited Financial Statements

The Chair called upon Rob Bennett to present the financial statements.

Motion to accept the audited financial statements

Moved by: Regan McGrath

Seconded by: Gerry Brimacombe

Motion: carried

Appointment of Auditors

Rob Bennett reported that normally at the AGM we would appoint the auditors for the coming year, however our audit firm Crawford, Paterson, Campbell & McNeill have stopped performing audits. He advised that a request for proposal from audit firms will be issued and we will ask for the membership's approval at a future meeting.

Bylaw Changes

Chair, Dave Marshall referenced the proposed changes, distributed earlier to the membership, that were included in the material at each place setting. Motion to accept the bylaw changes set out in the document provided.

Moved by: Lori King

Seconded by: Mike Black

Motion: carried

Motion to adjourn the 2009 AGM

Moved: David Rand

Seconded: Annie Wong-Harrison

Motion: Carried

The AGM featured an address from Oak Bay Mayor, Chris Causton

Director, Dan Dagg thanked the speaker. The luncheon adjourned at 1:30 p.m.



Financial Statements

Greater Victoria Chamber of Commerce

December 31, 2010

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Independent auditors' report

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To the members of
Greater Victoria Chamber of Commerce

Report on the financial statements

We have audited the accompanying financial statements of Greater Victoria Chamber of Commerce, which comprise the statement of financial position as at December 31, 2010, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Greater Victoria Chamber of Commerce as at December 31, 2010, and its financial performance and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other matter

The financial statements of Greater Victoria Chamber of Commerce for the year ended December 31, 2009, were audited by another auditor who expressed an unmodified opinion on those statements on February 22, 2010.

Victoria, Canada

March 22, 2011



Chartered accountants

Greater Victoria Chamber of Commerce

Statement of Operations

Year Ended December 31	2010	2009
Revenue		
Advertising	\$ 21,681	\$ 13,313
Benefit recovery	108,042	103,375
Business awards	63,295	64,626
Business directory	-	24,471
Contract administration fees	16,267	13,243
Contributions from Greater Victoria Development Agency (Note 7)	201,907	251,226
Fundraising	68,939	70,700
Investments	20,705	21,483
Members' dues and assessments	607,939	608,830
Newsletter	33,910	33,122
Programs	132,279	142,693
Rent	6,897	14,595
Sponsorships	13,500	21,900
	<u>1,295,361</u>	<u>1,383,577</u>
Cost of activities		
Advertising	14,947	1,089
Business awards	33,322	35,889
Business directory	-	16,103
Committee activities	7,109	13,005
Fundraising	28,944	31,149
Greater Victoria Development Agency (Note 7)	239,574	276,203
Newsletter	34,138	32,662
Program expense	94,554	110,168
	<u>452,588</u>	<u>516,268</u>
Excess of revenue over expenses before undernoted items	842,773	867,309
Administration (Note 10)	<u>807,237</u>	<u>822,685</u>
	35,536	44,624
Unrealized gain on fair market value adjustment	58,530	75,430
Realized loss on sale of shares	<u>(11,158)</u>	<u>(407)</u>
Excess of revenue over expenses	\$ <u>82,908</u>	\$ <u>119,647</u>

See accompanying notes to the financial statements.

Greater Victoria Chamber of Commerce

Statement of Changes in Net Assets

Year Ended December 31

2010

2009

	<u>Invested in capital assets</u>	<u>Unrestricted</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 34,688	\$ 405,296	\$ 439,984	\$ 320,337
Excess of revenue over expenses	(14,882)	97,790	82,908	119,647
Transfer to net assets invested in capital assets	<u>12,571</u>	<u>(12,571)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 32,377</u>	<u>\$ 490,515</u>	<u>\$ 522,892</u>	<u>\$ 439,984</u>

See accompanying notes to the financial statements.

Greater Victoria Chamber of Commerce

Statement of Financial Position

December 31 2010 2009

Assets

Current

Cash and cash equivalents	\$ 56,978	\$ -
Marketable securities (Note 3)	737,664	679,707
Receivables	112,775	138,490
Prepays	<u>7,653</u>	<u>11,153</u>
	915,070	829,350

Capital assets (Note 4)

	<u>32,377</u>	<u>34,688</u>
	\$ 947,447	\$ 864,038

Liabilities

Current

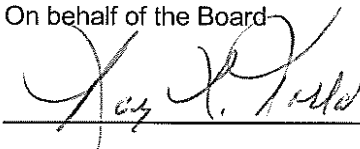
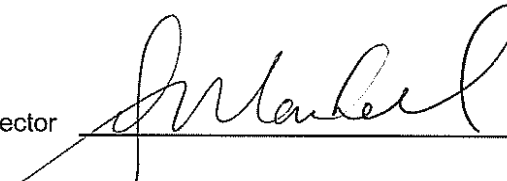
Bank indebtedness	\$ -	\$ 65,559
Payables and accruals	80,197	32,803
Deferred revenue (Note 5)	<u>344,358</u>	<u>325,692</u>
	424,555	424,054

Net Assets

Invested in capital assets	32,377	34,688
Unrestricted	<u>490,515</u>	<u>405,296</u>
	522,892	439,984
	\$ 947,447	\$ 864,038

Commitments (Note 6)

On behalf of the Board

 _____ Director		 _____ Director
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See accompanying notes to the financial statements.

Greater Victoria Chamber of Commerce

Statement of Cash Flows

Year Ended December 31

2010

2009

Increase (decrease) in cash and cash equivalents

Operating		
Excess of revenue over expenses	\$ 82,908	\$ 119,647
Amortization	14,882	22,454
Unrealized gain on fair market value adjustment	(58,530)	(75,430)
Loss on sale of investments	<u>11,158</u>	<u>407</u>
	<u>50,418</u>	<u>67,078</u>
Change in non-cash operating working capital		
Receivables	25,715	(12,742)
Prepays	3,500	4,136
Payables and accruals	47,394	(11,585)
Deferred revenue	<u>18,666</u>	<u>(29,890)</u>
	<u>95,275</u>	<u>(50,081)</u>
	<u>145,693</u>	<u>16,997</u>
Investing		
Purchase of capital assets	(12,571)	(6,267)
Purchase of investments	(160,108)	(85,268)
Proceeds on sale of investments	<u>149,523</u>	<u>72,752</u>
	<u>(23,156)</u>	<u>(18,783)</u>
Net increase (decrease) in cash and cash equivalents	122,537	(1,786)
Bank indebtedness, beginning of year	<u>(65,559)</u>	<u>(63,773)</u>
Cash and cash equivalents (bank indebtedness), end of year	\$ 56,978	\$ (65,559)

See accompanying notes to the financial statements.

Greater Victoria Chamber of Commerce

Notes to the Financial Statements

December 31, 2010

1. Purpose of the organization

The Greater Victoria Chamber of Commerce (the “Chamber”) is incorporated under the Board of Trade Act of Canada and its principal activity is to promote and improve trade and commerce and the economic, civic, and social welfare of Greater Victoria.

2. Summary of 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.

All other revenues are recognized as earned.

Amortization

Rates and bases of amortization applied to write off the cost less estimated salvage value of capital assets over their estimated lives are as follows:

Furniture and equipment	20%, straight-line basis
Computer hardware and software	30%, straight-line basis
Leasehold improvements	straight-line basis over the lesser of useful life and lease term

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit with financial institutions.

Use of estimates

In preparing the Chamber’s financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

Impairment of long-lived assets

The Chamber regularly reviews the carrying value of long-lived assets and continually makes estimates regarding future cash flows and other factors to determine the fair value of the respective assets. If these estimates or their related assumptions change in the future, the Chamber may be required to record impairment charges for these assets.

Greater Victoria Chamber of Commerce

Notes to the Financial Statements

December 31, 2010

2. Summary of significant accounting policies (continued)

Financial instruments

The Chamber's financial instruments consist of cash and cash equivalents, marketable securities, receivables, payables and accruals and deferred revenue.

The Chamber has classified cash and cash equivalents and marketable securities as held for trading. These instruments are initially recognized at cost and subsequently recognized at their fair value, determined by published quotations in an active market. Transactions to purchase and sell these instruments are recorded on the trade date, and transactions from changes in fair value are recognized immediately to net earnings in the statement of operations. Fair value for term deposits and guaranteed investment certificates redeemable within the year are stated at cost, which, together with accrued interest income, approximates fair value considering the short term nature of these investments.

The Chamber has classified receivables as loans and receivables. This asset is initially recognized at fair value. Fair value is approximated by the instruments initial cost in a transaction between unrelated parties. Receivables are subsequently measured at their amortized cost using the effective interest method. Gains and losses arising from changes in fair value are recognized in net earnings upon derecognition or impairment. The carrying value of receivables approximates their fair value due to their short-term maturity and capacity for prompt liquidation.

The Chamber has classified payables and accruals and deferred revenue as other financial liabilities. This liability is initially recognized at its fair value. Fair value is approximated by the instrument's initial cost of a transaction between unrelated parties. Other financial liabilities are subsequently measured at their amortized cost using the effective interest method. Gains and losses arising from changes in fair value are recognized in net earnings upon derecognition or impairment. The carrying value of payables and accruals and deferred revenue approximates their fair value due to their short-term maturity and capacity for prompt liquidation.

Unless otherwise noted, it is management's opinion that the Chamber is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted, due to the relatively short periods to maturity for these items.

Contributed materials and services

Donated property, equipment and services are recorded at fair value when received, if obtainable. If the fair market value cannot be determined, such items are not recognized in the financial statements.

The Chamber is dependent on the voluntary service of many members and others. Since these services are not normally purchased by the Chamber and, because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

Greater Victoria Chamber of Commerce

Notes to the Financial Statements

December 31, 2010

3. Marketable securities

Marketable securities consist of fixed income and equity investments at a cost of \$738,269 (2009: \$735,668) with a market value of \$737,664 (2009: 679,707). The funds are managed by BMO Harris Investment Management Inc., an external professional manager, in accordance with the Chamber's investment guidelines.

4. Capital assets	<u>2010</u>			<u>2009</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Furniture and equipment	\$ 273,441	\$ 258,477	\$ 14,964	\$ 21,968
Computer hardware and software	221,103	213,559	7,544	7,216
Leasehold improvements	<u>19,479</u>	<u>9,610</u>	<u>9,869</u>	<u>5,504</u>
	<u>\$ 514,023</u>	<u>\$ 481,646</u>	<u>\$ 32,377</u>	<u>\$ 34,688</u>

5. Deferred revenue

Deferred revenue represents the unearned portion of membership fees received or receivable in advance and other fees and sponsorships received in advance of the related event.

6. Commitments

The Chamber leases its office under an operating lease expiring January 31, 2011. A five year renewal option was agreed upon, which expires January 31, 2016. The lease includes minimum annual rent payments of \$35,544 and 18.88% of applicable common area costs. Annual payments of minimum rent over the next five years are:

2011	\$ 35,544
2012	35,544
2013	35,544
2014	35,544
2015	<u>35,544</u>
	<u>\$ 177,720</u>

Greater Victoria Chamber of Commerce

Notes to the Financial Statements

December 31, 2010

7. The Greater Victoria Development Agency

The Greater Victoria Development Agency (GVDA) is a committee of the GVCC and was formed to help develop, retain and attract businesses to the Greater Victoria region. They are an industry led initiative, and in collaboration with other sector partners, strive to help build the best possible economic environment for local entrepreneurs and businesses in which to operate.

In accordance with Canadian generally accepted accounting principles, the Chamber has recognized contributions to the GVDA to the extent of related costs incurred to December 31, 2010. The deficit (chamber contribution) for the GVDA will increase to the extent that additional costs are incurred subsequent to the year-end that are not supported by contributions. The following is a summary of the revenue and expenses for the GVDA:

	<u>2010</u>	<u>2009</u> (Note 9)
Revenue		
Municipal	\$ 82,000	\$ 81,000
Provincial	-	29,768
Federal	78,371	104,973
Corporate	<u>41,536</u>	<u>35,485</u>
	<u>201,907</u>	<u>251,226</u>
Expenses		
Advertising	-	1,415
Affiliation dues	775	1,045
Convention and travel	5,558	1,961
Hosting groups	1,808	758
Insurance	1,000	1,000
Lease	9,000	9,000
Marketing	4,250	3,750
Office	8,608	6,811
Postage and courier	918	343
Professional fees	2,972	8,493
Staff expenses	2,087	728
Subcontract	103,801	143,084
Telephone	2,835	2,815
Wages and benefits	<u>95,962</u>	<u>95,000</u>
	<u>239,574</u>	<u>276,203</u>
Deficit (contribution from Greater Victoria Chamber of Commerce)	\$ <u>(37,667)</u>	\$ <u>(24,977)</u>

Greater Victoria Chamber of Commerce

Notes to the Financial Statements

December 31, 2010

8. Capital management

The capital structure of the Chamber consists of a net investment in capital assets, unrestricted net assets and a \$75,000 line of credit with Island Savings Credit Union that has not been drawn upon as at December 31, 2010. The primary objective of the Chamber's capital management is to ensure that it maintains adequate capital resources to provide the appropriate services to its members and continue to help develop, grow and retain business in the Greater Victoria region. The Chamber manages its capital structure with the primary goal of minimizing risk to the stability of cash flow from operations. The Chamber has met all its objectives in maintaining its current and long term operations.

9. Comparative figures

Certain 2009 comparative revenue figures in the Greater Victoria Development Agency statement included as Note 7 and expense amounts included in Note 10 have been reclassified to conform to the presentation adopted in the current year.

10. Administration	<u>2010</u>	<u>2009</u> (Note 9)
Affiliation and association dues	\$ 16,011	\$ 16,050
Amortization	14,882	22,454
Interest	256	537
Membership expenses	6,375	9,516
Occupancy costs	86,208	81,867
Office	79,320	71,949
Postage	19,603	16,418
Professional fees	15,438	12,145
Salaries and employee costs	536,794	563,806
Telephone	14,252	14,437
Travel and convention	<u>18,098</u>	<u>13,506</u>
	<u>\$ 807,237</u>	<u>\$ 822,685</u>
