



91ST ANNUAL GENERAL MEETING

Business Session

Friday, May 6th,
2:15-3:00 PM

2022

AGENDA

1. Approval of Agenda
2. Approval of Meeting Minutes from the 90th AGM held on May 13, 2021 (Virtual)
3. Approval of Board decisions taken in the year 2021-2022
4. Presentation of Chair's Comments
5. Acceptance of Treasurer's Report & Approval of 2021 Audited Statements
6. Appointment of Auditors
7. Submission of Nominating Committee Report
8. Election of Officers & Board of Directors
9. Recognition of Retiring Board Members
10. Comments from Michelle Kuly – Incoming Chair of the Manitoba Chambers of Commerce
11. New Business (if any)
12. Adjournment



MEETING MINUTES

The Manitoba Chambers of Commerce | 90th Annual General Meeting
Held on: Thursday, May 13th, 2021 at 1:15 p.m. | Held: Virtual via Zoom

COVID-19 Note: Due to the pandemic, MCC's Annual General Meeting was held virtually from Winnipeg.

2021-2022 Incoming Chair: Paul Provost | Past Chair: Peggy May | Recording Secretary: Paul Holden

Chambers Represented:

Aboriginal Chamber of Commerce, Altona & District Chamber of Commerce, Assiniboia Chamber of Commerce, Brandon Chamber of Commerce, Carman & Community Chamber of Commerce, Parkland Chamber of Commerce (*formerly Dauphin & District Chamber of Commerce*), Flin Flon & District Chamber of Commerce, Manitoba Southeast Commerce Group, Morden & District Chamber of Commerce, Neepawa & District Chamber of Commerce, Niverville Chamber of Commerce, Portage la Prairie & District Chamber of Commerce, Russell & District Chamber of Commerce, Springfield Chamber of Commerce, Steinbach Chamber of Commerce, Swan Valley Chamber of Commerce, The Pas & District Chamber of Commerce, The Winnipeg Chamber of Commerce, Thompson Chamber of Commerce, Wasagaming Chamber of Commerce, Winkler & District Chamber of Commerce.

Corporate Members Represented:

6P Marketing Inc., Abundance Canada, Aurora Aerial Inc., Blueprint Inc., Brandon First, Canadian Beverage Container Recycling Association, Chartered Professional Accountants of Manitoba, Community Futures Manitoba Inc., East India Company Pub & Eatery, Economic Development Winnipeg, Education Canada Group, ENG-TECH Consulting Limited, Fort Group CPA, Frontiers North Adventures, Habitat for Humanity Manitoba, Homewood Health Inc., Imaginet Resources Corp., Kelly Associates, Lakeview Management Inc., Lazy Bear Expeditions, Manitoba Aerospace Inc., Manitoba Arts Council, Manitoba Beef Producers, Manitoba Camping Association, Manitoba Council for International Education, Manitoba Egg Farmers, Manitoba Institute for Trades & Technology, Manitoba Pork Council, Northern Association of Community Councils, Number Ten Architectural Group, PCL Constructors Canada Inc., Pitblado Law, Postmedia/Winnipeg Sun, Prairie Sky Strategy, RBC Convention Centre Winnipeg, Realcare Inc., Red River College, Research Manitoba, RevGenApps.com, Rogers Communications Canada Inc., Safety Services Manitoba, SciMar Ltd., Siera, Southern Chiefs Organization, Southport Aerospace Centre Inc., StratHR Solutions Inc., Sycamore Energy Inc., The Children's Hospital Foundation of Manitoba, Vale Canada Limited, Vantage Studios, Winnipeg Airports Authority Inc., Winnipeg Free Press, Women's Enterprise Centre of Manitoba, Women's Enterprise Organizations of Canada, World Trade Centre Winnipeg, WOW! Hospitality Concepts.

Call to Order: Chair, Peggy May called the Annual General Meeting to order at 1:15 p.m.

1.0 Agenda and Minutes

Approval of the Agenda: There was a call to approve the Agenda as read. No new business was brought forward.

MOTION made by Kyle Romaniuk / Seconded by Scott Sissons. CARRIED

Approval of the Minutes from May 21st, 2020 Annual General Meeting held virtually in Winnipeg:

MOTION made by Karly McRae / Seconded by Beverlie Stuart. CARRIED

2.0 Approval of Actions taken by the Board during May 2020- May 2021

MOTION to approve actions taken by the Board during the year made by Paul Provost/ Seconded by Alison Kirkland. CARRIED

3.0 President & Chair's Report

President and Chair's Reports were brought forward and presented to the assembly.

4.0 Treasurer's Report and Approval of Audited Financial Statements

The Treasurer's Report and Audited Financial Statements were presented by Kevin Ploegman, Treasurer - Manitoba Chambers.

MOTION to adopt the Treasurer's Report and the Audited Financial Statements was made by Beverlie Stuart / seconded by Colin Bartlett. CARRIED

5.0 Appointment of Auditors

MOTION to appoint the firm Magnus Chartered Accountants LLP as auditors of the Manitoba Chambers of Commerce for the audit year 2021 made by Paul Provost / Seconded by Scott Sissons. CARRIED

6.0 Nominating Committee Report

The Nominating Committee Report was presented by committee member, Beverlie Stuart which included the slate of directors nominated by the committee, it was asked three times if there were any further nominations from the floor. There were none.



Officers Elected 2021-2022

Chair	Paul Provost
Vice Chair	Michelle Kuly
Vice Chair	Alison Kirkland
Past Chair	Peggy May
Treasurer	Kevin Ploegman
Secretary	Paul Holden
Legal Counsel	Nicole Smith

MOTION to accept the Nominating Committee Report and the Election of Officers made by Alison Kirkland/ Seconded by Karly McRae. CARRIED

Swearing in of Officers and Board took place at this time with the Oath of Office read and affirmed by Chuck Davidson, President & CEO, The Manitoba Chambers of Commerce.

7.0 New Business

As there was no new business from the floor, the 90th Annual General Meeting was adjourned with majority at 2:00 p.m.



TREASURER'S REPORT

FINANCIAL PERFORMANCE

Heading into 2021 the Chamber knew that we had to continue to play a role to assist the government and various other supporting organizations in distributing Covid relief funding out to businesses and their owners quickly. The successful administration of these programs and the speed at which the funding did go out showed how vital a role the Chamber played in the middle of the pandemic.

If you have the time (and desire) please read Note 12 of the Chamber's 2021 financial statements just to see how many relief programs the Chamber was a part of in 2021. There wasn't a spare moment of time for the MCC team with all these programs going on.

Accompanying the success in the administration of these programs was a significant increase in corporate memberships as many businesses are seeing the value of the Chamber and have joined as members resulting in an 8% increase to revenue.

The Chamber continued to support the Manitoba Mineral Development Fund throughout 2021. This program continues to be extremely successful in getting funds to businesses looking to stimulate economic development in Northern Manitoba.

The balance sheet of the Chamber has also strengthened over the past year. The surplus realized has improved our cash position and the Board is reviewing ways it can use its resources to serve its membership.

LOOKING AHEAD

As in person events are slowly starting up again, with the hope that more normal times emerge, the Chamber will continue to assist in the administration of various funding programs to continue to help companies gain access to the available recovery funding in a quick and expedient manner.

The financial success that the Chamber experienced in 2021 is truly due to the MCC team. They executed on the strategic pivot that started in 2020 perfectly. This didn't occur without a lot of increased time, effort and stress and so the entire team deserves one enormous pat on the back for handling the many situations that faced them over the past number of years diligently and professionally.

I wish you and your families health and success in 2022.

Kevin Ploegman
Treasurer
The Manitoba Chambers of Commerce

**THE MANITOBA CHAMBERS
OF COMMERCE**

FINANCIAL STATEMENTS

DECEMBER 31, 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of
The Manitoba Chambers of Commerce

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Manitoba Chambers of Commerce (the "Organization"), which comprise the statement of financial position as at December 31, 2021, 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 Organization as at December 31, 2021, 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 Organization 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.

Emphasis of Matter

Without modifying our opinion, we draw attention to the Supplementary Schedule of Economic Development Tours Program included in the financial statements. The supplementary financial information included in this schedule is unaudited.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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 Organization 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.

March 25, 2022
Winnipeg, Canada



Chartered Professional Accountants

THE MANITOBA CHAMBERS OF COMMERCE

Statement of Financial Position

December 31, 2021

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	\$ 827,358	\$ 575,305
Accounts receivable (Note 4)	309,672	170,574
Government remittances recoverable	2,228	-
Prepaid expenses	16,456	20,939
	1,155,714	766,818
Capital assets (Note 5)	58,131	61,355
	\$ 1,213,845	\$ 828,173
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 250,709	\$ 75,041
Government remittances payable	-	1,276
Deferred revenue (Note 7)	199,163	200,442
Deferred contributions (Note 8)	16,349	106,180
	466,221	382,939
Canada Emergency Business Account loan, net of forgivable portion (Note 9)	20,000	30,000
	486,221	412,939
Net assets:		
Invested in capital assets	58,131	61,355
Unrestricted	669,493	353,879
	727,624	415,234
Contingent liabilities (Note 9 and 13)		
Commitments (Note 14)		
	\$ 1,213,845	\$ 828,173

See accompanying notes to financial statements.

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

THE MANITOBA CHAMBERS OF COMMERCE

Statement of Operations

Year ended December 31, 2021

	2021	2020
Revenues:		
Corporate memberships	\$ 316,604	\$ 293,691
Chamber memberships	87,315	78,494
Programs and events	24,649	23,564
Group insurance and other Affinity programs	151,324	147,295
Group share	3,762	3,913
Marketing	88,320	43,130
Directory	45,655	41,096
COVID-19 Relief Programs - Administrative fees (Note 12)	515,250	57,500
Management fees (Note 15)	25,000	25,000
Rental income (Note 15)	10,000	9,167
Interest	798	1,127
	<u>1,268,677</u>	<u>723,977</u>
Expenses:		
Administration	789,807	640,462
Programs and events	50,143	51,856
Membership	62,073	20,928
Occupancy	61,197	61,062
Directory	33,871	24,854
	<u>997,091</u>	<u>799,162</u>
Excess (deficiency) of revenues over expenses before other income (expenses)	271,586	(75,185)
Other income (expenses):		
Economic Development Tours - Revenue (Schedule)	15,476	13,733
Economic Development Tours - Expenses (Schedule)	(15,476)	(13,733)
COVID-19 grants (Note 8)	289,500	41,900
COVID-19 project revenue (Note 10)	108,447	-
COVID-19 project expenses	(363,034)	-
Canada Emergency and Temporary Wage Subsidy	5,891	143,084
Forgivable portion of Canada Emergency Business Account loan (Note 9)	-	10,000
	<u>40,804</u>	<u>194,984</u>
Excess of revenues over expenses for the year	<u>\$ 312,390</u>	<u>\$ 119,799</u>

See accompanying notes to financial statements.

THE MANITOBA CHAMBERS OF COMMERCE

Statement of Changes in Net Assets

Year ended December 31, 2021

	Invested in capital assets	Unrestricted	Total 2021	Total 2020
Net assets, beginning of year	\$ 61,355	\$ 353,879	\$ 415,234	\$ 295,435
(Deficiency) excess of revenues over expenses for the year	(12,967)	325,357	312,390	119,799
Purchases of capital assets	9,743	(9,743)	-	-
Net assets, end of year	\$ 58,131	\$ 669,493	\$ 727,624	\$ 415,234

See accompanying notes to financial statements.

THE MANITOBA CHAMBERS OF COMMERCE

Statement of Cash Flows

Year ended December 31, 2021

	2021	2020
Cash flows from (used in)		
Operating activities:		
Excess of revenues over expenses for the year	\$ 312,390	\$ 119,799
Adjustments for:		
Amortization	12,967	14,230
Forgivable portion of Canada Emergency Business Account loan	-	(10,000)
	325,357	124,029
Changes in the following:		
Accounts receivable	(139,098)	87,933
Government remittances recoverable/payable	(3,504)	706
Prepaid expenses	4,483	(9,955)
Accounts payable and accrued liabilities	175,668	(43,940)
Deferred revenue	(1,279)	(3,535)
Deferred contributions	(89,831)	51,724
	271,796	206,962
Investing activity:		
Purchases of capital assets	(9,743)	(6,774)
Financing activities:		
Proceeds from Canada Emergency Business Account loan	-	40,000
Repayment of Canada Emergency Business Account loan	(10,000)	-
	(10,000)	40,000
Change in cash and cash equivalents	252,053	240,188
Cash and cash equivalents, beginning of year	575,305	335,117
Cash and cash equivalents, end of year	\$ 827,358	\$ 575,305

See accompanying notes to financial statements.

THE MANITOBA CHAMBERS OF COMMERCE

Notes to Financial Statements

Year ended December 31, 2021

1. Nature of organization

The Manitoba Chambers of Commerce (the "Organization") is a not-for-profit organization incorporated without share capital under the laws of Manitoba and is the umbrella organization for Manitoba's chamber movement.

The Organization's mission statement is to champion sustainable economic growth leading to greater prosperity for business and communities in Manitoba.

The Organization is exempt from income taxes pursuant to the provisions of *The Income Tax Act* (Canada).

2. Basis of accounting and summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit Organizations using the following significant accounting policies:

(a) Financial instruments

Measurement

The Organization initially measures its financial assets and liabilities at fair value, except for certain financial instruments arising from transactions with related parties (non-arm's length transactions).

For financial instruments arising from arm's length transactions, the Organization subsequently measures its financial assets and liabilities at amortized cost, except for any investments in equity instruments that are quoted in an active market and certain derivative instruments, which are subsequently measured at fair value. For any arm's length financial instruments subsequently measured at fair value, changes in fair value are recognized in the excess (deficiency) of revenues over expenses for the year.

Financial instruments originated, acquired or assumed in a related party transaction are initially measured based on the nature of the financial instrument and may be either at fair value, cost or the cost of the consideration exchanged for the related party financial instrument, with subsequent measurement based on how the related party financial instrument was initially measured. Related party financial instruments initially measured at fair value include investments in equity instruments quoted in an active market, debt instruments quoted in an active market or when inputs significant to the determination of fair value are observable either directly or indirectly, or derivative contracts. All other related party financial instruments are initially measured at cost.

Transaction costs

For arm's length transactions, transaction costs for financial instruments subsequently measured at cost or amortized cost are added to the cost of the financial instrument; transaction costs for any financial instruments subsequently measured at fair value are expensed when incurred. For non-arm's length transactions, all transaction costs incurred on initial measurement of a related party financial instrument are recognized in the excess (deficiency) of revenues over expenses.

Impairment

For financial assets from both arm's length and non-arm's length transactions, financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment with any impairment losses recognized in the excess (deficiency) of revenues over expenses.

THE MANITOBA CHAMBERS OF COMMERCE

Notes to Financial Statements

Year ended December 31, 2021

2. Basis of accounting and summary of significant accounting policies (continued)

(b) Cash and cash equivalents

Cash and cash equivalents are comprised of bank balances and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Any amounts that the Organization cannot use for current transactions because they are pledged as security or restricted for non-current use are excluded from current assets.

(c) Controlled not-for-profit organizations

The Organization's policy is to not consolidate any controlled not-for-profit organizations therefore provides additional disclosures - see Note 13.

(d) Capital assets

Capital assets are recorded at cost and amortized on the basis of their estimated useful lives using the following rates and methods:

	<u>Rate</u>	<u>Method</u>
Computer hardware	20%	Declining balance
Computer software	100%	Declining balance
Furniture and fixtures	20%	Declining balance
Leasehold improvements	10 years	Straight-line

(e) Impairment of long-lived assets

Capital assets are assessed for impairment when events or conditions indicate that the asset no longer contributes to the Organization's ability to provide goods and services or that the value of future benefits or service potential associated with the asset may be less than its carrying value. An impairment loss is recognized when the carrying value of the asset exceeds its fair value or replacement cost as determined on an asset by asset basis. Any impairment losses are recognized in the excess (deficiency) of revenues over expenses in the period the impairment occurs. Impairment losses are not reversed.

(f) Revenue recognition

The Organization follows the deferral method of accounting for grants and contributions. Externally restricted grants and contributions are deferred and recognized as revenue in the period the related expenses are incurred. Unrestricted grants and contributions are recognized on the accrual basis when the amounts involved are readily determinable and when collection is reasonably assured.

Membership revenues are recognized on the accrual basis in the period to which they relate. Amounts relating to periods of membership that extend beyond the Organization's fiscal year are deferred on the statement of financial position.

Program and event revenues are recognized when the programs or events are presented, when the price is fixed or determinable and when collection is reasonably assured. Amounts received in advance of the events or programs are deferred on the statement of financial position.

Marketing, directory, group insurance and group share revenues are recognized when the price is fixed or determinable and when collection is reasonably assured. Amounts received in advance are deferred on the statement of financial position.

Project management and administrative fees are recognized on the accrual basis in accordance with the terms and conditions of the underlying agreement(s).

COVID-19 project revenue is recognized on the accrual basis in the period in which the services are provided, the price is fixed or determinable and when collection is reasonably assured.

Interest income is recognized on the accrual basis.

THE MANITOBA CHAMBERS OF COMMERCE

Notes to Financial Statements

Year ended December 31, 2021

2. Basis of accounting and summary of significant accounting policies (continued)

(g) Contributed materials and services

Contributed materials and services used in the normal course of operations that would otherwise be purchased are recognized in the financial statements at fair value when fair value can be reasonably estimated, otherwise no amounts are recognized. There are no contributed materials and services recognized in these financial statements for the current or prior year.

(h) Related party transactions

Monetary and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of operations, except when the transaction is an exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount. All other related party transactions are measured at the carrying amount.

(i) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. These estimates are reviewed periodically and adjustments are recognized in the excess (deficiency) of revenues over expenses in the period they become known. Actual results may differ from these estimates.

3. Cash and cash equivalents

	2021	2020
Cash	\$ 403,604	\$ 302,348
Premium investment account	423,754	272,957
	\$ 827,358	\$ 575,305

Amounts held in the premium investment account earn interest at 0.20% (2020 - 0.20%).

4. Accounts receivable

	2021	2020
Memberships and other	\$ 172,922	\$ 125,283
Administrative fees	136,750	39,400
Canada Emergency Wage Subsidy	-	5,891
	\$ 309,672	\$ 170,574

Bad debt expense for the year of \$4,894 (2020 - \$100) represents total impairment losses recognized during the year as there were no significant reversals of previously recognized impairment losses during the current or prior year. The carrying value of impaired accounts receivable at year end is \$Nil (2020 - \$Nil).

THE MANITOBA CHAMBERS OF COMMERCE

Notes to Financial Statements

Year ended December 31, 2021

5. Capital assets

	2021		
	Cost	Accumulated amortization	Net book value
Computer hardware	\$ 37,035	\$ 22,027	\$ 15,008
Computer software	21,960	21,960	-
Furniture and fixtures	41,616	19,306	22,310
Leasehold improvements	25,305	4,492	20,813
	<u>\$ 125,916</u>	<u>\$ 67,785</u>	<u>\$ 58,131</u>

Total amortization expense for the year was \$12,967 (2020 - \$14,230).

	2020		
	Cost	Accumulated amortization	Net book value
Computer hardware	\$ 31,964	\$ 18,908	\$ 13,056
Computer software	21,960	19,685	2,275
Furniture and fixtures	41,616	13,728	27,888
Leasehold improvements	20,632	2,496	18,136
	<u>\$ 116,172</u>	<u>\$ 54,817</u>	<u>\$ 61,355</u>

6. Line of credit

The Organization has a revolving line of credit authorized to a maximum of \$40,000 (2020 - \$40,000) bearing interest at the financial institution's prime rate plus 2.25% (2020 - 2.25%) and is secured by a general security agreement covering all assets of the Organization. As at December 31, 2021, no amounts were outstanding under this available revolving line of credit (2020 - \$Nil).

7. Deferred revenue

	2021	2020
Corporate memberships	\$ 174,224	\$ 159,785
Chamber memberships	21,538	33,339
Programs and events	1,835	7,068
Marketing	1,566	250
	<u>\$ 199,163</u>	<u>\$ 200,442</u>

THE MANITOBA CHAMBERS OF COMMERCE

Notes to Financial Statements

Year ended December 31, 2021

8. Deferred contributions

Deferred contributions at year end relate to externally restricted grants and contributions received or receivable for which the related expenses have not been incurred. Changes in deferred contributions during the year are as follows:

	2021	2020
<i>Community Futures Manitoba Inc. - Churchill Region Economic Development Fund :</i>		
Balance, beginning of year	\$ 49,031	\$ 54,456
Less: Amounts recognized	(15,476)	(5,425)
Less: Amounts returned	(33,555)	-
Balance, end of year	\$ -	\$ 49,031
<i>Province of Manitoba - Economic Development and Training:</i>		
Balance, beginning of year	\$ 6,349	\$ -
Plus: Restricted contributions received or receivable	-	14,657
Less: Amounts recognized	-	(8,308)
Balance, end of year	\$ 6,349	\$ 6,349
<i>Saskatchewan Chamber of Commerce:</i>		
Balance, beginning of year	\$ -	\$ -
Plus: Restricted contributions received or receivable	40,000	-
Less: Amounts recognized	(30,000)	-
Balance, end of year	\$ 10,000	\$ -
<i>Western Economic Diversification Canada:</i>		
Balance, beginning of year	\$ 50,800	\$ -
Plus: Restricted contributions received or receivable	186,200	72,500
Less: Amounts recognized	(237,000)	(21,700)
Balance, end of year	\$ -	\$ 50,800
<i>Province of Manitoba - Sport, Culture and Heritage:</i>		
Balance, beginning of year	\$ -	\$ -
Plus: Restricted contributions received or receivable	22,500	7,500
Less: Amounts recognized	(22,500)	(7,500)
Balance, end of year	\$ -	\$ -
Total deferred contributions at year end	\$ 16,349	\$ 106,180

The total amounts deferred from Community Futures Manitoba Inc. and the Province of Manitoba - Economic Development and Training relates to amounts to be used for the Economic Development Tours program - see also Note 11. The total amounts deferred from the Saskatchewan Chamber of Commerce, Western Economic Diversification Canada and the Province of Manitoba - Sport, Culture and Heritage relates to amounts to be used for various COVID-19 projects with total COVID-19 grants recognized during the year of \$289,500 (2020 - \$41,900).

THE MANITOBA CHAMBERS OF COMMERCE

Notes to Financial Statements

Year ended December 31, 2021

9. Canada Emergency Business Account loan

The Canada Emergency Business Account loan is non-interest bearing with no principal payments required until December 31, 2025, at which time the loan must be repaid in full. If 75% of the initial proceeds of \$40,000, or \$30,000, is repaid prior to December 31, 2023, the remaining 25%, or \$10,000, will be forgiven; otherwise, the principal balance outstanding at December 31, 2023 is automatically converted to a term loan bearing interest at 5% with interest only payable monthly, maturing on December 31, 2025. Principal payments can be made at any time without fees or penalties. During the year ended December 31, 2021, the Organization made principal payments in the amount of \$10,000 (2020 - \$Nil).

10. COVID-19 project revenue

During the year ended December 31, 2021, the Organization recognized COVID-19 project revenue of \$108,447 (2020 - \$Nil) which includes sponsorships and other revenue from organizations related to the COVID-19 pandemic.

11. Economic Development Tours Program

During the year ended December 31, 2018, the Organization entered into an agreement with Community Futures Manitoba Inc. (CFMI) and the Province of Manitoba to manage a series of six economic development tours for individuals and businesses in select communities across Northern Manitoba. The agreement began June 1, 2018 and was originally scheduled to end June 30, 2020. As a result of COVID-19, the agreement was extended to August 31, 2021.

The estimated cost of the six tours was \$427,000, of which CFMI agreed to fund a maximum of \$149,250 and the Province of Manitoba agreed to fund a maximum of \$143,750. The Organization was required to contribute a maximum of \$134,000 generated through sponsorship revenues and registration fees.

The first tour was completed during the year ended December 31, 2018, three tours were completed during the year ended December 31, 2019 with the remaining two tours planned to be completed in the current year. However, as a result of COVID-19, the remaining two tours have been cancelled. No additional funding was received during the year (2020 - \$14,657) and \$15,476 (2020 - \$13,733) has been recognized as revenue in these financial statements. The total costs incurred during the year relating to this program were \$15,476 (2020 - \$13,733) and \$33,555 was returned to the funders as a result of the remaining two tours being cancelled. The remaining amount is included in deferred contributions on the statement of financial position.

12. COVID-19 Relief Programs - Administrative fees

During the years ended December 31, 2020 and December 31, 2021, the Organization entered into various agreements with the Federal Government, the Government of Manitoba and other organizations to administer certain COVID-19 relief programs and earn an administrative fee thereon. Management is of the opinion that the future benefits from any financial contributions resides with the ultimate recipients therefore has not recognized any assets, liabilities, revenue and expenses relating to these programs in the financial statements of the Organization, with the exception of any administrative fees earned thereon.

THE MANITOBA CHAMBERS OF COMMERCE

Notes to Financial Statements

Year ended December 31, 2021

12. COVID-19 Relief Programs - Administrative fees (continued)

During the year ended December 31, 2021, the Organization earned administrative fees from administering the following programs:

	2021	2020
ECE Small Child Care Expansion Fund [see (a) below]	\$ 15,000	\$ 45,000
Dine-in Restaurant Relief Program [see (b) below]	77,500	12,500
Shop Local Initiative [see (d) below]	70,000	-
Tourism Recovery Incentive Program [see (e) below]	70,000	-
Digital Adoption Initiative [see (f) below]	105,000	-
Workforce Development and Skills Initiative [see (g) below]	93,750	-
Emerging Opportunities Local Recovery Initiative [see (h) below]	84,000	-
	<u>\$ 515,250</u>	<u>\$ 57,500</u>

A summary of the various COVID-19 relief programs administered by the Organization during the current and prior years is as follows:

- a) Establish a fund known as the Early Childhood Educators ("ECE") Small Child Care Expansion Fund (the "Fund") which will provide coaching and support as well as grants to qualifying ECEs to purchase equipment or otherwise offset the costs of establishing small child care businesses for a term commencing March 26, 2020 and expiring March 31, 2021. The Government of Manitoba agreed to contribute \$6,000,000 to establish this Fund. As at December 31, 2021, the total amount on deposit relating to this Fund was \$Nil (2020 - \$5,795,445). No amounts relating to this program are included in these financial statements with the exception of administrative fees earned thereon of \$15,000 (2020 - \$45,000).
- b) Establish a Dine-in Restaurant Relief Program to be developed and administered by the Organization in partnership with the Manitoba Restaurant and Foodservices Association (MRFA) which will help offset additional costs related to food delivery services for qualifying restaurants. The agreement commenced November 2, 2020 and was originally scheduled to expire March 31, 2021. The Government of Manitoba extended the program to December 31, 2021 and contributed an additional \$4,000,000 during the year in addition to the original contribution of \$5,000,000 to establish this program, for a total contribution of \$9,000,000 received during the year. As at December 31, 2021, the total amount on deposit relating to this program was \$Nil (2020 - \$Nil). No amounts relating to this program are included in these financial statements with the exception of administrative fees earned thereon of \$77,500 (2020 - \$12,500).
- c) Establish a program to promote and support two Shop Local initiatives in Manitoba being GoodLocal.ca and local chambers of commerce in their 2020 buy local campaign and support businesses for economic re-opening and recovery for a term commencing on November 12, 2020 and expiring on March 31, 2021. During the year ended December 31, 2021, the Government of Manitoba extended the program to September 30, 2021. The Government of Manitoba agreed to contribute \$1,500,000 to establish this program. As at December 31, 2021, the total amount on deposit relating to this program was \$211,966 (2020 - \$1,500,000). No amounts relating to this program are included in these financial statements with the exception of administrative fees earned thereon of \$Nil (2020 - \$Nil). Subsequent to year end, the remaining funds were transferred to the Emerging Opportunities Local Recovery Initiative - see (h) below.

THE MANITOBA CHAMBERS OF COMMERCE

Notes to Financial Statements

Year ended December 31, 2021

12. COVID-19 Relief Programs - Administrative fees (continued)

- d) Establish a program to promote and support existing Shop Local initiatives in Manitoba and local chambers of commerce in their 2021 buy local campaign and support businesses for economic re-opening and recovery for a term commencing on June 8, 2021 and expiring the earlier of completion of the program to the satisfaction of the Government of Canada and December 31, 2022. The Government of Canada has agreed to contribute \$1,100,000 to establish this program. As at December 31, 2021, the total amount on deposit relating to this program was \$264,699 (2020 - \$Nil). No amounts relating to this program are included in these financial statements with the exception of administrative fees earned thereon of \$70,000 (2020 - \$Nil).
 - e) Establish a Tourism Recovery Incentive Program (TRIP) to stimulate and promote tourism throughout Manitoba for a term commencing on April 1, 2021 and expiring on March 31, 2022. Travel Manitoba has agreed to contribute \$2,500,000 to establish this program. As at December 31, 2021, the total amount on deposit relating to this program was \$2,840 (2020 - \$Nil). No amounts relating to this program are included in these financial statements with the exception of administrative fees earned thereon of \$70,000 (2020 - \$Nil).
 - f) Establish a Digital Adoption Initiative, in collaboration with community partners, to provide financial assistance, mentorship and coaching to small businesses throughout Manitoba that need to create or augment their websites and e-commerce platforms for a term commencing April 1, 2021 and expiring on March 31, 2022. The Government of Manitoba has agreed to contribute \$15,000,000 to develop and deliver this initiative. As at December 31, 2021, the total amount on deposit relating to this program was \$13,074,152 (2020 - \$Nil). No amounts relating to this program are included in these financial statements with the exception of administrative fees earned thereon of \$105,000 (2020 - \$Nil).
 - g) Establish a Workforce Development and Skills Initiative that offers training grants to those business sectors that have been most significantly impacted by COVID-19 commencing on April 1, 2021 and expiring on March 31, 2022. The Government of Manitoba has agreed to contribute \$12,500,000 to develop and deliver this initiative. As at December 31, 2021, the total amount on deposit relating to this program was \$5,382,871 (2020 - \$Nil). Pursuant to the agreement with the Government of Manitoba, the Organization has entered into an agreement with Economic Development Winnipeg to manage and deliver this program on behalf of the Organization. No amounts relating to this program are included in these financial statements with the exception of administrative fees earned thereon of \$93,750 (2020 - \$Nil) and a corresponding expense of \$93,750 (2020 - \$Nil) to Economic Development Winnipeg.
 - h) Establish an Emerging Opportunities Local Recovery Initiative to provide financial assistance towards economic recovery projects focusing and strengthening support for both direct-to-consumer and business-to-business opportunities across the Province commencing on April 1, 2021 and expiring on March 31, 2022. The Government of Manitoba has agreed to contribute \$12,000,000 to develop and deliver this initiative. As at December 31, 2021, the total amount on deposit relating to this program was \$10,575,874 (2020 - \$Nil). No amounts relating to this program are included in these financial statements with the exception of administrative fees earned thereon of \$84,000 (2020 - \$Nil).
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THE MANITOBA CHAMBERS OF COMMERCE

Notes to Financial Statements

Year ended December 31, 2021

13. Controlled not-for-profit organization - Additional disclosures

During the year ended December 31, 2019, the Organization entered into an agreement with the Government of Manitoba to administer a fund known as the Manitoba Mineral Development Fund (the "Fund") which will support strategic projects that contribute to sustainable economic growth in Manitoba by capitalizing on mineral potential and other existing assets for an initial three year term expiring on March 31, 2022. This agreement was extended to March 31, 2023.

The Organization administered this Fund until February 20, 2020, at which time MMDF Corporation ("MMDF") was incorporated under *The Canada Not-for-Profit Corporations Act* to administer the Fund pursuant to the agreement with the Government of Manitoba on behalf of the Organization. The Government of Manitoba made an initial contribution of \$20,000,000 to establish this Fund for which separate financial statements are prepared. Management of MMDF is of the opinion that the future benefits from this Fund resides with the ultimate recipients therefore MMDF has not recognized the assets, liabilities, revenue and expenses from this Fund in its financial statements, other than any administrative fees earned from administering the Fund. Any deferred administrative fees included in total liabilities of MMDF that are not expended on eligible expenses by the end of the term must be returned to the Province of Manitoba with the ultimate responsibility being with the Organization pursuant to the agreement.

As the Organization has the authority to appoint the Board of Directors of MMDF and currently the majority of the Board members of MMDF are also Board members or officers of the Organization, MMDF is considered to be controlled by the Organization. MMDF is also exempt from taxes pursuant to the provisions of *The Income Tax Act* (Canada).

Consistent with the Organization's accounting policy for controlled not-for-profit organizations as disclosed per Note 2(c), the accounts of MMDF have not been consolidated in the Organization's financial statements. Summary financial information for MMDF, prepared in accordance with Canadian accounting standards for not-for-profit organizations, as at December 31, 2021 and for the year then ended is as follows:

	2021	2020
Financial position:		
Total assets	\$ 146,922	\$ 236,200
Total liabilities	\$ 146,922	\$ 236,200
Results of operations:		
Total revenue	\$ 310,392	\$ 152,129
Total expenses	310,392	152,129
Excess of revenue over expenses	\$ -	\$ -
Cash flow (used in) from:		
Operating activities	\$ (89,278)	\$ 236,200
(Decrease) increase in cash	\$ (89,278)	\$ 236,200

Pursuant to this agreement, the Organization has recognized management fees of \$25,000 (2020 - \$25,000) from MMDF during the year. Comparative amounts for 2020 are as at December 31, 2020 and for the 315 day period then ended.

THE MANITOBA CHAMBERS OF COMMERCE

Notes to Financial Statements

Year ended December 31, 2021

14. Commitments

The Organization has entered into a premise lease expiring on October 1, 2029. Total approximate annual lease payments pursuant to this lease agreement are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 46,000
2023	45,600
2024	45,600
2025	46,600
2026	49,900
Thereafter	137,200

15. Related party transactions

In addition to related party balances and transactions separately presented or disclosed, included in these financial statements are the following balances and transactions with related parties being a controlled organization and a company controlled by a Director of the Organization:

	2021	2020
Management fees	\$ 25,000	\$ 25,000
Rental income	10,000	9,167
Administration - development	10,000	-
Programs and events expenses - website development	7,589	6,977
COVID-19 project expenses	90,172	-
Accounts receivable	29,763	-

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

16. Non-monetary transactions

The Organization provides memberships to certain of its members in exchange for goods and services that are used in operations. For the current year, management estimates the value of goods and services received in exchange for memberships was approximately \$14,000 (2020 - approximately \$17,000). The revenue and expenses relating to these non-monetary transactions, which have a net impact of \$Nil (2020 - \$Nil) on the statement of operations, have not been recognized in these financial statements.

17. Financial risks and concentrations of risk

Management is of the opinion that the Organization is not exposed to any significant unusual or non-routine liquidity, credit, market, currency, interest rate or other price risks or concentrations of risk resulting from its financial instruments that are not readily determinable from information provided in these financial statements. The carrying value of secured financial liabilities as at year end as well as the approximate carrying value of any assets pledged as security is readily determinable from information provided in these financial statements.

THE MANITOBA CHAMBERS OF COMMERCE

Notes to Financial Statements

Year ended December 31, 2021

18. COVID-19 implications

During March of 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy is unknown. Management is of the opinion that any financial implications will be temporary and will not have a significant long-term impact on the Organization's operations. As at the date of approval of these financial statements, the most significant financial implications to the Organization include decreased program and event revenue and related expenses; however, the Organization also realized income from wage subsidies and recognized grants and project revenue as well as administrative fees from administering various COVID-19 relief programs during the year which are separately presented and/or disclosed in these financial statements.

19. Comparative information

Certain of the amounts for the year ended December 31, 2020 have been reclassified to conform to the financial statement presentation adopted in the current year.

THE MANITOBA CHAMBERS OF COMMERCE

Supplementary Schedule of Economic Development Tours Program

(Unaudited)

Year ended December 31, 2021

Schedule

	2021	2020
Revenue	\$ 15,476	\$ 13,733
Expenses:		
Accommodations	-	116
Marketing	-	6,950
Meals	-	581
Office and administration	24	1,126
Salaries and wages	-	506
Travel	15,452	4,454
	15,476	13,733
Excess of revenue over expenses	\$ -	\$ -



NOMINATING COMMITTEE REPORT FOR 2022-2023

May 06, 2022

Peggy May Chair, Nominating Committee

In my role as immediate past Chair of the Manitoba Chambers of Commerce, I am pleased to present the Manitoba Chambers of Commerce Board of Directors for the year 2022-2023. Joining me on the nominating committee were Beverlie Stuart, Michelle Aitkenhead, Nicole Smith and Paul Holden.

Take notice that in accordance with the by-laws of the Chamber, Paul Provost will become Immediate Past Chair at the expiration of his term at the Annual General Meeting of the Chamber on May 06, 2022.

We are pleased to propose the following individuals as Officers:

Chair	Michelle Kuly
Past Chair	Paul Provost
Vice Chair	Alison Kirkland
Vice Chair	Colin Bartlett
Treasurer	Kevin Ploegman
Secretary	Peggy May
Legal Counsel	Nicole Smith

Take notice that additional candidates for any of these Officers' positions may be nominated from the floor of the Annual General Meeting and in the event that more than one candidate is nominated for any Officer position, an election shall take place. If only one candidate is nominated for a position, that candidate shall be deemed elected by acclamation.

Further take notice that in the event that more than one candidate is nominated for a position, all candidates shall have the opportunity to speak to their candidacy at the Annual General Meeting to be held on May 06, 2022.

We are proposing the following new members to the Board:

James Fehr	RBC Royal Bank
Kate Loewen	Payworks
Karin Pooley	People First HR Services
Luis Escobar	Stantec
Matt Pilloud	MNP LLP

Peggy May
Chair, Nominating Committee
The Manitoba Chambers of Commerce



PROPOSED 2022 – 2023 MCC BOARD OF DIRECTORS

OFFICERS

Chair	Michelle Kuly	Blueprint Inc.
Past Chair	Paul Provost	6P Marketing Inc.
Vice Chair	Alison Kirkland	Women's Enterprise Organizations of Canada
Vice Chair	Colin Bartlett	Rogers Communications Canada Inc.
Treasurer	Kevin Ploegman	Fort Group Chartered Professional Accountants Inc.
Secretary	Peggy May	Southport Aerospace Centre Inc. & Portage la Prairie & District Chamber of Commerce.
Legal Counsel	Nicole Smith	Pitblado Law

DIRECTORS

Mike Boucher	Deloitte
Stephen Chychota	Parkland Chamber of Commerce & CEM Representative
Luis Escobar	Stantec
James Fehr	RBC Royal Bank
Paul Holden	Education Canada Group
Kate Loewen	Payworks
Karly McRae	Lakehouse & Wasagaming Chamber of Commerce
Sachit Mehra	East India Company Pub and Eatery
Matt Pilloud	MNP LLP
Karin Pooley	People First HR Services
Cathy Snelgrove	Siere & Brandon Chamber of Commerce
Scott Sissons	KPMG LLP & The Winnipeg Chamber of Commerce
Beverlie Stuart	Manitoba Institute of Trades and Technology