

Humboldt and District Chamber of Commerce

Financial Statements

For the year ended December 31, 2023

Draft

Independent Practitioner's Review Engagement Report

To the Members of Humboldt and District Chamber of Commerce:

We have reviewed the accompanying financial statements of Humboldt and District Chamber of Commerce that comprise the statement of financial position as at December 31, 2023, the statements of operations and 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 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Humboldt and District Chamber of Commerce as at December 31, 2023, 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.

Chartered Professional Accountants
Humboldt, Saskatchewan

Humboldt and District Chamber of Commerce

Statement of Financial Position

As at December 31, 2023

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 41,850	\$ 149,618
Accounts receivable	6,979	15,850
Short-term investments (note 2)	134,157	100,757
Prepaid expenses	605	-
Total Current Assets	183,591	266,225
Investments in co-operatives	34	34
Tangible capital assets (note 3)	5,848	6,874
Total Assets	\$ 189,473	\$ 273,133
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities (note 4)	\$ 9,534	\$ 14,713
Deferred grants (note 5)	3,745	16,267
Total Current Liabilities	13,279	30,980
Canada Emergency Business Account loan (note 6)	-	40,000
Total Liabilities	13,279	70,980
Unrestricted Net Assets	176,194	202,153
Total Liabilities and Net Assets	\$ 189,473	\$ 273,133

Commitments (note 7)

Approved on Behalf of the Board:

The accompanying notes are an integral part of these financial statements.

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Humboldt and District Chamber of Commerce

Statement of Operations and Changes in Net Assets

For the year ended December 31, 2023

	2023	2022
Revenue		
Memberships	\$ 50,245	\$ 51,683
Group insurance	34,735	30,913
Mark of Excellence awards	27,429	-
Interest and sundry	8,911	3,406
BID contract	7,880	6,642
Grants	2,209	7,162
Meetings and promotions	1,860	-
Other revenue	821	1,376
Fall business showcase and tradeshow	-	18,945
Christmas promotions	-	400
Total revenue	134,090	120,527
Chamber operating expenses		
Salaries and wages	100,878	115,247
Advertising and promotion	27,377	22,353
Office and postage	13,423	14,227
Accounting and legal	4,897	4,664
Utilities	4,312	7,318
Travel, training and seminars	3,826	842
Amortization	2,245	2,656
Interest and bank charges	1,555	2,368
Insurance	1,436	664
Bad debt expense	100	7,841
Repairs and maintenance	-	426
Total Chamber operating expenses	160,049	178,606
Deficiency of revenue over expenses from Chamber operations	(25,959)	(58,079)
Visitor Information Centre and Historical Park Campground operations (Schedule 1)	-	48,130
Deficiency of revenue over expenses from operations	(25,959)	(9,949)
Gains on disposal of Visitor Information Centre and Historical Park Campground assets	-	29,961
Excess (deficiency) of revenue over expenses	(25,959)	20,012
Net assets, beginning of year	202,153	182,141
Net assets, end of year	\$ 176,194	\$ 202,153

The accompanying notes are an integral part of these financial statements.

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Humboldt and District Chamber of Commerce

Statement of Cash Flows

For the year ended December 31, 2023

	2023	2022
Cash flows from operating activities:		
Cash received from operations	\$ 126,043	\$ 191,993
Interest received	4,283	487
Chamber of Commerce cash paid to suppliers and employees	(161,919)	(171,208)
Visitor Information Centre and Historical Park Campground cash paid to suppliers and employees	-	(19,151)
Interest and bank charges	(1,555)	(2,368)
Total cash flows from operating activities	(33,148)	(247)
Cash flows from investing activities:		
Purchase of term deposit	(236,095)	(240,923)
Proceeds on maturity of term deposit	202,695	166,438
Purchase of tangible capital assets	(1,220)	(1,352)
Proceeds from sale of tangible capital assets	-	35,000
Total cash flows from investing activities	(34,620)	(40,837)
Cash flows from financing activities:		
Repayment of Canada Emergency Business Account loan	(40,000)	-
Decrease in cash and cash equivalents	(107,768)	(41,084)
Cash and cash equivalents, beginning of year	149,618	190,702
Cash and cash equivalents, end of year	\$ 41,850	\$ 149,618
Cash and cash equivalents consist of the following:		
Chequing account and cash on hand	\$ 29,892	\$ 98,315
High interest savings account	11,958	51,303
	\$ 41,850	\$ 149,618

The accompanying notes are an integral part of these financial statements.

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Humboldt and District Chamber of Commerce

Notes to Financial Statements

For the year ended December 31, 2023

The Humboldt and District Chamber of Commerce (the "Chamber") was incorporated under the Non-profit Corporations Act of Saskatchewan on August 8, 2000. The Chamber is a member driven organization whose mandate is to foster business development in the City of Humboldt and surrounding district. As a not-for-profit organization, the Chamber is not subject to income tax.

The Chamber also operated the Visitor Information Centre and Historical Park Campground (the "Centre"), as well as a minigolf course, which are owned by the City of Humboldt. The Centre, which included the office space occupied by the Chamber, was under a contract that was renewed annually, and the campground was under a long-term contract through 2022. The City of Humboldt provided an annual operating grant of \$nil (2022 - \$16,000) to support those facilities. This contract was not renewed, and resulted in the Chamber relocating to a new office space.

1. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following policies:

a. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount and useful lives of tangible capital assets, and valuation allowances for receivables. Actual results could differ from those estimates and may have impact on future periods.

b. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and cash on deposit net of outstanding cheques.

c. Short-term investments

Short-term investments consist of term deposits with maturity dates ranging from 91 days to twelve months from the date of acquisition.

d. Financial instruments

The Chamber's financial instruments, consisting of cash and cash equivalents, accounts receivable, short-term investments, investments in co-operatives, accounts payable and accrued liabilities, and Canada Emergency Business Account loan are initially recognized at fair value, and subsequently measured at amortized cost.

e. Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided for using the declining balance method over the estimated useful lives as follows for the major classes of assets:

Office equipment	30%
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Humboldt and District Chamber of Commerce

Notes to Financial Statements

For the year ended December 31, 2023

1. Significant accounting policies (continued)

f. Revenue recognition

The Chamber follows the deferral method of accounting for contributions. Restricted contributions, including grants, are recognized as revenue in the year in which the related expense is incurred. Unrestricted contributions, which consist of Mark of Excellence awards, BID contract, Christmas promotions, meetings and promotions, interest and sundry, camping, minigolf, fall business showcase and tradeshow, and other revenue are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Memberships and group insurance are recognized in the year to which they pertain.

2. Short-term investments

Short-term investments consists of term deposits bearing interest between 4.25% - 4.90% (2022 - 1.10% - 3.48%), maturing from March - September, 2024.

3. Tangible capital assets

Tangible capital assets consist of the following:

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Office equipment	\$ 16,497	\$ (10,649)	\$ 5,848	\$ 6,874

4. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities is \$5,286 (2022 - \$7,542) related to payroll related taxes and withholdings.

5. Deferred grants

Deferred grants consist of the following:

	Mark of Excellence Sponsorship	TEN Project	Saskatchewan Chamber of Commerce	2023 Total	2022 Total
Deferred revenue, beginning of year	\$ 10,875	\$ 825	\$ 4,567	\$ 16,267	\$ 7,846
Grants and revenues received	-	-	-	-	10,875
Revenue recognized	(10,875)	(277)	(1,370)	(12,522)	(2,454)
Deferred revenue, end of year	\$ -	\$ 548	\$ 3,197	\$ 3,745	\$ 16,267

Humboldt and District Chamber of Commerce

Notes to Financial Statements

For the year ended December 31, 2023

6. Canada Emergency Business Account Loan ("CEBA")

The Chamber applied for and received the \$40,000 CEBA loan in the 2020 fiscal year. An additional \$20,000 was applied for and received in the 2021 fiscal year. The loan was provided by the Government of Canada to provide capital to organizations to see them through the current challenges and better position them to return to providing services and creating employment. The loan was unsecured.

The loan was paid back by December 31, 2023 and accordingly, \$20,000 of the loan was forgiven. The forgivable portion of the loan was included in government assistance in prior years.

7. Commitments

The Chamber leases its premises from the City of Humboldt under a long-term operating lease, expiring September 2027. Minimum annual lease payments are as follows:

2024	\$6,909
2025	\$6,909
2026	\$6,909
2027	\$5,182

8. Related party transactions

The Chamber purchased computer equipment for \$nil (2022 - \$600), office supplies for \$nil (2022 - \$1,011), office improvements for \$nil (2022 - \$321), and advertising \$nil (2022 - \$200) from a director's company. These transactions occur 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, and which in management's opinion is comparable to amounts that would have been paid to non-related parties.

9. Financial instrument risks

The Chamber is exposed to the following significant risks through its use of financial instruments:

Credit risk: The Chamber's exposure to credit risk related to accounts receivable and arises from the possibility that a customer does not fulfill its obligations. No individual customer is significant to the Chamber. There has been no change to credit risk from the prior year. The amounts due are from a variety of customers and as such, there is no significant concentration of credit risk.

Liquidity risk: The Chamber's exposure to liquidity risk is dependent on its ability to continue to generate funds to meet commitments and sustain operations. As the Chamber no longer operates the Visitor Information Centre and Historical Park Campground, they will no longer be eligible for the City of Humboldt grant, increasing liquidity risk from the prior year.

Humboldt and District Chamber of Commerce

Schedule 1 - Visitor Information Centre and Historical Park Campground

For the year ended December 31, 2023

	2023	2022
Revenue		
Camping	\$ -	\$ 38,585
City of Humboldt grant	-	16,000
Mini-golf	-	8,273
Summer student grant	-	6,803
Other revenue	-	523
Total revenue	-	70,184
Expenses		
Wages and benefits	-	14,951
Supplies	-	3,324
Utilities	-	2,729
Insurance	-	664
Mini-golf	-	386
Total expenses	-	22,054
Excess of revenues over expenses	\$ -	\$ 48,130

The accompanying notes are an integral part of these financial statements.

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