

**PORT HARDY & DISTRICT CHAMBER OF COMMERCE**

**Financial Statements**

**Year Ended December 31, 2018**

*(Unaudited)*

**PORT HARDY & DISTRICT CHAMBER OF COMMERCE**

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**Year Ended December 31, 2018**

*(Unaudited)*

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**INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT**

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To the Members of Port Hardy & District Chamber of Commerce

I have reviewed the accompanying financial statements of Port Hardy & District Chamber of Commerce that comprise the statement of financial position as at December 31, 2018 and the statements of revenues and expenditures, changes in net assets and cash flow 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**

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me 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, I do not express an audit opinion on these financial statements.

**Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that these financial statements do not present fairly, in all material respects, the financial position of Port Hardy & District Chamber of Commerce as at December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Port Hardy, British Columbia  
April 11, 2019

*Foster + Company*  
CHARTERED PROFESSIONAL ACCOUNTANT

PORT HARDY & DISTRICT CHAMBER OF COMMERCE

Statement of Financial Position

December 31, 2018

(Unaudited)

	2018	2017
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 19,705	\$ 24,170
Term deposits	51,063	50,576
Accounts receivable	250	200
Inventory	7,933	4,700
Goods and services tax recoverable	525	1,052
Prepaid expenses	838	249
	<u>80,314</u>	<u>80,947</u>
TANGIBLE CAPITAL ASSETS (Note 3)	<u>29,340</u>	<u>30,055</u>
	<u>\$ 109,654</u>	<u>\$ 111,002</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 4,090	\$ 5,961
Provincial sales tax payable	1,063	873
Employee deductions payable	5,199	4,162
	<u>10,352</u>	<u>10,996</u>
NET ASSETS	<u>99,302</u>	<u>100,006</u>
	<u>\$ 109,654</u>	<u>\$ 111,002</u>

ON BEHALF OF THE BOARD

  
\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

See notes to financial statements

**PORT HARDY & DISTRICT CHAMBER OF COMMERCE**

**Statement of Revenues and Expenditures**

**Year Ended December 31, 2018**

*(Unaudited)*

	2018	2017
<b>REVENUES</b>		
Grants	\$ 84,250	\$ 80,000
Events and meetings	32,397	20,560
Membership fees	22,069	22,846
Special projects	20,303	25,535
Net sales	10,163	7,427
Commissions	6,278	4,484
Rental revenue	6,120	6,170
Wage subsidies	6,067	28,248
Other revenues	2,420	13,126
	<u>190,067</u>	<u>208,396</u>
<b>EXPENSES</b>		
Salaries and wages	118,224	129,400
Office	19,209	12,507
Community events	12,391	10,946
Membership Meetings	5,666	5,188
Meetings and conventions	5,508	9,252
Accounting fees	4,375	3,920
Telephone	3,796	4,020
Insurance	2,660	4,754
Utilities	2,578	3,591
Business taxes, licences and memberships	2,232	2,419
Repairs and maintenance	1,584	2,301
Interest and bank charges	1,526	1,468
Bad debts	1,183	-
Advertising and promotion	449	7,561
Travel	200	347
	<u>181,581</u>	<u>197,674</u>
<b>EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>8,486</b>	<b>10,722</b>
<b>OTHER ITEMS</b>		
Amortization	(4,441)	(4,734)
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 4,045</b>	<b>\$ 5,988</b>

**PORT HARDY & DISTRICT CHAMBER OF COMMERCE**

**Statement of Changes in Net Assets**

**Year Ended December 31, 2018**

*(Unaudited)*

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	<b>2018</b>	<b>2017</b>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 100,007</b>	<b>\$ 103,519</b>
Special project funding	<b>(4,750)</b>	<b>(9,500)</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>4,045</b>	<b>5,988</b>
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 99,302</b>	<b>\$ 100,007</b>

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See notes to financial statements

**PORT HARDY & DISTRICT CHAMBER OF COMMERCE**

**Statement of Cash Flow**

**Year Ended December 31, 2018**

*(Unaudited)*

	<b>2018</b>	<b>2017</b>
<b>OPERATING ACTIVITIES</b>		
Cash receipts from funders and customers	\$ 188,835	\$ 211,813
Cash paid to suppliers and employees	(179,087)	(193,426)
Amortization	(4,441)	(4,734)
Interest paid	(1,526)	(1,466)
Goods and services tax	528	(2,296)
Provincial sales tax	190	(160)
	<hr/>	<hr/>
Cash flow from operating activities	4,499	9,731
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	(3,727)	(1,399)
<b>OTHER CASH FLOW ITEMS</b>		
Special project funding	(4,750)	(9,500)
<b>DECREASE IN CASH FLOW</b>		
	(3,978)	(1,168)
Cash - beginning of year	74,746	75,914
<b>CASH - END OF YEAR</b>		
	<hr/> <b>\$ 70,768</b>	<hr/> <b>\$ 74,746</b>
<b>CASH CONSISTS OF:</b>		
Cash	\$ 19,705	\$ 24,170
Term deposits	51,063	50,576
	<hr/> <b>\$ 70,768</b>	<hr/> <b>\$ 74,746</b>

# PORT HARDY & DISTRICT CHAMBER OF COMMERCE

## Notes to Financial Statements

Year Ended December 31, 2018

(Unaudited)

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### PURPOSE OF THE CHAMBER

Port Hardy & District Chamber of Commerce (the "organization") is incorporated under the Federal Corporations Act. The organization's principal activity is as a Chamber of Commerce and Visitor Centre to promote business and tourism in the Port Hardy area.

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### *Basis of presentation*

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### *Inventory*

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

#### *Capital assets*

Capital assets are stated at cost or deemed cost less accumulated amortization. Capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates and methods:

Building improvements	30 years	straight-line method
Equipment	10 years	straight-line method
Computer equipment	3 years	straight-line method

The organization regularly reviews its capital assets to eliminate obsolete items. Government grants are treated as a reduction of capital assets cost.

Capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

#### *Financial instruments policy*

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### *Revenue recognition*

The organization recognizes revenues when they are earned, specifically when all the following conditions are met:

- Government grant funding is recognized when received or, in the case of revenue for specific projects, when the project is undertaken;
- Membership fees are recognized when due;
- Retail sales revenue is recognized when the customer takes possession of the item;
- Rental revenue is recognized when the facility is booked

(continues)

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PORT HARDY & DISTRICT CHAMBER OF COMMERCE

Notes to Financial Statements

Year Ended December 31, 2018

(Unaudited)

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

*Measurement uncertainty*

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

*Income taxes*

The organization is exempt from corporate income taxes under section p.149(1)(l), so no provision for income taxes is prepared.

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2. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2018.

Financial liabilities measured at amortized cost totalled \$ 10,352 (2017 - \$ 10,994)

Financial assets measured at amortized cost totalled \$ 71,543 (2017 - \$ 75,998)

*(a) Credit risk*

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers; however, most customers pay by cash or credit card, thereby reducing the organization's credit risk. The organization has a significant number of customers which minimizes concentration of credit risk.

*(b) Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources, and accounts payable.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

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3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Building improvements	\$ 81,979	\$ 55,590	\$ 26,389	\$ 29,122
Equipment	14,565	14,565	-	-
Computer equipment	19,994	17,043	2,951	933
	<u>\$ 116,538</u>	<u>\$ 87,198</u>	<u>\$ 29,340</u>	<u>\$ 30,055</u>

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