

SOUTHEAST ALBERTA CHAMBER OF COMMERCE

Financial Information

For The Year Ended August 31, 2024

SOUTHEAST ALBERTA CHAMBER OF COMMERCE

Financial Statements

For The Year Ended August 31, 2024

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Independent Practitioner's Review Engagement Report

To The Board of Directors

SOUTHEAST ALBERTA CHAMBER OF COMMERCE

We have reviewed the accompanying financial statements of **Southeast Alberta Chamber of Commerce** that comprise the statement of financial position as at August 31, 2024, and the statements of changes in net assets, operations 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 enterprises, 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 **Southeast Alberta Chamber of Commerce** as at August 31, 2024, 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 enterprises.

Johnston Morrison Hunter & Co. Professional Corporation

Johnston Morrison Hunter & Co. Professional Corporation
Chartered Professional Accountants

Medicine Hat, Alberta
November 28, 2024

SOUTHEAST ALBERTA CHAMBER OF COMMERCE

**Statement of Financial Position
August 31, 2024**

(Unaudited)

	2024	2023
	\$	\$
Assets		
Current		
Cash and cash equivalents	134,151	181,484
Short-term investments	330,116	421,367
Accounts receivable (Note 3)	65,118	10,702
Prepaid expenses and other current assets (Note 4)	<u>41,426</u>	<u>35,265</u>
	570,811	648,818
Capital Assets (Note 5)	<u>267,373</u>	<u>293,531</u>
	<u>838,184</u>	<u>942,349</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	32,726	22,496
Goods and services tax payable	944	1,973
Deferred revenue (Note 6)	<u>250,450</u>	<u>228,346</u>
	284,120	252,815
Long-Term Debt	<u>-</u>	<u>60,000</u>
	<u>284,120</u>	<u>312,815</u>
Net Assets		
Invested in Capital Assets	267,373	293,531
Unrestricted	<u>286,691</u>	<u>336,003</u>
	<u>554,064</u>	<u>629,534</u>
	<u>838,184</u>	<u>942,349</u>

Approved by the Board

Director:



Director:



SOUTHEAST ALBERTA CHAMBER OF COMMERCE

**Statement of Changes in Net Assets
 For The Year Ended August 31, 2024**

(Unaudited)

	Invested In Capital Assets	Unrestricted	Total 2024	Total 2023
	\$	\$	\$	\$
Balance , beginning of year	293,531	336,003	629,534	667,577
Deficiency of revenue over expenses for the year	-	(75,470)	(75,470)	(38,043)
Net addition of capital assets	9,718	(9,718)	-	-
Amortization of capital assets	<u>(35,876)</u>	<u>35,876</u>	<u>-</u>	<u>-</u>
Balance , end of year	<u><u>267,373</u></u>	<u><u>286,691</u></u>	<u><u>554,064</u></u>	<u><u>629,534</u></u>

The accompanying notes are an integral part of these financial statements

SOUTHEAST ALBERTA CHAMBER OF COMMERCE

**Statement of Operations
For The Year Ended August 31, 2024**

(Unaudited)

	Direct Revenue	Direct Expenses	2024	2023
	\$	\$	\$	\$
Revenue and Direct Expenses				
Agribusiness	12,205	17,965	(5,760)	(3,701)
Annual general meeting	2,279	8,200	(5,921)	(4,672)
Board	-	32,928	(32,928)	(40,736)
Brooks	9,403	57,508	(48,105)	-
Bow Island	-	-	-	145
Business advocacy	1,000	66,883	(65,883)	(82,030)
Business awards	-	-	-	10,384
Business builders	31,380	44,658	(13,278)	(9,530)
Cluster signs	43,708	3,286	40,422	41,638
Communication	1,090	52,971	(51,881)	(28,643)
Conference	-	12,649	(12,649)	(29,289)
Downtown	24,687	43,409	(18,722)	(18,271)
Membership	262,798	120,520	142,278	130,990
Other events & initiatives	-	4,619	(4,619)	(11,402)
Spring trade show	202,559	149,207	53,352	69,081
Urban development industry	4,520	3,840	680	(1,087)
Other committees	-	8,293	(8,293)	(4,489)
	<u>595,629</u>	<u>626,936</u>	<u>(31,307)</u>	<u>18,388</u>
General and Administrative Expenses				
General and administrative expenses, Schedule "A"			174,252	162,693
Amortization			35,876	41,249
Interest and bank charges			1,809	728
			<u>211,937</u>	<u>204,670</u>
Deficiency of Revenue Over Expenses Before Other Revenue			<u>(243,244)</u>	<u>(186,282)</u>
Other Revenue				
Grants			39,715	13,635
Group insurance			96,490	109,945
Investment income			24,051	14,938
Other administrative revenue			2,518	4,596
Rental			5,000	5,125
			<u>167,774</u>	<u>148,239</u>
Deficiency of Revenue Over Expenses For The Year			<u><u>(75,470)</u></u>	<u><u>(38,043)</u></u>

The accompanying notes are an integral part of these financial statements

SOUTHEAST ALBERTA CHAMBER OF COMMERCE

**Statement of Cash Flows
For The Year Ended August 31, 2024**

(Unaudited)

	2024	2023
	\$	\$
Cash Flows From Operating Activities		
Deficiency of revenue over expenses for the year	(75,470)	(38,043)
Non-Cash Items		
Amortization	<u>35,876</u>	<u>41,249</u>
	(39,594)	3,206
Changes in Non-Cash Working Capital		
Accounts receivable	(54,416)	2,110
Prepaid expenses and other current assets	(6,161)	(18,647)
Accounts payable and accrued liabilities	10,230	(177)
Goods and services tax payable	(1,029)	173
Deferred revenue	<u>22,104</u>	<u>94,599</u>
	<u>(68,866)</u>	<u>81,264</u>
Cash Flows From Investing Activities		
Acquisition of capital assets	(9,718)	-
(Acquisition)/disposal of short-term investments	<u>91,251</u>	<u>(214,701)</u>
	<u>81,533</u>	<u>(214,701)</u>
Cash Flows From Financing Activities		
Payments on long-term debt	<u>(60,000)</u>	<u>-</u>
Cash and Cash Equivalents (Decrease)	(47,333)	(133,437)
Cash and Cash Equivalents, beginning of year	<u>181,484</u>	<u>314,921</u>
Cash and Cash Equivalents, end of year	<u><u>134,151</u></u>	<u><u>181,484</u></u>

Cash and Cash Equivalents Consist of Cash on Hand.

SOUTHEAST ALBERTA CHAMBER OF COMMERCE

**General and Administrative Expenses
 For The Year Ended August 31, 2024**

Schedule "A"

(Unaudited)

	2024	2023
	\$	\$
Dues and memberships	1,161	1,879
Equipment rental	287	251
Honorariums	80	80
Insurance	6,277	6,368
Meetings	1,825	978
Office supplies	3,014	2,960
Merchant charges	-	668
Professional fees	22,877	22,050
Repairs and maintenance	23,091	22,747
Salaries, wages and benefits	97,709	91,313
Telephone, fax and internet	5,719	5,875
Travel and convention	5,733	944
Utilities	<u>6,479</u>	<u>6,580</u>
	<u>174,252</u>	<u>162,693</u>

SOUTHEAST ALBERTA CHAMBER OF COMMERCE

**Notes to the Financial Statements
For The Year Ended August 31, 2024**

(Unaudited)

1. Nature of Operations

The Southeast Alberta Chamber of Commerce ("the Chamber") is an incorporated, non-profit organization, which provides business development, and support services for its members and organizes various events for the business and professional community of Medicine Hat and District. The Chamber is exempt from income taxes under Section 149 of the Income Tax Act.

2. Significant Accounting Policies

Cash and Cash Equivalents

The Chamber's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate from being positive to overdrawn and temporary investments with a maturity period of three months or less from the date of acquisition.

Short-Term Investments

Short-term investments are carried at fair value with any changes in fair value recognized in net income in the year incurred.

Capital Assets

Capital assets are stated at cost less accumulated amortization. Amortization is recorded on a straight-line basis at rates designed to amortize the cost of the capital assets over their estimated useful lives. In the year of acquisition one-half of the normal rate is applied. Amortization rates are as follows:

Buildings	25 years
Parking lot	20 years
Computer equipment	3 years
Computer software	3 years
Furniture and fixtures	10 years
Signs	5 years

Impairment of Long-Lived Assets

The Chamber conducts a review for possible impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying values of specific long-lived assets, or group of assets, may not be recoverable. Impairment of assets arise when the fair value, or the expected undiscounted cash flows from future use or eventual disposition of those assets, is less than the assets' carrying values. Impairment losses, if any, are measured as the amount by which the assets' carrying value exceeds their fair value. Based on its review, management does not believe impairment of long-lived assets has occurred.

SOUTHEAST ALBERTA CHAMBER OF COMMERCE

**Notes to the Financial Statements
For The Year Ended August 31, 2024**

(Unaudited)

2. Significant Accounting Policies (Continued)

Revenue Recognition

Unrestricted contributions are recognized as revenue in the period they are receivable.

Externally restricted non-capital contributions are deferred and are recognized as revenue in the period in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by the contributor.

Externally restricted capital contributions are recorded as deferred capital contributions until the amount is invested in capital assets. Amounts invested in capital assets are then transferred to unamortized expended capital contributions. Unamortized expended capital contributions are taken into income, as a reduction to amortization expense, in the periods that the related funded capital assets are amortized.

Endowment contributions are recognized as direct increases in net assets.

Membership revenue is recognized in the period to which the fees apply.

Amounts received for trade shows and other events are recognized in the period the event is held.

Contributed Materials and Services

Contributed materials and services are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Chamber's operations and would otherwise have been purchased.

Leases

Leases are classified as either capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein, rental payments are expensed as incurred. At the inception of a capital lease, an asset and an obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of such lease.

SOUTHEAST ALBERTA CHAMBER OF COMMERCE

**Notes to the Financial Statements
For The Year Ended August 31, 2024**

(Unaudited)

2. Significant Accounting Policies (Continued)

Measurement of Financial Instruments

The entity initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The entity subsequently measures all its financial assets and financial liabilities at amortized cost.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, deferred revenue, long-term debt, and obligation under capital lease.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The entity recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3. Accounts Receivable

	2024	2023
	\$	\$
Accounts receivable	69,440	12,902
Allowance for doubtful accounts	<u>(4,322)</u>	<u>(2,200)</u>
	<u>65,118</u>	<u>10,702</u>

4. Prepaid Expenses and Other Current Assets

	2024	2023
	\$	\$
Direct expenses	35,321	29,931
Insurance	<u>6,105</u>	<u>5,334</u>
	<u>41,426</u>	<u>35,265</u>

SOUTHEAST ALBERTA CHAMBER OF COMMERCE

**Notes to the Financial Statements
For The Year Ended August 31, 2024**

(Unaudited)

5. Capital Assets

	Cost	Accumulated Amortization	Net Book Value	
			2024	2023
	\$	\$	\$	\$
Land	50,370	-	50,370	50,370
Buildings	351,419	191,456	159,963	174,020
Parking lot	49,460	22,566	26,894	29,367
Computer equipment	76,247	65,742	10,505	17,496
Computer software	18,101	18,101	-	-
Furniture and fixtures	45,794	30,504	15,290	12,820
Signs	<u>71,022</u>	<u>66,671</u>	<u>4,351</u>	<u>9,458</u>
	<u>662,413</u>	<u>395,040</u>	<u>267,373</u>	<u>293,531</u>

6. Deferred Revenue

	2024	2023
	\$	\$
Memberships	107,659	114,873
Trade shows	111,269	83,521
Parking	4,200	3,675
Cluster signs	19,768	20,710
Urban development industry	1,313	1,575
Business builders	252	-
Grants	<u>5,989</u>	<u>3,992</u>
	<u>250,450</u>	<u>228,346</u>

SOUTHEAST ALBERTA CHAMBER OF COMMERCE

**Notes to the Financial Statements
For The Year Ended August 31, 2024**

(Unaudited)

7. Financial Instruments and Risks

The business risks associated with financial instruments are categorized as market (comprised of currency, interest rate, and other price risk), credit and liquidity risks. It is management's opinion that the Chamber is not exposed to significant market (comprised of currency and other price risk), or liquidity risks arising from these financial instruments.

However, the Chamber is exposed to market (consisting of interest rate) and credit risks.

a) Market risk

i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market rates of interest. The Chamber is exposed to interest rate risk because of its short-term investments being incurred at a fixed rate of interest.

b) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Chamber is exposed to credit risk in relation to accounts receivable. The Chamber's accounts receivable result from business development and support services. Concentrations of credit risk with respect to trade receivables are limited as the Chamber performs ongoing credit evaluations of its customers. Based on management's evaluation of potential credit losses, the Chamber believes its allowance for doubtful accounts is adequate.

8. Comparative Figures

The comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.