

**South Surrey and White Rock Chamber of Commerce**  
**Financial Statements**  
*for the year ended December 31, 2017*

# South Surrey and White Rock Chamber of Commerce

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*For the year ended December 31, 2017*

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## Independent Auditors' Report

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To the Board of Directors of South Surrey and White Rock Chamber of Commerce:

We have audited the accompanying financial statements of South Surrey and White Rock Chamber of Commerce, which comprise the statement of financial position as at December 31, 2017, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian 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.

### *Auditors' Responsibility*

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of South Surrey and White Rock Chamber of Commerce as at December 31, 2017 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.

Surrey, British Columbia

May 24, 2018

**MNP LLP**

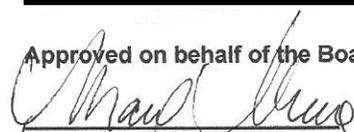
Chartered Professional Accountants

# South Surrey and White Rock Chamber of Commerce

## Statement of Financial Position

*As at December 31, 2017*

	2017	2016
<b>Assets</b>		
<b>Current</b>		
Cash	121,439	119,046
Accounts receivable	672	3,191
Prepaid expenses and deposits	2,044	2,557
	<b>124,155</b>	124,794
<b>Capital assets (Note 3)</b>	<b>4,083</b>	5,285
	<b>128,238</b>	130,079
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 4)	16,790	19,868
Deferred revenue	8,650	7,564
	<b>25,440</b>	27,432
<b>Commitments (Note 5)</b>		
<b>Net Assets</b>		
Unrestricted net assets	98,715	97,362
Investment in capital assets	4,083	5,285
	<b>102,798</b>	102,647
	<b>128,238</b>	130,079

Approved on behalf of the Board  




# South Surrey and White Rock Chamber of Commerce Statement of Operations

*For the year ended December 31, 2017*

	<b>2017</b>	<b>2016</b>
<b>Revenue</b>		
Memberships	94,157	110,871
Member benefit programs	54,546	54,361
Events	42,509	43,459
Civic grants	15,400	15,300
Business Resource Centre	2,801	1,842
	<b>209,413</b>	<b>225,833</b>
<b>Direct expenses</b>		
Events	18,993	16,508
Memberships	5,785	10,876
	<b>24,778</b>	<b>27,384</b>
<b>Excess of revenue over expenses before administrative expenses</b>	<b>184,635</b>	<b>198,449</b>
<b>Administrative Expenses</b>		
Advertising and promotion	3,939	4,933
Amortization	1,202	1,580
Credit card processing fees	3,606	3,678
Dues and memberships	927	1,153
Equipment lease and maintenance	1,925	2,842
Insurance	2,573	2,576
Occupancy	21,782	21,468
Office	18,710	18,450
Professional fees	7,810	6,400
Salaries, wages and benefits	116,101	121,868
Telephone services	1,754	1,503
Transportation	4,155	4,080
	<b>184,484</b>	<b>190,531</b>
<b>Excess of revenue over expenses</b>	<b>151</b>	<b>7,918</b>

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

**South Surrey and White Rock Chamber of Commerce**  
**Statement of Changes in Net Assets**

*For the year ended December 31, 2017*

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	<i>Investment in Capital Assets</i>	<i>Unrestricted Net Assets</i>	<i>2017</i>	<i>2016</i>
<b>Net assets, beginning of year</b>	<b>5,285</b>	<b>97,362</b>	<b>102,647</b>	94,729
<b>Excess (deficiency) of revenue over expenses</b>	<b>(1,202)</b>	<b>1,353</b>	<b>151</b>	7,918
<b>Net assets, end of year</b>	<b>4,083</b>	<b>98,715</b>	<b>102,798</b>	102,647

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

# South Surrey and White Rock Chamber of Commerce

## Statement of Cash Flows

For the year ended December 31, 2017

	2017	2016
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	151	7,918
Amortization	1,202	1,580
	1,353	9,498
Changes in working capital accounts		
Accounts receivable	2,519	(2,042)
Prepaid expenses and deposits	513	(210)
Accounts payable and accruals	(3,078)	4,920
Deferred revenue	1,086	5,458
	2,393	17,624
<b>Increase in cash resources</b>	<b>2,393</b>	<b>17,624</b>
<b>Cash resources, beginning of year</b>	<b>119,046</b>	<b>101,422</b>
<b>Cash resources, end of year</b>	<b>121,439</b>	<b>119,046</b>

The accompanying notes are an integral part of these financial statements

# South Surrey and White Rock Chamber of Commerce

## Notes to the Financial Statements

For the year ended December 31, 2017

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### 1. Incorporation and nature of the organization

South Surrey and White Rock Chamber of Commerce (the "Chamber") was chartered on September 8, 1938 under the Board of Trade Act, Canada as a chamber of commerce and thus is exempt from income taxes under section 149(1)(e) of the Income Tax Act ("the Act"). In order to maintain its status as a chamber of commerce under the Act, the Chamber must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Chamber promotes trade and commerce, and economic, civic and social welfare in the community by creating various programs to support interests of citizens in municipal, provincial and national issues, and to encourage the interchange of information and ideas among members.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

#### **Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Computer equipment	30 %
Furniture and fixtures	20 %

#### **Revenue recognition**

The Chamber follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted investment income is recognized as revenue when earned.

Membership revenue is recognized as revenue when it is received.

Event revenue is recognized as revenue when the event occurs.

Revenue from other sources are recorded when services are provided and collection is reasonably assured.

#### **Measurement uncertainty (use of estimates)**

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 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

# South Surrey and White Rock Chamber of Commerce

## Notes to the Financial Statements

*For the year ended December 31, 2017*

### 2. Significant accounting policies *(Continued from previous page)*

#### **Financial instruments**

The Chamber recognizes its financial instruments when the Chamber becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

At initial recognition, the Chamber may irrevocably elect to subsequently measure any financial instrument at fair value. The Chamber has not made such an election during the year. All financial instruments are subsequently measured at their amortized cost, with transaction costs and financing fees added to the carrying amount for the Chamber's financial instruments.

#### **Financial asset impairment**

The Chamber assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Chamber determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Chamber reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Chamber reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenues over expenses in the year the reversal occurs.

#### **Contributed services**

The Chamber and its members benefit from contributed services in the form of volunteer time for various committees and executive positions. Contributed services are not recorded in the financial statements as their fair value cannot be readily determined.

### 3. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2017 Net book value</i>	<i>2016 Net book value</i>
Computer equipment	6,467	5,453	1,014	1,449
Furniture and fixtures	10,343	7,274	3,069	3,836
	16,810	12,727	4,083	5,285

### 4. Accounts payable and accruals

Included in accounts payable and accruals as at December 31, 2017 is \$835 (2016 - \$1,781) of remittances payable to various government agencies.

# South Surrey and White Rock Chamber of Commerce

## Notes to the Financial Statements

For the year ended December 31, 2017

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### 5. Commitments

The Chamber has entered into various lease agreements with estimated monthly aggregate payments as follows:

2018	21,469
2019	3,109
2020	3,109
2021	2,249
2022	289
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	30,225
	<hr/>

### 6. Financial instruments

The Chamber, as part of its operations, carries a number of financial instruments. It is management's opinion that the Chamber is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

#### **Liquidity risk**

Liquidity risk is the risk that the Chamber will encounter difficulty in meeting obligations associated with financial liabilities. The Chamber enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates.