

MORDEN & DISTRICT CHAMBER OF COMMERCE INC.

Financial Statements

Year Ended December 31, 2023

MORDEN & DISTRICT CHAMBER OF COMMERCE INC.
Index to Financial Statements
Year Ended December 31, 2023

	Page
INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Surplus	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of MORDEN & DISTRICT CHAMBER OF COMMERCE INC.

We have reviewed the accompanying financial statements of MORDEN & DISTRICT CHAMBER OF COMMERCE INC. (the organization) that comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in surplus 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 (ASNPO), 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 MORDEN & DISTRICT CHAMBER OF COMMERCE INC. as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Krahn Friesen Neufeld

Morden, MB
April 11, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

MORDEN & DISTRICT CHAMBER OF COMMERCE INC.

Statement of Financial Position

December 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 99,917	\$ 46,621
Term deposits (Note 5)	-	60,000
Accounts receivable	1,504	7,589
Goods and services tax recoverable	214	-
Prepaid expenses	1,210	-
	<u>102,845</u>	<u>114,210</u>
EQUITY - WINKLER CONSUMERS CO-OP	<u>338</u>	<u>348</u>
	<u>\$ 103,183</u>	<u>\$ 114,558</u>
LIABILITIES AND SURPLUS		
CURRENT		
Accounts payable	\$ 2,359	\$ 2,693
Goods and services tax payable	-	66
Deferred contributions (Note 6)	6,900	15,130
Current portion of long term debt (Note 7)	40,000	40,000
	<u>49,259</u>	<u>57,889</u>
SURPLUS		
Unrestricted	<u>53,924</u>	<u>56,669</u>
	<u>\$ 103,183</u>	<u>\$ 114,558</u>

MORDEN & DISTRICT CHAMBER OF COMMERCE INC.**Statement of Operations
Year Ended December 31, 2023**

	2023	2022
REVENUE		
Fundraising and special events	\$ 58,004	\$ 13,759
Memberships	41,370	41,093
Grants - City of Morden (Note 8)	20,500	20,500
Group insurance	8,327	7,961
Interest income	3,373	217
Patronage dividends	1	26
Farmers market	-	18,693
Grants - Buy Local/Support Local Initiative	-	6,250
Grant - Digital Manitoba Initiative	-	3,783
Canada Emergency Rent Subsidy	-	1,417
	-	-
	<u>131,575</u>	<u>113,699</u>
EXPENSES		
Affiliation	4,012	4,435
Bad debt	1,328	-
Committee meetings	1,711	960
Contract work	-	3,290
Convention and travel	2,897	2,847
Farmers market	-	17,618
Fundraising and special events	31,450	10,909
Insurance	1,413	2,678
Interest and bank charges	391	168
Marketing and promotion	3,670	2,617
Office, postage and stationery supplies	2,861	2,656
Professional fees	5,624	5,360
Rent and utilities	12,000	9,500
Salaries and benefits	62,748	47,343
Telephone and internet	780	583
Website	3,435	3,084
	<u>134,320</u>	<u>114,048</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (2,745)</u>	<u>\$ (349)</u>

MORDEN & DISTRICT CHAMBER OF COMMERCE INC.

Statement of Changes in Surplus

Year Ended December 31, 2023

	<u>2023</u>	<u>2022</u>
SURPLUS - BEGINNING OF YEAR	\$ 56,669	\$ 57,018
Deficiency of revenue over expenses	<u>(2,745)</u>	<u>(349)</u>
SURPLUS - END OF YEAR	\$ 53,924	\$ 56,669

MORDEN & DISTRICT CHAMBER OF COMMERCE INC.**Statement of Cash Flows
Year Ended December 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Cash receipts from customers and fundraising	\$ 105,567	\$ 95,777
Cash received from government entities	20,500	25,700
Cash paid to suppliers and employees	(135,472)	(127,457)
Interest received	3,373	217
Interest paid	(391)	(168)
Goods and services tax	(281)	1,335
	<u>(6,704)</u>	<u>(4,596)</u>
Cash flow used by operating activities		
INVESTING ACTIVITY		
Maturity (purchase) of term deposits	<u>60,000</u>	<u>(60,000)</u>
INCREASE (DECREASE) IN CASH FLOW		
	53,296	(64,596)
Cash - beginning of year	<u>46,621</u>	<u>111,217</u>
CASH - END OF YEAR	<u>\$ 99,917</u>	<u>\$ 46,621</u>

MORDEN & DISTRICT CHAMBER OF COMMERCE INC.

Notes to Financial Statements

Year Ended December 31, 2023

1. DESCRIPTION OF ENTITY

The purpose of the Morden & District Chamber of Commerce Inc. (the "organization") is to undertake an organizing and coordinating role in Morden and district in terms of commercial, tourism and industrial development and civic affairs as it relates to the progress and development of Morden and district. As a not-for profit organization, the organization is tax exempt under the provisions of the Income Tax Act.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). ASNPO are part of Canadian generally accepted accounting principles (GAAP).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The organizations 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.

Membership fees are recognized as revenue in the year in which the membership relates to.

Government grants are recognized as revenue in the year in which the related expenses are incurred.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in treasury bills and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Measurement uncertainty

The preparation of financial statements in conformity with ASNPO 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.

Capital assets

The organization's policy is to expense capital acquisitions in the year of purchase.

(continues)

MORDEN & DISTRICT CHAMBER OF COMMERCE INC.

Notes to Financial Statements

Year Ended December 31, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments policy

The organization carries various financial instruments and measures financial assets and financial liabilities on the balance sheet when they become a party to the contractual provisions of a financial instrument. The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in the fair value of these financial instruments are recognized in net income in the period incurred.

Financial assets measured at amortized cost on a straight-line basis include cash and trade and other receivables.

Financial liabilities measured at amortized cost on a straight-line basis include bank overdrafts and trade accounts payable.

Government assistance

Government assistance towards current expenses, including salaries, are recognized as revenue in the period in which these expenses are incurred, provided there is reasonable assurance that the organization has complied and will continue to comply with all the conditions of the assistance.

4. FINANCIAL INSTRUMENTS

The following analysis provides information about the organization's risk exposure and concentration as of December 31, 2023.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The company is exposed to credit risk from customers. The organization has a significant number of customers which minimizes concentration of credit risk.

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 customers and accounts payable.

5. TERM DEPOSIT

	<u>2023</u>	<u>2022</u>
Royal Bank of Canada - Guaranteed Investment Certificate matured on September 29, 2023 bearing an interest rate of 4.5%.	\$ -	\$ 40,000
Royal Bank of Canada - Guaranteed Investment Certificate matured on March 28, 2023 bearing an interest rate of 4%.	-	20,000
	<u>\$ -</u>	<u>\$ 60,000</u>

MORDEN & DISTRICT CHAMBER OF COMMERCE INC.
Notes to Financial Statements
Year Ended December 31, 2023

6. DEFERRED CONTRIBUTIONS

	2023	2022
Deferred Contributions		
Restricted contributions received	\$ 6,900	\$ 15,130

Deferred contributions represent externally restricted funds received for specific purposes to be spent in future years. Contributions are recognized as revenue when the specified expenditures have been incurred.

7. LONG TERM DEBT

	2023	2022
Government of Canada Emergency Business Account loan bearing no interest or principal payments until January 18, 2024.	\$ 40,000	\$ 40,000
Amounts payable within one year	(40,000)	(40,000)
	\$ -	\$ -

8. GOVERNMENT ASSISTANCE

The organization has received an operating grant from the City of Morden for \$20,500 (2022: \$20,500). There is no contingent requirement for repayment.

All grants were coded directly to income in the current year.

9. RELATED PARTY TRANSACTIONS

The following is a summary of the organization's related party transactions:

	2023	2022
<i>Morden Enrichment Corporation</i>		
Rent and utilities paid	\$ 12,000	\$ 9,500
Office supplies	1,130	615
	13,130	10,115
	\$ 13,130	\$ 10,115

Three individuals with significant influence sit on the board of both the Morden Enrichment Corporation and the organization. There were no amounts owing to the Morden Enrichment Corporation at the end of December 31, 2023 (2022: \$-nil). 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.