

Saskatchewan Chamber of Commerce

Financial Statements

December 31, 2021

Saskatchewan Chamber of Commerce

Financial Statements

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	Page
Independent Auditors' Report	2 - 3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 15



Independent Auditors' Report

To the Members of Saskatchewan Chamber of Commerce

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Saskatchewan Chamber of Commerce, which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

Independent Auditors' Report (continued)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan
April 20, 2022

Berger Cavan Group LLP
Chartered Professional Accountants

Saskatchewan Chamber of Commerce

Statement of Operations

For the year ended December 31	2021	2020
Revenues		
Business memberships	\$ 516,999	\$ 531,794
Chamber group insurance	240,201	231,357
ABEX Awards	193,653	241,157
Federal project revenue (note 3)	154,657	20,401
Member services	105,957	79,583
Indigenous Engagement Charter (note 4)	111,071	134,793
COVID support grants	58,268	202,446
Local chambers memberships	32,928	32,330
Publications	31,486	45,251
Employment / Training grant	17,893	6,250
Commissions	16,845	21,280
Interest income	14,571	18,348
Conference	14,000	-
General administration revenue	6,590	35,052
Political Forum	6,105	38,650
Provincial project revenue	-	12,287
	1,521,224	1,650,979
Expenditures		
ABEX Awards	81,936	145,449
Amortization of equipment	16,733	20,953
Amortization of intangible assets	5,322	5,322
Committees	65,985	17,759
Communication	15,069	53,043
Conference	8,608	2,949
Indigenous Engagement Charter (note 4)	111,071	134,793
Member services	54,077	6,938
Office and administration	82,382	58,592
Political Forum	1,890	19,537
Professional fees	15,370	15,370
Rent	122,595	117,083
Salaries and related benefits	878,610	746,028
Telephone and utilities	14,213	11,218
Travel	12,359	7,025
	1,486,220	1,362,059
Excess of revenues over expenditures	\$ 35,004	\$ 288,920

Saskatchewan Chamber of Commerce

Statement of Changes in Net Assets

	Balance, beginning of year	Excess of revenues over expenditures	2021 Balance, end of year
Internally restricted funds	\$ 300,000	\$ -	\$ 300,000
Unrestricted funds	546,021	35,004	581,025
	\$ 846,021	\$ 35,004	\$ 881,025

	Balance, beginning of year	Excess of revenues over expenditures	2020 Balance, end of year
Internally restricted funds	\$ 300,000	\$ -	\$ 300,000
Unrestricted funds	257,101	288,920	546,021
	\$ 557,101	\$ 288,920	\$ 846,021

Saskatchewan Chamber of Commerce**Statement of Financial Position**

December 31,	2021	2020
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Assets**Current**

Cash	\$ 298,745	\$ 322,338
Short term investments (note 5)	469,442	623,089
Accounts receivable	457,026	224,772
GST receivable	104	3,084
Prepaid expenses	15,428	14,151
Due from related party (note 6)	8,409	5,745

	1,249,154	1,193,179
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Equipment and leaseholds (note 7)

	24,633	41,032
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Intangible asset (note 8)

	2,661	7,983
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	\$ 1,276,448	\$ 1,242,194
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Liabilities**Current**

Accounts payable and accrued liabilities	\$ 69,602	\$ 109,925
Deferred revenue (note 9)	295,821	256,248

	365,423	366,173
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CEBA loan (note 10)

	30,000	30,000
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	395,423	396,173
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Net Assets

Internally restricted funds (note 11)	300,000	300,000
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Unrestricted funds	581,025	546,021
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	881,025	846,021
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	\$ 1,276,448	\$ 1,242,194
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Commitments (note 12)**Non-consolidated controlled entity (note 13)**

Approved on behalf of the board:



Member



Member

Saskatchewan Chamber of Commerce

Statement of Cash Flows

For the year ended December 31	2021	2020
Operating activities		
Cash receipts from customers	\$ 1,277,824	\$ 1,328,942
Cash paid to related parties	(2,664)	2,914
Cash paid to suppliers	(504,088)	(329,633)
Cash paid to employees and equivalents	(962,549)	(841,612)
Interest received	18,218	18,600
	(173,259)	179,211
Financing activity		
Proceeds of CEBA loan	-	30,000
Investing activities		
Maturity of investments	150,000	20,000
Purchase of equipment and leaseholds	(334)	(11,053)
	149,666	8,947
Increase (decrease) in cash	(23,593)	218,158
Cash, beginning of year	322,338	104,180
Cash, end of year	\$ 298,745	\$ 322,338

Non-monetary transactions (Note 14)

Saskatchewan Chamber of Commerce

Notes to the Financial Statements

December 31, 2021

1. Nature of operations

Saskatchewan Chamber of Commerce (the "Chamber") is a not-for-profit organization incorporated under the Non-Profit Corporations Act of Saskatchewan. The Chamber was formed to be the voice of Saskatchewan business, making Saskatchewan a better place to live, work, and invest. The Chamber is not subject to income taxes under the Income Tax Act.

2. Significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Investment income includes dividends and interest income recorded on the accrual basis, as well as realized investment gains and losses and unrealized gains and losses on financial instruments subsequently measured at fair value. Investment income is included in the statement of operations, deferred or reported directly in net assets depending on the nature of any external restrictions imposed on the investment income.

Business and local chamber memberships are recognized as revenue proportionately over the period to which they relate.

(b) Equipment and leaseholds

Equipment and leaseholds are recorded at cost. The organization provides for amortization using the declining balance and straight-line methods at rates designed to amortize the cost of the assets over their estimated useful lives as set out in note 7.

One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal.

(c) Intangible assets

Intangible assets are recorded at cost. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the intangible assets over their estimated useful lives, as set out in note 8.

Saskatchewan Chamber of Commerce

Notes to the Financial Statements

December 31, 2021

2. Significant accounting policies (continued)

(d) Financial instruments

Financial assets originated or acquired or financial liabilities issued or assumed in an arm's length transaction are initially measured at their fair value. In the case of a financial asset or financial liability not subsequently measured at its fair value, the initial fair value is adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Such fees and costs in respect of financial assets and liabilities subsequently measured at fair value are expensed.

Subsequent measurement:

Financial assets measured at amortized cost include cash, accounts receivable, and due from related party.

Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities and CEBA loan.

The Chamber subsequently measures short term investments at fair value, without adjustment for transaction costs and with changes in fair value recognized in operations in the period in which they occur.

At the end of each reporting period, management assesses whether there are any indications that financial assets measured at cost or amortized cost may be impaired. If there is an indication of impairment, management determines whether a significant adverse change has occurred in the expected timing or the amount of future cash flows from the asset, in which case the asset's carrying amount is reduced to the highest expected value that is recoverable by either holding the asset, selling the asset or by exercising the right to any collateral. The carrying amount of the asset is reduced directly or through the use of an allowance account and the amount of the reduction is recognized as an impairment loss in operations. Previously recognized impairment losses may be reversed to the extent of any improvement. The amount of the reversal, to a maximum of the related accumulated impairment charges recorded in respect of the particular asset, is recognized in operations.

(e) 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. The effect of changes in such estimates on the financial statements in future periods could be significant. Account specifically affected by estimates in these financial statements is amortization. All estimates are reviewed periodically and adjustments are made to the statements of operations as appropriate in the year they become known.

Saskatchewan Chamber of Commerce

Notes to the Financial Statements

December 31, 2021

3. Federal project revenue

The Government of Canada contracted the Saskatchewan Chamber of Commerce to assess the impact of COVID-19 on rural labour markets and provide support to communities and companies to integrate Indigenous, immigrant, youth, and women workers into the local workforce. The project was called the Training and Employment Network and was funded by Western Economic Diversification Canada. The project inflows and outflows were as follows:

	2021	2020
Government of Canada funding	\$ 91,966	\$ 132,849
Project implementation - direct material	-	(4,448)
Training	(66,874)	(108,000)
Administrative fee revenue	\$ 25,092	\$ 20,401

The Government of Canada contracted the Saskatchewan Chamber of Commerce to delivery the Shop Local program in Saskatchewan. The program supports awareness-building campaigns that promote customer confidence in local businesses. The project inflows and outflows were as follows:

	2021
Government of Canada funding	\$ 1,154,615
Ultimate recipients	(1,049,950)
Other direct costs	(3,525)
Administrative fee revenue	\$ 101,140

The Canadian Chamber of Commerce contracted the Saskatchewan Chamber of Commerce to ensure COVID-19 rapid testing kits make it to businesses in the community. The project was funded by Health Canada. The project inflows and outflows were as follows:

	2021
Canadian Chamber funding	\$ 278,880
Ultimate recipients	(250,454)
Administrative fee revenue	\$ 28,426

Saskatchewan Chamber of Commerce

Notes to the Financial Statements

December 31, 2021

4. Indigenous Engagement Charter

	2021	2020
Indigenous engagement charter sponsorships	\$ 144,694	\$ 149,237
Administrative costs and wages	(101,247)	(101,295)
Services	(9,824)	(33,498)
Deferred Revenue (note 9)	\$ 33,623	\$ 14,444

5. Short term investment

	Maturity	Interest	2021	2020
Home Bank GIC	05/10/21	3.02	\$ -	\$ 91,765
MCAN GIC	05/10/21	3.05	-	91,782
Equitable Bank GIC	10/05/21	2.96	-	60,423
Access Credit Union GIC	10/06/21	2.45	-	75,433
Access Credit Union GIC	10/06/21	2.60	-	75,331
Conexus GIC	06/01/22	.070	82,335	-
MCAN GIC	06/01/22	1.20	98,686	-
Concentra GIC	06/12/22	3.07	96,614	96,614
Conexus GIC	10/19/22	0.55	60,066	15,064
Home Trust GIC	11/14/22	3.33	15,064	-
VersaBank GIC	11/14/22	3.31	40,170	40,170
Home Trust GIC	05/18/23	3.23	76,507	76,507
			\$ 469,442	\$ 623,089

6. Due from related party

- (a) The Chamber controls the Saskatchewan Chamber of Commerce Foundation (the "Foundation") by virtue of its ability to appoint the Foundation's Board of Directors.

The Chamber and the Saskatchewan Financial Literacy Network were related by virtue of common management. The organization was dissolved during the year.

During the year, the organization entered into transactions with the following related parties:

- (b) Transactions

	2021	2020
Revenue - Administrative fees - Saskatchewan Financial Literacy	\$ -	\$ 16,000

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

Saskatchewan Chamber of Commerce

Notes to the Financial Statements

December 31, 2021

6. Due from related party (continued)

(c) Due from related party

	2021	2020
Due from SK Chamber of Commerce Foundation	\$ 8,409	\$ 5,745

7. Equipment and leaseholds

			2021	2020
	Rate	Cost	Accumulated amortization	Net book value
Furniture and fixtures	20%	\$ 100,005	\$ 81,562	\$ 18,443
Leasehold improvements	20%	8,266	5,290	2,976
Computer equipment	30-55%	50,839	47,625	3,214
		\$ 159,110	\$ 134,477	\$ 24,633
				\$ 41,032

8. Intangible asset

	2021	2020
	Cost	Accumulated amortization
Website	\$ 15,966	\$ 13,305
	\$ 2,661	\$ 7,983

The website is amortized using the straight-line method over three years.

9. Deferred revenue

	2021	2020
Business memberships	\$ 241,781	\$ 219,564
Indigenous Engagement Charter	33,623	14,444
Chamber College grants	5,450	-
Political Forum	5,220	-
Conference sponsorship	5,000	21,500
Advertising sponsorship	3,497	-
Training program registration	1,250	740
	\$ 295,821	\$ 256,248

Saskatchewan Chamber of Commerce

Notes to the Financial Statements

December 31, 2021

10. CEBA loan

The Chamber applied for and received the \$40,000 CEBA loan in the 2020 fiscal year. The loan was provided by the Government of Canada to assist organizations during the pandemic and to position them to return to providing services and creating employment.

The loan is unsecured and interest free to December 31, 2023. When the loan is paid back by December 31, 2023, \$10,000 of the loan is forgiven. Forgivable loans are treated as a grant when received, accordingly, \$10,000 was recognized in income in the prior year. If the loan is not paid back by December 31, 2023 the full \$40,000 loan will be converted to a loan payable over three years with a 5% interest rate.

11. Internally restricted funds

The Board of Directors have internally restricted \$300,000 (2020 - \$300,000) for future operating needs. The amount is not available for other purposes without the approval of the Board of Directors.

12. Commitments

The Chamber has equipment and premises lease commitments that end the latest of June 30, 2025. The annual minimum lease payments are as follows:

	Premises	Equipment
2022	\$ 45,696	\$ 2,964
2023	47,872	2,964
2024	50,048	2,964
2025	25,024	1,482
	\$ 168,640	\$ 10,374

Saskatchewan Chamber of Commerce

Notes to the Financial Statements

December 31, 2021

13. Non-consolidated controlled entity

The Chamber controls the Saskatchewan Chamber of Commerce Foundation. The Foundation performs research and advocates on issues related to economic development and education. The Foundation is incorporated under the Non-Profit Corporations Act of Saskatchewan and is a registered charity under the Income Tax Act. The Chamber appoints the Foundation's Board of Directors.

The Foundation has not been consolidated in the Chamber's financial statements. Financial statements of the Foundation are available upon request. Financial summaries of this unconsolidated entity as at December 31, 2021 and 2020 and for the years then ended are as follows:

Statement of Financial Position

	2021	2020
Total assets	\$ 7,037	\$ 7,037
Total liabilities	\$ 9,909	\$ 8,145
Total net assets	(2,872)	(1,108)
	\$ 7,037	\$ 7,037

Results of Operations

	2021	2020
Total revenues	\$ -	\$ 4,500
Total expenses	1,764	2,570
Deficiency of revenues over expenditures	\$ 1,764	\$ 7,070

Cash Flows

	2021	2020
Cash used in operations	\$ (2,664)	\$ 6,226
Cash from financing	2,664	(500)
Change in cash	\$ -	\$ 5,726

Saskatchewan Chamber of Commerce

Notes to the Financial Statements

December 31, 2021

14. Non-monetary transactions

During the year, the Chamber entered into non-monetary transactions. The non-monetary transactions were valued at the more readily determinable value of the service given up or the service received as part of the exchange. The non-monetary transaction during the year are as follows:

	2021	2020
Harvard Broadcasting	\$ 33,128	\$ 103,647
Prosperity Trucking Ltd.	3,000	-
Sheraton Cavalier Saskatoon	3,000	-
	<u>\$ 39,128</u>	<u>\$ 103,647</u>

The Chamber received contributed services in exchange for a sponsorship at the ABEX awards. These transactions resulted in \$39,128 of ABEX Awards revenue and \$39,128 of ABEX Awards expenses in 2021.

15. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Chamber's exposure to credit risk relates to accounts receivable and arises from the possibility that a debtor does not fulfil its obligations. Management believes this risk is minimized by performing a detailed review of outstanding accounts at least once per year. The Chamber performs continuous evaluation of its financial assets and records impairment in accordance with the stated policy.