

## **Quarterly Report 2<sup>nd</sup> Quarter 2016**



## About the North Hood Canal Chamber of Commerce

The North Hood Canal Chamber of Commerce is a trade name for the Quilcene-Brinnon Chamber of Commerce, a Washington State Nonprofit Corporation. The corporation is recognized by the Internal Revenue Service as a 501(c)(6) Business League.

The mission of the North Hood Canal Chamber of Commerce is “to maintain an environment where businesses can thrive, services can be provided, jobs can be enhanced, and our sense of community can be protected. Through the Chamber of Commerce forum, business owners and community members shall communicate, educate and function as a united entity towards the promotion and preservation of a healthy business community.”

The organization is governed by an elected Board of Directors who set policy. Directors elect Officers from their number to carry out approved policies. Directors and Officers serve without pay in a volunteer capacity.

The Board of Directors retains an Executive Director under contract at a rate of \$1 per year.

## Our Activities and Accomplishments

### Member Activities and Accomplishments

The principal activities of the Chamber are outlined below.

#### Member Meetings

Meetings usually fall on the third Monday of each month, except in summer. Meetings usually have refreshments and are offered to the Membership at no charge. Meetings this quarter included presentations from Kevin Hoult, an Advisor with the Washington Small Business Development Center, Kate Dean, Regional Director, North Olympic Peninsula Resource Conservation & Development

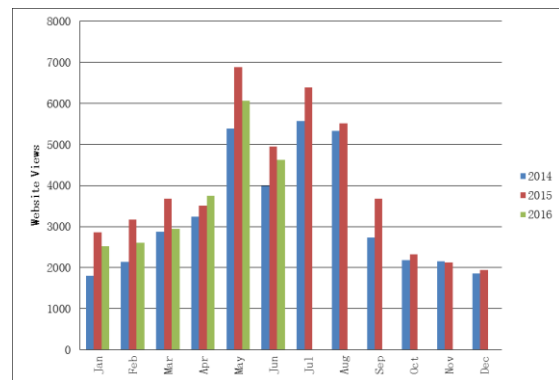
Council, and an interview with Bob Rosen, Manager of the Quilcene Community Center.

#### Social Events

No social events were held during the quarter.

#### Web Site

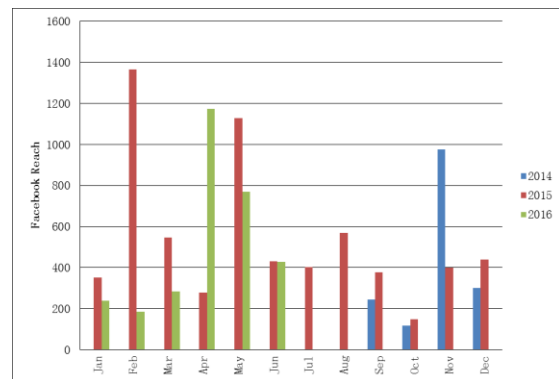
The Chamber maintains a web site to promote its members. It also provides tourist information. Traffic counts on the web site indicate use far beyond those of the membership as shown in the nearby chart. The data generally show a slight decrease over previous years although still trending up month over month.



Website Views For: [www.emeraldtowns.com](http://www.emeraldtowns.com)

#### Facebook

The Chamber also maintains a presence on Facebook. The chart below shows visit trends. The number of visits is obviously erratic.



Facebook Visits



*Electronic Newsletter*

The Chamber publishes an electronic newsletter which is distributed by email to members and other interested parties. The newsletter lists both upcoming member- and tourist-related activities and community events.

*Financing*

Chamber activities are financed by membership dues and by sales of US Government passes and maps. Most government items are sold at a small margin. A few are sold at no markup at all. The Chamber accepts credit cards and the associated merchant discounts affect the bottom line. Accounting adjustments for quantities on hand are made from time to time. So far this year there has been a loss in this area. It is expected that inventories are being built up in anticipation of sales during the more heavily trafficked months.

**Activities and Accomplishments Pursuant to Grant**

The Chamber contracts with Jefferson County to perform certain functions related to tourism in exchange for a grant.

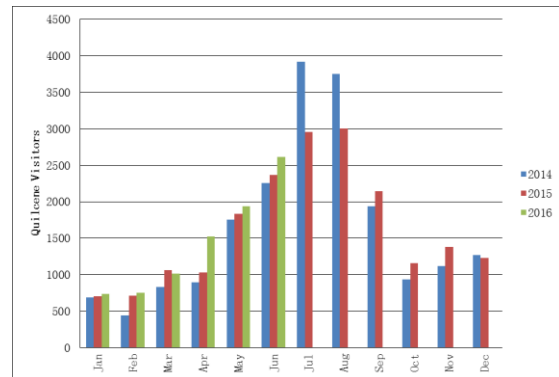
The source of grant funds is Lodging Taxes authorized by the County pursuant to State law. Lodging Taxes are levied on charges for overnight accommodations within the county, remitted to the State and then returned to the County for use, under law, to promote tourism in various ways.

All grant income and disbursements under this agreement are accounted for separately on the books of the Chamber. There is no commingling of funds.

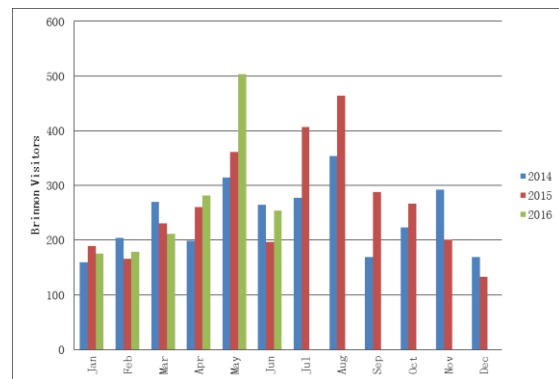
*Visitor Centers*

Pursuant to the grant, the Chamber operates two Visitor Centers, one within the US Forest Service Ranger Station in Quilcene and the other in the Brinnon Community Center.

Visitor counts in the period were generally higher in Quilcene than in previous years as shown in the nearby charts. These charts were based on actual counts of visitors to each center.



*Quilcene Visitors Center*

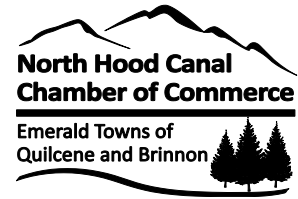


*Brinnon Visitors Center*

The number of visitors who actually signed the guest book was much, much lower. But from that data we find that significant numbers travelled over 50 miles and some two or three percent were from foreign countries. Actual numbers and estimates as required by our contract with the County will be submitted at year end.

*Facility Arrangements*

With respect to facilities within the US Forest Service Ranger station, it should be pointed out that under agreement between the Chamber and the US Forest Service, the Chamber is granted space to conduct Visitor Center operations at no charge. However,



Chamber is obligated to provide Visitor Information at the Ranger Station on weekends and also to provide some limited administrative support for the Ranger Station.

The basic agreement was extended through March of 2016 and additional extensions have yet to be formalized. Informally, the District Ranger and the Office Manager have expressed willingness to continue the arrangement.

### **About the Financial Statements**

Management is responsible for the preparation and fair presentation of financial

statements in accordance with accounting principles generally accepted in the United States of America as understood by management; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The financial statements of the Chamber have not been audited or reviewed by a Certified Public Accountant.

**North Hood Canal Chamber of Commerce**  
**Balance Sheet**  
As of June 30, 2016

	100 Chamber Funds	200 Lodging Tax Funds	TOTAL
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1010 · Chamber Checking 3579			
1011 · Chamber General	22,276.31		22,276.31
<b>Total 1010 · Chamber Checking 3579</b>	<b>22,276.31</b>		<b>22,276.31</b>
1020 · LTAX Checking (Restr) 4167			
1021 · Lodging Tax Checking		19,945.10	19,945.10
<b>Total 1020 · LTAX Checking (Restr) 4167</b>		<b>19,945.10</b>	<b>19,945.10</b>
1040 · Petty cash	20.00		20.00
<b>Total Checking/Savings</b>	<b>22,296.31</b>	<b>19,945.10</b>	<b>42,241.41</b>
Other Current Assets			
1410 · Inventories for sale	2,736.50		2,736.50
<b>Total Other Current Assets</b>	<b>2,736.50</b>		<b>2,736.50</b>
<b>Total Current Assets</b>	<b>25,032.81</b>	<b>19,945.10</b>	<b>44,977.91</b>
Fixed Assets			
1640 · Furniture, fixtures & equip		1,494.54	1,494.54
1745 · Accum depr - furniture & equip		-1,207.09	-1,207.09
<b>Total Fixed Assets</b>		<b>287.45</b>	<b>287.45</b>
<b>TOTAL ASSETS</b>	<b>25,032.81</b>	<b>20,232.55</b>	<b>45,265.36</b>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
Other Current Liabilities			
2059 · Payroll Liabilities		2,390.61	2,390.61
<b>Total Other Current Liabilities</b>		<b>2,390.61</b>	<b>2,390.61</b>
<b>Total Current Liabilities</b>		<b>2,390.61</b>	<b>2,390.61</b>
<b>Total Liabilities</b>		<b>2,390.61</b>	<b>2,390.61</b>
Equity			
3100 · Capital Accounts			
3110 · Unrestricted Net Assets			
3111 · Unrestricted Assets	10,104.44		10,104.44
<b>Total 3110 · Unrestricted Net Assets</b>	<b>10,104.44</b>		<b>10,104.44</b>
3120 · Temp Restricted Net Assets			
3211 · Use-Restricted Assets		10,059.62	10,059.62
<b>Total 3120 · Temp Restricted Net Assets</b>		<b>10,059.62</b>	<b>10,059.62</b>
<b>Total 3100 · Capital Accounts</b>	<b>10,104.44</b>	<b>10,059.62</b>	<b>20,164.06</b>
3900 · Retained Earnings	11,564.84	9,252.12	20,816.96
3910 · Grant Funds Returned		-1,861.74	-1,861.74
Net Income	3,363.53	391.94	3,755.47
<b>Total Equity</b>	<b>25,032.81</b>	<b>17,841.94</b>	<b>42,874.75</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>25,032.81</b>	<b>20,232.55</b>	<b>45,265.36</b>

**North Hood Canal Chamber of Commerce**  
**Statement of Cash Flows**  
 January through June 2016

	Jan - Jun 16
<b>OPERATING ACTIVITIES</b>	
Net Income	3,755.47
Adjustments to reconcile Net Income to net cash provided by operations:	
1110 - Accounts Receivable	400.00
1410 - Inventories for sale	-665.00
2016 - Chamber Credit Card 9151	-41.40
2017 - LTAX Credit Card 9151	-159.24
2059 - Payroll Liabilities	388.36
2351 - Future Dues Billings	-2,485.00
2352 - Future Dues Cancellations	50.00
2355 - Future Advertising Billings	-10.00
Net cash provided by Operating Activities	1,233.19
<b>INVESTING ACTIVITIES</b>	
1745 - Accum depr - furniture & equip	69.06
Net cash provided by Investing Activities	69.06
<b>FINANCING ACTIVITIES</b>	
3910 - Grant Funds Returned	-1,861.74
Net cash provided by Financing Activities	-1,861.74
Net cash increase for period	-559.49
Cash at beginning of period	42,800.90
Cash at end of period	42,241.41

# North Hood Canal Chamber of Commerce Income & Expense for Month and YTD

June 2016

	100 Chamber Funds		200 Lodging Tax Funds		TOTAL	
	Jun 16	Jan - Jun 16	Jun 16	Jan - Jun 16	Jun 16	Jan - Jun 16
Ordinary Income/Expense						
Income						
4 - Contributed Income (Support)						
4540 - Local government grants						
4542 - LTAX Visitor Center Grant				26,175.00		26,175.00
Total 4540 - Local government grants				26,175.00		26,175.00
Total 4 - Contributed Income (Support)				26,175.00		26,175.00
5 - Earned Income (Revenue)						
5210 - Dues, Member						
5211 - Dues, Membership	50.00	2,585.00			50.00	2,585.00
5222 - Dues, Cancellations		-350.00				-350.00
Total 5210 - Dues, Member	50.00	2,235.00			50.00	2,235.00
5310 - Interest on checking/savings	0.95	5.43	0.84	5.71	1.79	11.14
5440 - Gross sales - inventory						
5441 - Sales Federal Govt Items	2,087.20	13,521.00			2,087.20	13,521.00
5448 - Inventory Purchases	-2,800.00	-11,666.00			-2,800.00	-11,666.00
Total 5440 - Gross sales - inventory	-712.80	1,855.00			-712.80	1,855.00
5450 - Advertising revenue		10.00				10.00
Total 5 - Earned Income (Revenue)	-661.85	4,105.43	0.84	5.71	-661.01	4,111.14
Total Income	-661.85	4,105.43	0.84	26,180.71	-661.01	30,286.14
Gross Profit	-661.85	4,105.43	0.84	26,180.71	-661.01	30,286.14
Expense						
7 - Program Services						
7200 - Salaries & related expenses						
7210 - Officers & directors salaries		1.00				1.00
7220 - Salaries & wages			3,202.44	20,464.35	3,202.44	20,464.35
7221 - Payroll Full Year						
Total 7220 - Salaries & wages			3,202.44	20,464.35	3,202.44	20,464.35
7250 - Payroll taxes			277.95	1,833.40	277.95	1,833.40
Total 7200 - Salaries & related expenses		1.00	3,480.39	22,297.75	3,480.39	22,298.75
7500 - Outside services						
7520 - Accounting fees			13.35	645.81	13.35	645.81
Total 7500 - Outside services			13.35	645.81	13.35	645.81
Total 7 - Program Services		1.00	3,493.74	22,943.56	3,493.74	22,944.56
8 - Administrative Expense						
8100 - Nonpersonnel expenses						
8106 - Information technology		182.02		98.25		280.27
8130 - Telephone, Telecom & Internet			106.07	628.50	106.07	628.50
8140 - Postage, shipping, delivery				40.00		40.00
8180 - Books, subscriptions, reference				9.76		9.76
Total 8100 - Nonpersonnel expenses		182.02	106.07	776.51	106.07	958.53
8200 - Facility & equipment expenses						
8270 - Depr & amort - allowable			11.51	69.06	11.51	69.06
Total 8200 - Facility & equipment expenses			11.51	69.06	11.51	69.06
8300 - Travel & meetings expenses						
8310 - Travel				36.72		36.72
Total 8300 - Travel & meetings expenses				36.72		36.72
8500 - Other expenses						
8520 - Insurance		227.08		1,962.92		2,190.00
8591 - Bank charges & credit card disc	97.18	331.80			97.18	331.80
Total 8500 - Other expenses	97.18	558.88		1,962.92	97.18	2,521.80
Total 8 - Administrative Expense	97.18	740.90	117.58	2,845.21	214.76	3,586.11
Total Expense	97.18	741.90	3,611.32	25,788.77	3,708.50	26,530.67
Net Ordinary Income	-759.03	3,363.53	-3,610.48	391.94	-4,369.51	3,755.47
Net Income	<b>-759.03</b>	<b>3,363.53</b>	<b>-3,610.48</b>	<b>391.94</b>	<b>-4,369.51</b>	<b>3,755.47</b>

**North Hood Canal Chamber of Commerce**  
**Income & Expense (YTD Actual vs. Annual Budget)**  
 January through June 2016

	100 Chamber Funds			200 Lodging Tax Funds			TOTAL		
	Jan - Jun 16	Budget	% of Budget	Jan - Jun 16	Budget	% of Budget	Jan - Jun 16	Budget	% of Budget
<b>Ordinary Income/Expense</b>									
<b>Income</b>									
4 · Contributed Income (Support)									
4540 · Local government grants									
4542 · LTAX Visitor Center Grant				26,175.00	52,350.00	50.0%	26,175.00	52,350.00	50.0%
<b>Total 4540 · Local government grants</b>				26,175.00	52,350.00	50.0%	26,175.00	52,350.00	50.0%
<b>Total 4 · Contributed Income (Support)</b>				26,175.00	52,350.00	50.0%	26,175.00	52,350.00	50.0%
5 · Earned Income (Revenue)									
5210 · Dues, Member									
5211 · Dues, Membership	2,585.00	2,500.00	103.4%				2,585.00	2,500.00	103.4%
5222 · Dues, Cancellations	-350.00	-100.00	350.0%				-350.00	-100.00	350.0%
<b>Total 5210 · Dues, Member</b>	2,235.00	2,400.00	93.1%				2,235.00	2,400.00	93.1%
5310 · Interest on checking/savings	5.43	10.00	54.3%	5.71	15.00	38.1%	11.14	25.00	44.6%
5440 · Gross sales - inventory									
5441 · Sales Federal Govt Items	13,521.00	20,000.00	67.6%				13,521.00	20,000.00	67.6%
5448 · Inventory Purchases	-11,666.00	-19,000.00	61.4%				-11,666.00	-19,000.00	61.4%
<b>Total 5440 · Gross sales - inventory</b>	1,855.00	1,000.00	185.5%				1,855.00	1,000.00	185.5%
5450 · Advertising revenue	10.00						10.00		100.0%
<b>Total 5 · Earned Income (Revenue)</b>	4,105.43	3,410.00	120.4%	5.71	15.00	38.1%	4,111.14	3,425.00	120.0%
<b>Total Income</b>	4,105.43	3,410.00	120.4%	26,180.71	52,365.00	50.0%	30,286.14	55,775.00	54.3%
<b>Gross Profit</b>	4,105.43	3,410.00	120.4%	26,180.71	52,365.00	50.0%	30,286.14	55,775.00	54.3%
<b>Expense</b>									
7 · Program Services									
7000 · Grant & program expense									
7060 · Benefits paid to/for members									
7061 · Chamber Mixer		700.00						700.00	
7062 · Chamber Picnic		300.00						300.00	
7063 · Meeting Refresh/Supplies		200.00						200.00	
<b>Total 7060 · Benefits paid to/for members</b>		1,200.00						1,200.00	
<b>Total 7000 · Grant &amp; program expense</b>		1,200.00						1,200.00	
7200 · Salaries & related expenses									
7210 · Officers & directors salaries	1.00	1.00	100.0%				1.00	1.00	100.0%
7220 · Salaries & wages									
7221 · Payroll Full Year				20,464.35	40,800.00	50.2%	20,464.35	40,800.00	50.2%
7225 · Holiday Bonuses					1,025.00			1,025.00	
7226 · Payroll Reserve					1,225.00			1,225.00	
<b>Total 7220 · Salaries &amp; wages</b>				20,464.35	43,050.00	47.5%	20,464.35	43,050.00	47.5%
7250 · Payroll taxes				1,833.40	4,275.00	42.9%	1,833.40	4,275.00	42.9%
<b>Total 7200 · Salaries &amp; related expenses</b>	1.00	1.00	100.0%	22,297.75	47,325.00	47.1%	22,298.75	47,326.00	47.1%
7500 · Outside services									
7520 · Accounting fees				645.81	650.00	99.4%	645.81	650.00	99.4%
<b>Total 7500 · Outside services</b>				645.81	650.00	99.4%	645.81	650.00	99.4%
<b>Total 7 · Program Services</b>	1.00	1,201.00	0.1%	22,943.56	47,975.00	47.8%	22,944.56	49,176.00	46.7%
8 · Administrative Expense									
8100 · Nonpersonnel expenses									
8104 · Office expenses		275.00						275.00	
8106 · Information technology	182.02			98.25	150.00	65.5%	280.27	150.00	186.8%



**North Hood Canal Chamber of Commerce**  
**Income & Expense (YTD Actual vs. Annual Budget)**  
 January through June 2016

	100 Chamber Funds			200 Lodging Tax Funds			TOTAL		
	Jan - Jun 16	Budget	% of Budget	Jan - Jun 16	Budget	% of Budget	Jan - Jun 16	Budget	% of Budget
8110 - Supplies		200.00			250.00			450.00	
8130 - Telephone, Telecom & Internet				628.50	1,300.00	48.3%	628.50	1,300.00	48.3%
8140 - Postage, shipping, delivery		200.00		40.00	50.00	80.0%	40.00	250.00	16.0%
8170 - Printing & copying		50.00						50.00	
8180 - Books, subscriptions, reference				9.76			9.76		100.0%
<b>Total 8100 - Nonpersonnel expenses</b>	<b>182.02</b>	<b>725.00</b>	<b>25.1%</b>	<b>776.51</b>	<b>1,750.00</b>	<b>44.4%</b>	<b>958.53</b>	<b>2,475.00</b>	<b>38.7%</b>
8200 - Facility & equipment expenses									
8270 - Depr & amort - allowable				69.06	140.00	49.3%	69.06	140.00	49.3%
<b>Total 8200 - Facility &amp; equipment expenses</b>				<b>69.06</b>	<b>140.00</b>	<b>49.3%</b>	<b>69.06</b>	<b>140.00</b>	<b>49.3%</b>
8300 - Travel & meetings expenses									
8310 - Travel				36.72			36.72		100.0%
<b>Total 8300 - Travel &amp; meetings expenses</b>				<b>36.72</b>			<b>36.72</b>		<b>100.0%</b>
8500 - Other expenses									
8520 - Insurance	227.08	200.00	113.5%	1,962.92	2,000.00	98.1%	2,190.00	2,200.00	99.5%
8530 - Membership-other organizations					500.00			500.00	
8570 - Advertising and promotion		634.00						634.00	
8591 - Bank charges & credit card disc	331.80	600.00	55.3%				331.80	600.00	55.3%
<b>Total 8500 - Other expenses</b>	<b>558.88</b>	<b>1,434.00</b>	<b>39.0%</b>	<b>1,962.92</b>	<b>2,500.00</b>	<b>78.5%</b>	<b>2,521.80</b>	<b>3,934.00</b>	<b>64.1%</b>
8600 - Business expenses									
8650 - Taxes & licenses - other		50.00						50.00	
<b>Total 8600 - Business expenses</b>		<b>50.00</b>						<b>50.00</b>	
<b>Total 8 - Administrative Expense</b>	<b>740.90</b>	<b>2,209.00</b>	<b>33.5%</b>	<b>2,845.21</b>	<b>4,390.00</b>	<b>64.8%</b>	<b>3,586.11</b>	<b>6,599.00</b>	<b>54.3%</b>
<b>Total Expense</b>	<b>741.90</b>	<b>3,410.00</b>	<b>21.8%</b>	<b>25,788.77</b>	<b>52,365.00</b>	<b>49.2%</b>	<b>26,530.67</b>	<b>55,775.00</b>	<b>47.6%</b>
<b>Net Ordinary Income</b>	<b>3,363.53</b>		<b>100.0%</b>	<b>391.94</b>		<b>100.0%</b>	<b>3,755.47</b>		<b>100.0%</b>
<b>Net Income</b>	<b>3,363.53</b>		<b>100.0%</b>	<b>391.94</b>		<b>100.0%</b>	<b>3,755.47</b>		<b>100.0%</b>