

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2024**

---

---

	Page
INDEPENDENT AUDITOR'S REPORT	3 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Operations and Changes in General Operating Fund	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 12

---

---

## INDEPENDENT AUDITOR'S REPORT

---

---

To the Members of: Greater Kitchener Waterloo Chamber of Commerce

### Opinion

We have audited the accompanying financial statements of Greater Kitchener Waterloo Chamber of Commerce, which comprise the statement of financial position as at June 30, 2024 and the statements of operations and changes in general operating fund and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Greater Kitchener Waterloo Chamber of Commerce as at June 30, 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 organizations.

### Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Greater Kitchener Waterloo Chamber of Commerce 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 a 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.

### Auditor's 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 auditor's 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 judgement 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 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 auditor's 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 auditor's 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.



Kitchener, Ontario  
August 21, 2024


Chartered Professional Accountants  
Licensed Public Accountants

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2024**

	<b>2024</b>	<b>2023</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 497,970	\$ 535,367
Accounts receivable (note 4)	275,450	211,775
Prepaid expenses	<u>18,384</u>	<u>33,981</u>
	791,804	781,123
<b>PROPERTY AND EQUIPMENT</b> (note 5)	<u>506,527</u>	<u>521,817</u>
	<u>\$ 1,298,331</u>	<u>\$ 1,302,940</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 142,318	\$ 179,363
Government remittances payable	23,022	13,613
Deferred revenue (note 6)	705,272	643,023
Bank loan (note 7)	<u>0</u>	<u>40,000</u>
	<u>870,612</u>	<u>875,999</u>
<b>NET ASSETS</b>		
<b>GENERAL OPERATING FUND</b>	384,264	383,486
<b>INTERNALLY RESTRICTED RESERVE FUND</b> (note 9)	<u>43,455</u>	<u>43,455</u>
	<u>427,719</u>	<u>426,941</u>
	<u>\$ 1,298,331</u>	<u>\$ 1,302,940</u>

**APPROVED ON BEHALF OF THE BOARD:**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**STATEMENT OF OPERATIONS AND CHANGES IN GENERAL OPERATING FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>2024</b>	<b>2023</b>
<b>REVENUES</b>		
Membership fees	\$ 639,674	\$ 600,554
Group insurance sponsorship income	226,748	215,521
Non-event sponsorships	53,913	52,975
Miscellaneous income	28,970	44,495
Interest income	<u>9,543</u>	<u>8,360</u>
	958,848	921,905
Committees, events and publications (note 8)	<u>1,266,725</u>	<u>1,210,051</u>
	<u>2,225,573</u>	<u>2,131,956</u>
<b>EXPENDITURES</b>		
Salaries, benefits and commissions	1,231,187	1,185,711
Office services, supplies and promotion	95,090	94,244
Repairs and maintenance	26,391	41,495
Bank charges and interest	25,846	24,648
Conference and travel	25,543	17,989
Communication	24,034	24,603
Property taxes	20,680	21,487
Amortization of property and equipment	16,488	16,264
Insurance	14,277	13,060
Staff development	12,895	16,624
Memberships and organizations	11,611	10,737
Consulting fees	10,306	476
Utilities	5,417	5,061
Volunteer management	4,676	9,632
Postage	4,575	5,206
Printing	<u>835</u>	<u>580</u>
	1,529,851	1,487,817
Committees, events and publications (note 8)	<u>694,944</u>	<u>629,433</u>
	<u>2,224,795</u>	<u>2,117,250</u>
<b>SURPLUS BEFORE LOSS ON REINSTATEMENT OF DEBT</b>	<u>778</u>	<u>14,706</u>
<b>LOSS ON REINSTATEMENT OF DEBT</b> (note 7)	<u>0</u>	<u>(10,000)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES for the year</b>	778	4,706
<b>GENERAL OPERATING FUND, beginning of year</b>	<u>383,486</u>	<u>378,780</u>
<b>GENERAL OPERATING FUND, end of year</b>	<u>\$ 384,264</u>	<u>\$ 383,486</u>

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>2024</b>	<b>2023</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures for the year	\$ 778	\$ 4,706
Items not requiring an outlay of cash		
Amortization of property and equipment	16,488	16,264
Loss on reinstatement of debt	<u>0</u>	<u>10,000</u>
	17,266	30,970
Changes in non-cash working capital		
Accounts receivable	(63,675)	(64,810)
Prepaid expenses	15,597	(21,229)
Accounts payable and accrued liabilities	(37,045)	(91,995)
Government remittances payable	9,409	856
Deferred revenue	<u>62,249</u>	<u>42,186</u>
	<u>3,801</u>	<u>(104,022)</u>
<b>CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>		
Repayment of bank loan	<u>(40,000)</u>	<u>0</u>
<b>CASH USED IN INVESTING ACTIVITIES</b>		
Net additions to property and equipment	<u>(1,198)</u>	<u>(751)</u>
<b>NET DECREASE IN CASH</b>	(37,397)	(104,773)
<b>NET CASH, BEGINNING OF YEAR</b>	<u>535,367</u>	<u>640,140</u>
<b>NET CASH, END OF YEAR</b>	<u>\$ 497,970</u>	<u>\$ 535,367</u>

# GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2024

---

---

### 1. NATURE OF OPERATIONS

The Greater Kitchener Waterloo Chamber of Commerce (the "Chamber") is a not for profit organization incorporated under the laws of Ontario without share capital. The Chamber is exempt from income tax. Its purpose is to serve business in Kitchener, Waterloo and Woolwich and be its voice in the betterment of the community.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations and include the following significant accounting policies:

#### (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 expenditures are incurred. Contributions received before the period in which the related expenditures are recognized are reported as deferred revenue on the statement of financial position. 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 period earned. Membership fees received or receivable that relate to a future period are recorded as deferred revenue on the statement of financial position.

Group insurance sponsorship income is recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenues relating to events occurring in a future period are recorded as other deferred revenue on the statement of financial position.

Funding received relating to the Waterloo Region Immigrant Employment Network (IP of WR) and the Chamber Health Care Recruitment Council (CHCRC) Program are recorded as deferred revenue on the statement of financial position. These funds are recognized as revenue as related expenditures are incurred.

#### (b) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian generally accepted accounting principles for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the year. Significant areas requiring management's estimates include the carrying amounts of property and equipment, the provision for impairment of accounts receivable, accounts payable and accrued liabilities and deferred revenue. Actual results could differ from those estimates.

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

---

---

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

(c) **PROPERTY AND EQUIPMENT**

Property and equipment are recorded at cost and amortized on the basis of their estimated useful life:

Building	- 25	years straight line basis
Outdoor improvements	- 10	years straight line basis
Furniture and fixtures	- 4	years straight line basis
Computer equipment	- 4	years straight line basis
Computer software	- 2	years straight line basis

In accordance with the transitional provisions upon adoption of Canadian accounting standards for not for profit organizations, the Chamber has elected to revalue certain parcels of land acquired before July 1, 2011 to deemed cost, being fair value at the date of transition.

The carrying amount of an item of property and equipment is tested for recoverability when events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

(d) **FINANCIAL INSTRUMENTS**

Measurement of financial instruments

The Chamber initially measures its financial assets and liabilities at fair value. The Chamber subsequently measures all its financial assets and financial liabilities at amortized cost.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. 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 surplus.

Transaction costs

The Chamber recognizes its transaction costs in excess of revenues over expenditures 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.

(e) **CHAMBER HEALTH CARE RECRUITMENT COUNCIL PROGRAM**

The Chamber Health Care Recruitment Council (CHCRC) Program operates to raise funds from the community to finance the recruitment of physicians. The contributions received are to be used only for this program and any unspent funds are recorded as deferred revenue on the statement of financial position.

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

---

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

(f) FUND ACCOUNTING

General operating fund

The general operating fund reports resources available for the Chamber's general operating activities.

Internally restricted reserve fund

The internally restricted reserve fund reports resources that are segregated by the Board for the purpose of capital repairs, replacement, and other improvement-based projects.

**3. FINANCIAL INSTRUMENTS**

Unless otherwise noted, it is management's opinion that the Chamber is not exposed to significant interest, credit, currency, liquidity, or other price risks arising from the financial instruments.

The extent of the Chamber's exposure to these risks did not change in 2024 compared to the previous period.

The Chamber does not have a significant exposure to any individual customer or counterpart.

Transacting in financial instruments exposes the Chamber to certain financial risks and uncertainties. These risks include:

Credit risk

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Chamber is exposed to credit risk which may result from failure to collect accounts receivable. The Chamber assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

Liquidity risk

Liquidity risk is the risk that the Chamber will encounter difficulty in meeting obligations associated with financial liabilities. The Chamber controls liquidity risk by management of working capital, cash flows and the availability of borrowing facilities.

**4. ACCOUNTS RECEIVABLE**

Accounts receivable consist of:

	<b>2024</b>	<b>2023</b>
Members	\$ 175,201	\$ 195,094
Other	<u>103,070</u>	<u>19,147</u>
	278,271	214,241
Less allowance for doubtful accounts	<u>(2,821)</u>	<u>(2,466)</u>
	<u>\$ 275,450</u>	<u>\$ 211,775</u>

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

**5. PROPERTY AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2024</b>	<b>Net 2023</b>
Land	\$ 342,375	\$ 0	\$ 342,375	\$ 342,375
Building	535,224	404,529	130,695	136,636
Outdoor improvements	53,450	23,468	29,982	34,169
Furniture and fixtures	122,741	121,561	1,180	2,359
Computer equipment	271,049	268,754	2,295	6,278
Computer software	<u>96,790</u>	<u>96,790</u>	<u>0</u>	<u>0</u>
	<u>\$ 1,421,629</u>	<u>\$ 915,102</u>	<u>\$ 506,527</u>	<u>\$ 521,817</u>

The Chamber had the land and building value appraised as of May 2013 for the transition to Canadian accounting standards for not for profit organizations. The land and building appraised value was \$700,000.

**6. DEFERRED REVENUE**

Deferred revenue consists of the unexpended portion of revenue received that relates to future periods less related expenditures as follows:

	<b>2024</b>	<b>2023</b>
Balance, beginning of the year	\$ 643,023	\$ 600,837
Plus revenue received during the year	1,968,648	1,852,791
Less amount recognized as revenue during the year	<u>(1,906,399)</u>	<u>(1,810,605)</u>
Balance, end of year	<u>\$ 705,272</u>	<u>\$ 643,023</u>

Deferred revenue is comprised of the following items:

	<b>2024</b>	<b>2023</b>
Deferred revenue - membership fees	\$ 387,418	\$ 358,051
Deferred revenue - events	304,174	284,972
Deferred revenue - CHCRC	<u>13,680</u>	<u>0</u>
	<u>\$ 705,272</u>	<u>\$ 643,023</u>

**7. BANK INDEBTEDNESS**

The Chamber has utilized \$0 (2023 - \$0) of a revolving line of credit with a limit up to a maximum of \$400,000, secured by its land and building. The line of credit is due on demand and bears interest at prime plus 1%. No conditions regarding this loan have been breached at year end and no accrued interest relating to this loan is owing.

Additionally, the organization qualified for a Canada Emergency Business Account loan. Accordingly, \$40,000 was borrowed through this means, with interest at 0% per annum until January 18, 2024. The forgivable portion of \$10,000 was recognized in 2020. The organization was subsequently deemed ineligible for the forgivable portion by Canada Revenue Agency. The \$10,000 was reinstated as payable in 2023. The balance was repaid during the year.

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

---

**8. COMMITTEES, EVENTS AND PUBLICATIONS**

<b>2024</b>	<b>CHCRC</b>	<b>Other</b>	<b>Total</b>
Revenues	\$ 253,805	\$ 1,012,920	\$ 1,266,725
Expenditures	<u>(253,805)</u>	<u>(441,139)</u>	<u>(694,944)</u>
Excess of revenues over expenditures	\$ <u>0</u>	\$ <u>571,781</u>	\$ <u>571,781</u>
<b>2023</b>	<b>CHCRC</b>	<b>Other</b>	<b>Total</b>
Revenues	\$ 144,242	\$ 1,065,809	\$ 1,210,051
Expenditures	<u>(194,468)</u>	<u>(434,965)</u>	<u>(629,433)</u>
Excess (deficit) of revenues over expenditures	\$ <u>(50,226)</u>	\$ <u>630,844</u>	\$ <u>580,618</u>

**9. INTERNALLY RESTRICTED RESERVE FUND**

During the year, the organization transferred \$0 from the internally restricted reserve fund to the general operating fund (2023 - \$0) to cover costs of repairs and improvements to capital within the organization which will assist with enhancing operations.

	<b>2024</b>	<b>2023</b>
Balance, beginning of the year	\$ 43,455	\$ 43,455
Transfer from (to) general operating fund	<u>0</u>	<u>0</u>
Balance, end of year	\$ <u>43,455</u>	\$ <u>43,455</u>