

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**INDEX TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2025**

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	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

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## INDEPENDENT AUDITOR'S REPORT

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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, 2025 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, 2025 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 28, 2025

Chartered Professional Accountants  
Licensed Public Accountants

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2025**

	2025	2024
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 546,918	\$ 497,970
Accounts receivable (note 4)	268,672	275,450
Prepaid expenses	<u>28,831</u>	<u>18,384</u>
	844,421	791,804
<b>PROPERTY AND EQUIPMENT (note 5)</b>	<u>528,124</u>	<u>506,527</u>
	<u>\$ 1,372,545</u>	<u>\$ 1,298,331</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 198,389	\$ 142,318
Government remittances payable	19,127	23,022
Deferred revenue (note 6)	<u>697,700</u>	<u>705,272</u>
	<u>915,216</u>	<u>870,612</u>
<b>NET ASSETS</b>		
<b>GENERAL OPERATING FUND</b>	385,741	384,264
<b>INTERNALLY RESTRICTED RESERVE FUND (note 9)</b>	<u>71,588</u>	<u>43,455</u>
	<u>457,329</u>	<u>427,719</u>
	<u>\$ 1,372,545</u>	<u>\$ 1,298,331</u>

APPROVED ON BEHALF OF THE BOARD:

  
 \_\_\_\_\_ Director

*Mariam Rasool*  
 \_\_\_\_\_ Director

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**STATEMENT OF OPERATIONS AND CHANGES IN GENERAL OPERATING FUND**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>2025</b>	<b>2024</b>
<b>REVENUES</b>		
Membership fees	\$ 730,739	\$ 639,674
Group insurance sponsorship income	230,177	226,748
Miscellaneous income	44,048	28,970
Non-event sponsorships	9,646	53,913
Interest income	<u>6,565</u>	<u>9,543</u>
	1,021,175	958,848
Committees, events and publications (note 8)	<u>1,403,694</u>	<u>1,266,725</u>
	<u>2,424,869</u>	<u>2,225,573</u>
<b>EXPENDITURES</b>		
Salaries, benefits and commissions	1,333,129	1,231,187
Office services, supplies and promotion	98,582	95,090
Repairs and maintenance	45,643	26,391
Bank charges and interest	27,626	25,846
Conference and travel	23,940	25,543
Property taxes	22,985	20,680
Communication	19,083	24,034
Staff development	18,919	12,895
Amortization of property and equipment	18,391	16,488
Insurance	15,589	14,277
Memberships and organizations	10,639	11,611
Utilities	5,881	5,417
Volunteer management	5,175	4,676
Postage	4,550	4,575
Consulting fees	770	10,306
Printing	<u>347</u>	<u>835</u>
	1,651,249	1,529,851
Committees, events and publications (note 8)	<u>744,010</u>	<u>694,944</u>
	<u>2,395,259</u>	<u>2,224,795</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>		
<b>for the year</b>	29,610	778
<b>GENERAL OPERATING FUND, beginning of year</b>	384,264	383,486
<b>TRANSFER TO INTERNALLY RESTRICTED</b>		
<b>RESERVE FUND (note 9)</b>	<u>(28,133)</u>	<u>0</u>
<b>GENERAL OPERATING FUND, end of year</b>	<u>\$ 385,741</u>	<u>\$ 384,264</u>

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

	<b>2025</b>	<b>2024</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures for the year	\$ 29,610	\$ 778
Items not requiring an outlay of cash		
Amortization of property and equipment	<u>18,391</u>	<u>16,488</u>
	48,001	17,266
Changes in non-cash working capital		
Accounts receivable	6,778	(63,675)
Prepaid expenses	(10,447)	15,597
Accounts payable and accrued liabilities	56,071	(37,045)
Government remittances payable	(3,895)	9,409
Deferred revenue	<u>(7,572)</u>	<u>62,249</u>
	<u>88,936</u>	<u>3,801</u>
<b>CASH USED IN FINANCING ACTIVITIES</b>		
Repayment of bank loan	<u>0</u>	<u>(40,000)</u>
<b>CASH USED IN INVESTING ACTIVITIES</b>		
Net additions to property and equipment	<u>(39,988)</u>	<u>(1,198)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	48,948	(37,397)
<b>NET CASH, BEGINNING OF YEAR</b>	<u>497,970</u>	<u>535,367</u>
<b>NET CASH, END OF YEAR</b>	<u>\$ 546,918</u>	<u>\$ 497,970</u>

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**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, 2025**

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**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

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

At the end of each reporting period, the organization assesses whether there are any indications that a financial asset measured at cost or amortized cost may be impaired. If there are indicators of impairment, and the organization determines there has been a significant adverse change in the expected amount or timing of future cash flows, an impairment is recognized. If circumstances change, a previously recognized impairment may be reversed.

Transaction costs

Transaction costs attributable to financial instruments subsequently measured at fair value are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight-line method.

(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, 2025**

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**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 property and equipment 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 2025 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>2025</b>	<b>2024</b>
Members	\$ 224,468	\$ 175,201
Other	<u>51,340</u>	<u>103,070</u>
	275,808	278,271
Less allowance for doubtful accounts	<u>(7,136)</u>	<u>(2,821)</u>
	<u>\$ 268,672</u>	<u>\$ 275,450</u>

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

**5. PROPERTY AND EQUIPMENT**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2025</b>	<b>Net 2024</b>
Land	\$ 342,375	\$ 0	\$ 342,375	\$ 342,375
Building	535,224	410,470	124,754	130,695
Outdoor improvements	84,675	30,852	53,823	29,982
Furniture and fixtures	108,712	108,712	0	1,180
Computer equipment	<u>29,490</u>	<u>22,318</u>	<u>7,172</u>	<u>2,295</u>
	<u>\$ 1,100,476</u>	<u>\$ 572,352</u>	<u>\$ 528,124</u>	<u>\$ 506,527</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>2025</b>	<b>2024</b>
Balance, beginning of the year	\$ 705,272	\$ 643,023
Plus revenue received during the year	2,126,861	1,968,648
Less amount recognized as revenue during the year	<u>(2,134,433)</u>	<u>(1,906,399)</u>
Balance, end of year	<u>\$ 697,700</u>	<u>\$ 705,272</u>

Deferred revenue is comprised of the following items:

	<b>2025</b>	<b>2024</b>
Deferred revenue - membership fees	\$ 344,223	\$ 387,418
Deferred revenue - events	351,096	304,174
Deferred revenue - CHCRC	<u>2,381</u>	<u>13,680</u>
	<u>\$ 697,700</u>	<u>\$ 705,272</u>

**7. BANK INDEBTEDNESS**

The Chamber has utilized \$0 (2024 - \$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.

**GREATER KITCHENER WATERLOO CHAMBER OF COMMERCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2025**

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**8. COMMITTEES, EVENTS AND PUBLICATIONS**

<b>2025</b>	<b>CHCRC</b>	<b>Other</b>	<b>Total</b>
Revenues	\$ 261,212	\$ 1,142,482	\$ 1,403,694
Expenditures	<u>(261,212)</u>	<u>(482,798)</u>	<u>(744,010)</u>
Excess of revenues over expenditures	\$ <u>0</u>	\$ <u>659,684</u>	\$ <u>659,684</u>
<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>

**9. INTERNALLY RESTRICTED RESERVE FUND**

During the year, the organization transferred \$28,133 from the general operating fund to the internally restricted reserve fund to cover costs of future depreciation, repairs and improvements to property and equipment within the organization which will assist with enhancing operations.

	<b>2025</b>	<b>2024</b>
Balance, beginning of the year	\$ 43,455	\$ 43,455
Transfer from (to) general operating fund	<u>28,133</u>	<u>0</u>
Balance, end of year	\$ <u>71,588</u>	\$ <u>43,455</u>