

# **Leadership Waterloo Region**

Financial Statements

And Practitioners' Review Report thereon

**Year ended June 30, 2019**



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## **INDEPENDENT PRACTITIONERS' REVIEW ENGAGEMENT REPORT**

To the Board of Directors of Leadership Waterloo Region

We have reviewed the accompanying financial statements of Leadership Waterloo Region, which comprise the statement of financial position as at June 30, 2019, statement of operations, statement of changes in net assets, statement of cashflows, and notes, comprising 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, 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.

### *Practitioners' 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.



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*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 Leadership Waterloo Region as at June 30, 2019, 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

November 4, 2019

# Leadership Waterloo Region

## Statement of Financial Position

As at June 30, 2019, with comparative information 2018

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	2019	2018
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 9,670	\$ 12,801
Accounts Receivable	5,088	5,330
Prepaid Expenses	1,286	5,286
	<u>\$ 16,044</u>	<u>\$ 23,417</u>
<b>Liabilities and Net Deficit</b>		
<b>Current</b>		
Accounts payable and accrued liabilities – <i>Note 3</i>	\$ 48,880	\$ 6,364
Government remittances payable	4,360	6,466
Deferred contributions – <i>Note 4</i>	6,690	21,471
Loan payable – <i>Note 5</i>	5,000	-
	<u>64,930</u>	<u>34,301</u>
<b>Net Deficit</b>		
Net deficit	<u>(48,886)</u>	<u>(10,884)</u>
	<u>\$ 16,044</u>	<u>\$ 23,417</u>

*See accompanying notes to the financial statements*

# Leadership Waterloo Region

## Statement of Changes in Net Deficit

Year ended June 30, 2019, with comparative information 2018

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	2019	2018
Net Assets (deficit) – beginning of year	\$ (10,884)	\$ 27,276
Deficiency of revenue over expenses	(38,002)	(38,160)
<b>Net Deficit – end of year</b>	<b>\$ (48,886)</b>	<b>\$ (10,884)</b>

*See accompanying notes to the financial statements*

# Leadership Waterloo Region

## Statement of Operations

Year ended June 30, 2019, with comparative information 2018

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	2019	2018
<b>Revenue</b>		
Program fees	\$ 61,750	\$ 61,600
Fundraising and events	94,799	80,911
Grants	92,020	57,980
Donations and memberships	22,925	9,897
Interest	-	194
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	271,494	210,582
<b>Expenses</b>		
Salaries, benefits and employee development	210,375	152,346
Fundraising and events	45,516	39,210
Professional fees	20,311	22,062
Programming	11,376	19,862
Advertising and promotion	6,840	4,125
Office	6,282	3,509
Bank charges	4,066	3,399
Insurance	2,230	2,573
Memberships	1,176	1,023
Board expenses	649	-
Telephone	550	550
Volunteers	125	83
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	309,496	248,742
<b>Deficiency of revenue over expenses</b>	<b>\$ (38,002)</b>	<b>\$ (38,160)</b>

*See accompanying notes to the financial statements*

# Leadership Waterloo Region

## Statement of Cash Flows

Year ended June 30, 2019, with comparative information 2018

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	2019	2018
<b>Cash flows from operating activities</b>		
Cash receipts from grantors, donors and fundraising	\$ 195,208	\$ 130,494
Cash receipts from program fees	61,750	61,600
Cash paid to suppliers and employees	(265,089)	(313,958)
	<hr/>	<hr/>
<b>Cash flows from operating activities</b>	(8,131)	(121,864)
<b>Cash flows from investing activities</b>		
Cash receipts from term deposits	-	81,683
<b>Cash flows from financing activities</b>		
Cash receipts from loan payable	5,000	-
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Net decrease in cash	(3,131)	(40,181)
Cash – beginning of year	12,801	52,982
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<b>Cash – end of year</b>	<b>\$ 9,670</b>	<b>\$ 12,801</b>
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*See accompanying notes to the financial statements*

# Leadership Waterloo Region

Notes to Financial Statements

June 30, 2019

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## 1 Purpose of the Organization

The objective of Leadership Waterloo Region (the “Organization”) is to help prepare participants for the challenges of life-long leadership by building skills and developing awareness for the opportunities for leadership in the Waterloo Region. The Organization was incorporated under the Canada Corporations Act as a non-profit organization and is a registered charity under the Income Tax Act (Canada).

## 2 Summary of Significant Accounting Policies

The financial statements are prepared in accordance with the Chartered Professional Accountants of Canada Handbook Part III- Canadian accounting standards for not-for-profit organizations. The significant accounting policies are as follows:

### Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Under this method of accounting, 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.

Program fees are recognized in the period the program operates. Deferred program fees represent fees received prior to commencement of the program for which they relate.

Fundraising and events are recognized when received in the period the fundraising or event occurs.

Unrestricted grants are recognized when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Grants with a restricted purpose are recognized in the period in which the related expenses are incurred.

Donations and memberships are recognized when received.

Other revenue is recognized in the period earned.

### Capital Assets and Amortization

Expenditures of a capital nature are charged to the statement of operations in the year they are incurred. Capital expenditures include computer equipment and software and furniture and fixtures. During the year, the Organization incurred no expenditures of a capital nature (2018 - \$nil).

# Leadership Waterloo Region

Notes to Financial Statements

June 30, 2019

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## 2 Summary of Significant Accounting Policies (Continued)

### Going Concern

These financial statements have been prepared on a going-concern basis that contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Organization be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Organization's ability to continue as a going concern is dependent upon the community support received through grants, donations and fundraising receipts.

### Contributed Services

Volunteers contribute a significant amount of time each year to assist the Organization in carrying out its mandate. Because of the difficulty of determining their fair value, these contributed services are not recognized in these financial statements.

### Use of Estimates

The preparation of these financial statements, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date.

## 3 Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities as at June 30, 2019 are government remittances of \$4,544 (2018 - \$6,466) relating to payroll taxes and workers' safety insurance.

# Leadership Waterloo Region

Notes to Financial Statements

June 30, 2019

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## 4 Deferred Contributions

Deferred contributions consist of grants and fundraising receipts received for a specific purpose which are unspent at year end. The changes in deferred contributions during the year are as follows:

	2019	2018
Balance, beginning of year	\$ 21,471	\$ 40,000
Contributions received during the year	6,690	34,450
Amounts recognized as revenue	(21,471)	(52,979)
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Balance, end of year	\$ 6,690	\$ 21,471

## 5 Loan Payable

Loan payable to a board member is non-interest bearing, unsecured and has no set repayment terms.

## 6 Financial Risks and Concentration of Credit Risk

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

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Organization is exposed to credit risk with respect to the accounts receivable. The Organization assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. There is no allowance recorded at June 30, 2019 (2018- \$nil).

There have been no significant changes to the above noted risks during the fiscal year.

## 7 Comparative Information

Certain comparative information has been reclassified to conform to the current year's presentation.