

# **Leadership Waterloo Region**

Financial Statements

**June 30, 2017**

# ***Leonard G. Hobson*** ***Professional Corporation***

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## **INDEPENDENT AUDITOR'S REPORT**

To the Directors of  
Leadership Waterloo Region:

We have audited the accompanying financial statements of Leadership Waterloo Region which comprise the statement of financial position as at June 30, 2017, and the statements of operations, changes in fund balances and cash flows for the year then ended, and 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Leadership Waterloo Region as at June 30, 2017, and the results of its operations and changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Leonard G. Hobson, CPA, CA, Professional Corporation  
Authorized to practice public accounting by Chartered Professional Accountants of Ontario

October 23, 2017

# Leadership Waterloo Region

## Statement of Financial Position

As at June 30, 2017

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	2017	2016
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 52,982	\$ 70,755
Short-term investments – <i>Note 3</i>	81,683	81,147
Accounts Receivable	6,371	7,443
Prepaid Expenses	3,625	4,457
	<u>\$ 144,661</u>	<u>\$ 163,802</u>
<b>Liabilities and Fund Balances</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 76,385	\$ 4,744
Government remittances payable	-	2,637
Deferred contributions – grants – <i>Note 4</i>	40,000	45,000
Deferred program and workshop fees	1,000	1,500
	<u>117,385</u>	<u>53,881</u>
<b>Fund Balances</b>		
Unrestricted	<u>27,276</u>	<u>109,921</u>
	<u>\$ 144,661</u>	<u>\$ 163,802</u>

*See accompanying notes*

# Leadership Waterloo Region

## Statement of Changes in Fund Balances

Year ended June 30, 2017

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	2017	2016
<b>Balance – beginning of year</b>	\$ 109,921	\$ 132,122
Excess of revenue over expenses (expenses over revenue)	<u>(82,645)</u>	<u>(22,201)</u>
<b>Balance – end of year</b>	<u>\$ 27,276</u>	<u>\$ 109,921</u>

*See accompanying notes*

# Leadership Waterloo Region

## Statement of Operations

Year ended June 30, 2017

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	2017	2016
<b>Revenue</b>		
Program Fees	\$ 101,850	\$ 108,220
Fundraising and events	99,270	52,182
Donations and memberships	24,455	28,978
Grants	40,000	42,912
Interest	536	753
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	266,111	233,045
<b>Expenses</b>		
Salaries, benefits and employee development	249,111	179,057
Programming	23,036	22,643
Fundraising and events	49,349	22,460
Office	6,084	5,479
Volunteers	1,796	2,839
Bank Charges	3,482	2,330
Rent	1,299	10,140
Telephone	1,832	1,135
Professional fees	8,649	5,083
Memberships	1,076	1,447
Insurance	3,042	2,633
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	348,756	255,246
<b>Excess of revenue over expenses (expenses over revenue)</b>	<hr/> <b>\$ (82,645)</b>	<hr/> <b>\$ (22,201)</b>

*See accompanying notes*

# Leadership Waterloo Region

## Statement of Cash Flows

Year ended June 30, 2017

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	2017	2016
<b>Cash flows from operating activities</b>		
Cash receipts from grantors, donors and fundraising	\$ 158,297	\$ 169,072
Cash receipts from program fees	102,850	109,720
Cash paid to suppliers and employees	(278,920)	(255,983)
	<hr/>	<hr/>
<b>Cash flows from operating activities</b>	(17,773)	22,809
<b>Cash flows from investing activities</b>	-	-
<b>Cash flows from financing activities</b>	-	-
	<hr/>	<hr/>
Net increase (decrease) in cash	(17,773)	22,809
Cash – beginning of year	70,755	47,946
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<b>Cash – end of year</b>	<b>\$ 52,982</b>	<b>\$ 70,755</b>
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*See accompanying notes*

# Leadership Waterloo Region

Notes to Financial Statements

June 30, 2017

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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 Organization follows Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board. The most 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 rateably over the period the program operates. Deferred program fees represent fees received prior to commencement of the program for which they relate.

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 \$1,034 (2016 - \$ nil) in expenditures of a capital nature.

### 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, in conformity with Accounting Standard for Not-For-Profit Organizations, 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.

# Leadership Waterloo Region

Notes to Financial Statements

June 30, 2017

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## 2. Summary of Significant Accounting Policies (Continued)

### 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. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

## 3 Short-Term Investments

The balance of short term investments consists of cashable guaranteed investments certificates bearing interest at 0.75% per annum and mature March 16, 2020.

## 4 Deferred Grants

Deferred contributions consist of grants received which relate to the future years. The changes in deferred contributions during the year are as follows:

	2017	2016
Balance, beginning of year	\$ 45,000	\$ -
Contributions received during the year	40,000	45,000
Amounts recognized as revenue	(45,000)	-
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Balance, end of year	\$ 40,000	\$ 45,000

## 5 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, 2017.

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

# **Leadership Waterloo Region**

Notes to Financial Statements

**June 30, 2017**

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## **6 Capital Disclosures**

The Organization's capital includes its fund balances. The Organization's capital management objectives are to ensure stability of its capital so as to support continued operations, ensure the Organization is able to meet its obligations and generate benefit for stakeholders in the community.

## **7 Comparative Figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.