

**THE PETERBOROUGH AND THE
KAWARTHAS CHAMBER OF COMMERCE**

FINANCIAL STATEMENTS

Year ended December 31, 2024

THE PETERBOROUGH AND THE KAWARTHAS CHAMBER OF COMMERCE

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INDEPENDENT AUDITOR'S REPORT

To the Members of
The Peterborough and the Kawarthas Chamber of Commerce

Opinion

We have audited the financial statements of The Peterborough and the Kawarthas Chamber of Commerce (the "Organization"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2024, 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 (ASNPO).

Basis for 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 Organization 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.

Other Matter

The financial statements of the Organization for the year ended December 31, 2023, were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion on those financial statements dated March 18, 2024.

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 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.

INDEPENDENT AUDITOR'S REPORT, continued

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 judgment 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 the 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.

INDEPENDENT AUDITOR'S REPORT, continued

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.

A handwritten signature in black ink that reads "Ascend". The letter "A" is large and stylized, with a long horizontal stroke that extends under the rest of the word. The word "scend" is written in a cursive, lowercase style.

Ascend LLP, Chartered Professional Accountants, LPA
Bancroft, Ontario
March 25, 2025

THE PETERBOROUGH AND THE KAWARTHAS CHAMBER OF COMMERCE

STATEMENT OF OPERATIONS

Year ended December 31, 2024

	2024	2023
Revenues		
Memberships	\$ 378,239	\$ 363,675
Special events, programs and projects	241,224	246,165
MTO Commissions	158,547	152,321
Service Ontario compensation	108,693	113,198
Group insurance	71,128	72,347
Rental	58,042	68,053
Advertising and publications	41,847	27,689
Digital service squad - funded by OBIAA grant	28,900	114,000
Other revenue	25,906	17,154
Volunteer Peterborough revenue	22,053	20,184
Employment grants	10,409	16,848
	1,144,988	1,211,634
Expenditures		
Salaries and related benefits	728,057	703,084
Office and administration	97,555	85,096
Special events, programs, and projects	90,569	87,486
Occupancy	74,709	75,916
Amortization	46,586	48,266
Professional fees	31,966	10,000
Digital service squad expenses	28,500	114,000
Volunteer Peterborough expense	22,053	20,184
Bad debts	20,250	-
Memberships	18,169	22,648
Advertising and promotion	12,300	14,906
Board meetings, conferences and travel	11,737	10,704
Interest and bank charges	10,830	12,993
Business centre	1,714	1,901
	1,194,995	1,207,184
(Deficiency) excess of revenues over expenditures from operations	(50,007)	4,450
Other income (expense)		
Interest	10,321	10,684
Loss on disposal of tangible capital assets	-	(4,429)
	10,321	6,255
(Deficiency) excess of revenues over expenditures	\$ (39,686)	\$ 10,705

The accompanying notes are an integral part of these financial statements

**THE PETERBOROUGH AND THE KAWARTHAS CHAMBER OF
COMMERCE**
STATEMENT OF CHANGES IN NET ASSETS
Year ended December 31, 2024

	General Fund	Tangible Capital Asset Fund	Total 2024	Total 2023
Net assets, beginning of year	\$ 446,581	\$ 708,926	\$ 1,155,507	\$ 1,144,802
(Deficiency) excess of revenues over expenditures	6,900	(46,586)	(39,686)	10,705
Acquisition of tangible capital assets	(6,878)	6,878	-	-
Net assets, end of year	\$ 446,603	\$ 669,218	\$ 1,115,821	\$ 1,155,507

The accompanying notes are an integral part of these financial statements

THE PETERBOROUGH AND THE KAWARTHAS CHAMBER OF COMMERCE

STATEMENT OF FINANCIAL POSITION

December 31, 2024

	2024	2023
ASSETS		
Current		
Cash	\$ 270,052	\$ 333,872
Short term investments - note 4	215,391	194,190
Accounts receivable	139,266	34,263
Prepaid expenses	17,824	5,760
	642,533	568,085
Tangible capital assets - note 5	669,218	708,926
	\$ 1,311,751	\$ 1,277,011
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liability - note 6	\$ 71,361	\$ 27,595
HST payable	19,887	5,937
Deferred revenue - note 7	104,682	87,972
	195,930	121,504
Unrestricted	446,603	446,581
Internally restricted	669,218	708,926
	1,115,821	1,155,507
	\$ 1,311,751	\$ 1,277,011

On behalf of the board

_____ Member

_____ Member

THE PETERBOROUGH AND THE KAWARTHAS CHAMBER OF COMMERCE

STATEMENT OF CASH FLOWS

Year ended December 31, 2024

	2024	2023
Operating activities		
(Deficiency) excess of revenues over expenditures	\$ (39,686)	\$ 10,705
Adjustments for items which do not affect cash		
Amortization	46,586	48,266
Loss on disposal of tangible capital assets	-	4,429
Accrued interest	(5,391)	-
	1,509	63,400
Change in non-cash working capital items		
Accounts receivable	(105,003)	(4,064)
Prepaid expenses	(12,064)	1,705
Accounts payable and accrued liability	43,766	(19,646)
HST	13,950	-
Deferred revenue	16,710	21,955
	(41,132)	63,350
Financing activity		
Repayment of long-term debt	-	(30,000)
Investing activities		
Purchase of short term investments	(210,000)	(194,190)
Redemption of short term investments	194,190	264,922
Purchase of tangible capital assets	(6,878)	(6,542)
	(22,688)	64,190
(Decrease) increase in cash	(63,820)	97,540
Cash, beginning of year	333,872	236,332
Cash, end of year	\$ 270,052	\$ 333,872

The accompanying notes are an integral part of these financial statements

THE PETERBOROUGH AND THE KAWARTHAS CHAMBER OF COMMERCE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

1. NATURE OF OPERATIONS

The Peterborough and the Kawarthas Chamber of Commerce (the "Organization") is a not-for-profit organization registered under the Board of Trade Act (Canada) that promotes commercial, industrial, agriculture, tourism, and civic welfare of the Greater Peterborough region and eastern region of the Kawartha Lakes District.

The Organization was incorporated without share capital and qualifies as a non-profit organization as defined by the Federal and Ontario Income Tax Acts. Consequently, the Organization is not subject to corporate income taxes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). The significant policies are detailed as follows:

Fund Accounting

The Organization follows the deferral method of fund accounting.

General Fund

The General Fund accounts for current operations and programs as well as the Organization's general operations. Unrestricted contributions and restricted contributions to be used for operations are reported in this fund.

Tangible Capital Assets Fund

The Tangible Capital Assets Fund reports the assets, liabilities, revenue, and expenditures related to the Organization's tangible capital assets.

Contributed services

Volunteers contributed time to assist in the Organization's activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

THE PETERBOROUGH AND THE KAWARTHAS CHAMBER OF COMMERCE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue of the General Fund when received or receivable, the amount to be received can be reasonably estimated, and collection is reasonably assured. Externally and internally restricted contributions related to general operations are recognized as revenue in the year in which the related expenses are incurred.

Externally restricted contributions are recognized as revenue in the Restricted Funds when the conditions of the restriction have been satisfied.

Internally restricted funds are transferred from net assets for specific purposes. Their usages are at discretion of and as approved by the Board of Directors.

Commission revenue is recognized when the service is provided.

Membership revenue is recognized on a straight-line basis over the period that the membership is valid. Member payments received in advance are deferred.

Interest income is recognized as revenue when earned.

Volunteer Peterborough donations and contributions are recognized as revenue in the same period that the expenses occur.

Rental revenue is recognized monthly based on the monthly amount to be received on the rental agreement.

Special event revenue is recognized at the time the event is held. Special event payments received in advance are deferred until the event is held.

Service Ontario revenue is recognized as the compensation is earned.

Group insurance revenue is recognized as the revenue is earned.

Advertising and publication revenue is recognized when the events occur; if payment is received in advance of the event the revenue is deferred.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Significant items subject to estimates and assumptions include:

- Amortization of tangible capital assets; and
- Estimated useful lives of tangible capital assets.

THE PETERBOROUGH AND THE KAWARTHAS CHAMBER OF COMMERCE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Cash equivalents

The Organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and highly liquid temporary investments usually with a maturity period of three months or less from the date of acquisition. Term deposits that the Organization cannot use for current transactions because they are pledged as security are excluded from cash and cash equivalents.

Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of the transaction costs directly attributable to the instrument. Amounts due to and from related parties are measured at the exchange amount, being the amount agreed upon by the related parties.

The Organization subsequently measures its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable, and short term investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liability.

Impairment

For financial assets measured at cost or amortized cost, the Organization determines whether there are indications of possible impairment. When there is an indication of impairment, and the Organization determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in income. A previously recognized impairment loss may be reversed. The carrying amount of the financial asset may not be 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 income.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization and are amortized over their useful lives, using the following methods and rates:

Buildings	5% Declining balance
Furniture and fixtures	20% Declining balance
Computer equipment	30% Declining balance
Computer software	30% Declining balance
Land improvements	5 years Straight-line
Photovoltaic System	20 years Straight-line

THE PETERBOROUGH AND THE KAWARTHAS CHAMBER OF COMMERCE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, continued

Tangible capital assets, continued

The Organization regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Amortization is recognized in the month the tangible capital asset is available for use and until the asset is disposed of or use is discontinued.

3. FINANCIAL INSTRUMENT RISKS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of December 31, 2024:

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is subject to interest rate risk.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate financial instruments subject the Organization to a fair value risk, while the floating-rate financial instruments subject the Organization to a cash flow risk.

(c) Credit risk

The Organization is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Organization does not obtain collateral or other security to support the accounts receivable subject to credit risk but mitigates this risk by dealing only with what management believes to be financially sound counterparties and, accordingly, does not anticipate significant loss for non-performance. An allowance for doubtful accounts is established, when necessary, based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Organization has a significant number of customers which minimizes concentration of credit risk.

THE PETERBOROUGH AND THE KAWARTHAS CHAMBER OF COMMERCE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

3. FINANCIAL INSTRUMENT RISKS, continued

(d) Liquidity risk

Liquidity risk is the risk that the Organization may not have cash available to satisfy financial liabilities as they come due. Management oversees liquidity risk to ensure the Organization has access to enough readily available funds to cover its financial obligations as they become due. The Organization manages liquidity risk by continuously monitoring actual daily cash flows and longer term forecasted cash flows and monitoring the maturity profiles of financial assets and liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its customers, donors and other related sources, accounts payable and accrued liability.

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

4. SHORT TERM INVESTMENTS

Short term investments include guaranteed investment certificates with Scotiabank, maturing between June 2025 and August 2025, bearing interest at rates between 4.25% and 5.25%.

5. TANGIBLE CAPITAL ASSETS

			2024	2023
	Cost	Accumulated amortization	Net Book Value	Net Book Value
Land	\$ 296,014	\$ -	\$ 296,014	\$ 296,014
Buildings	951,164	670,879	280,285	295,037
Furniture and fixtures	50,768	36,954	13,814	8,781
Computer equipment	56,895	38,469	18,426	26,323
Computer software	10,570	7,336	3,234	4,620
Land improvements	113,864	72,272	41,592	59,893
Photovoltaic System	48,090	32,237	15,853	18,258
	\$ 1,527,365	\$ 858,147	\$ 669,218	\$ 708,926

THE PETERBOROUGH AND THE KAWARTHAS CHAMBER OF COMMERCE

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2024

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITY

	2024	2023
Trade payables	\$ 24,810	\$ 4,293
Wages payable	19,575	2,984
Payroll source deductions	13,476	12,818
Accrued liability	13,500	7,500
	\$ 71,361	\$ 27,595

The Organization has three approved credit cards, two with the Toronto Dominion Bank of Canada and one with Scotiabank with a total authorized limit of \$20,000. As at year end, the Organization had \$15,143 (2023 - \$9,063) available for use. The balance owing is included in trade payables.

7. DEFERRED REVENUE

	2024	2023
Memberships	\$ 71,728	\$ 45,530
Event sponsorships	32,954	42,442
	\$ 104,682	\$ 87,972

8. CONTINGENT LIABILITIES

For the purpose of the accompanying financial statements, contingent liabilities have been evaluated by management.

There were no contingent liabilities that would have a material impact on these financial statements.

9. SUBSEQUENT EVENTS

For the purpose of the accompanying financial statements, subsequent events have been evaluated by management.

There were no subsequent events that would have a material impact on these financial statements.

10. CORRESPONDING FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. There was no impact on prior year net assets.