

**KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION**

*(Operating as "Extend-A-Family Waterloo Region")*

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2023**

# KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

*(Operating as "Extend-A-Family Waterloo Region")*

## INDEX TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

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## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors of: Kitchener-Waterloo Extend-A-Family Association

### Opinion

We have audited the accompanying financial statements of Kitchener-Waterloo Extend-A-Family Association, which comprise the statement of financial position as at March 31, 2023 and the statements of changes in net assets, operations 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 Kitchener-Waterloo Extend-A-Family Association as at March 31, 2023 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 Kitchener-Waterloo Extend-A-Family Association 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.

### Predecessor auditor

The financial statements of the organization for the year ended March 31, 2022 were audited by the predecessor auditor who expressed an unqualified opinion on those financial statements on June 27, 2022.

### 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  
June 24, 2023

Chartered Professional Accountants  
Licensed Public Accountants

**KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION***(Operating as "Extend-A-Family Waterloo Region")***STATEMENT OF FINANCIAL POSITION****AS AT MARCH 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,636,685	\$ 1,100,937
Short-term investments (note 4)	1,000,000	700,000
Accounts receivable (note 5)	219,068	45,105
Due from the PassportONE	628,779	870,831
Prepaid expenses	<u>95,323</u>	<u>100,733</u>
	3,579,855	2,817,606
<b>TANGIBLE CAPITAL ASSETS</b> (note 6)	<u>247,158</u>	<u>318,458</u>
	<u><u>\$ 3,827,013</u></u>	<u><u>\$ 3,136,064</u></u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 902,976	\$ 569,783
Due to the Ministry of Children, Community and Social Services	489,106	473,248
Deferred revenue (note 7)	<u>106,351</u>	<u>39,435</u>
	1,498,433	1,082,466
<b>DEFERRED CAPITAL CONTRIBUTIONS</b> (note 8)	<u>53,333</u>	<u>93,333</u>
	<u><u>1,551,766</u></u>	<u><u>1,175,799</u></u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED</b>	898,147	1,133,165
<b>INTERNALLY RESTRICTED</b> (note 2a)	<u>1,377,100</u>	<u>827,100</u>
	<u><u>2,275,247</u></u>	<u><u>1,960,265</u></u>
	<u><u>\$ 3,827,013</u></u>	<u><u>\$ 3,136,064</u></u>

**APPROVED ON BEHALF OF THE BOARD:** Director Director

KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(Operating as "Extend-A-Family Waterloo Region")

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2023

	Unrestricted	Operating (internally restricted) (note 2a)	Training & Education (internally restricted) (note 2a)	Relocation (internally restricted) (note 2a)	Opportunities (internally restricted) (note 2a)	2023	2022
<b>NET ASSETS, beginning of year</b>	\$ 1,133,165	\$ 800,000	\$ 27,100	\$ 0	\$ 0	\$ 1,960,265	\$ 1,749,783
Excess of revenue over expenses for the year	314,982	0	0	0	0	314,982	210,482
Transfers (note 9)	(550,000)	200,000	0	300,000	50,000	0	0
<b>NET ASSETS, end of year</b>	<u>\$ 898,147</u>	<u>\$ 1,000,000</u>	<u>\$ 27,100</u>	<u>\$ 300,000</u>	<u>\$ 50,000</u>	<u>\$ 2,275,247</u>	<u>\$ 1,960,265</u>

See notes to the financial statements

**KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION***(Operating as "Extend-A-Family Waterloo Region")***STATEMENT OF OPERATIONS****FOR THE YEAR ENDED MARCH 31, 2023**

	2023	2022
<b>REVENUE</b>		
Province of Ontario	\$ 9,267,509	\$ 8,516,287
PassportONE	3,739,508	3,770,747
Program billing and fees	344,775	137,360
Home and Community Care Support Services	315,661	267,672
Donations and fundraising (note 10)	213,280	116,558
Amortization of deferred capital contributions (note 8)	40,000	40,000
Investment income	31,430	3,813
Other funding	3,315	169
	<u>13,955,478</u>	<u>12,852,606</u>
<b>EXPENSES</b>		
Direct families and programs	8,327,258	7,716,857
Salaries, wages and benefits	4,482,003	4,100,670
Consulting and professional fees	179,225	189,378
Indirect families and programs	160,860	154,608
Occupancy costs	146,147	156,931
Amortization	131,013	144,629
Staff training and travel	88,771	46,652
Office	88,421	103,646
Computer related expenses	35,325	18,391
Fundraising	800	1,858
Other	673	8,504
	<u>13,640,496</u>	<u>12,642,124</u>
<b>EXCESS OF REVENUE OVER EXPENSES for the year</b>	<u>\$ 314,982</u>	<u>\$ 210,482</u>

**KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION**

*(Operating as "Extend-A-Family Waterloo Region")*

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED MARCH 31, 2023**

	<b>2023</b>	<b>2022</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 314,982	\$ 210,482
Items not requiring an outlay of cash		
Amortization	131,013	144,629
Amortization of deferred capital contributions	<u>(40,000)</u>	<u>(40,000)</u>
	405,995	315,111
Changes in non-cash working capital		
Accounts receivable	(173,963)	60,141
Prepaid expenses	5,410	(61,566)
Due from the PassportONE	242,052	(72,485)
Accounts payable and accrued liabilities	333,193	103,345
Due to the Ministry of Children, Community and Social Services	15,858	383,336
Deferred revenue	<u>66,916</u>	<u>(17,046)</u>
	<u>895,461</u>	<u>710,836</u>
<b>CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		
Additions to tangible capital assets	(59,713)	(19,819)
Purchase of short-term investments	<u>(300,000)</u>	<u>(700,000)</u>
	<u>(359,713)</u>	<u>(719,819)</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	535,748	(8,983)
<b>NET CASH, BEGINNING OF YEAR</b>	<u>1,100,937</u>	<u>1,109,920</u>
<b>NET CASH, END OF YEAR</b>	<u>\$ 1,636,685</u>	<u>\$ 1,100,937</u>



# KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(Operating as "Extend-A-Family Waterloo Region")

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

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### 1. NATURE OF OPERATIONS

Kitchener-Waterloo Extend-A-Family Association (operating as Extend-A-Family Waterloo Region) is incorporated without share capital under the laws of Ontario. The organization is committed to enhancing the well-being of people with disabilities and their families and networks, by promoting an inclusive community through the fostering of relationships and partnerships. The organization is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

### 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) NET ASSETS

##### Unrestricted net assets

The unrestricted net assets reports resources available for the organization's general operating activities.

The organization has established internally restricted reserves within net assets as follows:

##### Operating

The operating reserve is held to maintain three months of operating expenses should the organization need to dissolve. This will provide the organization with sufficient resources to fulfill payment obligations to staff and vendors.

##### Training & education

The training and education reserve maintains funds to be used for higher education opportunities or specialized training for staff. This is separate from the unrestricted expenses.

##### Relocation

The relocation reserve reports resources to support a future relocation of the organization's home office. Potential expenses could consist of moving costs, leasehold improvements, down payments, and consultant support for a capital campaign.

##### Opportunities

The opportunities net assets holds resources that the organization can use to explore or pilot new programs, services or other organizational opportunities complementary to but not covered by the Ministry of Children, Community and Social Services (MCCSS) funded core services.

# KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

*(Operating as "Extend-A-Family Waterloo Region")*

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2023

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

#### (b) REVENUE RECOGNITION

The organization follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Contributions restricted for the purchase of tangible capital assets are deferred and amortized into revenue on a straight line basis, at a rate corresponding with the amortization rate for the related tangible capital assets.

Unrestricted contributions from the government and other funders are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted donations are recorded when received.

Revenue from program billing and fees are recognized when the services are provided.

Revenue from fundraising is recognized when the fundraising event has taken place.

#### (c) TANGIBLE CAPITAL ASSETS

Tangible capital assets are recorded at cost and amortized on the basis of their estimated useful life using the following methods and rates:

Furniture and fixtures	- 20 % declining balance basis
Computer equipment	- 4 years straight line basis
Computer software	- 5 years straight line basis

#### (d) 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 expenses during the year. Significant areas requiring management's estimates include the carrying amounts of tangible capital assets, accrued liabilities, and the amounts due to the Ministry of Children, Community and Social Services. Actual results could differ from those estimates.

#### (e) FINANCIAL INSTRUMENTS

The organization initially measures its financial assets and liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, unless otherwise noted below. Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment and any impairment is recorded.

**KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION***(Operating as "Extend-A-Family Waterloo Region")***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2023**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****(f) CONTRIBUTED MATERIALS & SERVICES**

During the year, a number of volunteers contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed services are not recorded in the financial statements.

Contributed materials and services which would otherwise be paid for by the organization, are recorded at fair value when provided. The organization received donations in kind of \$0 (2022 - \$6,891) for the various program offerings which are not reflected in the financial statements.

**3. FINANCIAL INSTRUMENTS**

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

The extent of the organization's exposure to these risks did not change in 2023 compared to the previous period.

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

**4. SHORT-TERM INVESTMENTS**

Short-term investments consist of a guaranteed investment certificate (GIC) with interest of 3.45% and maturing in September 2023.

**5. ACCOUNTS RECEIVABLE**

Accounts receivable consists of:

	<b>2023</b>	<b>2022</b>
Accounts receivable	\$ 177,023	\$ 76,538
HST receivable	70,250	25,067
Home and Community Care Support Services	28,783	0
Allowance for doubtful accounts	<u>(56,988)</u>	<u>(56,500)</u>
	<u><b>\$ 219,068</b></u>	<u><b>\$ 45,105</b></u>

**6. TANGIBLE CAPITAL ASSETS**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net 2023</b>	<b>Net 2022</b>
Furniture and fixtures	\$ 172,766	\$ 162,870	\$ 9,896	\$ 9,904
Computer equipment	594,469	473,444	121,025	105,285
Computer software	<u>435,161</u>	<u>318,924</u>	<u>116,237</u>	<u>203,269</u>
	<u><b>\$ 1,202,396</b></u>	<u><b>\$ 955,238</b></u>	<u><b>\$ 247,158</b></u>	<u><b>\$ 318,458</b></u>

**KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION***(Operating as "Extend-A-Family Waterloo Region")***NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED MARCH 31, 2023**

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**7. DEFERRED REVENUE**

Deferred revenue consists of:

	2023	2022
Ontario Autism Program	\$ 34,597	\$ 16,014
PassportONE	26,250	23,421
Lyle S. Hallman Foundation	<u>45,504</u>	<u>0</u>
	<u>\$ 106,351</u>	<u>\$ 39,435</u>
Balance, beginning of year	\$ 39,435	\$ 56,481
Less amount recognized as revenue in the year	(64,923)	(17,046)
Plus amount received related to the following year	<u>131,839</u>	<u>0</u>
Balance, end of year	<u>\$ 106,351</u>	<u>\$ 39,435</u>

**8. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred capital contributions related to tangible capital assets represent the unamortized amount and grants received for the purchase of tangible capital assets.

	2023	2022
Balance, beginning of year	\$ 93,333	\$ 133,333
Less amount recognized as revenue in the year	<u>(40,000)</u>	<u>(40,000)</u>
Balance, end of year	<u>\$ 53,333</u>	<u>\$ 93,333</u>

**9. TRANSFERS**

The transfers from unrestricted to internally restricted reserves are as follows:

Operating	\$ 200,000
Relocation	300,000
Opportunities	<u>50,000</u>
	<u>\$ 550,000</u>

The transfers within net assets were completed in order to align with the strategic initiatives, as determined by the board of directors.

**10. DONATIONS AND FUNDRAISING**

Donations are financial gifts made by an organization or an individual to the organization. Fundraising relates to events which are held for the specific purpose of raising money for the organization.

	2023	2022
Donations	\$ 147,229	\$ 45,963
Fundraising	<u>66,051</u>	<u>70,595</u>
	<u>\$ 213,280</u>	<u>\$ 116,558</u>

**KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION**

*(Operating as "Extend-A-Family Waterloo Region")*

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED MARCH 31, 2023**

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**11. ECONOMIC DEPENDENCE**

The organization is economically dependent on the Province of Ontario for 66% (2022 - 67%) of its revenue.

**12. COMMITMENTS**

The organization rents premises and equipment under long-term operating leases. Future minimum lease payments are as follows:

2024	\$ 133,319
2025	<u>839</u>
	<u>\$ 134,158</u>

KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

Schedule 1

(Operating as "Extend-A-Family Waterloo Region")

SCHEDULE OF REVENUE AND EXPENSES BY DETAIL CODE  
FOR THE MINISTRY OF CHILDREN, COMMUNITY AND SOCIAL SERVICES

FOR THE YEAR ENDED MARCH 31, 2023

	Adults' DS Community Support Services F510	Children's DS Community Support Services F510	DSRS-Adults' Community Accommodation F510	Autism E701	Special Services at Home E532	Respite Services E532	Total MCCSS
<b>REVENUE</b>							
Province of Ontario	\$ 1,140,069	\$ 734,849	\$ 1,684,205	\$ 10,000	\$ 5,304,898	\$ 393,488	\$ 9,267,509
Donations and fundraising	0	0	0	0	30,200	0	30,200
Program billing and fees	7,245	9	17,295	0	5,320	0	29,869
	<u>1,147,314</u>	<u>734,858</u>	<u>1,701,500</u>	<u>10,000</u>	<u>5,340,418</u>	<u>393,488</u>	<u>9,327,578</u>
<b>DIRECT EXPENSES</b>							
Direct families and programs	54,370	86,297	409,554	6,223	4,611,646	379,389	5,547,479
Salaries, wages and benefits	931,713	512,994	1,070,408	1,000	529,334	(10,791)	3,034,658
	<u>986,083</u>	<u>599,291</u>	<u>1,479,962</u>	<u>7,223</u>	<u>5,140,980</u>	<u>368,598</u>	<u>8,582,137</u>
<b>INDIRECT EXPENSES</b>							
Indirect families and programs	116,830	84,082	159,737	150	92,190	11,119	464,108
Occupancy costs	26,738	51,456	39,672	0	48,942	540	167,348
Consulting and professional fees	7,927	0	4,963	0	58,144	0	71,034
Staff training and travel	8,159	0	15,306	0	13,655	0	37,120
Computer related expense	0	0	312	0	9,263	0	9,575
Office	1,577	29	1,424	0	1,220	0	4,250
Other	0	0	124	0	374	0	498
	<u>161,231</u>	<u>135,567</u>	<u>221,538</u>	<u>150</u>	<u>223,788</u>	<u>11,659</u>	<u>753,933</u>
<b>TOTAL ALL EXPENSES</b>	<u>1,147,314</u>	<u>734,858</u>	<u>1,701,500</u>	<u>7,373</u>	<u>5,364,768</u>	<u>380,257</u>	<u>9,336,070</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE REPAYABLE</b>	0	0	0	2,627	(24,350)	13,231	(8,492)
<b>SURPLUS REPAYABLE</b>	0	0	0	(2,627)	0	(13,231)	(15,858)
<b>DEFICIENCY OF REVENUE OVER EXPENSES</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ (24,350)	\$ 0	\$ (24,350)

See notes to the financial statements