

Financial Statements of

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

(OPERATING AS EXTEND-A-FAMILY  
WATERLOO REGION)

And Independent Auditors' Report thereon

Year ended March 31, 2021



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## INDEPENDENT AUDITORS' REPORT

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

### **Opinion**

We have audited the financial statements of Kitchener-Waterloo Extend-A-Family Association (the "Organization"), which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations and changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021 its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards not-for-profit organizations.

### **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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' 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.

### **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.

### ***Auditors' 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 auditors' 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 the 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 auditors' 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 auditors' report. However, future events or conditions may cause the Organization to cease to continue as a going concern.



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- 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.
- 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.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada

June 21, 2021

# KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Statement of Financial Position

March 31, 2021, with comparative information for 2020


	2021	2020
<b>Assets</b>		
Current assets:		
Cash	\$ 1,109,920	\$ 569,157
Short-term investments	-	715,000
Receivables (note 2)	105,246	178,375
Due from the PassportONE (formerly Central West Region Passport Agency)	661,890	263,392
Prepaid expenses	39,167	-
	<u>1,916,223</u>	<u>1,725,924</u>
Capital assets (note 3)	443,268	477,912
	<u>\$ 2,359,491</u>	<u>\$ 2,203,836</u>

## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 4)	\$ 466,438	\$ 1,289,794
Due to the Ministry of Children, Community and Social Services	509,367	-
Deferred revenue (note 5)	50,803	1,200
	<u>1,026,608</u>	<u>1,290,994</u>
Long-term liabilities:		
Deferred capital contributions (note 7)	133,333	173,333
	<u>1,159,941</u>	<u>1,464,327</u>
Net assets:		
Unrestricted	572,450	112,409
Internally restricted (note 6)	627,100	627,100
	<u>1,199,550</u>	<u>739,509</u>
Commitments (note 9)		
Impacts of COVID-19 (note 11)		
	<u>\$ 2,359,491</u>	<u>\$ 2,203,836</u>

See accompanying notes to financial statements.

On behalf of the Board:

  
 \_\_\_\_\_ Director  
 TREASURER

  
 \_\_\_\_\_ Director  
 BOARD CHAIR

# KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Statement of Operations and Changes in Net Assets

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
<b>Revenue:</b>		
Province of Ontario - general	\$ 8,416,094	\$ 8,353,798
PassportONE (formerly Central West Region Passport Agency)	2,967,090	3,103,936
Canada Emergency Wage Subsidy (note 11)	975,150	-
Donations and fundraising (note 8)	167,446	144,197
Waterloo Wellington Local Health Integration Network	131,434	110,803
Program billing and fees	97,712	235,692
Other funding	29,737	114,654
Investment income	8,201	25,879
United Way Waterloo Region Communities	3,125	14,921
Government of Canada	-	27,440
	<b>12,795,989</b>	<b>12,131,320</b>
<b>Expenses:</b>		
Direct families and program expenses	7,431,153	6,985,248
Salaries, wages and benefits	4,087,088	4,639,621
Consulting and professional fees	286,723	174,668
Office	162,813	181,688
Occupancy costs	159,746	122,131
Amortization	87,736	53,934
Indirect families and program expenses	52,622	121,067
Staff training and travel	51,574	107,129
Other	8,145	827
Computer related expenses	7,080	5,941
Fundraising expenses	1,268	12,809
	<b>12,335,948</b>	<b>12,405,063</b>
Excess (deficiency) of revenue over expenses	460,041	(273,743)
Net assets, beginning of year	739,509	1,013,252
Net assets, end of year	<b>\$ 1,199,550</b>	<b>\$ 739,509</b>

See accompanying notes to financial statements.

# KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

## Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operations:		
Excess (deficiency) of revenue over expenses	\$ 460,041	\$ (273,743)
Item not involving cash:		
Amortization of capital assets	127,736	53,934
Amortization of deferred capital contributions	(40,000)	(26,667)
Changes in non-cash operating working capital:		
Receivables	73,129	15,248
Prepaid expenses	(39,167)	3,158
Accounts payable and accrued liabilities	(823,356)	111,566
Due to the Central West Region Passport Agency	(398,498)	(658,386)
Due to Ministry of Children, Community and Social Services	509,367	-
Deferred revenue	49,603	(118,675)
	(81,145)	(893,565)
Investing:		
Purchase of capital assets	(93,092)	(34,912)
Net redemption of short-term investments	715,000	226,707
	621,908	191,795
Increase (decrease) in cash	540,763	(701,770)
Cash, beginning of year	569,157	1,270,927
Cash, end of year	\$ 1,109,920	\$ 569,157

See accompanying notes to financial statements.

# KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Notes to Financial Statements

Year ended March 31, 2021

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Kitchener-Waterloo Extend-A-Family Association operating as Extend-A-Family Waterloo Region (the "Organization") is incorporated, without share capital, under the laws of Ontario. The Organization is committed to enhancing the well-being of individuals who are developmentally and/or physically disabled and their families, 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.

## 1. Significant accounting policies:

These financial statements are prepared in accordance with the Chartered Professional Accountants of Canada Handbook Part III - Canadian accounting standards for not-for-profit organizations.

### (a) Revenue recognition:

Revenue is recognized following the deferral method of accounting for contributions.

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight line basis, at a rate corresponding with the amortization rate for the related capital assets.

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.

### (b) Capital assets:

Capital assets are stated at cost, less accumulated amortization. Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Furniture and fixtures	Declining balance	20%
Computer equipment	Straight-line	4 years
Computer software	Straight-line	5 years

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Leasehold improvements are amortized on a straight-line basis over the lease term.



# KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 1. Significant accounting policies (continued):

### (b) Capital assets (continued):

The carrying amount of an item of capital assets is tested for recoverability whenever 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.

### (c) Donations in-kind:

Donated material 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 \$nil (2020 - \$23,019) for the various program offerings which are not reflected in the financial statements.

### (d) Contributed services:

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

### (e) Financial instruments:

Financial instruments carried by the Organization are recorded at fair value on initial recognition and are subsequently recorded at amortized cost. Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment.

### (f) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amounts of capital assets and accruals. Actual results could differ from those estimates.

# KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 2. Receivables:

	2021	2020
Accounts receivable	\$ 36,786	\$ 24,889
HST receivable	68,444	55,880
Waterloo Wellington Local Health Integration Network Receivable from the Ministry of Children, Community and Social Services	16	1,438
	-	96,168
	<b>\$ 105,246</b>	<b>\$ 178,375</b>

No allowance for impairment of receivables has been recorded at March 31, 2021 and 2020.

## 3. Capital assets:

	2021		2020	
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 170,599	\$ 158,219	\$ 12,380	\$ 15,475
Computer equipment	517,105	376,519	140,586	85,103
Computer software	435,161	144,859	290,302	377,334
Leasehold improvements	412,318	412,318	-	-
	<b>\$ 1,535,183</b>	<b>\$ 1,091,915</b>	<b>\$ 443,268</b>	<b>\$ 477,912</b>

## 4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$41,101 (2020 - \$38,849), which includes amounts payable for payroll related taxes.

# KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Notes to Financial Statements (continued)

Year ended March 31, 2021

## 5. Deferred revenue:

	2021		2020	
Prepaid Program Billings	\$	-	\$	1,200
Ontario Autism Program		50,803		-
	\$	50,803	\$	1,200

## 6. Internally restricted net assets:

	2021		2020	
Operating	\$	600,000	\$	600,000
Training		10,600		10,600
Education		16,500		16,500
	\$	627,100	\$	627,100

## 7. Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized amount and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations when the related capital asset it is in use.

	2021		2020	
Balance, beginning of year	\$	173,333	\$	200,000
Accumulated amortization of capital contributions		(40,000)		(26,667)
Balance, end of year	\$	133,333	\$	173,333

# KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 8. 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.

	2021	2020
Donations	\$ 146,869	\$ 91,324
Fundraising	20,577	52,873
	<u>\$ 167,446</u>	<u>\$ 144,197</u>

## 9. Lease commitments:

The Organization rents premises and equipment under long-term operating leases. The annual future minimum lease payments are as follows:

2022	\$ 63,424
2023	3,356
2024	1,672
	<u>\$ 68,452</u>

## 10. Financial risks:

The Organization believes that it is not exposed to significant interest-rate, foreign currency, market, credit or cash flow risk arising from its financial instruments.

# KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Notes to Financial Statements (continued)

Year ended March 31, 2021

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## 11. Impacts of COVID-19:

On March 11, 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic. The pandemic has resulted in significant financial, market and societal impacts in Canada and around the world.

During the year, the Organization has experienced the following in relation to the pandemic:

- The Organization has applied for the Canada Emergency Wage Subsidy and received \$975,150 and is presented as Canada Emergency Wage Subsidy revenue on the statement of operations;
- Mandatory working from home requirements for those able to do so; and
- Families who rely on direct funding from the Ministry of Children, Community and Social Services ("MCCSS") to support their children and youth's participation in the community and purchase caregiver respite no longer have the same access to the range of services and supports to meet their needs. To increase flexibility and support the health and well-being of families MCCSS has implemented temporary changes including temporarily expanding the list of admissible expenditures and making changes to administrative requirements to flow payments to families in advance.

The ultimate duration and magnitude of the COVID-19 pandemic's impact on the Organization's operations and financial position is not known at this time. There remains uncertainty for the upcoming year regarding the aforementioned items. These impacts could include a decline in future cash flows, changes to the value of financial assets and liabilities, and the use of net assets to sustain operations. An estimate of the financial effect of the pandemic on the Organization is not practicable at this time.