

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, 2022



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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, 2022
- 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, 2022 its results of operations, its changes in net assets 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.

Emphasis of Matter - Comparative Information

We draw attention to Note 13 to the financial statements, which explains that certain comparative information presented for the year ended March 31, 2021 has been restated.

Note 13 explains the reason for the restatement and also explain the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect to this matter.



Other Matter - Comparative Information

As part of our audit of the financial statements for the year ended March 31, 2022, we have also audited the adjustments that were applied to restate certain comparative information presented for the year ended March 31, 2021. In our opinion, such adjustments are appropriate and have been properly applied.

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.



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- 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Kitchener, Canada

June 27, 2022

KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Statement of Financial Position

March 31, 2022, with comparative information for 2021


	2022	2021 Restated - Note 13
Assets		
Current assets:		
Cash	\$ 1,100,937	\$ 1,109,920
Short-term investments (note 2)	700,000	-
Receivables (note 3)	45,105	105,246
Due from the PassportONE	870,831	798,346
Prepaid expenses	100,733	39,167
	<u>2,817,606</u>	<u>2,052,679</u>
Capital assets (note 4)	318,458	443,268
	<u>\$ 3,136,064</u>	<u>\$ 2,495,947</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 569,783	\$ 466,438
Due to the Ministry of Children, Community and Social Services	473,248	89,912
Deferred revenue (note 6)	39,435	56,481
	<u>1,082,466</u>	<u>612,831</u>
Long-term liabilities:		
Deferred capital contributions (note 8)	93,333	133,333
	<u>1,175,799</u>	<u>746,164</u>
Net assets:		
Unrestricted	1,133,165	1,122,683
Internally restricted (note 7)	827,100	627,100
	<u>1,960,265</u>	<u>1,749,783</u>
Commitments (note 11)		
	<u>\$ 3,136,064</u>	<u>\$ 2,495,947</u>

See accompanying notes to financial statements.

On behalf of the Board:


DAISY MARTIN

Director


1 CAITLIN GARCIA

Director

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, 2022, with comparative information for 2021

	2022	2021 Restated - Note 13
Revenue:		
Province of Ontario	\$ 8,516,287	\$ 8,397,808
PassportONE	3,770,747	3,103,546
Home and Community Care Support Services	267,672	131,434
Program billing and fees	137,360	115,998
Donations and fundraising (note 9)	116,558	167,446
Investment income	3,813	8,201
Other funding	169	29,737
Canada Emergency Wage Subsidy	-	975,150
United Way Waterloo Region Communities	-	3,125
Amortization of deferred capital contributions	40,000	40,000
	12,852,606	12,972,445
Expenses:		
Direct families and program expenses	7,716,857	7,017,376
Salaries, wages and benefits	4,100,670	4,087,088
Consulting and professional fees	189,378	286,723
Occupancy costs	156,931	159,746
Indirect families and program expenses	154,608	52,622
Amortization	144,629	127,736
Office	103,646	162,813
Staff training and travel	46,652	51,574
Computer related expenses	18,391	7,080
Other	8,504	8,145
Fundraising expenses	1,858	1,268
	12,642,124	11,962,171
Excess of revenue over expenses	210,482	1,010,274
Net assets, beginning of year	1,749,783	739,509
Net assets, end of year	\$ 1,960,265	\$ 1,749,783

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, 2022, with comparative information for 2021

	2022	2021 Restated - Note 13
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 210,482	\$ 1,010,274
Item not involving cash:		
Amortization of capital assets	144,629	127,736
Amortization of deferred capital contributions	(40,000)	(40,000)
Changes in non-cash operating working capital:		
Receivables	60,141	73,129
Prepaid expenses	(61,566)	(39,167)
Accounts payable and accrued liabilities	103,345	(823,356)
Due from the PassportONE	(72,485)	(534,954)
Due to Ministry of Children, Community and Social Services	383,336	89,912
Deferred revenue	(17,046)	55,281
	710,836	(81,145)
Investing:		
Purchase of capital assets	(19,819)	(93,092)
Net sale (purchase) of short-term investments	(700,000)	715,000
	(719,819)	621,908
Increase (decrease) in cash	(8,983)	540,763
Cash, beginning of year	1,109,920	569,157
Cash, end of year	\$ 1,100,937	\$ 1,109,920

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, 2022

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

KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Notes to Financial Statements (continued)

Year ended March 31, 2022

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 \$6,891 (2021 - \$nil) 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, 2022

2. Short-term investments:

The guaranteed investment certificates have interest rate of 0.55%, and matures November 2022.

3. Receivables:

	2022	2021
Accounts receivable	\$ 76,538	\$ 36,786
HST receivable	25,067	68,444
Waterloo Wellington Local Health Integration Network	-	16
Allowance for doubtful accounts	(56,500)	-
	\$ 45,105	\$ 105,246

4. Capital assets:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Furniture and fixtures	\$ 170,599	\$ 160,695	\$ 9,904	\$ 12,379
Computer equipment	536,925	431,640	105,285	140,587
Computer software	435,161	231,892	203,269	290,302
	\$ 1,142,685	\$ 824,227	\$ 318,458	\$ 443,268

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$15,260 (2021 - \$41,101), 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, 2022

6. Deferred revenue:

	2022	2021
Ontario Autism Program	\$ 16,014	\$ 50,803
PassportONE	23,421	5,678
	\$ 39,435	\$ 56,481

7. Internally restricted net assets:

During the year, the of Directors approved to internally restricted \$200,000 for operations.

	2022	2021
Operating	\$ 800,000	\$ 600,000
Training	10,600	10,600
Education	16,500	16,500
	\$ 827,100	\$ 627,100

8. 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 and Changes in Net Assets when the related capital asset it is in use.

	2022	2021
Balance, beginning of year	\$ 133,333	\$ 173,333
Accumulated amortization of capital contributions	(40,000)	(40,000)
Balance, end of year	\$ 93,333	\$ 133,333

KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Notes to Financial Statements (continued)

Year ended March 31, 2022

9. 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.

	2022	2021
Donations	\$ 45,963	\$ 146,869
Fundraising	70,595	20,577
	\$ 116,558	\$ 167,446

10. Economic dependence:

The Organization is economically dependent on the Province of Ontario for 67.2% (65.6%) of its revenue.

11. Lease commitments:

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

2023	\$ 133,319
2024	133,319
2025	839
	\$ 267,477

KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Notes to Financial Statements (continued)

Year ended March 31, 2022

12. Financial risks:

(a) Other 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.

Additionally, the Organization believes it is not exposed to significant liquidity risk as all investments are held in guaranteed investment certificates that are highly liquid and can be disposed of to settle commitments (note 2).

(b) Implications due to 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.

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 fund balances to sustain operations. An estimate of the financial effect of the pandemic on the Organization is not practicable at this time.

KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Notes to Financial Statements (continued)

Year ended March 31, 2022

13. Correction of an error:

The comparative information has been restated for the year ended March 31, 2021 as a result of two separate funding recognition issues with PassportONE and MCCSS.

PassportONE:

A correction was made to 2021 comparative information to recognize wage enhancement funding received from PassportONE. The correction increases the Due from PassportONE and the associated revenue by \$136,456.

MCCSS:

In 2020, MCCSS informed the Organization to redistribute the Due to MCCSS of \$419,455 and instead fund to families in order to provide additional support as a result of the pandemic. The cash distribution in 2021 was incorrectly recorded as a reduction of direct families expenses and remained in Due to MCCSS. A correction was made to 2021 comparative information to decrease Due to MCCSS by \$419,455, decrease the direct families and program expenses by \$413,777 and increase deferred revenue by \$5,678. The associated revenue and expense relating to the \$419,455 was recorded in 2020 and as such only the funding flow through should have occurred in 2021 in the statement of financial position.

KITCHENER-WATERLOO EXTEND-A-FAMILY ASSOCIATION

(OPERATING AS EXTEND-A-FAMILY WATERLOO REGION)

Notes to Financial Statements (continued)

Year ended March 31, 2022

13. Correction of an error (continued):

	March 31, 2021, as previously reported	Restatement adjustment - increase (decrease)	March 31, 2021, as restated
Statement of Financial Position:			
Due from the PassportONE	\$ 661,890	\$ 136,456	\$ 798,346
Due to the Ministry of Children, Community and Social Services (MCCSS)	509,367	(419,455)	89,912
Deferred revenue	50,803	5,678	56,481
Net assets, end of the year	1,199,550	550,233	1,749,783
Net assets - unrestricted	572,450	550,233	1,122,683
Statement of Operations and Changes in Net Assets:			
PassportONE revenue	2,967,090	136,456	3,103,546
Direct families and program expenses	7,431,153	(413,777)	7,017,376
Excess of revenue over expenses	460,041	550,233	1,010,274
Statement of Cash Flows:			
Excess of revenue over expenses	460,041	550,233	1,010,274
Due from PassportONE	(398,498)	(136,456)	(534,954)
Due to Ministry of Children, Community and Social Services	509,367	(419,455)	89,912
Deferred revenue	49,603	5,678	55,281

14. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. In the statement of operations amortization of deferred capital contributions has been reclassified to revenue instead of netted against amortization expense of \$40,000 and reclassification of Ontario Autism Program funding of \$18,286 classified as Province of Ontario revenue to Program billings and fees revenue. These changes do not affect prior year excess of revenue over expenses.