

SOCIAL DEVELOPMENT CENTRE  
WATERLOO REGION >

---

# financial statements

>YEAR ENDED DECEMBER 31, 2024

MAC LLP  
CHARTERED PROFESSIONAL ACCOUNTANTS

# financial statements

>YEAR ENDED DECEMBER 31, 2024

---

**index**

Independent auditor's report.....I - 2  
Statement of financial position.....3  
Statement of operations and changes in net assets.....4  
Statement of cash flows.....5  
Notes to financial statements.....6 - 9



Chartered Professional Accountants

510 Weber Street North, Waterloo, Ontario N2L 4E9  
30 Arthur Street South, Elmira, Ontario N3B 2M7  
T 519.725.2600 TF 1.877.725.2611 www.mac-ca.com

## INDEPENDENT AUDITOR'S REPORT

To the Members of Social Development Centre Waterloo Region:

### Qualified Opinion

We have audited the financial statements of Social Development Centre Waterloo Region, the "Charity", 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Charity as at December 31, 2024, 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 for Qualified Opinion

In common with many not-for-profit organizations, the Charity derives revenue from donations from interested persons, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Charity. Therefore, we were unable to determine whether any adjustments might have been found necessary with respect to donation revenues, excess of revenues over expenses, and cash flows for the years ended December 31, 2024 and December 31, 2023 and current assets and net assets as at December 31, 2024 and December 31, 2023. Our conclusion on the financial statements as at and for the year ended December 31, 2024 was modified accordingly because of the possible effects of this limitation in scope.

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 Charity 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 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.

In preparing the financial statements, management is responsible for assessing the Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity'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 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 Charity'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 Charity'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 Charity 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.

Waterloo, Ontario  
June 19, 2025

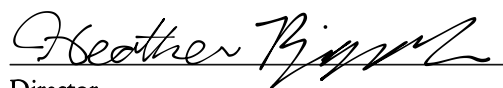
*MAC LLP.*  
LICENSED PUBLIC ACCOUNTANTS  
CHARTERED PROFESSIONAL ACCOUNTANT

# statement of financial position

>DECEMBER 31, 2024

	2024	2023
<i>assets</i>		
<b>current</b>		
Cash	\$ 307,053	\$ 308,534
Accounts receivable	14,207	11,480
Prepaid expenses	<u>12,905</u>	<u>14,399</u>
	<u>\$ 334,165</u>	<u>\$ 334,413</u>
<i>liabilities</i>		
<b>current</b>		
Accounts payable and accrued liabilities	\$ 7,347	\$ 41,937
Government remittances payable	19,247	12,810
Deferred contributions (Note 3)	248,386	235,425
Due to other charities (Note 4)	<u>-</u>	<u>224</u>
	274,980	290,396
<b>commitments</b>		
<i>net assets</i>		
	<u>59,185</u>	<u>44,017</u>
	<u>\$ 334,165</u>	<u>\$ 334,413</u>

Approved on behalf of the board:



Director



Director

SOCIAL DEVELOPMENT CENTRE WATERLOO REGION >  
**statement of operations and  
changes in net assets**

>YEAR ENDED DECEMBER 31, 2024

	2024	2023
<b>revenue</b>		
Donations	\$ 100,472	\$ 130,340
Grants	907,660	587,263
Other income	<u>56,376</u>	<u>40,904</u>
	<u>1,064,508</u>	<u>758,507</u>
<b>expenses</b>		
Advertising and promotion	2,545	12,429
Bank charges and interest	2,217	2,082
Insurance	4,574	3,660
Office supplies (Note 6)	45,427	17,350
Professional fees	16,215	9,980
Program expenses	326,605	298,991
Rent	96,759	38,069
Repairs and maintenance	8,323	4,449
Shelter supplies	404	953
Travel	11,834	17,942
Wages and benefits	<u>534,437</u>	<u>354,178</u>
	<u>1,049,340</u>	<u>760,083</u>
<b>excess of revenue over expenses</b>	15,168	(1,576)
Net assets balance, beginning of year	<u>44,017</u>	<u>45,593</u>
<b>net assets balance, end of year</b>	<u>\$ 59,185</u>	<u>\$ 44,017</u>

SOCIAL DEVELOPMENT CENTRE WATERLOO REGION >

# statement of cash flows

>YEAR ENDED DECEMBER 31, 2024

	2024	2023
<b>operating activities</b>		
Excess of revenue over expenses for year	\$ 15,168	\$ (1,576)
Changes in non-cash working capital:		
Accounts receivable	(2,983)	433
Government remittances receivable	257	(1,265)
Prepaid expenses	1,494	(13,936)
Accounts payable and accrued liabilities	(34,591)	33,127
Government remittances payable	6,437	9,975
Deferred contributions	12,961	43,965
Due to other charities	<u>(224)</u>	<u>(4,358)</u>
	(1,481)	66,365
<b>financing activities</b>		
Repayment of long term debt	<u>-</u>	<u>(40,000)</u>
Decrease in cash	(1,481)	26,365
Cash balance, beginning of year	<u>308,534</u>	<u>282,169</u>
<b>cash balance, end of year</b>	<b><u>\$ 307,053</u></b>	<b><u>\$ 308,534</u></b>

# SOCIAL DEVELOPMENT CENTRE WATERLOO REGION > notes to financial statements

>DECEMBER 31, 2024

---

## 1. nature of organization

The principal activities of the Social Development Centre Waterloo Region, the "Charity", are to stimulate public awareness of community problems; study and identify social needs within the community, and the services which exist to meet those needs; advise and assist in planning and developing new services; promote changes that will improve the quality of life for local citizens; provide information and referral services to the community; to promote volunteerism in the community; and to engage in such other activities related to planning, coordinating and implementing joint action, as may be deemed to be in the general interest of the health and welfare of the citizens of the community.

The Charity operates in Kitchener, Ontario, and is incorporated under Part III of the Canada Corporation Act as a not-for-profit organization. The Charity is a registered charity for Canadian Income Tax purposes.

## 2. significant accounting policies

**Basis of Accounting** - These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

**Revenue Recognition** - The Charity follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received. Restricted contributions are recognized as revenue when the expense is incurred. Revenue from grants is recognized over the period to which the grant applies or in the year in which the related expenses are incurred.

Other revenue includes billable expense income, services income, and other miscellaneous income recognized when earned.

**Capital Expenditures** - The Charity's capital assets consists of several computers, office equipment, and certain furniture and fixtures as well as leasehold improvements. Expenditures on capital assets are reported as expenses in the year in which they are acquired. Related expenses for the current year is \$7,637 (2023 - \$4,759).

**Contributed Materials and Services** - The Charity is dependent upon many hours of service contributed by volunteers. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

The Charity receives contribution of materials, the fair value of which may or may not be reasonably determinable. Contributed materials are recognized as donations when fair values can be determined. Contributed gifts in kind is \$Nil in the current year (2023 - \$Nil).

# SOCIAL DEVELOPMENT CENTRE WATERLOO REGION >

# notes to financial statements

>DECEMBER 31, 2024

---

## **Financial Instruments**

*Initial measurement* - The Charity initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Charity in the transaction.

*Subsequent measurement* - The Charity subsequently measures all its financial assets and financial liabilities originated or exchanged in arm's length transactions at amortized cost. Financial assets and financial liabilities originated in related party transactions are subsequently measured at cost. Any reduction for impairment is recognized in net income, in the period incurred.

Financial assets measured at amortized cost include cash, restricted cash, accounts receivable and notes receivable.

The Charity has not designated any financial asset or liability to be measured at fair value.

*Transaction costs* - The Charity recognizes its transaction costs attributable to financial instruments subsequently measured at fair value and to those originated or exchanged in a related party transaction in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at costs or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, transaction costs are recognized in income over the life of the instrument using the straight line method.

*Impairment* - For financial assets measured at cost or amortized cost, the Charity determines whether there are indications of possible impairment. When there are, and the Charity 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. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may be no 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.

# SOCIAL DEVELOPMENT CENTRE WATERLOO REGION >

# notes to financial statements

>DECEMBER 31, 2024

**Cloud Computing Arrangements** - At the inception of a cloud computing arrangement, the Charity allocates the consideration to significant separable elements based on their specific sales price. Development costs and costs related to the right to use a tangible asset are recognized according to the applicable accounting policies for such elements.

To account for expenditures in a cloud computing arrangement that fall within the scope of AcG-20, Customer's Accounting for Cloud Computing Arrangements, the Charity has opted for the simplification approach. Accordingly, such expenditures are treated as the supply of services and recognized as an expense when the services are received. These expenses are presented under the "Cloud Computing Services" line on the income statement.

The Charity recognizes prepayments as an asset when payments are made in advance for services not yet received. These prepayments are subsequently expensed as the services are consumed.

Costs related to implementation activities, including configuration and customization, are expensed as incurred unless they meet the criteria for capitalization under other applicable accounting standards.

**Disclosure and Use of Estimates** - 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, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

### 3. deferred contributions

Deferred contributions represent unspent resources externally restricted received in the current period that is related to subsequent periods. Changes in the deferred contributions are as follows:

	<b>2024</b>	2023
	<b>total</b>	<b>total</b>
Balance beginning of year	\$ 235,425	\$ 191,460
Received during the year	878,013	629,750
Recognized as revenue	<u>(865,052)</u>	<u>(585,785)</u>
Balance, end of year	<u>\$ 248,386</u>	<u>\$ 235,425</u>

The use of funds is restricted to the activities agreed upon by the Charity and donors providing the funding. Grants and other deferred contributions have been provided and will be used in subsequent years for the following programs and activities: A Better Tent City, Awareness of Low Income Voices, A Womb With A View, Climate Justice Waterloo Region, Civic Hub, Disabilities and Human Rights, Eviction Prevention, Hope For Community Development, Kaleidoscope Collective, Kind Minds, Land Back, Lived Experience Working Group, Myron Steinman Coaching Initiatives, Peace For All Canada, Peer Internships, Plan to End Chronic Homelessness, and Unsheltered Campaign.

# SOCIAL DEVELOPMENT CENTRE WATERLOO REGION >

# notes to financial statements

>DECEMBER 31, 2024

---

## 4. due to other charities

The Charity receives funds for the charitable activities of other organizations that they are associated with. The funds flow through the Charity to the approved organizations. No tax receipts are issued for these funds and no acquisitions are made on behalf of the approved organizations.

## 5. commitments

The Charity is obligated under a rental agreement for the premises from which it operates. These leases expire from 2025 - 2029 and the future minimum lease payments under these contracts are as follows:

2025	\$	87,738
2026	\$	60,000
2027	\$	69,000
2028	\$	72,000
2029	\$	18,000

## 6. cloud computing arrangements

The Charity applies the simplification method outlined in AcG-20, Customer's Accounting for Cloud Computing Arrangements, for recognizing cloud computing arrangements with suppliers. During the year, the Charity expensed \$2,568 (2023 - \$1,956) related to these arrangements. These expenses are presented under the "Office supplies" line on the income statement.

## 7. financial instruments

**Risk Management** - The significant risks to which the Charity is exposed are credit risk and liquidity risk. There has been no change to the risk exposures from the prior year.

**Credit Risk** - The Charity is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable.

**Liquidity Risk** - Liquidity risk is the risk that the Charity will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Charity's cash requirements.