



Financial Statements

Strides Toronto Support Services

March 31, 2024

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# Independent Auditor's Report

To the Board of Directors of  
Strides Toronto Support Services

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## Opinion

We have audited the financial statements of Strides Toronto Support Services (the "Organization"), which comprise the statement of financial position as at March 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 March 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 ("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

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in the Schedule is presented for the purposes of additional information and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applies only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

## 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 ASNPO, 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.

### **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.

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.

*Grant Thornton LLP*

Markham, Canada  
May 30, 2024

Chartered Professional Accountants  
Licensed Public Accountants

# Strides Toronto Support Services

## Statement of Financial Position

March 31

2024

2023

### Assets

#### Current

Cash	\$ 16,562,391	\$ 20,149,017
Term deposits (Note 3)	676,041	669,987
Accounts receivable	2,649,367	930,531
HST receivable	1,238,359	1,157,061
Prepaid expenses	<u>836,387</u>	<u>325,168</u>
	<b>21,962,545</b>	23,231,764
Investments (Note 4)	<b>3,251,072</b>	3,005,277
Property and equipment (Note 5)	<u><b>3,493,564</b></u>	<u>3,288,333</u>
	<u><b>\$ 28,707,181</b></u>	<u>\$ 29,525,374</u>

### Liabilities

#### Current

Accounts payable and accrued liabilities (Note 6)	\$ 14,040,925	\$ 16,069,592
Deferred contributions (Note 7)	3,643,457	3,466,317
Deferred lease inducement (Note 8)	-	12,583
Deferred donations (Note 9)	<u>94,162</u>	<u>94,162</u>
	<b>17,778,544</b>	19,642,654
Deferred capital contributions (Note 10)	<b>3,339,950</b>	3,134,719
Deferred lease inducement (Note 8)	<u>-</u>	<u>-</u>
	<u><b>21,118,494</b></u>	<u>22,777,373</u>

### Net assets

Invested in property and equipment	207,491	207,491
Unrestricted	4,583,291	3,742,605
Internally restricted	<u>2,797,905</u>	<u>2,797,905</u>
	<u><b>7,588,687</b></u>	<u>6,748,001</u>
	<u><b>\$ 28,707,181</b></u>	<u>\$ 29,525,374</u>

Commitments (Note 12)

On behalf of the Board of Directors



Director



Director

See accompanying notes to the financial statements

# Strides Toronto Support Services

## Statement of Operations

Year ended March 31

2024

2023

### Revenue

Government grants		
Ministry of Health	\$ 17,567,436	\$ 17,091,950
Ministry of Children, Community and Social Services ("MCCSS")	5,050,761	6,984,917
City of Toronto	1,813,938	1,699,396
Federal government funding	1,131,259	1,149,899
Surrey Place funding	6,016,230	4,338,777
Special programs funding	2,400,327	2,349,353
Fee for service	2,133,881	1,183,083
Investment income	797,948	518,278
Donations and fundraising	114,312	44,517
Other	40,790	153,463
	<u>37,066,882</u>	<u>35,513,633</u>

### Expenses

Salaries and wages	22,666,816	22,277,495
Employee benefits	3,948,535	3,174,800
Contracted-out services	3,000,708	3,043,494
Rent	2,178,370	1,902,701
Travel and communication	1,024,279	946,561
Purchased client services	993,551	995,508
Training costs	731,523	780,647
Other services	664,645	539,813
Other supplies and equipment	548,241	483,898
Repairs and maintenance	249,020	264,238
Insurance	217,225	160,497
IT - supplies and equipment	114,329	311,370
Utilities	68,005	67,361
COVID-19 expenses	-	31,289
	<u>36,405,247</u>	<u>34,979,672</u>

Excess of revenue over expenses before other items 661,635 533,961

### Other items

Unrealized gain (loss) from investments	166,468	(106,412)
Amortization of property and equipment	(1,566,881)	(1,380,190)
Amortization of deferred capital contributions (Note 10)	1,566,881	1,380,190
Amortization of lease inducements (Note 8)	12,583	21,572
	<u>179,051</u>	<u>(84,840)</u>

Excess of revenue over expenses \$ 840,686 \$ 449,121

See accompanying notes to the financial statements

## Strides Toronto Support Services Statement of Changes in Net Assets

For the year ended March 31, 2024

	Invested in property and equipment	Unrestricted	Internally restricted	<b>2024 Total</b>	2023 Total
Net assets, beginning of year \$	207,491	\$ 3,742,605	\$ 2,797,905	<b>\$ 6,748,001</b>	\$ 6,298,880
Excess of revenue over expenses	-	840,686	-	<b>840,686</b>	449,121
Purchase of property and equipment	1,772,112	(1,772,112)	-	-	-
Funding received for property and equipment purchases	<u>(1,772,112)</u>	<u>1,772,112</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 207,491</u>	<u>\$ 4,583,291</u>	<u>\$ 2,797,905</u>	<u><b>\$ 7,588,687</b></u>	<u>\$ 6,748,001</u>

See accompanying notes to the financial statements

# Strides Toronto Support Services

## Statement of Cash Flows

Year ended March 31

2024

2023

Increase (decrease) in cash

### Operating

Excess of revenue over expenses	\$ 840,686	\$ 449,121
Items not affecting cash		
Unrealized (gain) loss from investments	(166,468)	106,412
Amortization of property and equipment	1,566,881	1,380,190
Amortization of deferred capital contributions	(1,566,881)	(1,380,190)
Amortization of lease inducements	<u>(12,583)</u>	<u>(21,572)</u>

	<b>661,635</b>	533,961
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Changes in non-cash working capital items

Accounts receivable	(1,718,836)	2,577,880
HST receivable	(81,298)	(68,912)
Prepaid expenses	(511,219)	(37,874)
Accounts payable and accrued liabilities	(2,028,667)	5,491,268
Deferred contributions	<u>177,140</u>	<u>10,552</u>

	<b><u>(3,501,245)</u></b>	<b><u>8,506,875</u></b>
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### Investing

Net change in investments	(79,327)	(38,067)
Net purchase of term deposits	(6,054)	(2,346)
Purchase of property and equipment	(1,772,112)	(1,264,521)
Funding received for property and equipment purchases	<u>1,772,112</u>	<u>1,264,687</u>

	<b><u>(85,381)</u></b>	<b><u>(40,247)</u></b>
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(Decrease) increase in cash

	<b>(3,586,626)</b>	8,466,628
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Cash, beginning of year

	<b><u>20,149,017</u></b>	<b><u>11,682,389</u></b>
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Cash, end of year

	<b><u>\$ 16,562,391</u></b>	<b><u>\$ 20,149,017</u></b>
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See accompanying notes to the financial statements



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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2024

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### 1. Nature of operations

Strides Toronto Support Services (the "Organization") provides a wide range of exceptional programs and services to help its clients and its families achieve their personal best. The agency supports clients from the pre-natal stage to age 29 and their families. Its work helps to strengthen their social and emotional well-being, move forward through adversity and develop their abilities and skills to reach their full potential.

The Organization is incorporated by letters patent under the laws of Ontario as a corporation without share capital and is a registered charity under the Income Tax Act (Canada). The Organization must meet certain requirements under the Income Tax Act (Canada). In the opinion of management, these requirements have been met.

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### 2. Summary of significant accounting policies

The financial statements are prepared by management in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), the more significant policies of which are outlined below.

#### **Fund accounting**

The accounts are maintained in accordance with the principles of fund accounting, whereby net assets of the Organization are classified for accounting and reporting purposes into funds to be used as determined by the Organization.

#### *Invested in property and equipment*

Invested in property and equipment net assets reflects the assets, liabilities, revenue and expenses related to the Organization's property and equipment.

#### *Unrestricted*

Unrestricted net assets include the day-to-day program activities primarily funded by various government organizations.

#### *Internally restricted*

Internally restricted net assets can be used at the discretion of the Board of Directors to support and enhance designated programs and activities.

#### **Revenue recognition**

The Organization follows the deferral method of accounting for contributions, whereby restricted sources of revenue (grants and contributions) are recognized as revenue in the fiscal year in which the related expenses are incurred.

Contributions received for the purchase of property and equipment are deferred and amortized over the useful life of the related property and equipment so that revenue recognition corresponds with the related amortization expense.

Any funding for operations not approved for deferral that is unspent during the fiscal year is to be repaid to the respective funder and is included in accounts payable and accrued liabilities.

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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2024

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### 2. Summary of significant accounting policies (continued)

#### Revenue recognition (continued)

Fee for service revenue is recognized as revenue in the year in which the related service has occurred.

Investment income and other revenue are recognized as earned.

The provincial government provides the primary funding for the operation of the Organization, based on an annually approved operating budget. Subsequent to the year end, a settlement is made based on actual operating results; any excess of approved funding over actual costs is returned or payable to the funders. These financial statements reflect the expected settlement with the funders at the end of the fiscal year.

#### Donated materials and services

Volunteers contribute an undeterminable number of hours per year. The Organization also receives donations of materials. Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

#### Property and equipment

Property and equipment are recorded at cost and are amortized as follows:

Building – Megan	5% declining balance basis
Building – Betty's Place	25 years straight-line basis
Office and IT infrastructure	3-5 years straight-line basis
Vehicles	3-5 years straight-line basis
Furniture and equipment	3-5 years straight-line basis
Leasehold improvements	Term of the lease

The Organization acquired the Megan land and building through a grant which has restrictive covenants. This grant must be returned to the MCCSS if the restrictive covenants are contravened.

Property and equipment are tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. If any potential impairment is identified, then the amount of the impairment is quantified by comparing the carrying value of the property and equipment to its fair value. Any impairment of property and equipment is charged to the statement of operations in the year in which the impairment occurs. An impairment loss is not reversed if the fair value of the property and equipment subsequently increases.

#### Economic dependence

The Organization is dependent upon provincial funding, in particular from the Ministry of Children, Community and Social Services and the Ministry of Health, for the majority of its funding.

#### Deferred lease inducements

Deferred lease inducements are amortized on a straight-line basis over the terms of the associated premise leases.

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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2024

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### 2. Summary of significant accounting policies (continued)

#### Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to the excess of revenue over expenses as appropriate in the period.

Key areas where management has made estimates include the valuation of investments, the useful lives of property and equipment and certain accruals. Actual results could differ from these and other estimates, the impact of which would be recorded in future affected periods.

#### Pension plan

The Organization maintains a defined contribution pension plan. Contributions made by the Organization are expensed as incurred.

#### Financial instruments

The Organization considers any contract creating a financial asset, liability, or equity instrument as a financial instrument. The Organization accounts for the following as financial instruments:

- cash
- term deposits
- accounts receivable
- HST receivable
- investments
- accounts payable

Financial assets or liabilities are initially measured at their fair value and are subsequently measured at amortized cost, with the exception of investments, which are measured at fair value. Unrealized gains (losses) on investments are recorded in the statement of operations in the year incurred.

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### 3. Term deposits

Term deposits consist of guaranteed investment certificates with an annual interest rate of 3.15% (2023 – between 0.35% to 3.15%) per annum, maturing April and November 2024 (2023 – April and November 2023).

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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2024

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### 4. Investments

The Organization's investments consist of fund units as follows:

	<u>2024</u>	<u>2023</u>
Short-Term Bond Fund	\$ 907,697	\$ 875,755
International Equity Funds	856,041	779,644
Canadian Bond Funds	839,332	789,338
US Equity Funds	483,585	416,916
Canadian Equity Fund	164,417	143,624
	<u>\$ 3,251,072</u>	<u>\$ 3,005,277</u>

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### 5. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2024 Net Book Value</u>	<u>2023 Net Book Value</u>
Land	\$ 230,155	\$ -	\$ 230,155	\$ 230,155
Building – Megan	578,016	554,865	23,151	-
Building – Residence	1,518,499	1,364,659	153,840	103,682
Office and IT infrastructure	6,022,670	4,753,399	1,269,271	2,243,224
Vehicles	240,317	212,712	27,605	46,009
Furniture and equipment	1,606,505	1,280,001	326,504	373,793
Leasehold improvements	3,900,945	2,437,907	1,463,038	291,470
	<u>\$ 14,097,107</u>	<u>\$ 10,603,543</u>	<u>\$ 3,493,564</u>	<u>\$ 3,288,333</u>

Included in leasehold improvements is \$1,277,874 (2023 - \$Nil) of construction-in-progress. As construction-in-progress are not yet in use, amortization has not commenced. Amortization will commence once the asset is in use by the Organization.

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### 6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities include government remittances payable of \$150,435 (2023 - \$126,444).

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### 7. Deferred contributions

Deferred contributions relate to granted contributions that have been received for which the related expenses have not yet been incurred.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 3,466,317	\$ 3,455,765
Amounts received during the year	35,069,502	33,669,361
Less: revenue recognized during the year	<u>(34,892,362)</u>	<u>(33,658,809)</u>
Balance, end of year	<u>\$ 3,643,457</u>	<u>\$ 3,466,317</u>

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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2024

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### 8. Deferred lease inducements

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 12,583	\$ 34,155
Amortization of lease inducements	<u>(12,583)</u>	<u>(21,572)</u>
Balance, end of year	-	12,583
Less: current portion	<u>-</u>	<u>(12,583)</u>
Long-term portion	<u>\$ -</u>	<u>\$ -</u>

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### 9. Deferred donations

Deferred donations relate to donations that have been received from general fundraising for which the related expenses have not yet been incurred.

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 94,162	\$ 94,162
Donations received	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 94,162</u>	<u>\$ 94,162</u>

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### 10. Deferred capital contributions

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 3,134,719	\$ 3,250,222
Funding received for property and equipment purchases	1,772,112	1,264,687
Less: amortization of deferred capital contributions	<u>(1,566,881)</u>	<u>(1,380,190)</u>
Balance, end of year	<u>\$ 3,339,950</u>	<u>\$ 3,134,719</u>

Included in deferred capital contributions is \$53,877 (2023 - \$53,877) of deferred capital contributions that have not yet been spent.

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### 11. Pension plan

Contributions to the defined contribution pension plan are generally based on the employee's age and/or years of service. The Organization's contributions to the pension plan amounted to \$849,864 (2023 - \$423,289) and are included in employee benefits expense on the statement of operations.

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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2024

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### 12. Commitments

The Organization has leases for premises, which expires between fiscal 2024 to 2040. The future minimum annual lease payments, exclusive of operating costs and HST, are as follows:

2025	\$ 1,156,213
2026	850,421
2027	642,661
2028	611,103
2029	635,568
Thereafter	<u>4,745,470</u>
	<u>\$ 8,641,436</u>

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### 13. Financial instruments

The Organization has a risk management framework to monitor, evaluate and manage the principal risks assumed with its financial instruments. There were no changes in these risks from the prior fiscal year.

#### 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.

#### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at March 31, 2024, investments in foreign securities of \$1,339,626 (2023 - \$1,196,560) are denominated in foreign currencies and converted into Canadian dollars. Foreign exchange gains and losses are included in the statement of operations.

#### *Interest rate risk*

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income investments held by the Organization. The underlying value of fixed income investments will generally rise if interest rates fall and decrease if interest rates rise.

#### *Other price risk*

Other price risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is exposed to other price risk on its investments.

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# Strides Toronto Support Services

## Notes to the Financial Statements

March 31, 2024

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### 13. Financial instruments (continued)

#### Credit risk

Credit risk is the risk one party to a financial instrument will cause a financial loss for the other party by failing to meet its funding obligation. This risk is mitigated by the Organization through ensuring revenue is derived from qualified sources. The allowance for doubtful accounts in relation to accounts receivable is \$Nil (2023 - \$Nil).

#### Liquidity risk

Liquidity risk is the risk the Organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable. The Organization reduces its exposure to liquidity risk by ensuring that it documents when authorized payments become due and maintaining adequate cash reserves to repay creditors.

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### 14. Guarantees and indemnities

The Organization has indemnified its past, present and future directors, officers and volunteers against expenses (including legal expenses), judgements and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding, subject to certain restrictions. The Organization has purchased directors' and officers' liability insurance to mitigate the cost of any potential future lawsuits or actions, but there is no guarantee that the coverage will be sufficient should any action arise.

In the normal course of business, the Organization has entered into agreements that include indemnities in favour of third parties, either expressed or implied, such as in-service contracts, lease agreements or sales and purchase contracts. In these agreements, the Organization agrees to indemnify the counterparties in certain circumstances against losses or liabilities arising from the acts or omissions of the Organization. The maximum amount of any potential liability cannot be reasonably estimated.

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### 15. Comparative figures

Comparative figures have been adjusted to conform to changes in the current year presentation.

# Strides Toronto Support Services Schedule of Healthy Babies Healthy Children and Every Child Belongs

Year ended March 31, 2024	Healthy Babies Healthy Children	Every Child Belongs
City of Toronto – program funding	<u>\$ 900,611</u>	<u>\$ 913,327</u>
Salaries and wages	677,225	712,159
Benefits	129,055	131,868
Rent	36,750	31,825
Travel & communication	34,500	4,571
Purchased client services	-	6,034
Staff training	1,200	5,026
Professional services	12,100	2,965
Program Expenses	-	3,666
Insurance	5,500	4,800
Office supplies	<u>4,281</u>	<u>10,413</u>
	<u>900,611</u>	<u>913,327</u>
Excess of revenue over expenses	<u>\$ -</u>	<u>\$ -</u>