Meta Centre

Financial Statements

March 31, 2017

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the Meta Centre

We have audited the accompanying financial statements of the Meta Centre, which comprise the statement of financial position as at March 31, 2017, the statements of changes in net assets, operations and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Meta Centre as at March 31, 2017 and the changes in fund balances, results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Williams & Partners

Chartered Professional Accountants LLP
Licensed Public Accountants

Markham, Ontario
June 21, 2017

Meta Centre
Statement of Financial Position
March 31, 2017

	2017				2016
	Various Restricted Programs $	*Restricted Supportive Housing* $	*Unrestricted Fund* $	*Total* $	*Total* $
Assets					
Current					
Cash and short-term deposits	-	34,846	1,498,589	1,533,435	1,574,150
Restricted cash (note 4)	-	-	100,000	100,000	-
Accounts receivable	128,004	-	197,418	325,422	243,358
HST receivable	-	-	235,560	235,560	241,581
Prepaid expenses	-	-	72,589	72,589	86,915
	128,004	34,846	2,104,156	2,267,006	2,146,004
Property and equipment (note 5)	-	-	2,367,970	2,367,970	2,376,766
	128,004	34,846	4,472,126	4,634,976	4,522,770
Liabilities					
Current					
Accounts payable and accrued liabilities	462,014	-	49,156	511,170	540,266
Client funds held in trust	-	-	14,176	14,176	14,176
Interfund advances	4,163,888	132,154	(4,296,042)	-	-
	4,625,902	132,154	(4,232,710)	525,346	554,442
Deferred contributions (note 6)	-	-	1,837,414	1,837,414	1,631,424
	4,625,902	132,154	(2,395,296)	2,362,760	2,185,866
Commitments and contingencies (notes 9 and 10)					
Net Assets (Deficiency)	(4,497,898)	(97,308)	6,867,422	2,272,216	2,336,904
	128,004	34,846	4,472,126	4,634,976	4,522,770

On behalf of the Board

Director

Director

Meta Centre

Statement of Changes in Net Assets

year ended March 31, 2017

	2017				2016
	Various Restricted Programs	***Restricted Supportive Housing***	***Unrestricted***	***Total***	***Total***
	$	***$***	***$***	***$***	***$***
Balance, beginning	(4,316,049)	(91,234)	6,744,187	2,336,904	2,341,925
Excess (deficiency) of revenues over expenses:					
Toronto Region	(44,665)	-	-	(44,665)	(42,676)
Central Region	(137,184)	-	-	(137,184)	(144,860)
Other	-	(6,074)	123,235	117,161	182,515
	(181,849)	(6,074)	123,235	(64,688)	(5,021)
Balance, ending	(4,497,898)	(97,308)	6,867,422	2,272,216	2,336,904

Meta Centre

Statement of Operations

year ended March 31, 2017

	2017 $	2016 $
Revenues		
Government of Ontario grants - operations	16,659,817	16,504,270
ODSP funding	1,563,950	1,511,506
Deferred contributions (note 6)	87,680	89,902
Donations	17,354	39,362
Government subsidies	128,595	119,147
Net program revenue	1,225,500	1,265,466
Interest earned	13,288	11,501
Independently funded programs - revenue (note 7)	319,526	489,291
Special interest projects revenue	447,483	439,050
	20,463,193	20,469,495
Expenses		
Salaries	13,547,241	13,585,016
Benefits	2,372,709	2,220,316
Advertising and promotion	46,765	38,362
Food costs	558,481	556,945
Insurance and licenses	115,109	94,351
Interest and bank charges	30,863	30,692
Legal and accounting	43,174	39,611
Furnishings and equipment	147,924	97,970
Program costs	654,867	683,792
Rent - premises (note 7)	874,491	837,520
Repairs and maintenance	649,424	742,370
Staff training	176,715	181,775
Staff travel	73,109	69,820
Supplies	362,974	385,587
Telephone	52,779	69,460
Utilities and realty taxes	348,794	329,471
Vehicle operation and maintenance	261,915	266,220
Amortization	210,547	245,238
	20,527,881	20,474,516
Excess (deficiency) of revenues over expenses	(64,688)	(5,021)

Meta Centre
Statement of Cash Flows
year ended March 31, 2017

	2017 $	2016 $
Cash flows from operating activities		
Cash received from Ministries and clients	20,299,469	20,510,660
Cash paid to suppliers and employees	(20,332,104)	(20,519,604)
	(32,635)	(8,944)
Cash flows from investing activity		
Acquisition of property and equipment	(201,750)	(262,477)
Cash flows from financing activity		
Deferred contributions	293,670	-
Increase in cash and cash equivalents	59,285	(271,421)
Cash and cash equivalents, beginning	1,574,150	1,845,571
Cash and cash equivalents, ending	1,633,435	1,574,150
Cash and cash equivalents consists of the following:		
Cash	233,435	274,150
Short-term deposits, bearing interest at 0.9% per annum	1,300,000	1,300,000
Restricted cash	100,000	-
	1,633,435	1,574,150

See accompanying notes

1. PURPOSE OF ORGANIZATION

The Meta Centre ("Organization") develops and maintains programs and services for adults with developmental disabilities in Toronto and in the York Region. The Meta Centre is a registered charity, incorporated on December 30, 1992 under the laws of the Province of Ontario as a corporation without share capital, and has been granted tax exempt status under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, are in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

Fund accounting

The Organization follows fund accounting in presenting its assets, liabilities, revenues and expenses.

The Various Restricted Programs and Restricted Supportive Housing Funds report the assets, liabilities, revenues and expenses relating to the delivery and administration of the Organization's programs supported by restricted resources.

The Unrestricted Fund reports the assets, liabilities, revenues and expenses relating to the delivery and administration of the Organization's programs supported by unrestricted resources.

Revenue recognition

The Organization follows the restricted fund method of accounting for contributions. Unrestricted contributions are recognized as revenue of the unrestricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is probable. Restricted contributions related to general operations are deferred and recognized in the unrestricted fund when the related activity occurs. Restricted contributions related to property and equipment are deferred and amortized over the useful life of the assets. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Program revenue is recognized when services are performed and collection is probable.

Interest income is recognized on an accrual basis.

Financial instruments

The Organization initially measures its financial assets and liabilities at fair value and subsequently measures all its financial assets and liabilities at amortized cost.

Financial assets measured at amortized cost include cash and short-term deposits and accounts receivable.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Financial instruments - continued

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and client funds held in trust.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down from impairment is recognized as a charge against the excess of revenues over expenses.

Cash and short-term deposits

Cash and short-term deposits is defined as cash on hand, cash on deposit and short-term deposits with maturity dates of less than one year, net of cheques issued and outstanding at the reporting date.

Property and equipment

Property and equipment are stated at cost less accumulated amortization. Amortization is provided for on a declining basis at the following rates:

Building	5%
Furniture, fixtures and equipment	30%
Vehicles	30%
Leasehold improvements	15%

Property and equipment are assessed for impairment when events or changes in circumstance indicate that the Organization may not be able to recover their carrying value. The Organization calculates impairment by deducting the fair value, based on discounted cash flows expected from their use and disposition, from their carrying value. Any excess is a charge against the excess of revenues over expenses.

Donated materials and services

These financial statements do not reflect donated materials and services except where the fair value can be reasonably estimated and when they are used in the course of normal operations.

Members of the Board of Directors of the Organization serve without remuneration.

Allocation of overhead expenses

The Organization charges expenses specific to the Various Restricted Programs and Restricted Supportive Housing Funds where these expenses can be identified. Overhead expenses that relate to the central administration of the Organization are allocated to these restricted funds based on management's best estimates.

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Use of estimates

The preparation of the Organization's financial statements, in accordance with Canadian accounting standards for not-for-profit organizations, requires management to make estimates and assumptions which 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 for the year. Estimates are used when accounting for revenue recognition, amortization, allocation of central administration overhead and legal contingencies. Due to the inherent uncertainty involved with making such estimates, actual results could differ from those reported. As adjustments become necessary, they are reported in the excess of revenues over expenses in the period in which they become known.

3. FINANCIAL INSTRUMENT RISK EXPOSURES

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposures and concentrations at the date of the statement of financial position:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Organization is exposed to credit risk on the accounts receivable from its clients and other organizations. In order to reduce its credit risk, the Organization has adopted credit policies which include the analysis of the financial position of its clients and other organizations and the regular review of their credit limits.

Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet a demand for cash or fund its obligations as they come due as a result of the Organization's inability to liquidate assets in a timely manner and at a reasonable price.

The Organization is exposed to liquidity risk and mitigates this risk by preparing and monitoring detailed budgets and forecasts of cash flows and maintaining large cash reserves.

Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all securities traded in the market. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

3. FINANCIAL INSTRUMENT RISK EXPOSURES - continued

Market risk - continued

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate price risk on its short-term deposits.

The Organization is not exposed to currency risk or other price risk.

Changes in risk

There have been no significant changes in the Organization's risk exposures from the prior year.

4. RESTRICTED CASH

Restricted cash represents restricted amounts received towards future capital asset acquisitions.

5. PROPERTY AND EQUIPMENT

			2017	***2016***
			$	***$***
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	529,075	-	529,075	529,075
Buildings	2,081,013	1,038,449	1,042,564	1,071,505
Furniture, fixtures and equipment	577,083	528,493	48,590	36,970
Vehicles	647,170	524,800	122,370	174,815
Leasehold improvements	1,362,687	737,316	625,371	564,401
	5,197,028	2,829,058	2,367,970	2,376,766

There were no impairment indicators affecting property and equipment noted for the year ended March 31, 2017.

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent restricted contributions towards the purchase of property and equipment net of accumulated amortization. The changes in the deferred contributions balance for the period are as follows:

	2017 $	*2016* $
Balance, beginning	1,631,424	1,721,326
Contributions	293,670	-
	1,925,094	1,721,326
Amounts amortized to revenue	(87,680)	(89,902)
Balance, ending	1,837,414	1,631,424

7. AFFILIATED ORGANIZATION TRANSACTIONS

During the year, the Organization received $180,000 (2016 - $287,880) from, and paid rent of $304,795 (2016 - $291,690) to the Meta Foundation, an organization with some common directors. Included in the amount received is $100,000 (2016 - $Nil) that has been restricted and deferred for the future acquisition of capital assets, as indicated in notes 4 and 6. These transactions are in the normal course of operations and are measured at the exchange amount which is the amount established and agreed to by the affiliated parties.

8. ALLOCATION OF OVERHEAD EXPENSES

Overhead expenses have been allocated to the operating segments as follows:

	Toronto Region $	*Central Region* $	*Total 2017* $
Salaries and benefits	680,380	116,715	797,095
Supplies	46,842	1,542	48,384
Legal and accounting	43,174	-	43,174
Other	43,708	6,053	49,761
	814,104	124,310	938,414

9. COMMITMENTS

Minimum lease payments under the Organization's leases for its premises and equipment over each of the next five years and thereafter are as follows:

	$
2018	669,882
2019	546,533
2020	456,964
2021	373,019
2022	382,874
Thereafter	1,109,559
	3,538,831

10. CONTINGENCIES

There is an outstanding claim against the Organization by a former employee relating to the termination of their employment. Management believes that this claim is without merit, the Organization is not liable, and, accordingly, no provision has been made in these financial statements for losses, if any, which may be sustained on the ultimate settlement of this claim. An estimate of the amount of the contingent loss cannot be made at this time.

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted for the current year.