

Meta Centre

Financial Statements

March 31, 2020

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Meta Centre

Opinion

We have audited the financial statements of Meta Centre (the "Organization"), which comprise the statement of financial position as at March 31, 2020, and the statements of changes in net assets, operations 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 Meta Centre as at March 31, 2020, and its 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.

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 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 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 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITORS' REPORT - continued

Auditors' Responsibilities for the Audit of the Financial Statements - continued

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.
- 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.

Williams & Partners

Chartered Professional Accountants LLP
Licensed Public Accountants

Markham, Ontario
June 17, 2020

Meta Centre
Statement of Financial Position
March 31, 2020

	2020			2019	
	<i>Various Restricted Programs</i> \$	<i>Restricted Supportive Housing</i> \$	<i>Unrestricted Fund</i> \$	<i>Total</i> \$	<i>Total</i> \$
Assets					
Current					
Cash and short-term deposits	-	38,068	2,211,759	2,249,827	1,916,859
Accounts receivable	128,676	-	136,995	265,671	402,840
HST receivable	-	-	269,169	269,169	367,633
Prepaid expenses	-	-	66,223	66,223	75,461
	128,676	38,068	2,684,146	2,850,890	2,762,793
Property and equipment (note 4)	-	-	2,926,721	2,926,721	3,158,585
	128,676	38,068	5,610,867	5,777,611	5,921,378
Liabilities					
Current					
Accounts payable and accrued liabilities	977,157	-	78,364	1,055,521	919,652
Client funds held in trust	-	-	14,176	14,176	14,176
Interfund advances	4,115,239	143,905	(4,259,144)	-	-
	5,092,396	143,905	(4,166,604)	1,069,697	933,828
Deferred contributions (note 5)	-	-	2,498,500	2,498,500	2,798,426
	5,092,396	143,905	(1,668,104)	3,568,197	3,732,254
<i>Commitments (note 8)</i>					
Net Assets (Deficiency)	(4,963,720)	(105,837)	7,278,971	2,209,414	2,189,124
	128,676	38,068	5,610,867	5,777,611	5,921,378

On behalf of the Board

DocuSigned by:

Warren Harvey

Director 64256952F46A40E...

DocuSigned by:

Giuliana Minardi

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Director

Meta Centre

Statement of Changes in Net Assets

year ended March 31, 2020

	2020			2019	
	<i>Various Restricted Programs</i> \$	<i>Restricted Supportive Housing</i> \$	<i>Unrestricted</i> \$	<i>Total</i> \$	<i>Total</i> \$
Balance, beginning	(4,805,864)	(103,783)	7,098,771	2,189,124	2,193,248
Excess (deficiency) of revenues over expenses:					
Toronto Region	(8,226)	-	-	(8,226)	15,979
Central Region	(149,630)	-	-	(149,630)	(116,111)
Other	-	(2,054)	180,200	178,146	96,008
	(157,856)	(2,054)	180,200	20,290	(4,124)
Balance, ending	(4,963,720)	(105,837)	7,278,971	2,209,414	2,189,124

Meta Centre
Statement of Operations
year ended March 31, 2020

	2020	2019
	\$	\$
Revenues		
Government of Ontario grants - operations	18,409,677	18,354,451
ODSP funding	1,699,151	1,750,914
Deferred contributions (note 5)	299,926	239,531
Donations	523	38
Government subsidies	154,617	133,416
Net program revenue	1,360,583	1,245,639
Interest earned	35,588	38,850
Independently funded programs - revenue	276,926	307,464
Special interest projects revenue	648,801	527,984
	<u>22,885,792</u>	<u>22,598,287</u>
Expenses		
Salaries	14,998,771	14,646,182
Benefits	2,572,877	2,517,829
Advertising and promotion	73,546	71,311
Food costs	532,624	491,129
Insurance and licenses	142,011	125,037
Interest and bank charges	5,833	7,166
Legal and accounting	58,407	43,704
Furnishings and equipment	114,111	176,289
Program costs	669,023	663,389
Rent - premises (note 6)	925,222	901,570
Repairs and maintenance	961,066	1,248,194
Staff training	282,856	268,517
Staff travel	110,854	101,940
Supplies	376,948	344,187
Telephone	54,022	50,972
Utilities and realty taxes	347,081	339,922
Vehicle operation and maintenance	294,582	317,430
Amortization	345,668	287,643
	<u>22,865,502</u>	<u>22,602,411</u>
Excess (deficiency) of revenues over expenses	<u>20,290</u>	<u>(4,124)</u>

Meta Centre
Statement of Cash Flows
year ended March 31, 2020

	2020	2019
	\$	\$
Cash flows from operating activities		
Cash received from Ministries and clients	22,821,499	22,201,107
Cash paid to suppliers and employees	<u>(22,374,726)</u>	<u>(21,954,283)</u>
	<u>446,773</u>	<u>246,824</u>
Cash flows from investing activities		
Proceeds on disposal of vehicle	13,794	18,383
Acquisition of property and equipment	<u>(127,599)</u>	<u>(899,963)</u>
	<u>(113,805)</u>	<u>(881,580)</u>
Cash flows from financing activity		
Deferred contributions	<u>-</u>	<u>834,125</u>
Increase in cash and short-term deposits	332,968	199,369
Cash and short-term deposits, beginning	<u>1,916,859</u>	<u>1,717,490</u>
Cash and short-term deposits, ending	<u>2,249,827</u>	<u>1,916,859</u>
Cash and short-term deposits consists of the following:		
Cash	899,827	616,859
Short-term deposits, bearing interest at 1.95% per annum	<u>1,350,000</u>	<u>1,300,000</u>
	<u>2,249,827</u>	<u>1,916,859</u>

Meta Centre

Notes to Financial Statements

March 31, 2020

1. PURPOSE OF ORGANIZATION

The Meta Centre ("Organization") develops and maintains programs and services for adults with developmental disabilities in Toronto and 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.

Meta Centre

Notes to Financial Statements

March 31, 2020

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 balance 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.

Meta Centre

Notes to Financial Statements

March 31, 2020

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

Meta Centre

Notes to Financial Statements

March 31, 2020

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.

Changes in risk

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

4. PROPERTY AND EQUIPMENT

			2020	2019
			\$	\$
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	529,075	-	529,075	529,075
Buildings	2,081,013	1,187,145	893,868	940,914
Furniture, fixtures and equipment	764,195	627,511	136,684	124,467
Vehicles	636,520	564,070	72,450	72,255
Leasehold improvements	2,524,821	1,230,177	1,294,644	1,491,874
	6,535,624	3,608,903	2,926,721	3,158,585

There were no impairment indicators affecting property and equipment noted for the year ended March 31, 2020.

5. DEFERRED CONTRIBUTIONS

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

	2020	2019
	\$	\$
Balance, beginning	2,798,426	2,203,832
Contributions - property and equipment	-	834,125
	2,798,426	3,037,957
Amounts amortized to revenue	(299,926)	(239,531)
Balance, ending	2,498,500	2,798,426

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Notes to Financial Statements

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6. AFFILIATED ORGANIZATION TRANSACTIONS

During the year, the Organization paid rent of \$392,191 (2019 -\$339,600) to the Meta Foundation, an organization with some common directors. 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.

7. ALLOCATION OF OVERHEAD EXPENSES

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

	<i>Toronto Region</i>	<i>Central Region</i>	<i>Total 2020</i>
	<i>\$</i>	<i>\$</i>	<i>\$</i>
Salaries and benefits	710,817	121,552	832,369
Supplies	12,927	855	13,782
Legal and accounting	58,407	-	58,407
Other	70,593	3,583	74,176
	<u>852,744</u>	<u>125,990</u>	<u>978,734</u>

8. 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:

	<i>\$</i>
2021	731,191
2022	753,480
2023	619,933
2024	526,350
2025	437,292
Thereafter	<u>543,394</u>
	<u>3,611,640</u>

9. SUBSEQUENT EVENT

Subsequent to year end, COVID-19 has had a significant impact on the Canadian and global economy. This is an evolving situation which has limited economic activity in certain industries. Due to uncertainty surrounding the length and extent of the COVID-19 impact on the Organization, its customers and suppliers, there could be a significant effect on the Organization's financial position and ability to realize on its assets. Management is continuing to monitor the situation, but is unable to quantify the potential impact on the Organization's operations as at the date of these financial statements.