

Meta Centre

Financial Statements

March 31, 2018

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, 2018, 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, 2018 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 20, 2018

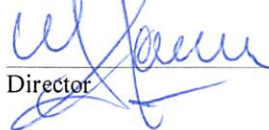
Meta Centre

Statement of Financial Position

March 31, 2018

	2018			2017	
	<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	-	34,846	1,682,644	1,717,490	1,533,435
Restricted cash	-	-	-	-	100,000
Accounts receivable	127,449	-	221,059	348,508	325,422
HST receivable	-	-	264,317	264,317	235,560
Prepaid expenses	-	-	85,028	85,028	72,589
	127,449	34,846	2,253,048	2,415,343	2,267,006
Property and equipment (note 4)	-	-	2,564,648	2,564,648	2,367,970
	127,449	34,846	4,817,696	4,979,991	4,634,976
Liabilities					
Current					
Accounts payable and accrued liabilities	525,705	-	43,030	568,735	511,170
Client funds held in trust	-	-	14,176	14,176	14,176
Interfund advances	4,307,476	133,308	(4,440,784)	-	-
	4,833,181	133,308	(4,383,578)	582,911	525,346
Deferred contributions (note 5)	-	-	2,203,832	2,203,832	1,837,414
	4,833,181	133,308	(2,179,746)	2,786,743	2,362,760
<i>Commitments (note 8)</i>					
Net Assets (Deficiency)	(4,705,732)	(98,462)	6,997,442	2,193,248	2,272,216
	127,449	34,846	4,817,696	4,979,991	4,634,976

On behalf of the Board


Director


Director

See accompanying notes

Meta Centre

Statement of Changes in Net Assets year ended March 31, 2018

	2018			2017	
	<i>Various Restricted Programs</i> \$	<i>Restricted Supportive Housing</i> \$	<i>Unrestricted</i> \$	<i>Total</i> \$	<i>Total</i> \$
Balance, beginning	(4,497,898)	(97,308)	6,867,422	2,272,216	2,336,904
Excess (deficiency) of revenues over expenses:					
Toronto Region	(57,023)	-	-	(57,023)	(44,665)
Central Region	(150,811)	-	-	(150,811)	(137,184)
Other	-	(1,154)	130,020	128,866	117,161
	(207,834)	(1,154)	130,020	(78,968)	(64,688)
Balance, ending	(4,705,732)	(98,462)	6,997,442	2,193,248	2,272,216

Meta Centre
Statement of Operations
year ended March 31, 2018

	<u>2018</u>	<u>2017</u>
	\$	\$
Revenues		
Government of Ontario grants - operations	17,167,260	16,659,817
ODSP funding	1,580,692	1,563,950
Deferred contributions (note 5)	110,270	87,680
Donations	1,988	17,354
Government subsidies	130,882	128,595
Net program revenue	1,196,845	1,225,500
Interest earned	15,221	13,288
Independently funded programs - revenue (note 6)	323,992	319,526
Special interest projects revenue	480,841	447,483
	<u>21,007,991</u>	<u>20,463,193</u>
Expenses		
Salaries	14,138,718	13,547,241
Benefits	2,425,471	2,372,709
Advertising and promotion	48,214	46,765
Food costs	434,866	558,481
Insurance and licenses	122,359	115,109
Interest and bank charges	31,514	30,863
Legal and accounting	42,053	43,174
Furnishings and equipment	194,088	147,924
Program costs	623,972	654,867
Rent - premises (note 6)	921,683	874,491
Repairs and maintenance	549,901	649,424
Staff training	244,962	176,715
Staff travel	92,615	73,109
Supplies	356,376	362,974
Telephone	35,305	52,779
Utilities and realty taxes	317,648	348,794
Vehicle operation and maintenance	295,232	261,915
Amortization	211,982	210,547
	<u>21,086,959</u>	<u>20,527,881</u>
Excess (deficiency) of revenues over expenses	<u>(78,968)</u>	<u>(64,688)</u>

Meta Centre
Statement of Cash Flows
year ended March 31, 2018

	<i>2018</i>	<i>2017</i>
	\$	\$
Cash flows from operating activities		
Cash received from Ministries and clients	20,844,406	20,299,469
Cash paid to suppliers and employees	<u>(20,829,851)</u>	<u>(20,332,104)</u>
	14,555	(32,635)
Cash flows from investing activities		
Proceeds on disposal of vehicle	6,149	-
Acquisition of property and equipment	<u>(413,337)</u>	<u>(201,750)</u>
	<u>(407,188)</u>	<u>(201,750)</u>
Cash flows from financing activity		
Deferred contributions	<u>476,688</u>	<u>293,670</u>
Increase in cash and short-term deposits	84,055	59,285
Cash and short-term deposits, beginning	<u>1,633,435</u>	<u>1,574,150</u>
Cash and short-term deposits, ending	<u>1,717,490</u>	<u>1,633,435</u>
Cash and short-term deposits consists of the following:		
Cash	417,490	233,435
Short-term deposits, bearing interest at 1.85% per annum	1,300,000	1,300,000
Restricted cash	<u>-</u>	<u>100,000</u>
	<u>1,717,490</u>	<u>1,633,435</u>

Meta Centre

Notes to Financial Statements

March 31, 2018

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.

Meta Centre

Notes to Financial Statements

March 31, 2018

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, 2018

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.

Meta Centre
Notes to Financial Statements
March 31, 2018

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. PROPERTY AND EQUIPMENT

			<i>2018</i>	<i>2017</i>
			\$	\$
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	529,075	-	529,075	529,075
Buildings	2,081,013	1,090,577	990,436	1,042,564
Furniture, fixtures and equipment	670,632	543,070	127,562	48,590
Vehicles	663,280	562,095	101,185	122,370
Leasehold improvements	1,661,687	845,297	816,390	625,371
	<u>5,605,687</u>	<u>3,041,039</u>	<u>2,564,648</u>	<u>2,367,970</u>

There were no impairment indicators affecting property and equipment noted for the year ended March 31, 2018.

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Notes to Financial Statements
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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 period are as follows:

	<i>2018</i>	<i>2017</i>
	<u>\$</u>	<u>\$</u>
Balance, beginning	1,837,414	1,631,424
Contributions - property and equipment	324,862	293,670
Contribution - program funding	151,826	-
	<u>2,314,102</u>	<u>1,925,094</u>
Amounts amortized to revenue	(110,270)	(87,680)
Balance, ending	<u>2,203,832</u>	<u>1,837,414</u>

6. AFFILIATED ORGANIZATION TRANSACTIONS

During the year, the Organization received \$Nil (2017 - \$180,000) from, and paid rent of \$339,659 (2017 - \$304,795) 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</i>	<i>Central</i>	<i>Total</i>
	<i>Region</i>	<i>Region</i>	<i>2018</i>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
Salaries and benefits	702,775	119,972	822,747
Supplies	43,943	1,054	44,997
Legal and accounting	42,053	-	42,053
Other	40,333	3,284	43,617
	<u>829,104</u>	<u>124,310</u>	<u>953,414</u>

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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:

	\$
2019	680,534
2020	566,505
2021	484,118
2022	493,799
2023	365,332
Thereafter	<u>819,485</u>
	<u>3,409,773</u>