

Meta Centre

Financial Statements

March 31, 2023

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, 2023, 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, 2023, 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 21, 2023

Meta Centre
Statement of Financial Position
March 31, 2023

	2023			2022	
	<i>Various Restricted Programs</i>	<i>Restricted Supportive Housing</i>	<i>Unrestricted Fund</i>	<i>Total</i>	<i>Total</i>
	\$	\$	\$	\$	\$
Assets					
Current					
Cash	-	47,734	1,054,298	1,102,032	213,716
Short-term deposits (note 4)	-	-	1,418,520	1,418,520	1,400,000
Accounts receivable	-	-	199,286	199,286	329,989
HST receivable	-	-	377,703	377,703	325,612
Prepaid expenses and sundry	-	-	105,076	105,076	197,675
	-	47,734	3,154,883	3,202,617	2,466,992
Property and equipment (note 5)	-	-	2,367,552	2,367,552	2,583,177
	-	47,734	5,522,435	5,570,169	5,050,169
Liabilities					
Current					
Accounts payable and accrued liabilities	1,376,038	-	110,845	1,486,883	782,941
Client funds held in trust	-	-	14,176	14,176	14,176
Interfund advances	3,600,466	167,187	(3,767,653)	-	-
	4,976,504	167,187	(3,642,632)	1,501,059	797,117
Deferred contributions (note 6)	-	-	1,955,203	1,955,203	2,148,834
	4,976,504	167,187	(1,687,429)	3,456,262	2,945,951
<i>Commitments (note 9)</i>					
Net Assets (Deficiency)	(4,976,504)	(119,453)	7,209,864	2,113,907	2,104,218
	-	47,734	5,522,435	5,570,169	5,050,169

On behalf of the Board

Warren Harvey

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Director

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Giuliana Minardi

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Director

Meta Centre

Statement of Changes in Net Assets

year ended March 31, 2023

	2023			2022	
	<i>Various Restricted Programs</i> \$	<i>Restricted Supportive Housing</i> \$	<i>Unrestricted</i> \$	<i>Total</i> \$	<i>Total</i> \$
Balance, beginning	(4,970,905)	(113,597)	7,188,720	2,104,218	2,209,708
Excess (deficiency) of revenues over expenses:					
Toronto Region	(2,957)	-	-	(2,957)	(2,227)
Central Region	(2,642)	-	-	(2,642)	(1,480)
Other	-	(5,856)	21,144	15,288	(101,783)
	(5,599)	(5,856)	21,144	9,689	(105,490)
Balance, ending	(4,976,504)	(119,453)	7,209,864	2,113,907	2,104,218

Meta Centre
Statement of Operations
year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
Revenues		
Government of Ontario grants - operations	24,396,332	20,116,491
ODSP funding	1,780,861	1,636,691
Deferred contributions (note 6)	193,631	207,991
Government supportive housing subsidies	154,617	154,617
Net program revenue (note 11)	488,220	175,240
Interest earned	32,027	7,570
Independently funded programs - revenue (note 7)	1,103,363	540,193
Special interest projects revenue	776,234	605,313
Government wage subsidies (notes 10 and 11)	13,387	203,401
Temporary wage enhancement and other subsidies	-	2,250,867
	<u>28,938,672</u>	<u>25,898,374</u>
Expenses		
Salaries	19,004,004	17,360,283
Benefits	3,117,224	2,755,275
Advertising and promotion	105,921	103,339
Food costs	503,384	440,947
Insurance and licenses	201,622	185,290
Interest and bank charges	8,675	6,826
Legal and accounting	118,563	73,296
Furnishings and equipment	240,044	130,442
Program costs	1,598,705	1,314,134
Rent - premises (note 7)	1,132,305	1,079,697
Repairs and maintenance	1,201,060	1,011,039
Staff training	196,500	134,143
Staff travel	65,203	43,223
Supplies	410,139	447,350
Telephone	58,813	58,818
Utilities and realty taxes	410,512	359,270
Vehicle operation and maintenance	286,171	221,502
Amortization	270,138	278,990
	<u>28,928,983</u>	<u>26,003,864</u>
Excess (deficiency) of revenues over expenses	<u>9,689</u>	<u>(105,490)</u>

Meta Centre

Statement of Restricted Operations - Toronto Region year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
Revenues		
Government of Ontario grants - operations	22,013,709	18,156,864
ODSP funding	1,656,988	1,535,540
Temporary wage enhancement and other subsidies	-	2,250,867
	<u>23,670,697</u>	<u>21,943,271</u>
Expenses		
Salaries (note 8)	16,678,820	15,442,421
Benefits (note 8)	2,691,209	2,406,613
Advertising and promotion	63,591	63,668
Food costs	439,271	430,212
Insurance and licenses	124,551	117,639
Interest and bank charges	7,547	6,269
Legal and accounting (note 8)	77,581	73,296
Furnishings and equipment	83,580	120,844
Program costs	1,388,034	963,571
Rent - premises (note 7)	648,670	652,038
Repairs and maintenance	419,168	657,940
Staff training	133,225	120,123
Staff travel	55,897	37,629
Supplies (note 8)	323,459	349,800
Telephone	48,418	50,433
Utilities and realty taxes	319,008	288,075
Vehicle operation and maintenance	171,625	164,927
	<u>23,673,654</u>	<u>21,945,498</u>
Excess (deficiency) of revenues over expenses	<u>(2,957)</u>	<u>(2,227)</u>

Meta Centre

Statement of Restricted Operations - Central Region

year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
Revenues		
Government of Ontario grants - operations	2,382,623	1,959,627
ODSP funding	88,312	73,512
	<u>2,470,935</u>	<u>2,033,139</u>
Expenses		
Salaries (note 8)	1,754,886	1,399,910
Benefits (note 8)	304,368	248,883
Advertising and promotion	8,318	8,671
Food costs	13,427	10,735
Insurance and licenses	16,592	15,731
Interest and bank charges	1,128	557
Furnishings and equipment	16,948	9,598
Program costs	57,771	49,815
Rent - premises (note 7)	127,814	144,781
Repairs and maintenance	69,770	51,581
Staff training	17,655	12,520
Staff travel	4,403	5,594
Supplies (note 8)	26,472	27,664
Telephone	7,257	6,385
Utilities and realty taxes	26,122	24,119
Vehicle operation and maintenance	20,646	18,075
	<u>2,473,577</u>	<u>2,034,619</u>
<u>Excess (deficiency) of revenues over expenses</u>	<u>(2,642)</u>	<u>(1,480)</u>

Meta Centre

Statement of Restricted Operations - Supportive Housing year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
Revenues		
Government supportive housing subsidies	154,617	154,617
Expenses		
Salaries	11,198	10,962
Benefits	1,531	1,699
Insurance and licenses	23,239	21,280
Rent - premises (note 7)	50,821	50,378
Repairs and maintenance	53,270	53,850
Supplies	282	1,054
Utilities and realty taxes	20,132	19,826
	<u>160,473</u>	<u>159,049</u>
<u>Excess (deficiency) of revenues over expenses</u>	<u>(5,856)</u>	<u>(4,432)</u>

Meta Centre
Statement of Unrestricted Operations
year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
Revenues		
ODSP funding	35,561	27,639
Deferred contributions (note 6)	193,631	207,991
Net program revenue (note 11)	488,220	175,240
Interest earned	32,027	7,570
Independently funded programs (note 7)	1,103,363	540,193
Special interest projects revenue	776,234	605,313
Government wage subsidies (notes 10 and 11)	13,387	203,400
	<u>2,642,423</u>	<u>1,767,346</u>
Expenses		
Salaries	559,100	506,989
Benefits	120,115	98,080
Advertising and promotion	34,012	31,000
Food costs	50,686	-
Insurance and licenses	37,240	30,640
Legal and accounting	40,982	-
Furnishings and equipment	139,516	-
Program costs	152,900	300,748
Rent - premises (note 7)	305,000	232,500
Repairs and maintenance	658,852	247,668
Staff training	45,620	1,500
Staff travel	4,903	-
Supplies	59,927	68,832
Telephone	3,138	2,000
Utilities and realty taxes	45,250	27,250
Vehicle operation and maintenance	93,900	38,500
Amortization	270,138	278,990
	<u>2,621,279</u>	<u>1,864,697</u>
<u>Excess (deficiency) of revenues over expenses</u>	<u>21,144</u>	<u>(97,351)</u>

Meta Centre
Statement of Cash Flows
year ended March 31, 2023

	<u>2023</u>	<u>2022</u>
	\$	\$
Cash flows from operating activities		
Cash received from Ministries and clients	28,823,653	25,637,852
Cash paid to suppliers and employees	<u>(27,862,304)</u>	<u>(25,555,795)</u>
	961,349	82,057
Cash flows from investing activities		
Acquisition of property and equipment	(54,513)	(194,736)
Short-term deposits	<u>(18,520)</u>	<u>(50,000)</u>
	<u>(73,033)</u>	<u>(244,736)</u>
Cash flows from financing activity		
Deferred contributions	-	<u>99,334</u>
Increase (decrease) in cash	888,316	(63,345)
Cash, beginning	<u>213,716</u>	<u>277,061</u>
Cash, ending	<u>1,102,032</u>	<u>213,716</u>

Meta Centre

Notes to Financial Statements

March 31, 2023

1. PURPOSE OF ORGANIZATION

The Meta Centre (the "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, short-term deposits and accounts receivable.

Meta Centre

Notes to Financial Statements

March 31, 2023

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

Cash is defined as cash on hand and cash on deposit, 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:

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

Property and equipment subject to amortization are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured by the amount by which the carrying amount of the long-lived asset exceeds its fair value.

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, 2023

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, 2023

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 has been an increase in the Organization's liquidity risk exposure due to the increase in accounts payable and accrued liabilities compared to the prior year. There have been no other significant changes in the Organization's risk exposures from the prior year.

4. SHORT-TERM DEPOSITS

Included in short-term deposits are guaranteed investment certificates bearing interest at rates between 4.45% and 4.67% per annum, and maturing in March 2024.

5. PROPERTY AND EQUIPMENT

			2023	2022
			\$	\$
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	529,075	-	529,075	529,075
Buildings	2,081,013	1,318,233	762,780	806,716
Furniture, fixtures and equipment	938,018	786,787	151,231	216,044
Vehicles	691,033	613,032	78,001	35,501
Leasehold improvements	2,589,653	1,743,188	846,465	995,841
	6,828,792	4,461,240	2,367,552	2,583,177

Though the COVID-19 pandemic has had an impact on the Organization, there were no significant changes in use for any of the major assets, and as such, there were no impairment indicators affecting property and equipment noted for the year ended March 31, 2023.

Meta Centre

Notes to Financial Statements

March 31, 2023

6. 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:

	<i>2023</i>	<i>2022</i>
	\$	\$
Balance, beginning	2,148,834	2,257,491
Contributions - property and equipment	-	99,334
Amounts amortized to revenue	(193,631)	(207,991)
Balance, ending	<u>1,955,203</u>	<u>2,148,834</u>

7. AFFILIATED ORGANIZATION TRANSACTIONS

During the year, the Organization received contributions of \$280,000 (2022 - \$240,000) and paid rent of \$400,021 (2022 - \$399,578) 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.

8. 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>2023</i>
	\$	\$	\$
Salaries and benefits	763,152	121,896	885,048
Supplies	18,752	847	19,599
Legal and accounting	79,462	-	79,462
Other	53,778	3,247	57,025
	<u>915,144</u>	<u>125,990</u>	<u>1,041,134</u>

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:

	\$
2024	759,228
2025	668,905
2026	558,594
2027	343,622
2028	190,829
Thereafter	<u>280,788</u>
	<u>2,801,966</u>

10. GOVERNMENT WAGE SUBSIDIES

During the year, the Organization received \$13,387 (2022 - \$203,401) in government assistance payments related to the Canada Revenue Agency's Canada Emergency Wage Subsidy program which have been reported under revenues. There were no amounts included in accounts receivable related to the Canada Emergency Wage Subsidy.

11. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

The Organization has experienced changes in its operations as a result of the COVID-19 crisis, including limited operations with respect to its day and respite service programs. In the current year, operations are starting to return to pre-pandemic levels. As a partial offset to the decline in net program revenue, the Organization received government wage subsidies, as described in note 10.

Overall, the Organization is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of disturbance. As a result, we are unable to estimate the potential impact on the Organization's operations as at the date of these financial statements.

12. COMPARATIVE FIGURES

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