

MAPLE CITY CENTRE FOR OLDER ADULTS

Financial Statements

Year Ended March 31, 2019

MAPLE CITY CENTRE FOR OLDER ADULTS

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Year Ended March 31, 2019

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RIEGER BRAY HOHL

**Chartered Professional
Accountants**

Partners

Lance D. Rieger,
FCPA, FCGA, LPA

Sandy L. Bray,
CPA, CGA, LPA

Sandra L. Hohl,
CPA, CGA, LPA

Kelly L. Dupuis,
CPA, CA, LPA

40 Centre Street
Suite 100
Chatham
Ontario
N7M 5W3
Tel: 519-436-0556
1-800-563-1865
Fax: 519-436-1291

40 Queen Street
P.O. Box 130
Tilbury
Ontario
N0P 2L0
Tel: 519-682-2300
1-800-565-3402
Fax: 519-682-0765

Website:
www.eprchatham.com

INDEPENDENT AUDITOR'S REPORT

To the Members of Maple City Centre for Older Adults

Qualified Opinion

We have audited the financial statements of Maple City Centre for Older Adults (the Organization), which comprise the statement of financial position as at March 31, 2019, and the statements of changes in net assets, revenues and expenditures and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives significant donation, fundraising and special event revenue from cash contributions, which, by their nature, are not susceptible to complete audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to these revenues, excess of revenues over expenses, current assets and net assets. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation of scope.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 relating 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

(continues)



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Independent Auditor's Report to the Members of Maple City Centre for Older Adults *(continued)*

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.

EPR Rieger Bray Hohl

Chatham, Ontario
September 11, 2019

EPR RIEGER BRAY HOHL
Chartered Professional Accountants
Licensed Public Accountants



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Sound accounting, business advice and planning for the growth and success of your company.

MAPLE CITY CENTRE FOR OLDER ADULTS

Statement of Financial Position

March 31, 2019

	Total 2019	Total 2018
ASSETS		
CURRENT		
Cash	\$ 18,596	\$ 43,349
Marketable securities (Note 5)	75,660	46,007
Accounts receivable (Note 6)	20,290	623
Government remittances recoverable (Note 7)	2,110	1,208
Inventory	2,944	3,325
Prepaid expenses (Note 8)	11,799	3,320
	<u>\$ 131,399</u>	<u>\$ 97,832</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 38,272	\$ 15,093
Deferred income (Note 9)	46,074	46,299
	84,346	61,392
NET ASSETS	<u>47,053</u>	<u>36,439</u>
	<u>\$ 131,399</u>	<u>\$ 97,832</u>

On behalf of the Board

_____ Director

_____ Director



The accompanying notes are an integral part of these financial statements

MAPLE CITY CENTRE FOR OLDER ADULTS

Statement of Changes in Net Assets

Year Ended March 31, 2019

	2019	2018
NET ASSETS - BEGINNING OF YEAR	\$ 36,439	\$ 53,338
Excess (deficiency) of revenues over expenses	<u>10,614</u>	<u>(16,899)</u>
NET ASSETS - END OF YEAR	<u>\$ 47,053</u>	<u>\$ 36,439</u>



The accompanying notes are an integral part of these financial statements

MAPLE CITY CENTRE FOR OLDER ADULTS

Statement of Revenues and Expenditures

Year Ended March 31, 2019

	Total 2019	Total 2018
REVENUES		
Donations	\$ 7,768	\$ 40,999
Fundraising Revenues <i>(Note 11)</i>	237,213	170,340
Interest income	660	908
LHIN Funded Programs <i>(Schedule 1)</i>	120,216	124,730
Memberships	52,965	51,169
Operating Grants <i>(Note 13)</i>	58,878	58,878
Program Revenues <i>(Note 12)</i>	134,521	134,740
Special Grants <i>(Note 14)</i>	19,543	53,820
	<u>631,764</u>	<u>635,584</u>
EXPENSES		
Building and maintenance expenses <i>(Note 15)</i>	59,164	69,969
Fundraising expenses <i>(Note 16)</i>	126,360	87,844
LHIN program expenses <i>(Schedule 1)</i>	122,943	124,905
Program and administration expenses <i>(Note 17)</i>	37,245	53,225
Special grant expenditures <i>(Note 14)</i>	19,540	53,820
Wage compensation	255,898	262,720
	<u>621,150</u>	<u>652,483</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 10,614	\$ (16,899)



The accompanying notes are an integral part of these financial statements

MAPLE CITY CENTRE FOR OLDER ADULTS

LHIN Funding

(Schedule 1)

Year Ended March 31, 2019

	2019	2018
REVENUES		
LHIN Grant	\$ 102,818	\$ 102,624
Foot Care Clinic - User Fees	17,398	22,106
	<u>120,216</u>	<u>124,730</u>
EXPENSES		
Building (plant) operations	18,966	18,595
General administration expenses	17,080	14,199
Salaries expense	60,099	60,310
Contracted services	26,798	31,801
	<u>122,943</u>	<u>124,905</u>
LOSS FROM OPERATIONS	<u>\$ (2,727)</u>	<u>\$ (175)</u>



The accompanying notes are an integral part of these financial statements

MAPLE CITY CENTRE FOR OLDER ADULTS

Statement of Cash Flows

Year Ended March 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 10,614	\$ (16,899)
Changes in non-cash working capital:		
Accounts receivable	(19,667)	157
Inventory	380	814
Accounts payable	23,179	330
Deferred income	(225)	(8,516)
Prepaid expenses	(8,479)	(551)
Government remittances recoverable	(902)	2,150
	<u>(5,714)</u>	<u>(5,616)</u>
Cash flow from operating activities	<u>4,900</u>	<u>(22,515)</u>
INVESTING ACTIVITY		
Marketable securities	<u>(29,653)</u>	41,578
INCREASE (DECREASE) IN CASH FLOW	(24,753)	19,063
CASH - BEGINNING OF YEAR	<u>43,349</u>	<u>24,286</u>
CASH - END OF YEAR	<u>\$ 18,596</u>	<u>\$ 43,349</u>
CASH CONSISTS OF:		
Cash	<u>\$ 18,596</u>	<u>\$ 43,349</u>



The accompanying notes are an integral part of these financial statements

MAPLE CITY CENTRE FOR OLDER ADULTS

Notes to Financial Statements

Year Ended March 31, 2019

1. PURPOSE OF THE ORGANIZATION

Maple City Centre for Older Adults (the "organization") is a not-for-profit organization incorporated provincially under the Corporations Act of Ontario as a corporation without share capital. As a registered charity the organization is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The purpose of the Maple City Centre for Older Adults is to offer social and recreational programs to promote and maintain the enjoyment, well being, dignity and independence of adults age 50 and over.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO).

Revenue recognition

The organization follows the deferral method of accounting for contributions.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donation revenue is recognized when gifts are received.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Allocation of Expenses

General building and maintenance expenses, program and administration expenses are incurred to support the LHIN funded programs. These expenses are allocated to the LHIN program based on the estimated costs of the program. Wage expenses are allocated on a person by person basis.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

MAPLE CITY CENTRE FOR OLDER ADULTS

Notes to Financial Statements

Year Ended March 31, 2019

3. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2019.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk from customers. In order to reduce its credit risk, the Organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. The organization has only a few customers that receive credit which minimizes credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from its programs, activities, grants and other related sources as well as accounts payable.

(c) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Organization manages exposure through its normal operating and financing activities. The Organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.

4. CREDIT FACILITY

The Organization has a credit facility with Royal Bank of Canada, which includes an approved operating line that can be drawn upon to a maximum of \$25,000, which bears interest at prime plus 1.65% and is secured by guaranteed investment certificates and a General Security Agreement. At the statement of financial position date, the amount owing, which is due on demand, was nil.

5. MARKETABLE SECURITIES

CIBC GIC, 0.65%	\$	\$ 26,007
Royal Bank of Canada GIC, 0.65%		20,000
Royal Bank of Canada GIC, 1.0%, matures June 21, 2019	20,286	
Royal Bank of Canada GIC, 2%, matures October 11, 2020	25,234	
Royal Bank of Canada GIC, 2.4%, matures September 28, 2020	15,002	
Royal Bank of Canada GIC, 2.25%, matures November 2, 2021	15,138	
	<u>\$ 75,660</u>	<u>\$ 46,007</u>

MAPLE CITY CENTRE FOR OLDER ADULTS

Notes to Financial Statements

Year Ended March 31, 2019

6. CONTRIBUTIONS RECEIVABLE

The organization has recognized a contribution of \$18,555 from the International Plowing Match committee. While these funds have not yet been received they are included in accounts receivable and fundraising revenue, as it is the opinion of management that the amount can be reasonably estimated and collection is reasonably assured.

7. GOVERNMENT REMITTANCES RECOVERABLE OTHER THAN INCOME TAX

Government remittances (other than income taxes) include, for example, federal sales taxes, payroll taxes, health taxes and workers' safety insurance premiums. The following government remittances were payable at year end:

	<u>2019</u>	<u>2018</u>
HST Rebate recoverable	\$ 7,897	\$ 7,181
Source deductions payable	(5,173)	(5,973)
Workers' safety insurance payable	(614)	
	<u>\$ 2,110</u>	<u>\$ 1,208</u>

8. PREPAID EXPENSES

	<u>2019</u>	<u>2018</u>
Prepaid Supplies	\$ 1,273	\$ 1,567
Prepaid Expenses - Foot Care	1,230	1,753
Prepaid Trip Expense	9,296	
	<u>\$ 11,799</u>	<u>\$ 3,320</u>

9. DEFERRED REVENUE

Deferred revenue includes membership fees paid in advance of April 2019, deposits for rental contracts that will occur after March 31 and trip revenue for trips that will be held after March.

	<u>2019</u>	<u>2018</u>
Deferred Grant Revenue	\$	\$ 7,683
Prepaid Memberships	30,584	25,575
Prepaid Rent	1,565	3,472
Prepaid Trip Revenue	13,925	
Prepaid User Fees		9,569
	<u>\$ 46,074</u>	<u>\$ 46,299</u>

MAPLE CITY CENTRE FOR OLDER ADULTS

Notes to Financial Statements

Year Ended March 31, 2019

10. CAPITAL ASSETS

The land and building at 20 Merritt Avenue is owned by the Municipality of Chatham-Kent. The Centre operates under a 50 year lease with the municipality with four automatic renewal options of 10 years each and a further automatic renewal option of 9 years. This agreement was entered into November 26, 1990. Annual rent under the lease is \$1. Maple City Centre for Older Adults is responsible for all operating, maintenance and repair expenses. An expansion to the building was completed in 2014 and recorded as an expenditure in the Building Fund at that time.

In the current year, management met with the Municipality and it was agreed that the Municipality would assume responsibility for capital repairs. The Municipality is preparing a written amendment to the lease agreement to reflect this adjustment to the revised lease terms.

The historical cost and accumulated amortization for property, plant and equipment are not recorded.

11. FUNDRAISING REVENUES

	<u>2019</u>	<u>2018</u>
Beverage	\$ 14,551	\$ 9,516
Hospitality Program	97,442	79,784
Room Rentals	33,807	34,115
Special events	91,413	46,925
	<u>\$ 237,213</u>	<u>\$ 170,340</u>

In the current year the grouping of accounts was changed and now several of the smaller activities are grouped together as special events.

12. PROGRAM REVENUES

	<u>2019</u>	<u>2018</u>
Foot Care	\$ 9,930	\$ 18,930
Program Recoveries-General Income	5,018	12,298
User Fees	115,059	100,396
Woodworking	4,514	3,116
	<u>\$ 134,521</u>	<u>\$ 134,740</u>

13. OPERATING GRANTS

	<u>2019</u>	<u>2018</u>
Seniors Active Living Centre Operating funding	\$ 42,700	\$ 42,700
Municipal Core Grant	16,178	16,178
	<u>\$ 58,878</u>	<u>\$ 58,878</u>

MAPLE CITY CENTRE FOR OLDER ADULTS

Notes to Financial Statements

Year Ended March 31, 2019

14. SPECIAL GRANTS

	2019	2018
Special Grant Revenues		
Canada 150 Grant	\$	\$ 7,387
Canada Day 150 Donations		7,316
Community Partnership Fund		3,000
Chatham-Kent Community Foundation	2,500	3,800
New Horizons for Seniors	7,270	7,730
Seniors Active Living Centre Special Grant	9,360	15,000
Public Health Unit Grant	413	9,587
	<u>\$ 19,543</u>	<u>\$ 53,820</u>

	2019	2018
Special Grant Expenditures		
Canada 150	\$	\$ 14,703
Community Partnership Fund Expense		3,000
Chatham-Kent Community Foundation	2,500	3,800
New Horizons for Seniors	7,267	7,730
Seniors Active Living Centre Special Grant	9,360	15,000
Public Health Unit Grant	413	9,587
	<u>\$ 19,540</u>	<u>\$ 53,820</u>

15. BUILDING AND GROUNDS EXPENSES

	2019	2018
Kitchen Equipment	\$	\$ 3,555
Maintenance Contracts		10,506
Maintenance Supplies	27,629	12,182
One Time Maintenance	68	13,899
Utilities	50,432	48,422
Program Recovery - Building & Ground expenses	(18,965)	(18,595)
	<u>\$ 59,164</u>	<u>\$ 69,969</u>

The program recovery represents expenses allocated to the LHIN grant expense. The amounts have been estimated based on usage.

16. FUNDRAISING EXPENSES

	2019	2018
Beverage	\$ 7,878	\$ 5,274
Fundraising activities	49,068	25,073
Hospitality	69,414	57,497
	<u>\$ 126,360</u>	<u>\$ 87,844</u>

MAPLE CITY CENTRE FOR OLDER ADULTS

Notes to Financial Statements

Year Ended March 31, 2019

17. PROGRAM AND ADMINISTRATION EXPENSES

	<u>2019</u>	<u>2018</u>
Administrative expenses	\$ 10,181	\$ 9,494
Insurance	5,900	5,880
Office Expenses	5,317	12,518
Office leases	14,525	12,033
Program expenses	16,850	20,849
Program Recovery - Administrative Expenses	<u>(15,528)</u>	<u>(7,549)</u>
	<u>\$ 37,245</u>	<u>\$ 53,225</u>

The program recovery represents expenses allocated to the LHIN grant expense. The amounts have been estimated based on usage.

18. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
