

GREENWAY-CHAPLIN COMMUNITY CENTRE

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2018**

GREENWAY-CHAPLIN COMMUNITY CENTRE

**DECEMBER 31, 2018
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Greenway-Chaplin Community Centre

Qualified Opinion

We have audited the accompanying financial statements of **Greenway-Chaplin Community Centre** (the Centre), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and net assets 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 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 Centre as at December 31, 2018, and its financial performance 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 Centre derives revenue from fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to fundraising revenues, excess of revenue over expenditure and net assets.

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 Centre 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 qualified 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 Centre'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 the Board of Directors either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 the 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)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement 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 Centre'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 Centre'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 Centre 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.

A handwritten signature in black ink that reads "Graham Mathew Professional Corporation". The signature is written in a cursive, flowing style.

Cambridge, Ontario
May 1, 2019

Chartered Professional Accountants, authorized to practise public
accounting by the Chartered Professional Accountants of Ontario

GREENWAY-CHAPLIN COMMUNITY CENTRE

FINANCIAL POSITION DECEMBER 31, 2018

	2018 \$	2017 \$
ASSETS		
Cash	706,887	602,085
Accounts receivable	7,396	23,771
Prepaid expenses	10,351	2,538
	724,634	628,394
LIABILITIES		
Accounts payable and accrued liabilities (note 4)	19,093	19,606
Deferred revenue (note 7)	302,143	213,829
Current liabilities	321,236	233,435
Deferred capital funding (note 8)	300,000	300,000
	621,236	533,435
NET ASSETS		
Net assets	103,398	94,959
	724,634	628,394

APPROVED BY THE BOARD:

_____ Director

_____ Director

GREENWAY-CHAPLIN COMMUNITY CENTRE

STATEMENT OF OPERATIONS AND NET ASSETS YEAR ENDED DECEMBER 31, 2018

	2018	2017
	\$	\$
Revenue		
Grants (note 5)	350,504	333,718
Bingo, net of expenses	10,750	10,631
Program fees	53,760	68,705
Fundraising	3,818	5,376
Other	2,725	219
	421,557	418,649
Expenditure		
Salaries and benefits	321,854	317,559
Program costs	45,001	58,380
Fundraising	2,716	3,759
Staff and volunteer training	560	260
Telephone	3,382	2,627
Travel, mileage and bus	2,865	2,154
Office and general	6,911	8,727
Maintenance, utilities and rent (note 3)	11,473	6,004
Professional fees	8,952	8,863
Advertising and promotion	3,244	1,245
Interest and bank charges	328	251
Insurance	5,117	4,934
Fees and dues	715	1,092
	413,118	415,855
Excess of revenue over expenditure for year	8,439	2,794
Net assets, beginning of year	94,959	92,165
Net assets, end of year	103,398	94,959

The explanatory financial notes form an integral part of these financial statements.

GREENWAY-CHAPLIN COMMUNITY CENTRE

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2018

	2018 \$	2017 \$
Cash flows from operating activities:		
Excess of revenue over expenditure for year	8,439	2,794
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	16,375	1,120
Prepaid expenses	(7,813)	(575)
Deferred revenue	88,314	184,444
Deferred capital funding		300,000
Accounts payable and accrued liabilities	(513)	(23,442)
Net increase in cash	104,802	464,341
Cash, beginning of year	602,085	137,744
Cash, end of year	706,887	602,085

The explanatory financial notes form an integral part of these financial statements.

GREENWAY-CHAPLIN COMMUNITY CENTRE

EXPLANATORY FINANCIAL NOTES YEAR ENDED DECEMBER 31, 2018

1. Nature of Organization

The Community Centre was incorporated by letters patent dated February 1, 1991 under the laws of the Province of Ontario to promote life quality and well being of families in the neighbourhood by providing opportunities for participation in the development of community life.

The Centre is a registered charity and, accordingly, is exempt from income taxes.

2. Summary of Significant Accounting Policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Capital assets

Expenditures of a capital nature are expensed in full in the year of acquisition and are not treated as capital assets.

(b) Recognition of revenue

Contributions are recognized using the deferral method under which restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Contributed services and materials

Donations of materials and services are not reflected in these financial statements because of the impracticality of the record keeping and valuation of them.

(d) Financial instruments

All financial assets and liabilities are recorded at amortized cost less any discovered impairment.

(e) Use of estimates

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

3. Lease Commitment

The Centre operates from a facility provided by Waterloo Region Housing for a nominal rental rate of \$1 per year.

4. Accounts Payable and Accrued Liabilities

	2018	2017
	\$	\$
Accounts payable and accrued liabilities	14,129	15,027
Government remittances payable	4,964	4,579
	19,093	19,606

GREENWAY-CHAPLIN COMMUNITY CENTRE

EXPLANATORY FINANCIAL NOTES YEAR ENDED DECEMBER 31, 2018

	2018	2017
	\$	\$
5. Grants Revenue		
City of Cambridge	107,867	104,368
Government of Canada	26,880	25,113
Region of Waterloo	56,189	42,771
United Way	39,417	45,067
Other Grants	120,151	116,399
	350,504	333,718

6. Financial Instruments

The entity is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the year end date.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The entity is exposed to this risk in respect of its accounts payable and accrued liabilities.

Trade accounts payable and accrued liabilities are generally repaid within 30 days.

Credit risk

The entity is exposed to credit risk with respect to its accounts receivable. The entity provides credit to its clients who attend programs in the normal course of its operations. It carries out, on a continuing basis, credit checks on these clients and virtually never has any bad debts.

For grants receivable, the entity assesses, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is not exposed to any of these risks.

7. Deferred Revenue

During the 2017 fiscal year, the Centre was selected to act as an administrator on behalf of community centres in Cambridge for funding received from the Lyle S. Hallman Foundation. This funding is received annually and was approved for the 2019 fiscal year. This funding is to be utilized by these community centres for programs during the 2019 fiscal year and will result in approximately \$120,000 being distributed to other community centres in Cambridge.

8. Deferred Capital Funding

In 2017, the Centre received a grant from a charitable foundation in the amount of \$300,000. These funds are to be used exclusively for the expansion of the Centre's recreation space. This will take place in 2019.