

GREENWAY-CHAPLIN COMMUNITY CENTRE

**FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017**

GREENWAY-CHAPLIN COMMUNITY CENTRE

**DECEMBER 31, 2017
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Greenway-Chaplin Community Centre

We have audited the accompanying financial statements of **Greenway-Chaplin Community Centre**, which comprise the statement of financial position as at December 31, 2017, and the statements of operations and net assets 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 our judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider 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 qualified audit opinion.

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.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Greenway-Chaplin Community Centre** as at December 31, 2017, 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.



Cambridge, Ontario
April 25, 2018

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

GREENWAY-CHAPLIN COMMUNITY CENTRE

FINANCIAL POSITION DECEMBER 31, 2017

	2017 \$	2016 \$
ASSETS		
Cash	602,085	137,744
Accounts receivable	23,771	24,891
Prepaid expenses	2,538	1,963
	628,394	164,598
LIABILITIES		
Accounts payable and accrued liabilities (note 4)	19,606	43,048
Deferred revenue (note 7)	213,829	29,385
Current liabilities	233,435	72,433
Deferred capital funding (note 8)	300,000	
	533,435	72,433
NET ASSETS		
Net assets	94,959	92,165
	628,394	164,598

APPROVED BY THE BOARD:

_____ Director

_____ Director

GREENWAY-CHAPLIN COMMUNITY CENTRE

STATEMENT OF OPERATIONS AND NET ASSETS YEAR ENDED DECEMBER 31, 2017

	2017 \$	2016 \$
Revenue		
Grants (note 5)	333,718	336,279
Bingo, net of expenses	10,631	10,453
Program fees	68,705	47,413
Fundraising	5,376	4,487
Other	219	912
	418,649	399,544
Expenditure		
Salaries and benefits	317,559	295,882
Program costs	58,380	56,673
Fundraising	3,759	3,435
Staff and volunteer training	260	999
Telephone	2,627	3,141
Travel, mileage and bus	2,154	2,000
Office and general	8,727	7,750
Maintenance, utilities and rent (note 3)	6,004	5,770
Professional fees	8,863	8,734
Advertising and promotion	1,245	722
Interest and bank charges	251	471
Insurance	4,934	4,645
Fees and dues	1,092	817
	415,855	391,039
Excess of revenue over expenditure for year	2,794	8,505
Net assets, beginning of year	92,165	83,660
Net assets, end of year	94,959	92,165

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

GREENWAY-CHAPLIN COMMUNITY CENTRE

STATEMENT OF CASH FLOWS YEAR ENDED DECEMBER 31, 2017

	2017 \$	2016 \$
Cash flows from operating activities:		
Excess of revenue over expenditure for year	2,794	8,505
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	1,120	(14,243)
Prepaid expenses	(575)	(67)
Deferred revenue	184,444	(137,535)
Deferred capital funding	300,000	
Accounts payable and accrued liabilities	(23,442)	26,454
Net increase (decrease) in cash	464,341	(116,886)
Cash, beginning of year	137,744	254,630
Cash, end of year	602,085	137,744

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

GREENWAY-CHAPLIN COMMUNITY CENTRE

EXPLANATORY FINANCIAL NOTES YEAR ENDED DECEMBER 31, 2017

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

	2017 \$	2016 \$
Accounts payable and accrued liabilities	15,027	38,585
Government remittances payable	4,579	4,463
	19,606	43,048

GREENWAY-CHAPLIN COMMUNITY CENTRE

EXPLANATORY FINANCIAL NOTES YEAR ENDED DECEMBER 31, 2017

	2017	2016
	\$	\$
5. Grants Revenue		
City of Cambridge	104,368	97,953
Government of Canada	25,113	12,600
Region of Waterloo	42,771	62,809
United Way	45,067	50,826
Other Grants	116,399	112,091
	333,718	336,279

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. The funding is to be utilized by these community centres for programs during the 2017 and 2018 fiscal years and will result in approximately \$240,000 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 2018 and 2019.