

MAPLE CITY CENTRE FOR OLDER ADULTS
(Operating as The Active Lifestyle Centre)
Financial Statements
Year Ended March 31, 2024

MAPLE CITY CENTRE FOR OLDER ADULTS

(Operating as The Active Lifestyle Centre)

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Year Ended March 31, 2024

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MALOTT PROFESSIONAL CORPORATION

LICENSED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

To the Members of Maple City Centre for Older Adults operating as The Active Lifestyle Centre

Opinion

I have audited the financial statements of Maple City Centre for Older Adults, operating as The Active Lifestyle Centre, (the "organization"), which comprise the statement of financial position as at March 31, 2024, 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 my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the organization in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 ASNPO, 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.

(continues)

Independent Auditor's Report to the Members of Maple City Centre for Older Adults operating as The Active Lifestyle Centre (*continued*)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Tilbury, Ontario
November 11, 2024


PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

MAPLE CITY CENTRE FOR OLDER ADULTS

(Operating as The Active Lifestyle Centre)

Statement of Financial Position

March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 105,378	\$ 10,736
Term deposits <i>(Note 2)</i>	21,596	21,134
Accounts receivable	555	43,530
Inventory <i>(Note 3)</i>	7,859	10,667
Harmonized sales tax recoverable	15,809	14,493
	151,197	100,560
CAPITAL ASSETS <i>(Note 4)</i>	32,242	34,908
	\$ 183,439	\$ 135,468
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 42,904	\$ 70,993
Current portion of long term debt <i>(Note 6)</i>	-	40,000
Wages payable	886	2,721
Employee deductions payable	-	6,459
Deferred revenue <i>(Note 7)</i>	24,600	29,169
	68,390	149,342
NET ASSETS	115,049	(13,874)
	\$ 183,439	\$ 135,468

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

MAPLE CITY CENTRE FOR OLDER ADULTS

(Operating as The Active Lifestyle Centre)

Statement of Changes in Net Assets

Year Ended March 31, 2024

	2024	2023
NET ASSETS (DEBT) - BEGINNING OF YEAR	\$ (13,874)	\$ 21,385
EXCESS OF REVENUES OVER EXPENSES	128,923	(35,258)
NET ASSETS (DEBT) - END OF YEAR	\$ 115,049	\$ (13,873)

MAPLE CITY CENTRE FOR OLDER ADULTS*(Operating as The Active Lifestyle Centre)***Statement of Revenues and Expenditures****Year Ended March 31, 2024**

	2024	%	2023	%
REVENUES				
Fundraising	\$ 174,925	25.25	\$ 183,714	29.02
Operating grants	142,500	20.57	167,691	26.48
Program	135,256	19.52	100,755	15.91
LHIN	107,816	15.56	104,676	16.54
Special grants	62,266	8.99	44,154	6.97
Membership	37,743	5.45	19,260	3.04
Donations	31,821	4.59	12,734	2.01
Investment	462	0.07	202	0.03
	692,789	100.00	633,186	100.00
EXPENSES				
Wages and benefits	326,365	47.11	358,271	56.58
Program	86,952	12.55	185,167	29.24
Utilities	45,012	6.50	44,789	7.07
Office	35,932	5.19	14,170	2.24
Repairs and maintenance	26,056	3.76	19,924	3.15
Professional fees	19,741	2.85	21,667	3.42
Interest and bank charges	14,803	2.14	14,158	2.24
Amortization	6,136	0.89	7,568	1.20
Insurance	2,667	0.38	2,380	0.38
Memberships	202	0.03	350	0.06
	563,866	81.40	668,444	105.58
EXCESS OF REVENUES OVER EXPENSES	\$ 128,923	18.60	\$ (35,258)	(5.58)

MAPLE CITY CENTRE FOR OLDER ADULTS*(Operating as The Active Lifestyle Centre)***Statement of Cash Flows****Year Ended March 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 128,923	\$ (35,258)
Item not affecting cash:		
Amortization of capital assets	6,136	7,568
	135,059	(27,690)
Changes in non-cash working capital:		
Accounts receivable	42,975	(28,367)
Inventory	2,808	1,981
Accounts payable	(28,089)	52,356
Deferred revenue	(4,569)	(11,689)
Prepaid expenses	-	2,380
Harmonized sales tax payable	(1,316)	(18,835)
Wages payable	(1,835)	(3,473)
Employee deductions payable	(6,459)	(142)
	3,515	(5,789)
Cash flow from (used by) operating activities	138,574	(33,479)
INVESTING ACTIVITIES		
Purchase of capital assets	(3,470)	-
Maturities of term deposits	21,134	73,518
Purchases of term deposits	(21,596)	(21,134)
Cash flow from (used by) investing activities	(3,932)	52,384
FINANCING ACTIVITY		
Repayment of long term debt	(40,000)	-
INCREASE IN CASH FLOW	94,642	18,905
Cash (deficiency) - beginning of year	10,736	(8,169)
CASH - END OF YEAR	\$ 105,378	\$ 10,736

MAPLE CITY CENTRE FOR OLDER ADULTS

(Operating as The Active Lifestyle Centre)

Notes to Financial Statements

Year Ended March 31, 2024

PURPOSE OF THE ORGANIZATION

Maple City Centre for Older Adults is a not-for-profit organization incorporated without share capital under the Business Corporations Act of Ontario. Management has determined that the organization is exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The purpose of the organization is to offer social and recreational programs to promote and maintain the enjoyment, well being, dignity, and independence of adults age 50 and over.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in term deposits and are valued at cost plus accrued interest. The carrying amounts approximate fair value because they have maturities at the date of purchase of less than ninety days.

Term deposits

Term deposits, which consist primarily of GICs with original maturities at date of purchase beyond ninety days, are carried at amortized cost.

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 when there are indications that a financial asset may be impaired. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Capital assets

Capital assets are stated at cost or deemed cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	55%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	20 years	straight-line method

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MAPLE CITY CENTRE FOR OLDER ADULTS

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Notes to Financial Statements

Year Ended March 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

Maple City Centre for Older Adults follows the deferral method of accounting for contributions.

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. Endowment contributions are recognized as direct increases in net assets.

Membership revenue is recognized on a straight-line basis over the term of the membership.

All other sales and other service revenues are recognized as revenue at the later of when the revenue is earned and when collection is reasonably assured.

Contributed services and materials

The operations of the organization depends on both the contribution of time by volunteers and materials. The fair value of donated 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. These estimates include accruals, amortization, and net realizable value of inventory. 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.

Corresponding figures

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

2. TERM DEPOSITS

	<u>Purchase date</u>	<u>Maturity date</u>	<u>Interest rate %</u>	<u>2024</u>	<u>2023</u>
Royal Bank of Canada	December 22, 2023	June 23, 2025	4.00	\$ 21,596	\$ -
Royal Bank of Canada	June 22, 2022	December 22, 2023	1.45	-	21,134
				<u>\$ 21,596</u>	<u>\$ 21,134</u>

3. INVENTORY

	<u>2024</u>	<u>2023</u>
Foot Care	\$ 6,629	\$ 6,874
Food	-	2,899
Bar	1,230	894
	<u>\$ 7,859</u>	<u>\$ 10,667</u>

MAPLE CITY CENTRE FOR OLDER ADULTS

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Notes to Financial Statements

Year Ended March 31, 2024

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Equipment	\$ 39,125	\$ 17,375	\$ 21,750	\$ 24,596
Computer equipment	8,795	7,445	1,350	1,120
Leasehold improvements	9,991	849	9,142	9,192
	<u>\$ 57,911</u>	<u>\$ 25,669</u>	<u>\$ 32,242</u>	<u>\$ 34,908</u>

The land and building at 20 Merritt Avenue are owned by the Municipality of Chatham-Kent. The organization operates under a lease expiring in 2040. Annual rent under the lease is \$1 and the Municipality of Chatham-Kent is responsible for all major capital repairs.

5. BANK INDEBTEDNESS

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 term deposits and a general security agreement.

6. LONG TERM DEBT

	<u>2024</u>	<u>2023</u>
Royal Bank of Canada non-interest bearing Canada Emergency Business Account. The loan matured on December 31, 2023 and was secured by Government of Canada.	\$ -	\$ 40,000
Amounts payable within one year	-	(40,000)
	<u>\$ -</u>	<u>\$ -</u>

MAPLE CITY CENTRE FOR OLDER ADULTS

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Notes to Financial Statements

Year Ended March 31, 2024

7. DEFERRED REVENUE

	<u>2024</u>	<u>2023</u>
<i>Deferred revenue</i>		
Balance, beginning of the year	\$ -	\$ 4,536
Add: amounts received during the year	-	-
Less: amounts recognized as revenue during the year	-	(4,536)
Balance, end of year	<u>-</u>	<u>-</u>
<i>Deferred capital grants</i>		
Balance, beginning of the year	29,169	36,322
Add: amounts received during the year	-	-
Less: amounts recognized as revenue during the year	(5,154)	(7,153)
Balance, end of year	<u>24,015</u>	<u>29,169</u>
<i>Other</i>		
Gift certificates	<u>585</u>	<u>-</u>
	<u>\$ 24,600</u>	<u>\$ 29,169</u>

Deferred capital grants represent grant revenue spent on capital assets which has been deferred and is being amortized over the useful lives of the underlying assets.

Deferred revenues from grant funding represents unspent externally restricted resources related to expenditures for subsequent periods. These amounts are deferred for use in programs and repairs and maintenance.

8. 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, 2024.

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 customers and other related sources, long term debt, and accounts payable.

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 cash and term deposits.

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