
Meals on Wheels of Fredericton Inc.

Financial Statements

March 31, 2020

Meals on Wheels of Fredericton Inc.

Financial Statements

As at March 31, 2020

	Page
REVIEW ENGAGEMENT REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position and Net Assets	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 6



Independent Practitioner's Review Engagement Report

To the Members,
Meals on Wheels of Fredericton Inc.

Report on Financial Statements

We have reviewed the accompanying financial statements for Meals on Wheels of Fredericton Inc. that comprise the statement of financial position as at March 31, 2020 and the statements of changes in net assets, operations, 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 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Meals on Wheels of Fredericton Inc. as at March 31, 2020, 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.

Fredericton, NB
June 16, 2020

Nicholson & Beaumont
Chartered Professional Accountants

Independent member of Porter Hétu International, professional services group.

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Meals on Wheels of Fredericton Inc.

Statement of Financial Position and Net Assets

As at March 31, 2020

	2020	2019
Assets		
Current		
Cash	\$ 80,085	\$ 88,802
Prepaid expenses	1,650	-
Accounts receivable	66,456	62,288
HST receivable	<u>11,139</u>	<u>11,392</u>
	<u>159,330</u>	<u>162,482</u>
Long-term		
Investments - Note 3	167,521	173,122
Capital assets - net of amortization - Notes 1 and 2	<u>28,948</u>	<u>34,833</u>
	<u>196,469</u>	<u>207,955</u>
Total assets	<u>\$ 355,799</u>	<u>\$ 370,437</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 62,798	\$ 50,022
Government remittances payable	5,494	6,052
Future revenue	<u>15,000</u>	<u>60,000</u>
	<u>83,292</u>	<u>116,074</u>
Net assets		
Unrestricted - Page 3	<u>272,507</u>	<u>254,363</u>
Total liabilities and net assets	<u>\$ 355,799</u>	<u>\$ 370,437</u>

Meals on Wheels of Fredericton Inc.

Statement of Operations

For the Year Ended March 31, 2020

	<u>2020</u>	<u>2019</u>
Revenue		
Customer charges	\$ 113,080	\$ 106,607
Community based services	522,683	468,270
Donations and fundraising	85,439	88,582
Donations - in kind	50	572
Donations - mileage	92,270	85,031
Wheels to meals - participants fees	10,351	10,626
Grant - United Way	23,388	23,436
Grant - PNB	10,000	44,200
Grant - Fredericton Foundation	2,700	-
Grant - Windsor Foundation	18,864	20,000
Investment income	4,084	13,107
Advertising	310	130
	<u>883,219</u>	<u>860,561</u>
Expenses		
Amortization	11,030	9,731
Bad debt	602	306
Client appreciation	-	174
Donations - in kind	50	572
Equipment and maintenance	6,465	11,771
Food - Wheels to Meals	4,598	4,645
Food and containers	228,387	273,652
Food and supplies - kitchen	172,511	126,514
Fundraising	6,486	5,953
Insurance	3,849	4,751
Mileage - in kind	86,252	79,485
Mileage	2,899	2,749
Miscellaneous	4,787	2,291
Office supplies	2,187	2,659
Other expenses - Wheels to Meals	1,010	1,663
Postage	1,533	2,183
Professional fees	3,085	2,806
Public relations	3,271	1,147
Rent - kitchen	22,932	35,251
Rent - office	7,700	7,701
Salaries and benefits	261,617	224,101
Software and training	1,444	1,390
Telephone	5,261	5,595
Utilities	16,598	13,769
Volunteer recognition cost	835	1,377
	<u>855,389</u>	<u>822,236</u>
Net income before loss on investments	27,830	38,325
Unrealized loss on investments	<u>9,686</u>	<u>9,951</u>
Excess of revenue over expenses	18,144	28,374
Surplus - Beginning of year	<u>254,363</u>	<u>225,989</u>
Surplus - End of year	<u>\$ 272,507</u>	<u>\$ 254,363</u>

The notes to financial statements are an integral part of this statement.

Meals on Wheels of Fredericton Inc.

Statement of Cash Flows

For the Year Ended March 31, 2020

	2020	2019
Cash derived from (applied to)		
Operating Activities		
Excess of revenues over expenses	\$ 18,144	\$ 28,374
Add back non-cash items		
Unrealized loss on investments	9,686	9,951
Investment income reinvested	(4,084)	(1,450)
Amortization of capital assets	11,030	9,731
Gain on disposal of investments	-	<u>(9,409)</u>
	<u>34,776</u>	<u>37,197</u>
Net changes in non-cash items		
Accounts receivable	(3,915)	(13,553)
Accounts payable and accrued liabilities	12,218	733
Prepaid expenses	(1,650)	-
Future revenue	<u>(45,000)</u>	<u>50,000</u>
	<u>(38,347)</u>	<u>37,180</u>
Net cash provided (used) through operating activities	<u>(3,571)</u>	<u>74,377</u>
Investing Activities		
Net additions to investments	-	(94,209)
Proceeds from disposal of investments	-	30,002
Acquisition of capital assets	<u>(5,146)</u>	<u>(41,206)</u>
	<u>(5,146)</u>	<u>(105,413)</u>
Decrease in cash	(8,717)	(31,036)
Cash - Beginning of year	<u>88,802</u>	<u>119,838</u>
Cash - End of year	<u>\$ 80,085</u>	<u>\$ 88,802</u>

Meals on Wheels of Fredericton Inc.

Notes to the Financial Statements

As at March 31, 2020

Purpose of the organization

Meals on Wheels of Fredericton Inc. is a not-for-profit organization which provides nutritious meals and social support to seniors, disabled individuals, and those recovering from illness, surgery or injury; to assist them in the enhancement of a healthy and independent lifestyle.

1. Summary of significant accounting policies

The accounting policies of the organization are in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Outlined below are those policies considered particularly significant.

(a) Donated materials and services

Donated materials and services, which would otherwise be paid for by the company, are recorded at fair value when determinable.

A substantial number of volunteers have made significant contributions of their time to the organization's program and supporting services. The value of the contributed time is not reflected in these statements.

(b) Use of estimates

In preparing financial statements in accordance with Canadian accounting standards for not-for-profit organizations, management must make estimates such as the useful life and the amortization of assets that affect the reported amounts of assets and liabilities at the date of the financial statements and the amounts of revenue and expenses reported during that period. Actual results may differ from the estimates.

(c) Revenue recognition

Revenue is recognized when goods are shipped or services provided and the amount to be received can be reasonably estimated and collection is reasonably assured.

(d) Financial instruments

The company initially measures its financial assets and liabilities at fair value, and subsequently measures all its financial assets and liabilities at cost or amortized cost.

Financial assets include cash, accounts receivable and investments.

Financial liabilities include accounts payable.

Risk management policy

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at March 31, 2020.

Interest rate risk

The organization is exposed to interest rate risk on its fixed rate financial instruments. Fixed interest instruments subject the organization to a fair value risk.

Liquidity risk

The organization considers that it has sufficient resources to ensure funds are available to meet its current and long term financial needs, at a reasonable cost.

(e) Cash and cash equivalents

The organization's policy is to disclose bank balances under cash and cash equivalents.

Meals on Wheels of Fredericton Inc.

Notes to the Financial Statements

As at March 31, 2020

1. Summary of significant accounting policies (con't)

(f) **Capital assets and amortization**

Capital assets are recorded at cost less accumulated amortization. Amortization is recorded annually on a straight-line basis as follows:

Equipment	20%
Computers	33 1/3%

2. Capital assets

	<u>Original Cost</u>	<u>Accumulated Amortization</u>	Net Book Value	
			<u>2020</u>	<u>2019</u>
Equipment	\$ 46,545	\$ 19,271	\$ 27,274	\$ 33,464
Computers	<u>5,162</u>	<u>3,488</u>	<u>1,674</u>	<u>1,369</u>
	\$ 51,707	\$ 22,759	\$ 28,948	\$ 34,833

3. Investments

	2020	2019
Investments are recorded at fair value and consist of the following:		
CIBC Mortgages Inc GTD Investment Certificate	\$ -	\$ 60,000
Peoples Trust Company GTD Investment Certificate	<u>61,359</u>	-
3,737 units of Franklin Quotential Income Portfolio	<u>38,481</u>	39,283
2,626 units of Manulife Canadian Focused Fund	<u>18,175</u>	22,740
33,681 units of Renaissance High Interest Savings Account	<u>33,681</u>	33,147
948 units of Templeton Growth Fund	<u>15,825</u>	<u>17,952</u>
	\$ 167,521	\$ 173,122