

**LOYOLA ARRUPE CENTRE FOR SENIORS**  
**Financial Statements**  
**Year Ended March 31, 2017**

**LOYOLA ARRUPE CENTRE FOR SENIORS**  
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**Year Ended March 31, 2017**

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# **Murphy & Chung**

## **Professional Corporation**

**Chartered Accountants, Licensed Public Accountants**

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### **INDEPENDENT AUDITOR'S REPORT**

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To the Members of Loyola Arrupe Centre for Seniors

We have audited the accompanying financial statements of Loyola Arrupe Centre for Seniors, which comprise the statement of financial position as at March 31, 2017 and the statements of operations and changes in net assets 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.

#### **Auditor's 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 the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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.

*(continues)*

Independent Auditor's Report to the Members of Loyola Arrupe Centre for Seniors (continued)

Basis for Qualified Opinion

In common with many not-for-profit organizations, Loyola Arrupe Centre for Seniors derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Loyola Arrupe Centre for Seniors. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2017, current assets and net assets as at March 31, 2017.

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 Loyola Arrupe Centre for Seniors as at March 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Ontario  
August 1, 2017

*Murphy & Chung*  
**Professional Corporation**  
Chartered Professional Accountants  
Authorized to practise public accounting by  
The Chartered Professional Accountants of Ontario

**LOYOLA ARRUPE CENTRE FOR SENIORS**  
**Statement of Financial Position**  
**As at March 31, 2017**

	2017	2016
<b>ASSETS</b>		
<b>Current</b>		
Cash and temporary investments <i>(Note 2)</i>	\$ 10,671	\$ 14,417
Accounts receivable	5,455	-
Harmonized sales tax recoverable	3,111	6,151
Prepaid expenses	1,922	1,246
	21,159	21,814
<b>Restricted funds <i>(Note 2)</i></b>	<b>33,387</b>	<b>33,387</b>
	<b>\$ 54,546</b>	<b>\$ 55,201</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities <i>(Note 4.)</i>	\$ 8,488	\$ 8,253
<b>NET ASSETS</b>		
Externally Restricted Endowment Fund	33,387	33,387
Unrestricted Accumulated Surplus	12,671	13,561
	46,058	46,948
	<b>\$ 54,546</b>	<b>\$ 55,201</b>

ON BEHALF OF THE BOARD

 Director

 Director

See notes to financial statements

**LOYOLA ARRUIPE CENTRE FOR SENIORS**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2017**

	Externally Restricted Endowment Fund	Unrestricted Accumulated Surplus	<b>2017</b>	2016
<b>Net assets - beginning of year</b>	\$ 33,387	\$ 13,561	<b>\$ 46,948</b>	\$ 46,940
Deficiency of revenues over expenses	-	(890)	<b>(890)</b>	8
<b>Net assets - end of year</b>	<b>\$ 33,387</b>	<b>\$ 12,671</b>	<b>\$ 46,058</b>	<b>\$ 46,948</b>

See notes to financial statements

**LOYOLA ARRUPE CENTRE FOR SENIORS**  
**Statement of Operations**  
**Year Ended March 31, 2017**

	2017	2016
<b>Revenues</b>		
Ontario Seniors Secretariat	\$ 59,611	\$ 54,246
Catholic Charities	61,496	55,000
City of Toronto	22,160	21,685
Donations	908	11,520
Memberships	790	-
Fundraising, events and recoveries	745	2,982
Investment income	23	53
	<u>145,733</u>	<u>145,486</u>
<b>Expenses</b>		
Program expenses, per schedule	33,212	37,131
Office and administration, per schedule	22,490	17,456
Salaries and benefits	88,129	88,239
Insurance	2,792	2,652
	<u>146,623</u>	<u>145,478</u>
<b>Excess (deficiency) of revenues over expenses</b>	<u>\$ (890)</u>	<u>\$ 8</u>

**LOYOLA ARRUPE CENTRE FOR SENIORS**  
**Notes to Financial Statements**  
**Year Ended March 31, 2017**

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DESCRIPTION OF BUSINESS

The Loyola Arrupe Centre for Seniors has been providing social, recreational, and service delivery activities for the elderly since 1991. The Corporation is a registered charity under the Income Tax Act, with a charitable registration number 86903 7374 RR 0001.

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The financial statements were prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO), and include the following significant accounting policies

Revenue recognition

The Corporation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which related expenses are incurred. Unrestricted contributions are recognized as revenue if the amount can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in net assets.

Investment income includes interest from cash and fixed income investments and realized gains and losses on the sale of investments. Revenue is recognized on an accrual basis. Interest from fixed income investments is recognized over the term of these investments using the effective interest method.

Capital assets

Capital assets are expensed in the year of purchase.

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.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued, except for certain non-arm's length transactions. 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.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

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**LOYOLA ARRUPE CENTRE FOR SENIORS**  
**Notes to Financial Statements**  
**Year Ended March 31, 2017**

2. CASH AND INVESTMENTS

	2017	2016
<b>Cash</b>		
Bank account	\$ 8,311	\$ 12,428
Petty cash	628	280
Guaranteed investment certificates	35,119	35,096
	\$ 44,058	\$ 47,804
 <b>Composed of:</b>		
Restricted endowment contributions	\$ 33,387	\$ 33,387
Unrestricted cash and temporary investments	10,671	14,417
	\$ 44,058	\$ 47,804

3. CAPITAL ASSETS EXPENSED

During the year, the Corporation expensed a total of \$1,990 (2016 - \$4,605) in capital expenditures in accordance with its policy to expense capital assets in the year of purchase.

4. ACCOUNTS PAYABLE

Accounts payable and accrued liabilities include government remittances of \$396 (2016 - \$317) for payroll source deductions.

5. FINANCIAL INSTRUMENTS

The Corporation 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, 2017.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Corporation is exposed to credit risk from its various funding sources, should they be unable to meet their commitments

Interest rate risk

The Corporation manages its investments based on its cash flow needs and with a view to optimizing its investment income. The Corporation has invested its excess cash in low risk interest bearing vehicles such as guaranteed investment certificates as the means for managing its interest rate risk.

**LOYOLA ARRUPE CENTRE FOR SENIORS**  
**Notes to Financial Statements**  
**Year Ended March 31, 2017**

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6. STATEMENT OF CASH FLOWS

A statement of cash flows has not been presented, as the required information is readily available from the other financial statements presented and the notes to the financial statements.

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7. COMPARATIVE FIGURES

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

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**Loyola Arrupe Centre for Seniors**  
**Expenses**  
**Year Ended March 31, 2017**

	2017	2016
<b>Schedule of Program Expenses</b>		
Recreation	\$ 16,969	\$ 19,754
Program equipment	2,583	4,605
Health and wellness	5,345	4,863
Volunteer	503	1,339
Excursions	59	48
Special events	4,110	5,003
Education and training	1,969	-
Repairs and maintenance	402	1,370
Advertising and promotion	1,272	150
	<b>33,212</b>	<b>37,131</b>
<b>Schedule of Office and Administration Expenses</b>		
Professional fees	\$ 8,122	\$ 8,043
Office supplies and equipment	12,794	8,265
Affiliation dues	1,239	612
Board development	335	536
	<b>22,490</b>	<b>17,456</b>

See notes to financial statements