

LOYOLA ARRUPE CENTRE FOR SENIORS

Financial Statements

Year Ended March 31, 2020

LOYOLA ARRUPE CENTRE FOR SENIORS
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Year Ended March 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Partners of Loyola Arrupe Centre for Seniors

Opinion

We have audited the financial statements of Loyola Arrupe Centre for Seniors (the Company), which comprise the statement of financial position as at March 31, 2020, and the statements of changes in net assets, operations and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2020, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - COVID 19 Pandemic

Without modifying our opinion, we draw attention to note 6 to the financial statements, which discusses the COVID-19 pandemic and the uncertainty and undeterminable effects this pandemic may have on future operations and cash flows of the company. Our opinion is not modified in respect of this matter.

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 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 Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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Auditor's 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 auditor's 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. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment 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 Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Company 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.

Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by
the Chartered Professional Accountants of
Ontario

Toronto, Ontario
July 16, 2020

LOYOLA ARRUPE CENTRE FOR SENIORS
Statement of Financial Position
As at March 31, 2020

	2020	2019
ASSETS		
Current		
Cash and temporary investments (Note 2)	\$ 55,837	\$ 41,674
Accounts receivable	361	34,928
Harmonized sales tax recoverable	6,666	13,770
Prepaid expenses	1,481	1,261
	\$ 64,345	\$ 91,633
LIABILITIES		
Current		
Accounts payable and accrued liabilities (Note 4)	\$ 17,996	\$ 8,907
Deferred revenue	-	25,000
	17,996	33,907
NET ASSETS		
General Fund	46,349	57,726
	\$ 64,345	\$ 91,633

ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial statements

LOYOLA ARRUPE CENTRE FOR SENIORS
Statement of Changes in Net Assets
Year Ended March 31, 2020

	2020	2019
Net assets - beginning of year	\$ 57,726	\$ 49,100
Deficiency of revenues over expenses	<u>(11,377)</u>	<u>8,626</u>
Net assets - end of year	<u>\$ 46,349</u>	<u>\$ 57,726</u>

LOYOLA ARRUPE CENTRE FOR SENIORS
Statement of Operations
Year Ended March 31, 2020

	2020	2019
REVENUES		
Ministry of Senior Affairs (Province of Ontario)	\$ 52,727	\$ 139,260
Catholic Charities	99,000	82,499
City of Toronto (<i>Note 8</i>)	17,813	23,200
Government of Canada	25,000	-
Other revenue	5,567	5,040
	<u>200,107</u>	<u>249,999</u>
EXPENSES		
Insurance	2,492	2,712
Program expenses	70,605	109,675
Office and administration	22,630	21,184
Salaries and benefits (<i>Note 9</i>)	115,757	107,802
	<u>211,484</u>	<u>241,373</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (11,377)	\$ 8,626

LOYOLA ARRUPE CENTRE FOR SENIORS
Statement of Cash Flow
Year Ended March 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (11,377)	\$ 8,626
Changes in non-cash working capital:		
Accounts receivable	34,567	(26,576)
Accounts payable and accrued liabilities	9,089	(4,381)
Deferred revenue	(25,000)	21,609
Prepaid expenses	(220)	(77)
PST payable (receivable)	7,104	(8,227)
	<u>25,540</u>	<u>(17,652)</u>
INCREASE (DECREASE) IN CASH FLOW	14,163	(9,026)
CASH - BEGINNING OF YEAR	<u>41,674</u>	<u>50,700</u>
CASH - END OF YEAR	<u>\$ 55,837</u>	<u>\$ 41,674</u>
CASH CONSISTS OF:		
Cash and temporary investments	<u>\$ 55,837</u>	<u>\$ 41,674</u>

LOYOLA ARRUPE CENTRE FOR SENIORS
Notes to Financial Statements
Year Ended March 31, 2020

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.

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 (ASNFPPO), 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.

Capital assets

Capital assets are expensed in the year of purchase.

Fund accounting

A fund is a separate self-balancing group of accounts provided for each accounting entity established within the accounting system, which segregates transactions of a particular activity. The funds are:

General Fund - Unrestricted

The general Fund contains the unrestricted assets, liabilities, revenue and expenditures related to Loyola Arrupe Centre for Seniors and administrative activities on behalf of its members.

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.

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LOYOLA ARRUPE CENTRE FOR SENIORS
Notes to Financial Statements
Year Ended March 31, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

2. CASH AND INVESTMENTS

	2020	2019
Cash		
Bank account	\$ 29,646	\$ 15,806
Petty Cash	72	-
Savings account	26,119	25,868
	\$ 55,837	\$ 41,674

3. CAPITAL ASSETS EXPENSED

During the year, the Corporation expensed a total of \$10,804 (2018 - \$16,871) 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 \$331 (2018 - \$378) 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 company's risk exposure and concentration as of March 31, 2020.

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

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LOYOLA ARRUPE CENTRE FOR SENIORS
Notes to Financial Statements
Year Ended March 31, 2020

5. FINANCIAL INSTRUMENTS *(continued)*

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.

6. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at March 31, 2020, the organization is aware of changes in its operations as a result of the COVID-19 crisis. A contingency committee has been implemented to help the organization prepare for impacts related to COVID-19.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the organization's operations as at the date of these financial statements.

7. COMPARATIVE FIGURES

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

8. GRANT FUNDING PERIOD CHANGE

As per the recent City of Toronto agreement - if the organization has an April 1 to March 31 fiscal year end, the period for the CSP funding will be April 1 to March 31. City of Toronto revenue was previously recognized on a calendar basis and has been adjusted to appropriately reflect the agreement. The funding period change amounted to a reduction in City of Toronto revenue of \$6,018.75.

9. SALARIES AND BENEFITS EXPENSE

During the year, the corporation made a retroactive RRSP contribution of \$3,476 to an employee pension plan on account of FY2019 salaries.

Loyola Arrupe Centre for Seniors
Expenses
Year Ended March 31, 2020

	2020	2019
Schedule of Program Expenses		
Recreation	\$ 22,689	\$ 53,587
Program equipment	5,633	17,602
Health and wellness	26,039	9,246
Volunteer	877	693
Excursions	8,931	5,051
Special events	4,477	8,943
Education and training	-	13,839
Repairs and maintenance	1,959	714
Advertising and promotion	-	-
	<u>70,605</u>	<u>109,675</u>
Schedule of Office and Administration Expenses		
Professional fees	\$ 7,486	\$ 10,530
Office supplies and equipment	13,271	9,066
Affiliation dues	20	500
Board development	1,853	1,088
	<u>22,630</u>	<u>21,184</u>

See notes to financial statements