LOYOLA ARRUPE CENTRE FOR SENIORS

Financial Statements

Year Ended March 31, 2021

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Index to Financial Statements
Year Ended March 31, 2021

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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, 2021, 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, 2021, 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.

Emphasis of Matter - Unable to Verify Existence of Expenses

During the course of performing our audit engagement, certain irregularities in supporting documentation for expenditures were discovered. These expenditures were approved and paid and expensed within these financial statements. Those currently in charge of governance of the organization are uncertain if these expenses were legitimate expenses of the organization or to the nature and extent of these irregularities, but they don't believe the amounts in total are material to the statements and they also don't expect at this time to recover any of these expenses should they not belong to the organization. Since the amounts are not considered to be material or recoverable, they have been left as expenditures of the organization and significant steps have been taken by those in charge of governance to improve the internal control systems in regard to personnel and procedures to attempt to ensure that this situation does not occur again in future years. 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.

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.

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

Toronto, Ontario
August 31, 2021

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LOYOLA ARRUPE CENTRE FOR SENIORS
Statement of Financial Position
As at March 31, 2021

	2021	2020
ASSETS		
Current		
Cash and temporary investments *(Note 2)*	$ 156,778	$ 55,837
Accounts receivable	-	361
Harmonized sales tax recoverable	14,434	6,666
Prepaid expenses	1,595	1,481
	$ 172,807	$ 64,345
LIABILITIES		
Current		
Accounts payable and accrued liabilities *(Note 4)*	$ 28,995	$ 17,996
Deferred revenue	61,052	-
	90,047	17,996
NET ASSETS		
General Fund	82,760	46,349
	$ 172,807	$ 64,345

ON BEHALF OF THE BOARD

_______________ *Director*

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_______________ *Director*

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See notes to financial statements

LOYOLA ARRUPE CENTRE FOR SENIORS
Statement of Changes in Net Assets
Year Ended March 31, 2021

	2021	2020
Net assets - beginning of year	**$ 46,349**	$ 57,726
Excess (deficiency) of revenues over expenses	**36,411**	(11,377)
Net assets - end of year	**$ 82,760**	$ 46,349

See notes to financial statements

LOYOLA ARRUPE CENTRE FOR SENIORS
Statement of Operations
Year Ended March 31, 2021

		2021		2020
REVENUES				
Ministry of Senior Affairs (Province of Ontario)	$	**49,929**	$	52,727
Catholic Charities		**99,000**		99,000
United Way grant		**51,012**		-
City of Toronto		**-**		17,813
Government of Canada		**10,876**		25,000
Other revenue		**15,086**		5,567
		225,903		200,107
EXPENSES				
Insurance		**2,652**		2,492
Program costs		**32,827**		70,605
Office and administration		**80,039**		22,630
Salaries and benefits		**73,974**		115,757
		189,492		211,484
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	$	**36,411**	$	(11,377)

See notes to financial statements

LOYOLA ARRUPE CENTRE FOR SENIORS
Statement of Cash Flow
Year Ended March 31, 2021

		2021		2020
OPERATING ACTIVITIES				
Excess (deficiency) of revenues over expenses	$	36,411	$	(11,377)
Changes in non-cash working capital:				
Accounts receivable		361		34,567
Accounts payable and accrued liabilities		10,999		9,089
Deferred revenue		61,052		(25,000)
Prepaid expenses		(114)		(220)
Harmonized sales tax recoverable		(7,768)		7,104
		64,530		25,540
INCREASE IN CASH FLOW		100,941		14,163
CASH - BEGINNING OF YEAR		55,837		41,674
CASH - END OF YEAR	$	156,778	$	55,837
CASH CONSISTS OF:				
Cash and temporary investments	$	156,778	$	55,837

See notes to financial statements

DESCRIPTION OF BUSINESS

The Loyola Arrupe Centre for Seniors has been providing social, recreational, and service delivery activities for the people 55 years of age and over 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 (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. Grant revenue is recognized in the year in which the related expenses are incurred. Other revenues, which include donations, and membership contributions, are recognized as revenue in the year that they are received. Interest income is recognized on an accrual basis when earned.

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. Significant estimates and assumptions in these financial statements require the exercise of judgement and are used for, but not limited to, accrued expenses and deferred revenue. 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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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 temporary investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

2. CASH AND TEMPORARY INVESTMENTS

	2021	2020
Cash		
Bank account	**$ 130,552**	$ 29,646
Petty cash	**102**	72
Savings account	**26,124**	26,119
	$ 156,778	$ 55,837

3. CAPITAL ASSETS EXPENSED

During the year, the Corporation expensed a total of $29,601 (2020 - $10,804) 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 $0 (2020 - $331) for payroll source deductions. Also included in accounts payable is $14,124 (2020 - $0) of unspent grant funding that is required to be repaid to the Government of Canada.

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, 2021.

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5. FINANCIAL INSTRUMENTS *(continued)*

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 it's 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.

6. COVID-19 PANDEMIC

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, 2021, 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.