

**Almage Senior Community Centre
Financial Statements
For the year ended March 31, 2021**

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Contents

Independent Auditor's Report	3 - 5
Financial Statements	
Statement of Financial Position	6
Statement of Changes in Net Assets	7
Statement of Revenue and Expenditures	8
Statement of Cash Flows	9
Notes to Financial Statements	10 - 14
Schedule A - Revenue - Government Funding	15
Schedule B - Revenue - Centraide of Greater Montréal Funding	16



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Independent Auditor's Report

To the Board of Directors of
Almage Senior Community Centre

Qualified Opinion

We have audited the financial statements of Almage Senior Community Centre (the "organization"), which comprise the statement of financial position as at March 31, 2021, the statements of revenue and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters described in the *Basis for Qualified Opinion* paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the organization derives revenues from donations, memberships, programs and activities, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to recorded contributions, the excess of revenue over expenditures, and cash flows from operations for the year ended March 31, 2021 and current assets and net assets as at March 31, 2021.

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.



Independent Auditor's Report

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.

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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



Independent Auditor's Report

- 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 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 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.

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.

BDO Canada s.r.l. / S.E.N.C.R.L. / LLP

Montréal, Québec
May 26, 2021

Almage Senior Community Centre Statement of Financial Position

March 31	2021	2020
Assets		
Current		
Cash	\$ 117,406	\$ 111,307
Accounts receivable	484	-
Sales taxes receivable	4,413	4,267
Prepaid expenses	3,514	5,296
	125,817	120,870
Cash reserved for special project (Note 2)	23,440	23,440
Capital assets (Note 3)	474,029	480,555
	\$ 623,286	\$ 624,865
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 33,876	\$ 23,811
Deferred contributions (Note 4)	33,000	50,000
Current portion of mortgage payable (Note 5)	16,000	211,000
	82,876	284,811
Mortgage payable (Note 5)	156,000	-
	238,876	284,811
Net Assets		
Invested in capital assets and internally restricted	304,592	281,180
Unrestricted	79,818	58,874
	384,410	340,054
	\$ 623,286	\$ 624,865

See Note 7 - Uncertainty due to COVID-19

On behalf of the Board:

 Director

 Director

**Almage Senior Community Centre
Statement of Changes in Net Assets**

For the year ended March 31	Invested in capital assets and internally restricted	Unrestricted	2021 Total	2020 Total
Balance, beginning of the year	\$ 281,180	\$ 58,874	\$ 340,054	\$ 283,777
Excess of revenue over expenditures	-	44,356	44,356	56,277
Amortization of capital assets	(17,304)	17,304	-	-
Interest on mortgage	(9,061)	9,061	-	-
Acquisition of capital assets	10,777	(10,777)	-	-
Mortgage payments	39,000	(39,000)	-	-
Balance, end of the year	\$ 304,592	\$ 79,818	\$ 384,410	\$ 340,054

The accompanying notes are an integral part of these financial statements.

Almage Senior Community Centre Statement of Revenue and Expenditures

For the year ended March 31	2021	2020
Revenue		
Government funding (Schedule A)	\$ 223,435	\$ 200,749
Centraide of Greater Montréal funding (Schedule B)	103,900	100,900
Memberships, programs and activities income	43,226	62,371
Rental	19,215	17,505
Donations	24,409	8,228
Private grants	17,000	-
Interest	740	2,714
	431,925	392,467
Expenditures		
Salaries and fringe benefits	236,188	191,188
Building occupancy and maintenance	54,603	37,765
Programs and activities	34,144	53,467
Administration expenses	20,091	13,624
Amortization of capital assets	17,304	12,459
Office expenses	16,178	15,874
Interest on mortgage	9,061	11,813
	387,569	336,190
Excess of revenue over expenditures	\$ 44,356	\$ 56,277

The accompanying notes are an integral part of these financial statements.

Almage Senior Community Centre Statement of Cash Flows

For the year ended March 31	2021	2020
Cash flows from operating activities		
Excess of revenue over expenditures	\$ 44,356	\$ 56,277
Item not affecting cash:		
Amortization of capital assets	17,304	12,459
	61,660	68,736
Changes in non-cash working capital:		
Accounts receivable	(484)	16,567
Sales taxes receivable	(146)	(1,237)
Prepaid expenses	1,782	(1,800)
Guarantee deposit	-	1,100
Accounts payable and accrued liabilities	10,065	(3,031)
Deferred contributions	(17,000)	50,000
	55,877	130,335
Cash flows from investing activity		
Acquisition of capital assets	(10,778)	(12,853)
Cash flows from financing activity		
Repayment of mortgage payable	(39,000)	(44,000)
Net increase in cash	6,099	73,482
Cash, beginning of the year	111,307	37,825
Cash, end of the year	\$ 117,406	\$ 111,307

The accompanying notes are an integral part of these financial statements.

Almage Senior Community Centre Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies

Nature and Purpose of Organization	Almage Senior Community Centre (the "organization") is incorporated as a not-for-profit organization under Part III of the Companies Act (Québec) on February 14, 1984 and is a registered charity under the Income Tax Act. Its mission is to provide diverse social services and programs to adults (50 years of age and over) throughout the community. The organization is dedicated to enriching the quality of life of its members by providing an atmosphere of friendship and confidence, where they can socialize with people having similar experiences or interests.
Basis of Accounting	The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
Revenue Recognition	<p>The organization follows the deferral method of accounting for contributions.</p> <p>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.</p> <p>Rental income is recognized on a straight-line basis as income over the term of the lease as it becomes due and collectibility is reasonably assured. Membership fees are recognized over the term of the services provided. Interest income is recognized using the accrual basis of accounting. Revenues from fundraising and sales are recognized when such activities are held.</p>
Contributed Services	Volunteers contribute many hours per year to assist the organization in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.
Financial Instruments	<p><i>Measurement</i></p> <p>The organization initially measures its financial assets and financial liabilities at the fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash and cash reserved for special projects. Financial liabilities measured at amortized cost include accounts payable, deferred contributions and mortgage payable.</p>

Almage Senior Community Centre Notes to Financial Statements

March 31, 2021

1. Significant Accounting Policies (continued)

Financial Instruments (continued)

Impairment

Financial assets are tested for impairment when indicators of impairment exist. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in statement of revenue and expenditures and changes in net assets.

Transaction Costs

Financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

Capital Assets

Capital assets are carried at cost net of grants received, less accumulated amortization.

Amortization based on the estimated useful life of the assets is calculated as follows:

	Methods	Rates and period
Building	Straight-line	40 years
Equipment	Declining balance	30%
Computer hardware	Declining balance	30%
Office furniture	Declining balance	20%

Long-lived Assets

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. Any impairment loss would be determined as the excess of the carrying value of the assets over their fair value. The organization considers that no circumstances exist that would require such an evaluation.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the reporting period. Significant items subject to estimates and assumptions include, but are not limited to useful life of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

Almage Senior Community Centre Notes to Financial Statements

March 31, 2021

2. Internally Restricted Fund

At year-end, the organization had internally restricted fund balance of \$23,440 (2020 - \$23,440) for building improvements. There have been no additions or spending of the restricted fund during the year.

3. Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 59,425	\$ -	\$ 59,425	\$ -
Building	440,612	47,124	440,612	36,109
Equipment	19,547	8,419	15,183	4,585
Computer hardware	11,256	5,976	9,206	4,153
Office furniture	6,702	1,994	2,339	1,363
	537,542	63,513	526,765	46,210
	\$ 474,029		\$ 480,555	

4. Deferred Contributions

Deferred contributions represent unspent resources of externally restricted contributions received in the current period related to expenses of a subsequent period. Changes in the deferred contributions balance are as follows:

	2021	2020
Beginning balance	\$ 50,000	\$ -
Less: amounts recognized as revenue in the year	(17,000)	-
Add: amounts received related to expenses of a subsequent period	-	50,000
Ending balance	\$ 33,000	\$ 50,000

**Almage Senior Community Centre
Notes to Financial Statements**

March 31, 2021

5. Mortgage Payable

	2021	2020
Mortgage payable in the original amount of \$300,000 bearing interest at a fixed rate of 3.59% per annum repayable in monthly principal installments of \$1,333 plus interest. The mortgage is secured by a first ranking hypothec on the land and building with a net book value of \$452,913 (2020 - \$463,928).	\$ 172,000	\$ 211,000
Current portion of mortgage payable	16,000	211,000
Long-term portion of mortgage payable	\$ 156,000	\$ -

Principal repayments of mortgage payable over the next five years and thereafter are as follows:

2022	\$	16,000
2023		16,000
2024		16,000
2025		16,000
2026		16,000
Thereafter		92,000
	\$	172,000

6. Financial Instruments

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and its mortgage payable.

There have not been any changes in the risk from the prior year.

Almage Senior Community Centre Notes to Financial Statements

March 31, 2021

7. Uncertainty due to COVID-19

The outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in worldwide emergency measures to combat the spread of the virus. These measures, which include self-quarantine periods, have caused disruption to businesses globally, which are resulting in an economic slowdown. The duration and impact of the COVID-19 outbreak is unknown at this time, including measures implemented by governments and central banks. It is not possible to reliably estimate the length or effect of these developments, including the impact on the financial results of the organization in future periods.

**Almage Senior Community Centre
Schedule A - Revenue -
Government Funding**

For the year ended March 31	2021	2020
Québec		
Ministère de la Santé et des Services sociaux		
PSOC	\$ 187,896	\$ 183,851
PSOC special grant	11,925	15,973
PSOC COVID-19 grant	3,000	-
Assemblée nationale		
Programme de soutien à l'action bénévole	8,000	925
Municipal grant	12,614	-
	<u>\$ 223,435</u>	<u>\$ 200,749</u>

**Almage Senior Community Centre
Schedule B - Revenue -
Centraide of Greater Montréal Funding**

For the year ended March 31	2021	2020
Core funding	\$ 100,900	\$ 100,900
COVID-19 funding	<u>3,000</u>	<u>-</u>
	\$ 103,900	\$ 100,900
