

The Old Brewery Mission
Financial Statements
March 31, 2017

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Independent Auditor's Report

To the Directors of
The Old Brewery Mission

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We have audited the accompanying financial statements of The Old Brewery Mission, which comprise the statement of financial position as at March 31, 2017 and the statements of revenues and expenses, changes in net assets 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 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 audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Old Brewery Mission as at March 31, 2017 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.

*Raymond Chabot Grant Thornton LLP*¹

Montréal
June 27, 2017

¹ CPA auditor, CA public accountancy permit no. A117472

The Old Brewery Mission

Revenues and Expenses

Year ended March 31, 2017

	2017	2016
	\$	\$
Revenues		
Occupancy revenues (including an amount from a municipal agency of \$211,028; \$189,180 in 2016)	638,515	678,910
Grants (Note 3)	4,061,913	4,046,901
Contributed supplies (Note 4)	1,214,364	189,322
Amortization of deferred contributions related to tangible capital assets	512,841	375,778
Amortization of deferred grants related to tangible capital assets	84,522	88,610
Contributions related to interest on long-term debt	15,541	23,666
Donations from The Old Brewery Mission Foundation	3,370,977	3,100,000
Rental revenue from Patricia Mackenzie Pavilion	12,000	12,000
Rental revenue from Centre hospitalier de l'Université de Montréal	37,000	60,000
Interest	2,886	5,606
Other revenues	8,414	91,725
	<u>9,958,973</u>	<u>8,672,518</u>
Expenses		
Salaries and fringe benefits	5,644,367	5,460,899
Occupancy and rental expenses	766,315	732,792
Food	221,026	281,270
Donation to Maison Roger Beaulieu	227,706	162,590
Donation to Patricia Mackenzie Pavilion	923,124	768,775
Contributed supplies (Note 4)	1,214,364	189,322
Professional fees	140,645	162,708
Office expenses	59,964	61,429
Laundry	8,737	14,773
Transportation	40,040	31,931
Support and direct aid	50,382	64,527
Other expenses	28,738	49,160
Amortization of tangible capital assets	873,198	717,516
Loss on disposal of tangible capital assets		8,209
Bank charges	3,260	3,520
Interest on long-term debt	54,671	66,489
Doubtful accounts	2,686	1,778
Expenses before redistribution to controlled entities	<u>10,259,223</u>	<u>8,777,688</u>
Expenses redistributed to controlled entities	363,497	
	<u>9,895,726</u>	<u>8,777,688</u>
Excess (deficiency) of revenues over expenses	<u>63,247</u>	<u>(105,170)</u>

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

The Old Brewery Mission

Changes in Net Assets

Year ended March 31, 2017

	2017			2016
	Invested in capital assets	Internally restricted for buildings and equipment	Unrestricted	Total
	\$	\$	\$	\$
Balance, beginning of year	1,216,956	178,867	91,275	1,487,098
Excess (deficiency) of revenues over expenses	(275,835) (a)	(3,977)	343,059	63,247
Tangible capital assets	1,866,292		(1,866,292)	
Deferred grants received	(86,562)		86,562	
Instalments on long-term debt	131,286		(131,286)	
Deferred contributions related to tangible capital assets	(1,379,023)		1,379,023	
Deferred grants related to tangible capital assets	(328,000)		328,000	
Transfer for buildings		23,170	(23,170)	
Balance, end of year	<u>1,145,114</u>	<u>198,060</u>	<u>207,171</u>	<u>1,550,345</u>

(a) Consists of amortization expense and loss on disposal of tangible capital assets net of amortization of deferred contributions and grants related to tangible capital assets.

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

The Old Brewery Mission

Cash Flows

Year ended March 31, 2017

	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	63,247	(105,170)
Non-cash items		
Amortization of tangible capital assets	873,198	717,516
Amortization of deferred contributions related to tangible capital assets	(512,841)	(375,778)
Loss on disposal of tangible capital assets		8,209
Amortization of deferred grants related to tangible capital assets	(84,522)	(88,610)
	339,082	156,167
Net change in working capital items (Note 5)	111,989	(25,778)
Cash flows from operating activities	451,071	130,389
INVESTING ACTIVITIES		
Disposal of tangible capital assets		1,537
Cash reserved for buildings and equipment	(19,193)	(23,424)
Net change in advances to Patricia Mackenzie Pavilion	3,621	138,358
Net change in advances to Old Brewery Mission Foundation	(71,628)	(11,778)
Contributions receivable	86,562	81,617
Tangible capital assets	(1,866,292)	(275,258)
Cash flows from investing activities	(1,866,930)	(88,948)
FINANCING ACTIVITIES		
Net change in due to Maison Roger Beaulieu		(87,811)
Net change in due to Société d'habitation du Québec	246	142
Deferred contributions related to tangible capital assets	1,379,023	
Deferred grants related to tangible capital assets	328,000	
Net change in due to Old Brewery Mission Foundation		(50,708)
Reimbursement of long-term debt	(131,286)	(124,021)
Cash flows from financing activities	1,575,983	(262,398)
Net increase (decrease) in cash	160,124	(220,957)
Cash, beginning of year	692,629	913,586
Cash, end of year	852,753	692,629

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

The Old Brewery Mission

Financial Position


March 31, 2017

	2017	2016
	\$	\$
ASSETS		
Current		
Cash and cash equivalents (Note 6)	1,050,813	871,496
Accrued revenues and other accounts receivable	33,600	27,756
Sales taxes receivable	58,946	32,801
Advances to Old Brewery Mission Foundation, without interest, repayable on demand	83,406	11,778
Advances to Patricia Mackenzie Pavilion, without interest		3,621
Prepaid expenses	133,018	160,782
Grants receivable	105,338	63,036
Contributions receivable (Note 7)	89,486	86,561
	<u>1,554,607</u>	<u>1,257,831</u>
Long-term		
Contributions receivable (Note 7)	375,099	464,586
Tangible capital assets (Note 8)	7,787,219	6,794,125
	<u>9,716,925</u>	<u>8,516,542</u>
LIABILITIES		
Current		
Trade payables and other operating liabilities	792,076	644,223
Due to Société d'habitation du Québec, without interest, repayable on demand	31,248	31,002
Deferred contributions and grants (Note 10)	43,726	33,063
Current portion of long-term debt	135,705	131,286
	<u>1,002,755</u>	<u>839,574</u>
Long-term		
Deferred contributions related to tangible capital assets (Note 11)	4,785,982	3,919,800
Deferred grants related to tangible capital assets (Note 12)	884,430	640,952
Long-term debt (Note 13)	1,493,413	1,629,118
	<u>8,166,580</u>	<u>7,029,444</u>
NET ASSETS		
Invested in capital assets	1,145,114	1,216,956
Internally restricted for buildings and equipment	198,060	178,867
Unrestricted	207,171	91,275
	<u>1,550,345</u>	<u>1,487,098</u>
	<u>9,716,925</u>	<u>8,516,542</u>

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

On behalf of the Board,


Director


Director

The Old Brewery Mission

Notes to Financial Statements

March 31, 2017

1 - GOVERNING STATUTES AND PURPOSE OF THE ORGANIZATION

The Organization was incorporated under Part III of the Companies Act (Quebec) for the purpose of providing help to homeless people. It is a registered charity under the Income Tax Act.

2 - SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The Organization's financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Accounting estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's knowledge of current events and actions that the Organization may undertake in the future. Actual results may differ from these estimates.

Financial assets and liabilities

Initial measurement

Upon initial measurement, the Organization's financial assets and liabilities are measured at fair value, which, in the case of financial assets or financial liabilities that will be measured subsequently at amortized cost, is increased or decreased by the amount of the related financing fees and transaction costs.

Subsequent measurement

At each reporting date, the Organization measures its financial assets and liabilities at amortized cost (including any impairment in the case of financial assets).

With respect to financial assets measured at amortized cost, the Organization assesses whether there are any indications of impairment. When there is an indication of impairment, and if the Organization determines that during the year there was a significant adverse change in the expected timing or amount of future cash flows from a financial asset, it will then recognize a reduction as an impairment loss in revenues and expenses. The reversal of a previously recognized impairment loss on a financial asset measured at amortized cost is recognized in revenues and expenses in the year the reversal occurs.

The Old Brewery Mission

Notes to Financial Statements

March 31, 2017

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

Contributions

The Organization follows the deferral method of accounting for contributions. Under this method, contributions restricted for future period expenses are deferred and 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. Endowment contributions are reported as direct increases in net assets.

Occupancy revenues

Occupancy revenues are recognized as revenue in accordance with the agreement between the parties, when the bed is occupied, the amount is fixed or determinable and collection is reasonably assured.

Rental revenue

Rental revenue is recognized as revenue in accordance with the agreement between parties, when the premises are rented, the rent is fixed or determinable and rent collection is reasonably assured.

Contributed supplies and services

The Organization may recognize contributed supplies and services when the fair value of these contributions can be reasonably estimated and if it would have had to otherwise acquire these supplies and services for its normal operations.

Tangible capital assets

Tangible capital assets acquired are recorded at cost. When the Organization receives contributions of tangible capital assets, their cost is equal to their fair value at the contribution date.

The Old Brewery Mission

Notes to Financial Statements

March 31, 2017

2 - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amortization

Tangible capital assets are amortized over their estimated useful lives according to the following methods, annual rates and periods:

	<u>Methods</u>	<u>Rates and periods</u>
Buildings	Straight-line	2.5% and 5%
Leasehold and building improvements	Straight-line	5 years
Equipment	Diminishing balance and straight-line	20% and 8 years
Computer equipment	Diminishing balance and straight-line	30% and 4 years
Vehicles	Diminishing balance	30%
Parking	Straight-line	3 years

Write-down

When the Organization recognizes that a tangible capital asset no longer has any long-term service potential, the excess of the net carrying amount of the tangible capital asset over its residual value is recognized as an expense in the statement of revenues and expenses.

Deferred contributions and grants related to tangible capital assets

Contributions and grants related to tangible capital assets are deferred and amortized on the same basis and at the same rate as the related tangible capital assets.

Employee benefit plans

The Organization offers to its employees defined contribution plans, the pension expense recorded in the statement of revenues and expenses is the amount of contributions the Organization is required to pay for services rendered by employees.

Related party transactions

Related party transactions are measured at the exchange amount, which is the value established and accepted by the parties.

Expenses redistribution

Expenses such as transportation, maintenance and administrative expenses have been redistributed as per a prorata based on the number of employees or per number of beds. These amounts are shown on the statement of revenues and expenses under Expenses redistributed to controlled entities.

The Old Brewery Mission

Notes to Financial Statements

March 31, 2017

3 - GRANTS

	2017	2016
	\$	\$
Grants from Centre intégré universitaire de santé et de services sociaux du Centre-Sud-de-l'Île-de-Montréal	2,916,450	2,926,141
Grants from Ville de Montréal	250,282	231,978
Grants from Correctional Service of Canada	32,260	15,515
Grants from Service Canada (SPLI)	351,099	238,808
Grants from the Quebec government		1,875
Grants from Centre intégré universitaire de santé et de services sociaux de l'Ouest-de-l'Île-de-Montréal	511,822	632,584
	<u>4,061,913</u>	<u>4,046,901</u>

4 - CONTRIBUTED SUPPLIES AND SERVICES

In the normal course of its operations, the Organization receives various supplies and services free of charge. These contributed supplies and services in kind are recorded at the fair value.

The following table presents the detail of the amounts included in the Organization's revenues and expenses with respect to these donations:

	2017	2016
	\$	\$
Food	997,957	137,290
Support and direct aid	216,407	52,032
	<u>1,214,364</u>	<u>189,322</u>

5 - INFORMATION INCLUDED IN CASH FLOWS

The net change in working capital items is detailed as follows:

	2017	2016
	\$	\$
Accrued revenues and other accounts receivable	(5,844)	(3,292)
Sales taxes receivable	(26,145)	(9,430)
Prepaid expenses	27,764	(64,824)
Grants receivable	(42,302)	(33,495)
Trade payables and other operating liabilities	147,853	135,874
Deferred contributions and grants	10,663	(50,611)
	<u>111,989</u>	<u>(25,778)</u>

6 - CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Cash	852,753	692,629
Cash reserved for buildings and equipment	198,060	178,867
	<u>1,050,813</u>	<u>871,496</u>

The Old Brewery Mission

Notes to Financial Statements

March 31, 2017

7 - CONTRIBUTIONS RECEIVABLE

The contributions receivable from a provincial government organization consist of the principal portion of two long-term debt in the form of mortgages (Note 13):

	2017	2016
	\$	\$
Contributions receivable from Société d'habitation du Québec	464,585	551,147
Current portion	89,486	86,561
	<u>375,099</u>	<u>464,586</u>

8 - TANGIBLE CAPITAL ASSETS

		2017	
	Cost	Accumulated amortization	Net carrying amount
	\$	\$	\$
915 Clark Street			
Land	72,652		72,652
Building	4,665,377	4,062,802	602,575
Parking	19,616	19,616	
Equipment	879,227	535,161	344,066
Building improvements	1,622,549	130,000	1,492,549
Camp Chapleau			
Land	33,585		33,585
Patricia Mackenzie Pavilion, 1301 De Maisonneuve Boulevard East			
Building	2,073,271	1,940,595	132,676
Equipment	64,303	27,329	36,974
Building improvements	39,752	2,319	37,433
4639, De Lanaudière Street			
Building – in process of acquisition	3,410		3,410
Marcelle and Jean Coutu Pavilion, 7 Saint-Antoine Street West			
Land	89,255		89,255
Building	3,833,135	2,110,511	1,722,624
Vehicles	216,206	157,836	58,370
Computer equipment	79,696	68,575	11,121
Lise Watier Pavilion, 4450 Ontario Street East			
Land	170,173		170,173
Building	3,382,117	570,794	2,811,323
Computer equipment	11,481	10,332	1,149
Equipment	105,977	80,788	25,189
906 Saint-Laurent Boulevard			
Equipment	5,761	1,412	4,349
Leasehold improvements	881,832	744,086	137,746
	<u>18,249,375</u>	<u>10,462,156</u>	<u>7,787,219</u>

The Old Brewery Mission

Notes to Financial Statements

March 31, 2017

8 - TANGIBLE CAPITAL ASSETS (Continued)

			2016
	Cost	Accumulated amortization	Net carrying amount
	\$	\$	\$
915 Clark Street			
Land	72,652		72,652
Building	4,665,377	3,979,815	685,562
Parking	19,616	19,616	
Equipment	676,185	493,163	183,022
Building improvements	29,172		29,172
Camp Chapleau			
Land	33,585		33,585
Patricia Mackenzie Pavilion, 1301 De Maisonneuve Boulevard East			
Building	2,073,271	1,831,223	242,048
Equipment	49,818	22,154	27,664
Marcelle and Jean Coutu Pavilion, 7 Saint-Antoine Street West			
Land	89,255		89,255
Building	3,833,135	1,907,018	1,926,117
Vehicles	216,206	132,819	83,387
Computer equipment	67,469	66,429	1,040
Lise Watier Pavilion, 4450 Ontario Street East			
Land	170,173		170,173
Building	3,382,117	486,242	2,895,875
Computer equipment	11,481	9,839	1,642
Equipment	105,977	63,813	42,164
906 Saint-Laurent Boulevard			
Equipment	5,761	586	5,175
Leasehold improvements	881,832	576,240	305,592
	<u>16,383,082</u>	<u>9,588,957</u>	<u>6,794,125</u>

9 - BANK LOAN

The Organization has an overdraft facility of \$750,000. The overdraft facility bears interest at the bank's prime rate (2.7%; 2.7% in 2016), is secured by the portfolio investments of Old Brewery Mission Foundation without compensation for an amount of \$750,000 and is renewable annually. As at March 31, 2017, the overdraft facility was unused.

10 - DEFERRED CONTRIBUTIONS AND GRANTS

	2017	2016
	\$	\$
Balance, beginning of year	33,063	83,674
Contribution received during the year	413,552	305,992
Portion recorded in the statement of revenues and expenses	(402,889)	(356,603)
Balance, end of year	<u>43,726</u>	<u>33,063</u>

The Old Brewery Mission

Notes to Financial Statements

March 31, 2017

10 - DEFERRED CONTRIBUTIONS AND GRANTS (Continued)

The deferred contributions and grants represent unused resources which are intended to cover operating expenses for the coming year.

11 - DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

Deferred contributions related to tangible capital assets include contributions from different sources. These deferred contributions are detailed as follows:

	<u>2017</u>	<u>2016</u>
	\$	\$
Balance, beginning of year	3,919,800	4,295,578
Contribution received during the year – Donation from Old Brewery Mission Foundation	1,379,023	
Amortization of the year	<u>(512,841)</u>	<u>(375,778)</u>
Balance, end of year	<u>4,785,982</u>	<u>3,919,800</u>

12 - DEFERRED GRANTS RELATED TO TANGIBLE CAPITAL ASSETS

Deferred grants related to tangible capital assets include contributions from the Canadian government. These deferred grants are detailed as follows:

	<u>2017</u>	<u>2016</u>
	\$	\$
Balance, beginning of year	640,952	729,562
Grant received during the year	328,000	
Amortization of the year	<u>(84,522)</u>	<u>(88,610)</u>
Balance, end of year	<u>884,430</u>	<u>640,952</u>

13 - LONG-TERM DEBT

	<u>Current portion</u>	<u>2017</u>	<u>2016</u>
	\$	\$	\$
Mortgage loan (Marcelle and Jean Coutu Pavilion), secured by land and a building having a net carrying amount of \$1,811,879 in 2017, 3.132%, payable in monthly instalments of \$6,964, maturing in April 2021 (a)	74,671	320,073	392,299
Mortgage loan (Lise Watier Pavilion), secured by land and a building having a net carrying amount of \$2,981,496 in 2017, 3.314%, payable in monthly instalments of \$6,988, maturing in October 2020	46,219	1,164,533	1,209,257

The Old Brewery Mission

Notes to Financial Statements

March 31, 2017

13 - LONG-TERM DEBT (Continued)

	<u>Current portion</u>	<u>2017</u>	<u>2016</u>
	\$	\$	\$
Mortgage loan (Lise Watier Pavilion), secured by land and a building having a net carrying amount of \$2,981,496 in 2017, 3.314%, payable in monthly instalments of \$1,612, maturing in October 2020 (a)	<u>14,815</u>	<u>144,512</u>	158,848
		<u>1,629,118</u>	1,760,404
Current portion	<u>135,705</u>	<u>135,705</u>	131,286
		<u>1,493,413</u>	<u>1,629,118</u>

(a) The Organization will collect a grant in connection with these mortgage loans corresponding to the monthly instalments, principal and interest.

The estimated instalments on long-term debt for the next five years are \$135,705 in 2018, \$140,102 in 2019, \$144,641 in 2020, \$1,207,723 in 2021 and \$6,947 in 2022.

14 - MAISON ROGER BEAULIEU

The Organization is the controlling entity of Maison Roger Beaulieu which is incorporated under Part III of the Companies Act (Quebec) for the purpose of helping homeless people and is a registered charity under the Income Tax Act.

	<u>2017</u>	<u>2016</u>
	\$	\$
Financial position		
Total assets	<u>1,660,788</u>	<u>1,800,409</u>
Total liabilities	<u>1,503,118</u>	1,619,441
Total net assets, including internally restricted net assets for building repairs of \$88,730 (\$88,316 in 2016)	<u>157,670</u>	180,968
	<u>1,660,788</u>	<u>1,800,409</u>
Operations		
Total revenues, including donations from The Old Brewery Mission of \$227,706 (\$162,590 in 2016)	<u>470,111</u>	390,581
Total expenses, including expenses redistributed by The Old Brewery Mission of \$48,526 (\$0 in 2016)	<u>493,409</u>	397,916
Deficiency of revenues over expenses	<u>(23,298)</u>	<u>(7,335)</u>
Cash flows		
Cash flows from operating activities	<u>39,862</u>	39,035
Cash flows from investing activities	<u>(414)</u>	(505)
Cash flows from financing activities	<u>(39,448)</u>	<u>(38,530)</u>

The Old Brewery Mission

Notes to Financial Statements

March 31, 2017

14 - MAISON ROGER BEAULIEU (Continued)

The building and the building improvements are amortized according to the straight-line method over a period of 37 years and 16 years respectively.

15 - OLD BREWERY MISSION FOUNDATION

The Organization is the controlling entity and designated beneficiary of Old Brewery Mission Foundation which is incorporated under the Canada Not-for-profit Corporations Act and is a registered charity under the Income Tax Act. According to the Foundation's bylaws, all its resources must be provided to the Organization or used for the Organization's benefit. Its principal activity is to make fundraising campaigns and to manage investments.

	<u>2017</u>	<u>2016</u>
	\$	\$
Financial position		
Total assets	<u>10,815,772</u>	<u>9,521,075</u>
Total liabilities, including an amount due to The Old Brewery Mission of \$83,406 (\$11,778 in 2016)	<u>1,093,620</u>	683,491
Total net assets	<u>9,722,152</u>	<u>8,837,584</u>
	<u>10,815,772</u>	<u>9,521,075</u>
Operations		
Total revenues	6,689,991	3,313,022
Total expenses, including a donation to The Old Brewery Mission of \$4,750,000 (\$3,100,000 in 2016) and expenses redistributed by The Old Brewery Mission of \$53,702 (\$0 in 2016)	<u>5,805,423</u>	4,841,491
Excess (deficiency) of revenues over expenses	<u>884,568</u>	<u>(1,528,469)</u>
Cash flows		
Cash flows from operating activities	135,272	(546,555)
Cash flows from investing activities	459,043	457,694
Cash flows from financing activities	71,628	11,778

16 - PATRICIA MACKENZIE PAVILION

The Organization is the controlling entity of Patricia Mackenzie Pavilion which is incorporated under Part III of the Companies Act (Quebec) for the purpose of providing help to homeless people and is a registered charity under the Income Tax Act.

The Old Brewery Mission

Notes to Financial Statements

March 31, 2017

16 - PATRICIA MACKENZIE PAVILION (Continued)

	2017	2016
	\$	\$
Financial position		
Total assets	<u>18,186</u>	<u>19,044</u>
Total liabilities, including a due to The Old Brewery Mission of \$0 (\$3,621 in 2016)	<u>84,736</u>	47,229
Total negative net assets	<u>(66,550)</u>	<u>(28,185)</u>
	<u>18,186</u>	<u>19,044</u>
Operations		
Total revenues, including donations from The Old Brewery Mission of \$923,124 (\$768,775 in 2016)	1,444,808	1,188,091
Total expenses, including expenses redistributed by The Old Brewery Mission of \$261,269 (\$0 in 2016)	<u>1,483,173</u>	<u>1,174,721</u>
Excess (deficiency) of revenues over expenses	<u>(38,365)</u>	<u>13,370</u>
Cash flows		
Cash flows from operating activities	3,599	110,966
Cash flows from financing activities	<u>(3,621)</u>	<u>(138,358)</u>

During the year, the Organization collected a rent of \$12,000 (\$12,000 in 2016) from Patricia Mackenzie Pavilion, which is the exchange amount established and accepted by the parties.

17 - RELATED PARTY TRANSACTIONS

The Organization supports the operations of Maison Roger Beaulieu. This support is accounted for as a donation to Maison Roger Beaulieu and is recognized in expenses.

The Organization supports the operations of Patricia Mackenzie Pavilion. This support is accounted for as a donation to Patricia Mackenzie Pavilion and is recognized in expenses.

The Old Brewery Mission Foundation supports the operations of the Organization. This support is accounted for as a revenue and is recognized under Donations from The Old Brewery Mission Foundation.

18 - DEPOSIT HELD IN TRUST FOR CLIENTS

The following deposit held in trust for clients is kept separately from the Organization's assets and is not presented in the statement of financial position:

	2017	2016
	\$	\$
Cash	<u>29,872</u>	<u>109,674</u>

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Notes to Financial Statements

March 31, 2017

19 - MARCELLE AND JEAN COUTU PAVILION

	<u>2017</u>	<u>2016</u>
	\$	\$
Operating information		
Revenues		
Occupancy revenues	147,919	151,163
Revenues from service fees	40,111	40,940
Other revenues	872	1,390
Interest	267	325
Grant from Centre intégré universitaire de santé et de services sociaux du Centre-Sud-de-l'Île-de-Montréal	74,475	73,592
Amortization of deferred contributions related to tangible capital assets	191,403	191,403
Contribution related to interest on long-term debt	10,528	17,883
	<u>465,575</u>	<u>476,696</u>
Expenses		
Salaries and fringe benefits	100,005	128,384
Repairs and maintenance	40,368	20,149
Food	258	972
Contributed supplies and services – support and direct aid	316	491
Taxes	37,504	35,868
Heating, light and power	38,051	39,310
Elevator	4,981	4,771
Janitorial services	11,184	10,885
Insurance	9,134	9,459
Transportation	32	287
Subscription	259	259
Other expenses		40
Doubtful accounts		546
Office expenses	11,088	10,668
Bank charges	42	80
Professional fees	2,407	2,150
Amortization of tangible capital assets	203,493	191,419
Interest on long-term debt	10,528	17,883
Expenses redistributed by The Old Brewery Mission	13,704	
	<u>483,354</u>	<u>473,621</u>
Excess (deficiency) of revenues over expenses	<u>(17,779)</u>	<u>3,075</u>

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Notes to Financial Statements

March 31, 2017

19 - MARCELLE AND JEAN COUTU PAVILION (Continued)

	<u>2017</u>	<u>2016</u>
	\$	\$
Financial position information		
Assets		
Cash	83,027	51,494
Cash reserved for buildings and equipment	81,559	77,769
Prepaid expenses	27,376	27,117
Contributions receivable – short-term	74,671	72,225
Tangible capital assets (Note 8)		
Land	89,255	89,255
Building	1,722,624	1,926,117
Contributions receivable – long-term	245,402	320,074
Liabilities		
Trade payables and other operating liabilities	22,685	24,894
Current portion of long-term debt	74,671	72,225
Deferred contributions related to tangible capital assets	1,722,623	1,914,026
Long-term debt	245,402	320,074

As at March 31, 2017, the Organization has an internally restricted fund for the building for an amount of \$51,558 and for equipment for an amount of \$30,001.

20 - LISE WATIER PAVILION

	<u>2017</u>	<u>2016</u>
	\$	\$
Operating information		
Revenues		
Occupancy revenues	210,964	203,796
Revenues from service fees	38,320	39,560
Other revenues	363	559
Grant from Centre intégré universitaire de santé et de services sociaux du Centre-Sud-de-l'Île-de-Montréal	44,494	43,968
Amortization of deferred contributions related to tangible capital assets	65,993	65,993
Contribution related to interest on long-term debt	5,013	5,783
	<u>365,147</u>	<u>359,659</u>

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Notes to Financial Statements

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20 - LISE WATIER PAVILION (Continued)

	<u>2017</u>	<u>2016</u>
	\$	\$
Expenses		
Salaries and fringe benefits	99,982	70,978
Repairs and maintenance	13,462	16,334
Food	2,152	290
Contributed supplies and services – support and direct aid	613	665
Taxes	12,362	6,305
Heating, light and power	42,286	42,742
Transportation	502	632
Janitorial services	4,623	4,342
Office expenses	3,597	3,336
Bank charges	27	5
Professional fees	2,407	2,150
Other expenses	250	1,581
Doubtful accounts	383	
Amortization of tangible capital assets	102,021	98,149
Interest on long-term debt	44,143	48,605
Insurance	8,669	9,010
Expenses redistributed by The Old Brewery Mission	15,835	
	<u>353,314</u>	<u>305,124</u>
Excess of revenues over expenses	<u>11,833</u>	<u>54,535</u>
Financial position information		
Assets		
Cash	323,924	270,674
Cash reserved for buildings and equipment	116,501	101,098
Prepaid expenses	19,333	9,908
Contributions receivable – short-term	14,815	14,336
Tangible capital assets (Note 8)		
Land	170,173	170,173
Building	2,811,323	2,895,875
Computer equipment	1,149	1,642
Equipment	25,189	42,164
Contributions receivable – long-term	129,697	144,512
Liabilities		
Trade payables and other operating liabilities	18,092	15,591
Current portion of long-term debt	61,034	59,061
Deferred contributions related to tangible capital assets	1,714,484	1,780,477
Long-term debt	1,248,011	1,309,044

As at March 31, 2017, the Organization has an internally restricted fund for the building for an amount of \$38,542, for equipment for an amount of \$69,134 and for the variations in mortgage rate and occupancy revenues for an amount of \$8,825.

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21 - COMMITMENTS

The Organization has entered into long-term lease agreements for premises and equipment, for lease payments of \$2,433,885.

Premises agreements are expiring between March 2019 and March 2031. Material agreements are expiring between May 2019 and June 2020.

Minimum lease payments, including operating costs, for the next five years are \$205,334 in 2018, \$207,191 in 2019, \$180,571 in 2020, \$170,958 in 2021 and \$167,550 in 2022.

The Organization shall reserve an amount of \$7,500 per year for Marcelle and Jean Coutu Pavilion and an amount of \$15,040 per year for Lise Watier Pavilion.

22 - CONTINGENCY

According to the terms of the agreement with Société d'habitation du Québec, the Organization could have to contribute, according to the criteria established in the agreement, to a community housing fund for an amount equivalent to the capital reimbursement, with the exception of any prepayments made over a ten-year period of a mortgage loan for the Lise Watier Pavilion. The maximum amount payable by the Organization is \$427,651. This contribution would reduce deferred contributions related to tangible capital assets.

The Organization is subject to a claim related to a bequest received in a previous year. In the opinion of management, this claim is unwarranted, accordingly, no provision has been recorded in this respect.

23 - FINANCIAL INSTRUMENTS

Financial risks

The Organization's main financial risk exposure is detailed as follows.

Credit risk

The Organization is exposed to credit risk regarding the financial assets recognized in the statement of financial position. The Organization has determined that the financial assets with more credit risk exposure are accrued revenues and other accounts receivable, advances to Patricia Mackenzie Pavilion, advances to Old Brewery Mission Foundation, grants receivable and contributions receivable since failure of any of these parties to fulfil their obligations could result in significant financial losses for the Organization.

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Notes to Financial Statements

March 31, 2017

23 - FINANCIAL INSTRUMENTS (Continued)

Market risk

The Organization's financial instruments expose it to market risk, in particular, to interest rate risk, resulting from its financing activities:

– Interest rate risk:

The Organization is exposed to interest rate risk with respect to financial liabilities bearing fixed and variable interest rates.

The long-term debt bears interest at a fixed rate and the Organization is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations.

The bank loan bears interest at a variable rate and the Organization is, therefore, exposed to the cash flow risk resulting from interest rate fluctuations.

Liquidity risk

The Organization's liquidity risk represents the risk that the Organization could encounter difficulty in meeting obligations associated with its financial liabilities. The Organization is, therefore, exposed to liquidity risk with respect to all of the financial liabilities recognized in the statement of financial position.

Carrying amount of financial assets by category

The Organization's financial assets, totalling \$1,737,742 (\$1,528,834 as at March 31, 2016), have all been classified as financial assets measured at amortized cost.

Guaranteed financial liabilities

As at March 31, 2017, the carrying amount of guaranteed financial liabilities is \$1,629,118.

24 - GUARANTEE

The Organization guarantees, since April 1, 2014, the mortgage loan of Maison Roger Beaulieu in the amount of \$423,042 as at March 31, 2017 and has not required any consideration in exchange for assuming this responsibility. Under the terms of a new agreement, until April 1, 2022, the Organization must be prepared to fulfil the debt repayment obligations of Maison Roger Beaulieu if the latter is unable to do so. The maximum amount the Organization may be required to settle under the agreement is \$550,000. In the opinion of management, it is unlikely that this guarantee will be exercised and, accordingly, no liability has been recorded in the financial statements in this respect.

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Notes to Financial Statements

March 31, 2017

25 - SUBSEQUENT EVENTS

The Organization purchased a building on April 27, 2017 for an amount of \$810,000. The acquired building will be used for a transitional program for homeless women, in Montréal. The funding of this acquisition is provided by a donor of the Organization.

26 - COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.