

HAMILTON COUNCIL ON AGING

FINANCIAL STATEMENTS

MARCH 31, 2021





INDEPENDENT AUDITOR'S REPORT

To the Members of:
Hamilton Council on Aging

Report on the Audit of the Financial Statements

Opinion

I have audited the financial statements of Hamilton Council on Aging, which comprise the statement of financial position as at March 31, 2021, the statements of operations and changes in net assets, and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of Hamilton Council on Aging 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 not-for-profit organizations, the completeness of donations, memberships and fundraising revenue is not susceptible to satisfactory audit verification. Accordingly, my verification of these amounts was limited to the amounts recorded in the organization's accounting records and I was not able to determine whether any adjustments might be necessary to donations and fundraising revenue.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing these 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgement and maintain professional skepticism throughout the audit. I 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 my 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.
- 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I communicated 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 I identified during my audit.

Richmond Hill, Ontario
June 10, 2021


Chartered Professional Accountant
Licensed Public Accountant

David Burkes, CPA, CA, CFF



HAMILTON COUNCIL ON AGING
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

ASSETS

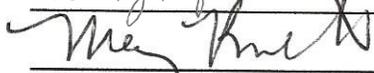
	<u>2021</u>	<u>2020</u>
<u>CURRENT</u>		
Cash	\$ 164,825	\$ 36,867
Grants Receivable	-	146,416
Prepaid Expenses	6,765	6,254
HST Recoverable	5,252	3,970
Due from Hamilton Health Sciences Corporation	9,532	4,556
	<u>\$ 186,374</u>	<u>\$ 198,063</u>

LIABILITIES AND FUND BALANCES

<u>CURRENT</u>		
Accounts Payable and Accrued Liabilities	\$ 58,307	\$ 134,098
Deferred Grants (Note 2)	86,972	24,249
	<u>145,279</u>	<u>158,347</u>
 <u>NET ASSETS</u>	 <u>41,095</u>	 <u>39,716</u>
	 <u>\$ 186,374</u>	 <u>\$ 198,063</u>

APPROVED BY THE BOARD:


 _____ Director


 _____ Director

(See Accompanying Notes)

HAMILTON COUNCIL ON AGING
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
<u>BALANCE</u>, Beginning of Year	\$ 39,716	\$ 37,470
<u>EXCESS OF</u> <u>REVENUE OVER EXPENSES</u>	<u>1,379</u>	<u>2,246</u>
<u>BALANCE</u>, End of Year	<u>\$ 41,095</u>	<u>\$ 39,716</u>

HAMILTON COUNCIL ON AGING
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
<u>REVENUE</u>		
Grants (Note 3)	\$ 269,600	\$ 575,955
Donations and Fundraising	1,005	548
Memberships	50	940
	<u>270,655</u>	<u>577,443</u>
<u>EXPENSES</u>		
Administration	19,194	23,597
Program and Workshops	221,487	431,946
Wages and Benefits	28,595	119,654
	<u>269,276</u>	<u>575,197</u>
<u>EXCESS OF REVENUE OVER EXPENSES</u>	<u>\$ 1,379</u>	<u>\$ 2,246</u>

(See Accompanying Notes)

HAMILTON COUNCIL ON AGING
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

	<u>2021</u>	<u>2020</u>
<u>CASH FLOWS PROVIDED BY OPERATING ACTIVITIES</u>		
Excess of Revenues over Expenses	\$ <u>1,379</u>	\$ <u>2,246</u>
<u>CHANGES IN NON-CASH WORKING CAPITAL ITEMS</u>		
Grants Receivable	146,416	(146,416)
Prepaid Expenses	(511)	(6,254)
HST Recoverable	(1,282)	(313)
Accounts Payable and Accrued Liabilities	(75,791)	113,051
Deferred Grants	62,723	(19,783)
Due from Hamilton Health Sciences Corporation	(4,976)	(5,307)
	<u>126,579</u>	<u>(65,022)</u>
<u>INCREASE (DECREASE) IN CASH DURING THE YEAR</u>	127,958	(62,776)
<u>CASH, Beginning of the Year</u>	<u>36,867</u>	<u>99,643</u>
<u>CASH, End of the Year</u>	<u>\$ 164,825</u>	<u>\$ 36,867</u>

(See Accompanying Notes)

HAMILTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

NATURE OF OPERATIONS:

Hamilton Council on Aging (the Organization) is a not-for-profit organization which exists to educate and advocate for the improved aging experiences for older adults through a collaborative network of individuals and organizations. The Organization promotes the health, well-being and social participation of all older adults by influencing attitudes, policies and programs to include their voices.

The Organization is a registered charitable organization under the Income Tax Act (Canada) effective April 1, 2009 and, as such, is exempt from income taxes under section 149 of the Income Tax Act. The charity number is 51847954RR0001.

1. SIGNIFICANT ACCOUNTING POLICIES:

These financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations. The Organization's significant accounting policies are as follows:

a) Revenue Recognition

The deferral method of accounting is used for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be easily estimated.

Memberships and other income are recognized as revenue when earned.

Donations and fundraising are recognized as revenue when received.

b) Capital Assets

Capital assets are recorded at their historical cost. There were no capital asset acquisitions in 2021.

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the capital assets exceeds its fair value.

HAMILTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES: (Continued)

c) 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 and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reported period. Significant items subject to such estimates and assumptions include the useful lives of capital assets, prepaid membership and year-end accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

d) Income Taxes

The organization is a not-for-profit organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes.

e) Financial Instruments

The organization initially records all financial instruments at fair market value, and subsequently records them at amortized cost.

The organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and due to Hamilton Health Sciences.

f) Contributed Services

Volunteers contribute services to assist the Organization in carrying out its service delivery activities. While these services benefit the Organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

2. DEFERRED GRANT REVENUE:

Deferred operating and project grant contributions are comprised as follows:

	<u>2021</u>	<u>2020</u>
Federal	\$ 22,400	\$ -
Provincial	24,000	-
Municipal	32,137	24,249
Other	8,435	-
	<u>\$ 86,972</u>	<u>\$ 24,249</u>

HAMILTON COUNCIL ON AGING

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2021

2. DEFERRED GRANT REVENUE: (Continued)

In summary, changes in deferred contributions are analyzed as follows:

	<u>2021</u>	<u>2020</u>
Balance, Beginning of year	\$ 24,249	\$ 44,032
Amounts received/receivable during the year	332,323	556,172
Amounts recognized as revenue during the year	<u>(269,600)</u>	<u>(575,955)</u>
Balance, End of the year	<u>\$ 86,972</u>	<u>\$ 24,249</u>

3. GRANTS:

Grants are comprised of the following:

	<u>2021</u>	<u>2020</u>
Federal	\$ 227,600	\$ 527,780
Provincial	-	4,352
Municipal	<u>42,000</u>	<u>43,823</u>
	<u>\$ 269,600</u>	<u>\$ 575,955</u>

4. RELATED PARTY TRANSACTIONS:

The Organization is related to all members of the Board of Directors based on their control of the management of the Organization. Donations and non-reimbursed services are provided to the Organization by individuals and other associations which could be classified as related parties. Monetary donations are recorded at the amounts received. Non-reimbursed services are not recorded in these financial statements. The Board of Directors receives no compensation for their positions on the Board.

5. CAPITAL MANAGEMENT AND ECONOMIC DEPENDENCE:

The Organization includes cash, accounts receivables, accounts payable and accrued liabilities, and net assets in its capital management consideration. The organization's objectives when managing capital are to safeguard its ability to continue as a going concern and continue to execute its mandate.

The Organization is economically dependent on Hamilton Health Sciences Corporation for the use of office space and administrative services. These costs could have a significant impact on the Organization's ability to continue serving its mandate as the agreed fee between the parties is below fair market value. The organization relies primarily on grants to fund its operations and makes adjustments to its budgeted expenditures in light of changes. The organization is not subject to externally imposed capital requirements.

HAMILTON COUNCIL ON AGING
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

6. FINANCIAL INSTRUMENTS - RISK MANAGEMENT:

a) Interest Rate Risk

Interest rate risk is the risk of potential financial loss caused by fluctuations in fair value of future cash flow of financial instruments due to changes in market interest rates. The Organization does not face any significant concentration of interest rate risk.

b) Credit Risk

Credit risk is the risk one party of a financial instrument will cause a financial loss for the other party by failing to discharge and obligation. The Organization is exposed to this risk associated with its holdings of cash with a financial institution and accounts receivable. To mitigate this risk, the Organization places the majority of its cash in an account with a major financial institution. The Organization actively monitors receivables to ensure timely collection. The Organization's credit risk is considered to be low.

c) Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization manages this risk by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

The organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the organization is not exposed to significant interest or credit risks. The fair value of these financial instruments approximates their carrying values.

The extent of the Organization's exposure to the above risks did not change during the 2021 fiscal year.