

HAMILTON COUNCIL ON AGING

Financial Statements

Year Ended March 31, 2022

HAMILTON COUNCIL ON AGING

Index to Financial Statements

Year Ended March 31, 2022

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 10

INDEPENDENT AUDITOR'S REPORT

To the Members of Hamilton Council on Aging

Qualified Opinion

We have audited the financial statements of Hamilton Council on Aging (the Organization), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, 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 matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and its results of 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 Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2022, current assets and net assets as at March 31, 2022. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation of scope.

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 Organization 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 these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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 Organization'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 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 to the Shareholders of Hamilton Council on Aging (*continued*)

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.
- 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.

NVS Professional Corporation

NVS Professional Corporation
Chartered Professional Accountants
Authorized to practise public accountants of Ontario
Markham, Ontario
June 9, 2022

HAMILTON COUNCIL ON AGING

Statement of Financial Position


March 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash	\$ 50,369	\$ 164,825
Grant Receivable (Note 3)	100,913	-
Prepaid Expenses	4,618	6,765
HST Recoverable	11,364	5,252
Due from Hamilton Health Sciences Corporation (Note 6)	-	9,532
	<u>\$ 167,264</u>	<u>\$ 186,374</u>
LIABILITIES AND FUND BALANCES		
CURRENT		
Accounts Payable and Accrued Liabilities	\$ 73,047	\$ 58,307
Deferred Grants (Note 4)	46,423	86,972
Due to Hamilton Health Sciences Corporation (Note 6)	291	-
	<u>119,761</u>	<u>145,279</u>
Net Assets	<u>47,503</u>	<u>41,095</u>
	<u>\$ 167,264</u>	<u>\$ 186,374</u>

ON BEHALF OF THE BOARD



Director



Director

See notes to financial statements

HAMILTON COUNCIL ON AGING

Statement of Operations Year Ended March 31, 2022

	2022	2021
REVENUES		
Grants (<i>Note 5</i>)	\$ 401,652	\$ 269,600
Donations and Fundraising	4,521	1,005
Memberships	-	50
	<u>406,173</u>	<u>270,655</u>
EXPENSES		
Administration	26,131	19,194
Programs and Workshops	308,912	221,487
Wages and Benefits	64,722	28,595
	<u>399,765</u>	<u>269,276</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 6,408</u>	<u>\$ 1,379</u>

See notes to financial statements

HAMILTON COUNCIL ON AGING

Statement of Changes in Net Assets

Year Ended March 31, 2022

	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 41,095	\$ 39,716
EXCESS OF REVENUE OVER EXPENSES	<u>6,408</u>	1,379
NET ASSETS - END OF YEAR	<u>\$ 47,503</u>	<u>\$ 41,095</u>

See notes to financial statements

HAMILTON COUNCIL ON AGING

Statement of Cash Flows Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of Revenues over Expenses	\$ 6,408	\$ 1,379
Changes in non-cash working capital:		
Grants Receivable	(100,913)	146,416
Prepaid Expenses	2,147	(511)
HST Recoverable	(6,112)	(1,282)
Accounts payable	14,740	(75,791)
Deferred Grants	(40,549)	62,723
Due to Hamilton Health Sciences Corporation	291	-
Due from Hamilton Health Sciences Corporation	9,532	(4,976)
	<u>(120,864)</u>	<u>126,579</u>
INCREASE (DECREASE) IN CASH FLOW	(114,456)	127,958
Cash - beginning of year	<u>164,825</u>	<u>36,867</u>
CASH - END OF YEAR	\$ 50,369	\$ 164,825

See notes to financial statements

1. 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 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 851847954RR0001.

2. 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:

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.

Capital Assets

Capital assets are recorded at their historical cost. There were no capital asset acquisitions in 2022.

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.

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.

Income Taxes

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

(continues)

HAMILTON COUNCIL ON AGING

Notes to Financial Statements

Year Ended March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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.

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.

3. GRANT RECEIVABLE

Grant receivable are comprised of the following:

	<u>2022</u>	<u>2021</u>
Alzheimer Society Foundation	\$ 13,300	\$ -
Public Health Agency of Canada	81,613	-
Ministry for Seniors and Accessibility	6,000	-
	<u>\$ 100,913</u>	<u>\$ -</u>

4. DEFERRED GRANT REVENUE

Deferred operating and project grant contributions are comprised as follows:

	<u>2022</u>	<u>2021</u>
Public Health Agency of Canada	\$ -	\$ 22,400
Ministry for Seniors and Accessibility	4,095	24,000
City of Hamilton	32,243	32,137
United Way Halton & Hamilton	10,085	8,435
	<u>46,423</u>	<u>86,972</u>

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

Balance, Beginning of year	86,972	24,249
Amounts received/receivable during the year	361,103	332,323
Amounts recognized as revenue during the year	<u>(401,652)</u>	<u>(269,600)</u>
Balance, End of the year	<u>46,423</u>	<u>86,972</u>

5. GRANTS

Grants are comprised of the following:

	<u>2022</u>	<u>2021</u>
Public Health Agency of Canada	\$ 270,677	\$ 227,600
Ministry for Seniors and Accessibility	55,905	-
City of Hamilton	29,894	30,435
United Way Halton & Hamilton	25,176	11,565
Alzheimer Society Foundation	20,000	-
	<u>\$ 401,652</u>	<u>\$ 269,600</u>

6. 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. Nonreimbursed services are not recorded in these financial statements. The Board of Directors receives no compensation for their positions on the Board.

7. 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.

8. FINANCIAL INSTRUMENTS - RISK MANAGEMENT

The Organization 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 Organization's risk exposure and concentration as of March 31, 2022.

(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.

(continues)

8. FINANCIAL INSTRUMENTS - RISK MANAGEMENT *(continued)****(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 an 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 2022 fiscal year.
