

**HelpAge
Canada**

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Financial Statements

For the year ended March 31, 2020



HelpAge Canada / Aide aux Aînés (Canada)
Financial Statements
For the year ended March 31, 2020

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Independent Auditor's Report

To the Members of HelpAge Canada / Aide aux Aînés (Canada)

Qualified Opinion

We have audited the financial statements of HelpAge Canada / Aide aux Aînés (Canada) (the "Organization") which comprise the statement of financial position as at March 31, 2020, and the statements of changes in net assets, operations 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 effect of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, 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 charitable organizations, the organization derives part of its revenue from donations and fundraising, 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. Our audit opinion on the financial statements for the year ended March 31, 2019 was also qualified because of the possible effects of this limitation in scope. Therefore we were not able to determine whether any adjustments might be necessary to these revenues and the excess or deficiency of revenue over expenses for the years ended March 31, 2020 and 2019, assets, liabilities as at March 31, 2020 and 2019 and fund balances at both the beginning and end of the March 31, 2020 and 2019 years.

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 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 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.

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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.

Baker Tilly Ottawa LLP

Chartered Professional Accountants, Licensed Public Accountants
December 2, 2020
Ottawa, Ontario

HelpAge Canada / Aide aux Aînés (Canada) Statement of Financial Position

March 31	2020	2019
Assets		
Current		
Cash (Note 1)	\$ 478,851	\$ 175,063
Accounts receivable	152,989	-
Government rebates receivable	8,207	6,127
Prepaid expenses	14,521	10,051
	654,568	191,241
Restricted cash (Note 1)	78,619	-
Investments (Note 2)	-	330,060
Restricted investments (Note 2)	-	78,619
Capital assets (Note 3)	2,616	3,550
	\$ 735,803	\$ 603,470

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 34,012	\$ 17,596
Due to Caring organizations for Sponsor A Grandparent (Note 4)	111,998	112,203
Deferred project revenues (Note 5)	131,340	24,201
	277,350	154,000
Net assets		
Internally restricted for contingency reserve (Note 6)	68,619	68,619
Externally restricted for endowment purposes	10,000	10,000
Unrestricted reserve	379,834	370,851
	458,453	449,470
	\$ 735,803	\$ 603,470

On behalf of the Board:


 Amy Westland (Dec 18, 2020 15:25 EST)

Director Chairperson
 Amy Westland


 william Morphet (Dec 21, 2020 10:09 EST)

Director Treasurer
 william Morphet

HelpAge Canada / Aide aux Aînés (Canada)
Statement of Changes in Net Assets

For the year ended March 31

2020

2019

	Internally Restricted for Contingency Reserve	Externally Restricted for Endowment Purposes	Unrestricted Reserve	Total	Total
Balance , beginning of year	\$ 68,619	\$ 10,000	\$ 370,851	\$ 449,470	\$ 466,686
Excess (deficiency) of revenue over expenses for the year	-	-	8,983	8,983	(17,216)
Balance , end of year	\$ 68,619	\$ 10,000	\$ 379,834	\$ 458,453	\$ 449,470

HelpAge Canada / Aide aux Aînés (Canada) Statement of Operations

For the year ended March 31	2020	2019
Revenue		
Sponsor A Grandparent sponsorships (Note 4)	\$ 243,667	\$ 284,977
Canadian projects	60,783	8,473
Fundraising	111,172	140,038
International projects	266	10,974
Bequests	133,389	137,373
Other income	7,446	5,563
	556,723	587,398
Expenses (Note 8)		
Sponsor A Grandparent sponsorships	283,817	321,013
Canadian projects	88,444	48,481
International projects	23,506	49,523
Public awareness and education	42,890	52,407
	438,657	471,424
Administration and fundraising		
Administration	60,115	102,242
Fundraising	48,968	30,948
	109,083	133,190
	547,740	604,614
Excess (deficiency) of revenue over expenses for the year	\$ 8,983	\$ (17,216)
Percentages		
Administration expenses as a percentage of total revenues	10.8 %	17.4 %
Fundraising expenses as a percentage of total revenues	8.8 %	5.3 %

HelpAge Canada / Aide aux Aînés (Canada) Statement of Cash Flows

For the year ended March 31	2020	2019
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ 8,983	\$ (17,216)
Adjustment for		
Unrealized gain on investments	(320)	320
Realized gain on investments	(670)	-
Amortization - capital assets	934	1,032
Gain on the sale of capital assets	(100)	-
	<u>8,827</u>	<u>(15,864)</u>
Changes in non-cash working capital items		
Accounts receivable	(152,989)	36,201
Prepaid expenses	(4,470)	(3,276)
Government remittances receivable	(2,080)	(200)
Accounts payable and accrued liabilities	16,416	(1,159)
Due to caring organizations for		
Sponsor A Grandparent	(205)	(31,012)
Deferred project revenues	107,139	(2,658)
	<u>(27,362)</u>	<u>(17,968)</u>
Cash flows from investing activities		
Purchases of investments	(4,453)	(5,883)
Proceeds from disposition of investments	414,122	-
Purchase of capital assets	-	(1,434)
Proceeds from sale of capital assets	100	-
	<u>409,769</u>	<u>(7,317)</u>
Increase (decrease) in cash during the year	382,407	(25,285)
Cash and cash equivalents, beginning of year	175,063	200,348
Cash and cash equivalents, end of year	\$ 557,470	\$ 175,063
Represented by		
Cash	\$ 478,851	\$ 175,063
Restricted Cash	78,619	-
	<u>\$ 557,470</u>	<u>\$ 175,063</u>

HelpAge Canada / Aide aux Aînés (Canada) Summary of Significant Accounting Policies

March 31, 2020

Nature of Organization	HelpAge Canada / Aide aux Aînés (Canada) (the "Organization") is a non-denominational, non-profit international development organization engaged in meeting the need of older people in Canada and in the developing world.
Not-For-Profit and Charitable Status	The Organization, which was previously administered by a trust, was incorporated as a Canadian corporation without share capital on July 16, 1984 and is a registered charitable organization for income tax purposes. The Organization continued under the Canada Not-for-Profit Corporations Act effective August 26, 2014.
Basis of Presentation	These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.
Financial Statements	These financial statements include the assets, liabilities, revenues and expenses of the Organization and all programs under the control of the Organization's board of directors.
Use of Estimates	<p>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 revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates and assumptions are reviewed periodically and as adjustments become necessary, they are reported in the periods in which they become known.</p> <p>Significant estimates include assumptions used in estimating the fair value of financial instruments, in establishing the useful lives and related amortization of capital assets, and in estimating provisions for accrued liabilities.</p>
Uncertainty Due to COVID-19	The duration and full financial effect of the COVID-19 pandemic is unknown at this time, as are the measures taken by governments, the Organization or others to attempt to reduce the spread of COVID-19. Any estimate of the length and severity of these developments is therefore subject to significant uncertainty, and accordingly estimates of the extent to which the COVID-19 may materially and adversely affect the Organization's operations, financial results and condition in future periods are also subject to significant uncertainty.

HelpAge Canada / Aide aux Aînés (Canada) Summary of Significant Accounting Policies

March 31, 2020

Financial Instruments

Financial instruments are financial assets or liabilities of the Organization where, in general, the Organization has the right to receive cash or another financial asset from another party or the Organization has the obligation to pay another party cash or other financial assets.

Measurement of financial instruments

The Organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions, if any, which are measured at the exchange amount.

The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations. Financial assets and liabilities measured at amortized cost include cash, accounts receivable, government rebates receivable, accounts payable and accrued liabilities. Financial assets measured at fair value include investments. The Organization holds no assets measured at fair value at year-end.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

The Organization recognizes its transaction costs in operations in the period incurred. However, the 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 includes both tangible and intangible assets. Intangible assets consist of computer software. Tangible capital assets consist of office equipment and computer hardware. They are recorded at cost and amortized over their estimated useful lives as follows:

Office equipment	20%	diminishing balance basis
Computer hardware	30%	diminishing balance basis
Computer software	100%	diminishing balance basis

When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost, and is recognized in operations as an expense at that time. A write-down is not reversed in subsequent years.

HelpAge Canada / Aide aux Aînés (Canada) Summary of Significant Accounting Policies

March 31, 2020

Capital Assets (continued)	Website costs are charged to operations as an expense in the fiscal period of acquisition.
Cash and Cash Equivalents	For purposes of the Organization's statement of cash flows, any cash held from time to time in the Organization's investment portfolio is excluded from cash and forms part of the investing activities of the Organization.
Revenue Recognition	The Organization follows the deferral method of accounting for contributions. 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. Restricted endowments are recognized as direct increases in net assets.
Contributed Goods and Services	Volunteers contribute an indeterminable number of hours per year to assist the Organization in carrying out its activities. Because of the difficulty in determining their fair value and the extent of staff time required to gather and calculate the fair value, contributed services are not recognized in the financial statements. Donations in kind require a large amount of space in order to store these types of items and due to space restrictions the Organization does not accept this type of donation.
Allocation of Expenses	<p>The Organization engages in sponsorship, education and fundraising programs, as well as both domestic and international projects. The costs of each program or project include the costs of personnel and other expenses that are directly related to providing the programs. The Organization also incurs a number of general support expenses that are common to the administration of the Organization and each of its programs.</p> <p>The Organization allocates certain of its expenses by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year. Expenses are allocated on the following bases:</p> <p><u>Salaries and benefits</u> - proportionately according to time spent on the administration of each program.</p> <p><u>Amortization</u> - proportionately according to the number of work stations used for each program.</p> <p><u>General administrative expenses</u> - proportionately according to estimated usage of underlying services.</p>

HelpAge Canada / Aide aux Aînés (Canada) Notes to Financial Statements

March 31, 2020

1. Cash

Cash accounts are held in one financial institution. The Organization has various savings accounts that bear interest on escalating tiered bases. At year-end, the Organization was earning an average interest rate on these accounts of 1.48%. The Organization also holds operating accounts which are non-interest bearing.

2. Investments

	2020	2019
Cash, at amortized cost	\$ -	\$ 492
Mutual funds, at fair value	-	397,309
Stocks, at fair value	-	10,878
	-	408,679
Less: Restricted investments	-	78,619
	\$ -	\$ 330,060

Investments had an average yield of 1.02% (2019 - 1.45%) during the year. In November 2019, the Organization liquidated its investment portfolio and transferred the proceeds to an investment savings account, the details of which are set out in Note 1 to these financial statements.

3. Capital Assets

	2020			2019		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Office equipment	\$ 3,079	\$ 2,266	\$ 813	\$ 3,079	\$ 2,063	\$ 1,016
Computer hardware	10,409	8,606	1,803	11,675	9,141	2,534
Computer software	3,284	3,284	-	3,284	3,284	-
	\$ 16,772	\$ 14,156	\$ 2,616	\$ 18,038	\$ 14,488	\$ 3,550

During the year, the Organization disposed of fully amortized tangible capital assets of \$1,266 for proceeds of \$100, resulting in a gain on the sale of these assets of \$100, which is included in other income set out in the statement of operations.

Amortization expense for the year is \$933 (2019 - \$1,032) and is included in various expense categories in the statement of operations as set out in Note 8 to these financial statements, with the balance included in administrative expenses.

HelpAge Canada / Aide aux Aînés (Canada) Notes to Financial Statements

March 31, 2020

4. Due to Caring Organizations for Sponsor A Grandparent

	<u>2020</u>	<u>2019</u>
Deferred revenues, beginning of year	\$ 112,203	\$ 143,215
Less: Amounts recognized as revenue in the year	(243,667)	(284,977)
Add: Funds received during the year for the program	<u>243,462</u>	<u>253,965</u>
Deferred revenues, end of year	<u>\$ 111,998</u>	<u>\$ 112,203</u>

5. Deferred Canadian and International Project Revenues

	<u>2020</u>	<u>2019</u>
Deferred revenues, beginning of year	\$ 24,201	\$ 26,859
Less: Amounts recognized as revenue in the year	(61,049)	(19,447)
Add: Funds received during the year for the projects	<u>168,188</u>	<u>16,789</u>
Deferred revenues, end of year	<u>\$ 131,340</u>	<u>\$ 24,201</u>

6. Internally Restricted For Contingency Reserve

Funds were appropriated by the Board of Directors in 1996 to provide for various corporate contingencies. As the need arises the Board will elect to transfer funds from the unrestricted fund to the contingency reserve. No funds were transferred in 2020.

7. Commitments

Office Premises

The Organization has a lease commitment for office space that expires on November 30, 2020. Minimum lease payments, excluding applicable taxes, under this commitment over the term of the agreement are \$18,800.

Other

In connection with its operations, the Organization regularly enters into relatively short-term agreements for the purchase of various supplies and services. Certain of these agreements extend beyond the end of the 2020 fiscal year. In the opinion of management, these agreements are in the normal course of the Organization's operations, are not abnormal in amount or nature and do not include a high degree of speculative risk.

HelpAge Canada / Aide aux Aînés (Canada) Notes to Financial Statements

March 31, 2020

8. Allocation of Expenses

	2020			2019	
	General Admin	Salaries & Benefits	Amorti- zation	Total	Total
Sponsor A Grandparent sponsorships	\$ 23,741	\$ 60,600	\$ 302	\$ 84,643	\$ 72,352
Canadian projects	16,513	26,624	60	43,197	39,627
Fundraising	13,931	34,795	242	48,968	30,948
International projects	13,356	6,959	60	20,375	28,547
Public awareness and education	14,812	27,836	242	42,890	52,406
	\$ 82,353	\$ 156,814	\$ 906	\$ 240,073	\$ 223,880

9. Financial Instruments Risks and Uncertainties

The Organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the Organization's risk exposure and concentrations as at March 31, 2020.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization's main credit risk relates to its accounts receivable and government rebates receivable.

Liquidity risk

Liquidity risk relates to the risk that the Organization will encounter difficulty in meeting its obligations associated with its financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, its ability to provide the activities related to its deferred revenue and to meet its potential financial commitments set out in Note 7 to these financial statements.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Substantially all of the Organization's revenue and expenses as well as its financial instruments are in Canadian currency. Consequently, the Organization is not significantly exposed to foreign exchange fluctuations.

HelpAge Canada / Aide aux Aînés (Canada)
Notes to Financial Statements

March 31, 2020

9. Financial Instruments Risks and Uncertainties (continued)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is not exposed to interest rate risk.

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Organization is not exposed to other price risk.

Change in risk

The Organization is no longer exposed to interest rate risk and other price risk on its investments. There have been no other significant changes in the Organization's risk exposures from the 2019 fiscal year.
