

**HelpAge
Canada**

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Financial Statements

For the year ended March 31, 2021

HelpAge Canada / Aide aux Aînés (Canada)
Financial Statements
For the year ended March 31, 2021

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Baker Tilly Ottawa LLP
Chartered Professional Accountants
400-301 Moodie Drive
Ottawa, ON
Canada K2H 9C4

T: +1 613.820.8010
F: +1 613.820.0465

ottawa@bakertilly.ca
www.bakertilly.ca

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, 2021, 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, 2021, 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, 2020 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, 2021 and 2020, assets, liabilities as at March 31, 2021 and 2020 and fund balances at both the beginning and end of the March 31, 2021 and 2020 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.

AUDIT • TAX • ADVISORY

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
September 3, 2021
Ottawa, Ontario

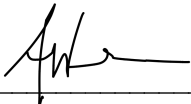
HelpAge Canada / Aide aux Aînés (Canada) Statement of Financial Position

March 31	2021	2020
Assets		
Current		
Cash (Note 1)	\$ 690,035	\$ 478,851
Accounts receivable	233,109	152,989
Government rebates receivable	26,454	8,207
Prepaid expenses	27,941	14,521
	977,539	654,568
Restricted cash (Note 1)	78,619	78,619
Capital assets (Note 2)	6,722	2,616
	\$ 1,062,880	\$ 735,803

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 197,549	\$ 34,012
Due to Caring organizations for Sponsor A Grandparent (Note 3)	111,091	111,998
Deferred project revenues (Note 4)	317,110	131,340
	625,750	277,350
Net assets		
Internally restricted for contingency reserve (Note 5)	68,619	68,619
Externally restricted for endowment purposes	10,000	10,000
Unrestricted reserve	358,511	379,834
	437,130	458,453
	\$ 1,062,880	\$ 735,803

On behalf of the Board:


 _____ Director

_____ Director

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

For the year ended March 31

2021

2020

	Internally Restricted for Contingency Reserve	Externally Restricted for Endowment Purposes	Unrestricted Reserve	Total	Total
Balance , beginning of year	\$ 68,619	\$ 10,000	\$ 379,834	\$ 458,453	\$ 449,470
Excess (deficiency) of revenue over expenses for the year	-	-	(21,323)	(21,323)	8,983
Balance , end of year	\$ 68,619	\$ 10,000	\$ 358,511	\$ 437,130	\$ 458,453

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

For the year ended March 31	2021	2020
Revenue		
Sponsor A Grandparent sponsorships (Note 3)	\$ 215,875	\$ 243,667
Canadian projects (Note 6)	1,074,623	60,783
Fundraising	181,015	111,172
International projects	33,064	266
Bequests	119,056	133,389
Other income	1,075	7,446
	1,624,708	556,723
Expenses (Note 8)		
Sponsor A Grandparent sponsorships	251,304	283,817
Canadian projects (Note 6)	1,083,795	88,444
International projects	116,646	23,506
Public awareness and education	27,648	42,890
	1,479,393	438,657
Administration and fundraising		
Administration	109,541	60,115
Fundraising	57,097	48,968
	166,638	109,083
	1,646,031	547,740
Excess (deficiency) of revenue over expenses for the year	\$ (21,323)	\$ 8,983
Percentages		
Administration expenses as a percentage of total revenues	6.7 %	10.8 %
Fundraising expenses as a percentage of total revenues	3.5 %	8.8 %

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

For the year ended March 31	2021	2020
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses for the year	\$ (21,323)	\$ 8,983
Adjustment for		
Unrealized gain on investments	-	(320)
Realized gain on investments	-	(670)
Amortization - capital assets	1,318	934
Gain on the sale of capital assets	-	(100)
	(20,005)	8,827
Changes in non-cash working capital items		
Accounts receivable	(80,120)	(152,989)
Prepaid expenses	(13,420)	(4,470)
Government remittances receivable	(18,247)	(2,080)
Accounts payable and accrued liabilities	163,537	16,416
Due to caring organizations for Sponsor A Grandparent	(907)	(205)
Deferred project revenues	185,770	107,139
	216,608	(27,362)
Cash flows from investing activities		
Purchases of investments	-	(4,453)
Proceeds from disposition of investments	-	414,122
Purchase of capital assets	(5,424)	-
Proceeds from sale of capital assets	-	100
	(5,424)	409,769
Increase (decrease) in cash during the year	211,184	382,407
Cash and cash equivalents, beginning of year	557,470	175,063
Cash and cash equivalents, end of year	\$ 768,654	\$ 557,470
Represented by		
Cash	\$ 690,035	\$ 478,851
Restricted Cash	78,619	78,619
	\$ 768,654	\$ 557,470

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

March 31, 2021

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 collectibility of accounts receivable, in establishing the useful lives and related amortization of capital assets, and in estimating provisions for accrued liabilities.</p>
Financial Instruments	<p>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.</p> <p><u>Measurement of financial instruments</u></p> <p>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.</p>

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

March 31, 2021

Financial Instruments (continued)

Measurement of financial instruments (continued)

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. The Organization holds no financial instruments 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.

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.

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

March 31, 2021

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, these 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 usually does not accept this type of donation. If the Organization does accept in-kind donations, the value of these contributions is recognized in these financial statements only if the fair value is reasonably determinable and if the Organization would have otherwise purchased these goods or services.

Allocation of Expenses

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.

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:

Salaries and benefits - proportionately according to time spent on the administration of each program.

Amortization - proportionately according to the number of work stations used for each program.

General administrative expenses - proportionately according to estimated usage of underlying services.

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

March 31, 2021

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 0.19% (2020 - 1.48%). The Organization also holds operating accounts which are non-interest bearing.

2. Capital Assets

	2021			2020		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Office equipment	\$ 3,079	\$ 2,429	\$ 650	\$ 3,079	\$ 2,266	\$ 813
Computer hardware	15,833	9,761	6,072	10,409	8,606	1,803
Computer software	3,284	3,284	-	3,284	3,284	-
	\$ 22,196	\$ 15,474	\$ 6,722	\$ 16,772	\$ 14,156	\$ 2,616

Amortization expense for the year is \$1,318 (2020 - \$933) 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.

3. Due to Caring Organizations for Sponsor A Grandparent

	2021	2020
Deferred revenues, beginning of year	\$ 111,998	\$ 112,203
Less: Amounts recognized as revenue in the year	(215,875)	(243,667)
Add: Funds received during the year for the program	214,968	243,462
Deferred revenues, end of year	\$ 111,091	\$ 111,998

HelpAge Canada / Aide aux Aînés (Canada)

Notes to Financial Statements

March 31, 2021

4. Deferred Canadian and International Project Revenues

	<u>2021</u>	<u>2020</u>
Deferred revenues, beginning of year	\$ 131,340	\$ 24,201
Less: Amounts recognized as revenue in the year	(1,107,687)	(61,049)
Add: Funds received during the year for the projects	<u>1,293,457</u>	<u>168,188</u>
Deferred revenues, end of year	<u>\$ 317,110</u>	<u>\$ 131,340</u>

5. 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 2021.

6. Donations In-Kind

During the year, the Organization received \$25,000 in in-kind donations in the form of gift cards to be distributed to seniors agencies across the country. Since the fair value of the gift cards is easily determinable as the cash value of the gift cards, the Organization recognized \$25,000 in revenues included in Canadian project revenues, and related expenses included in Canadian project expenses.

7. Commitments

Office Premises

The Organization has a lease commitment for office space that expires on November 30, 2022. Minimum lease payments, excluding applicable taxes, under this commitment over the term of the agreement are as follows:

2022	\$ 28,320
2023	<u>18,880</u>
	<u>\$ 47,200</u>

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 2021 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, 2021

8. Allocation of Expenses

				2021	2020
	General Admin	Salaries & Benefits	Amorti- zation	Total	Total
Sponsor A Grandparent sponsorships	\$ 22,472	\$ 58,948	\$ 329	\$ 81,749	\$ 84,643
Canadian projects	34,061	163,219	66	197,346	43,197
Fundraising	16,787	19,749	264	36,800	48,968
International projects	16,602	41,450	66	58,118	20,375
Public awareness and education	17,510	9,875	264	27,649	42,890
	\$ 107,432	\$ 293,241	\$ 989	\$ 401,662	\$ 240,073

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, 2021.

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, 2021

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

There have been no significant changes in the Organization's risk exposures from the 2020 fiscal year.

10. 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.
