

---

**HELPING HANDS, ORILLIA**

---

**FINANCIAL STATEMENTS**

March 31, 2017



---

# HELPING HANDS, ORILLIA

---

## CONTENTS

	<u>Page</u>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Unrestricted Net Assets	4
Statement of Cash Flow	5
Notes to the Financial Statements	6 - 12

**INDEPENDENT AUDITOR'S REPORT**

To the Members of:  
Helping Hands, Orillia

**Report on the Financial Statements**

I have audited the accompanying financial statements of Helping Hands, Orillia, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, statement of 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**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the financial statements present fairly, in all material respects, the financial position of Helping Hands, Orillia 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.



Sawatsky Professional Corporation,  
Authorized to practise public accounting by  
Chartered Professional Accountants of Ontario

Orillia, Ontario  
June 21, 2017

# HELPING HANDS, ORILLIA

## STATEMENT OF FINANCIAL POSITION

AS AT March 31, 2017

	2017	2016
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 327,728	\$ 442,018
Temporary investments (Note 3)	160,971	406,927
Accounts receivable	116,728	103,115
Government receivables (Note 4)	23,671	34,560
Prepays	121,722	22,711
	<u>750,820</u>	<u>1,009,331</u>
INVESTMENTS, under fair value method (Note 3)	352,580	-
PROPERTY, PLANT AND EQUIPMENT (Note 5)	141,366	169,610
	<u>\$ 1,244,766</u>	<u>\$ 1,178,941</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accruals (Note 6)	\$ 230,069	\$ 233,093
Payable - Provincial Ministry of Health and Long-Term Care	60,296	91,367
Current portion under long term debt (Note 7)	11,902	19,313
Current portion of deferred grants (Note 8)	40,739	35,168
	<u>343,006</u>	<u>378,941</u>
LONG TERM DEBT (Note 7)	-	11,806
DEFERRED GRANTS (Note 8)	162,250	82,703
<b>TOTAL LIABILITIES</b>	<u>505,256</u>	<u>473,450</u>
<b>NET ASSETS</b>		
Unrestricted net assets	739,510	705,491
	<u>\$ 1,244,766</u>	<u>\$ 1,178,941</u>

Commitments (Note 9)

Approved on behalf of the board:

\_\_\_\_\_ Director \_\_\_\_\_ Director

See accompanying notes to the financial statements.

# HELPING HANDS, ORILLIA

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED March 31, 2017

	2017	2016
<b>REVENUE</b>		
Provincial Ministry of Health and Long-Term Care		
Community support/assisted living grant	\$ 3,150,395	\$ 2,694,805
One time funding grants	19,635	7,645
Couchiching Community Health Links grant	125,000	120,000
Amortized grant income	40,739	35,168
Homemaker's nurses services act fees	1,281	4,917
Individuals' fees	715,024	652,665
Donations and fundraising	17,251	9,762
PSW training grant	10,440	10,739
	<b>4,079,765</b>	<b>3,535,701</b>
<b>OPERATING EXPENSES</b>		
Advertising and promotion	8,290	16,725
Bank charges and interest	1,808	1,232
Couchiching Community Health Links	125,000	120,000
Depreciation	72,002	71,573
Interest on long term debt	1,425	2,439
Insurance	29,583	29,488
Network server	16,469	17,876
Office and general	32,297	14,614
Postage	9,273	6,073
Professional fees	51,137	78,912
Rent and utilities	159,609	105,688
Repairs and maintenance	64,329	70,504
Service supplies	128,848	98,954
Staff training and conferences	31,015	17,277
Telephone	31,536	24,765
Transportation	166,854	139,385
Volunteer recognition	13,843	8,788
Wages and benefits	3,112,005	2,689,441
	<b>4,055,323</b>	<b>3,513,734</b>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER INCOME</b>	<b>24,442</b>	<b>21,967</b>
<b>OTHER INCOME</b>		
Gain on sale of property, plant and equipment	500	300
Interest income	6,929	5,451
Other income	2,148	2,449
	<b>9,577</b>	<b>8,200</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 34,019</b>	<b>\$ 30,167</b>

See accompanying notes to the financial statements.

---

# HELPING HANDS, ORILLIA

---

## STATEMENTS OF CHANGES IN UNRESTRICTED NET ASSETS

FOR THE YEAR ENDED March 31, 2017

	2017	2016
NET ASSETS, beginning of year	\$ 705,491	\$ 675,324
EXCESS OF REVENUE OVER EXPENSES	34,019	30,167
NET ASSETS, end of year	<u>\$ 739,510</u>	<u>\$ 705,491</u>

See accompanying notes to the financial statements.

# HELPING HANDS, ORILLIA

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED March 31, 2017

	2017	2016
<b>CASH FLOWS FROM (TO) OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 34,019	\$ 30,167
Items not requiring an outlay of cash:		
Depreciation	72,002	71,573
Amortized grant income-vehicles	(40,739)	(35,168)
Gain on sale of property, plant and equipment	(500)	(300)
Interest income	(6,929)	(5,451)
	<u>57,853</u>	<u>60,821</u>
<b>CHANGES IN NON-CASH WORKING CAPITAL</b>		
Accounts receivable	(13,613)	(19,482)
Government receivables	10,889	(21,881)
Prepays	(99,011)	(3,176)
Accounts payable and accruals	(3,024)	(16,985)
Payable - Provincial Ministry of Health and Long-Term Care	(31,071)	64,255
	<u>(77,977)</u>	<u>63,552</u>
<b>CASH FLOWS FROM (TO) INVESTING ACTIVITIES</b>		
Additions to property, plant and equipment	(43,761)	(158,262)
Proceeds from sale of property, plant and equipment	500	300
Purchase of investments	(513,301)	(232,141)
Redemption of investments	413,608	232,141
	<u>(142,954)</u>	<u>(157,962)</u>
<b>CASH FLOWS FROM (TO) FINANCING ACTIVITIES</b>		
Repayments of long term debt	(19,217)	(18,202)
New deferred grants	125,858	118,838
	<u>106,641</u>	<u>100,636</u>
<b>(DECREASE) INCREASE IN CASH</b>	<b>(114,290)</b>	<b>6,226</b>
<b>CASH, beginning of year</b>	<b>442,018</b>	<b>435,792</b>
<b>CASH, end of year</b>	<b>\$ 327,728</b>	<b>\$ 442,018</b>

See accompanying notes to the financial statements.

---

# HELPING HANDS, ORILLIA

---

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

---

### PURPOSE OF THE ORGANIZATION

The organization was incorporated on February 12, 1974 under the laws of Ontario without share capital. It is primarily engaged in

(a) serving seniors and adults with physical disabilities residing in Helping Hands' catchment area. It supports its clients with personal home care and with individual non-medical care and attention including the following:

- (i) assistance with food preparation, delivery of meals through the Meals on Wheels program, personal hygiene, basic home care
- (ii) caregiver relief (respite) telephone re-assurance and friendly visiting
- (iii) assisted living services in supportive housing and community
- (iv) the provision of transportation for medical, hospital and social appointments necessary as a result of the client's condition
- (v) attendant care beds for transitional care
- (vi) social programs in the community

(b) working with the LHIN and other healthcare stakeholders to support and enhance the healthcare system, specific to in-home and community support

(c) co-operating with existing agencies with respect to the needs of our clients

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, the more significant of which are summarized below.

#### (a) Financial Reporting Framework

The Organization, being a not-for-profit organization, choose to establish their financial statements in accordance with Canadian accounting standards for not-for-profit organizations, issued by the Chartered Professional Accountants of Canada.

#### (b) Property, Plant and Equipment

Property, plant and equipment are recorded at cost. Depreciation is provided annually at rates calculated to allocate the cost of the assets over their estimated useful lives as follows:

Office equipment	-	5 years straight line
Equipment - MOH funded	-	5 years straight line
Vehicles	-	5 years straight line
Vehicles - MOH funded	-	5 years straight line



---

# HELPING HANDS, ORILLIA

---

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) 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.

Deferred grants represent grants from the Ministry of Health and Long Term Care for the purchase of vehicles and equipment. These are amortized straight line over 5 years.

#### (d) Investments

Temporary and long-term investments are recorded at cost and subsequently measured at fair market value from the interest income reinvested in the investments.

#### (e) Financial Instruments

The organization initially measures its financial assets and financial liabilities at fair value.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, accounts receivable and government receivables.

Financial liabilities measured at amortized cost include the accounts payable, payable - Provincial Ministry of Health and Long-Term Care and long term debt.

#### (f) Leases

Leases are classified as either capital or operating leases. A lease that transfers substantially all the benefits and risks incidental to the ownership of property is classified as a capital lease. All other leases are accounted for as operating leases wherein rental payments are amortized on a straight-line basis over the term of the lease to rental expense. At the inception of a capital lease, an asset and an obligation is recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of such lease.

#### (g) Contributed Services

The organization is dependant on the voluntary services of many individuals. Total unaudited volunteer service hours during the year were in excess of 18,830 hours (2016 - 19,100 hours). Since these services are not normally purchased by the organization and because of the difficulty in estimating their fair market value, these services are not recorded in these financial statements.

---

# HELPING HANDS, ORILLIA

---

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (h) Use of Estimates

The preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of these financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from estimates made in these financial statements.

Judgment is used mainly in determining whether a balance or transaction should be recognized in the financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. However, judgment and estimates are often interrelated.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

The organization has applied judgment in its assessment of the appropriateness of the classification of leases and financial instruments, identifying the indicators of impairment for property and equipment.

Estimates are used when estimating the useful lives of property and equipment for the purposes of depreciation, when accounting for and measuring items such as deferred grant, provisions and other assets for impairment.

#### (i) Impairment of long-lived assets

The organization reviews, when circumstances indicate it is necessary, the carrying values of its long-lived assets by comparing the carrying amount of the asset or group of assets to the expected future undiscounted cash flows to be generated by the asset or group of assets. An impairment loss is recognized when the carrying amount of an asset or group of assets held for use exceeds the sum of the undiscounted cash flows expected from its use and eventual disposition. The impairment loss is measured as the amount by which the asset's carrying amount exceeds its fair value, based on quoted market prices, when available, or on the estimated current value of future cash flows.

---

### 2. CHANGES TO FINANCIAL STATEMENTS VALUES AND CLASSIFICATION

The financial statements and notes for the prior year could have some values changed or reclassified. This is not a result of the change in accounting standards, but a change in order to better provide information to the users of the financial statements.

# HELPING HANDS, ORILLIA

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

### 3. INVESTMENTS

	2017	2016
<b>Temporary Investments</b>		
BMO high interest savings account, 0.75%	\$ 60,971	\$ 32,270
Home Trust Company GIC, 1.70% - matures Aug 22, 2016	-	100,000
Equitable GIC, 1.70% - matures Aug 22, 2016	-	100,000
Montreal Trust Company GIC, 2.02% - matures Jan 27, 2017	-	174,657
Peoples Trust GIC, 1.5% - matures Aug 29, 2017	100,000	-
	<u>\$ 160,971</u>	<u>\$ 406,927</u>
<b>Long Term Investments</b>		
Equitable Bank GIC, 1.76% - matures Aug 29, 2019	\$ 75,000	\$ -
Laurentian Bank GIC, 1.76% - matures Aug 29, 2017	100,000	-
Bank of Montreal GIC, 1.65% - matures Feb 2020	100,000	-
Bank of Montreal Mortgage Corp GIC, 1.65% - matures Feb 2020	77,580	-
	<u>\$ 352,580</u>	<u>\$ -</u>

### 4. GOVERNMENT RECEIVABLES

Government receivables have the following included in the ending balance:

- Harmonized sales tax (HST) of \$16,598 (2016 - \$32,081)
- Employer health tax (EHT) of \$7,072 (2016 - \$2,479)

# HELPING HANDS, ORILLIA

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

### 5. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	Net 2017	Net 2016
Office equipment	\$ 21,715	\$ 5,506	\$ 16,209	\$ 33,460
Equipment - MOH funded	69,683	22,302	47,381	4,652
Vehicles	212,003	191,835	20,168	47,088
Vehicles - MOH funded	376,509	318,901	57,608	84,410
	<u>\$ 679,910</u>	<u>\$ 538,544</u>	<u>\$ 141,366</u>	<u>\$ 169,610</u>

Depreciation expense for the year is \$72,002 (2016 - \$71,573).

During the year, the organization received restricted capital grants of \$125,858 (2016 - \$118,838) from the Ministry of Health and Long Term Care with which the organization purchased a vehicle and equipment, which is included with vehicles and equipment - MOH funded.

The carrying amount of vehicles that have been pledged as security for long term debt at March 31, 2017 was \$nil (2016 - \$20,198).

### 6. GOVERNMENT REMITTANCES

Accounts payable and accruals have the following government remittances included in the ending balance:

- Payroll deductions of \$43,850 (2016 - \$56,385)
- Workers' safety insurance board premiums (WSIB) of \$6,950 (2016 - \$15,390)

### 7. LONG TERM DEBT

	2017	2016
Royal Bank of Canada, 5.94%	\$ 11,902	\$ 31,119
Less: principal amount required within 12 months	(11,902)	(19,313)
	<u>\$ -</u>	<u>\$ 11,806</u>

Royal Bank of Canada, 5.94%, repayable in blended monthly payments of \$1,720 due November 30, 2017. As security, the organization has pledged two specific vehicles that have a net book value of nil (2016 - \$20,198). Interest expense paid during the year related to long term debt totaled \$1,425 (2016 - \$2,439).

Principal repayment for next year is \$11,902.

---

# HELPING HANDS, ORILLIA

---

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

---

### 8. DEFERRED GRANTS

The deferred grants represent grants from the Ministry of Health and Long Term Care for the purchase of vehicles and equipment.

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 117,870	\$ 34,200
less: amount recognized as revenue in the year	(40,739)	(35,168)
plus: amount received for the year	<u>125,858</u>	<u>118,838</u>
Balance, end of year	202,989	117,870
Less: current portion	<u>(40,739)</u>	<u>(35,168)</u>
	<u>\$ 162,250</u>	<u>\$ 82,702</u>

---

### 9. COMMITMENTS

The organization leases premises, in Brechin, Ontario, under a lease expiring December 31, 2019. Future minimum lease payments for 2018 is \$81,972 and for 2019 is \$61,479.

The organization leases premises, in Orillia, Ontario, under a lease expiring November 30, 2019. Future minimum lease payments for 2018 to 2019 are \$46,755 annually and for 2020 is \$31,170.

Included under rent and utilities is the rent of \$147,156 (2016 - \$95,489).

---

# HELPING HANDS, ORILLIA

---

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2017

---

### 10. FINANCIAL INSTRUMENTS

#### (a) Risks and concentrations

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the organization's risk exposure at the balance sheet date, i.e. March 31, 2017.

#### (b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable, payroll liabilities and providing continued, uninterrupted services to its large client base. The organization is largely dependent on the Ministry of Health and Long Term Care in co-operation with the Local Health Integration Network, for annual funds. The organization prepares budget and cash forecasts to ensure that it has sufficient funds to fulfil its obligations.

#### (c) 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 risks relate to its accounts receivable. The organization provides credit to its clients in the normal course of its operations and reviews to determine any uncollectible receivables, through recording allowance for doubtful accounts. Allowance for doubtful accounts is \$12,000 (2016 - \$12,000) and accounts receivable is net of allowance for doubtful accounts. The organization minimizes its risk by providing services to a wide range of clients in different financial conditions and is not exposed to any significant risk with respect to a single customers.

#### (d) 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.

#### (e) Other price rate 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 interest rate risk or currency 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.