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# HELPING HANDS, ORILLIA

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## FINANCIAL STATEMENTS

March 31, 2021

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# HELPING HANDS, ORILLIA

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## INDEPENDENT AUDITOR'S REPORT

To the Members of:  
Helping Hands, Orillia

### **Opinion**

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

In my opinion, the accompanying financial statements present fairly, in all material respects, the balance sheet of Helping Hands, Orillia as at March 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Opinion**

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 Helping Hands, Orillia 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 the financial statements, management is responsible for assessing Helping Hands, Orillia 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 Helping Hands, Orillia or to cease operations (or has no realistic alternative but to do so).

Those charged with governance are responsible for overseeing Helping Hands, Orillia financial reporting process.

**Auditor's Responsibility 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 our opinion. Reasonable assurance is a high level of assurance, but it 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 judgment 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 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 Helping Hands, Orillia'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 Helping Hands, Orillia'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 Helping Hands, Orillia 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.

**INDEPENDENT AUDITOR'S REPORT** (continued)

**Auditor's Responsibility for the Audit of the Financial Statements** (continued)

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 identify during my audit.

Orillia, Ontario  
June 23, 2021



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

# HELPING HANDS, ORILLIA

## STATEMENT OF FINANCIAL POSITION

AS AT March 31, 2021

	2021	2020
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 579,744	\$ 86,721
Temporary investments (Note 4)	86,500	256,845
Accounts receivable (Note 5)	55,236	77,538
Government receivables (Note 6)	62,981	58,670
Prepays	43,354	46,043
	<b>827,815</b>	525,817
<b>EQUIPMENT (Note 7)</b>	<b>311,005</b>	214,810
	<b>\$ 1,138,820</b>	\$ 740,627
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accruals (Note 9)	\$ 321,843	\$ 249,718
Payable - Ontario Ministry of Health and Long-Term Care	321,575	140,227
Current portion of obligations under capital lease (Note 10)	27,875	26,519
Current portion of deferred grants (Note 11)	97,926	57,481
	<b>769,219</b>	473,945
<b>OBLIGATIONS UNDER CAPITAL LEASE (Note 10)</b>	<b>12,921</b>	40,796
<b>DEFERRED GRANTS (Note 11)</b>	<b>174,614</b>	88,475
<b>TOTAL LIABILITIES</b>	<b>956,754</b>	603,216
<b>NET ASSETS</b>		
Unrestricted net assets	<b>182,066</b>	137,411
	<b>\$ 1,138,820</b>	\$ 740,627

Commitments (Note 12)

See accompanying notes to the financial statements.

Approved on behalf of the board:

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

# HELPING HANDS, ORILLIA

## STATEMENT OF OPERATIONS

FOR THE YEAR ENDED March 31, 2021

	2021	2020
<b>REVENUE</b>		
Ontario Ministry of Health and Long-Term Care (MOH)		
Community support/assisted living grant	\$ 2,957,586	\$ 3,778,854
One time funding of temporary pandemic pay	240,482	-
Amortized grant income	103,498	137,607
Individuals' fees	298,581	697,079
Donations and fundraising	13,752	16,370
	<b>3,613,899</b>	<b>4,629,910</b>
<b>OPERATING EXPENSES</b>		
Advertising and promotion	7,725	3,157
Bad debts (recovered)	(23,947)	(20,940)
Bank charges and interest	5,811	14,325
Depreciation	133,886	126,857
Insurance	33,071	28,791
Network server and AlayaCare licenses	61,313	59,344
Office and general	94,650	73,844
Postage	6,370	12,093
Professional fees	81,591	68,617
Rent and utilities	182,560	396,699
Repairs and maintenance	61,847	102,104
Service and meals on wheels supplies	92,620	83,093
Staff training and conferences	2,819	6,547
Telephone and data communication	42,689	64,233
Transportation	72,317	199,279
Wages and benefits	2,751,080	3,341,508
	<b>3,606,402</b>	<b>4,559,551</b>
<b>EXCESS OF REVENUE OVER EXPENSES BEFORE OTHER INCOME</b>	<b>7,497</b>	<b>70,359</b>
<b>OTHER INCOME AND EXPENSES</b>		
Loss on disposal of equipment	-	(38,904)
Temporary wage subsidy	25,000	
Interest income	5,978	6,026
Other income	6,180	5,828
	<b>37,158</b>	<b>(27,050)</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 44,655</b>	<b>\$ 43,309</b>

See accompanying notes to the financial statements.

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# HELPING HANDS, ORILLIA

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## STATEMENTS OF CHANGES IN UNRESTRICTED NET ASSETS FOR THE YEAR ENDED March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>NET ASSETS</b> , beginning of year	<b>\$ 137,411</b>	\$ 94,102
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>44,655</b>	43,309
<b>NET ASSETS</b> , end of year	<b>\$ 182,066</b>	<b>\$ 137,411</b>

See accompanying notes to the financial statements.



# HELPING HANDS, ORILLIA

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED March 31, 2021

	2021	2020
<b>CASH FLOWS FROM (TO) OPERATING ACTIVITIES</b>		
EXCESS OF REVENUE OVER EXPENSES	\$ 44,655	\$ 43,309
Items not requiring an outlay of cash:		
Depreciation	133,886	126,857
Amortized grant income	(103,498)	(137,607)
Loss on sale of equipment	-	38,904
Interest income	(5,978)	(6,026)
Bad debts	23,947	20,940
	<b>93,012</b>	<b>86,377</b>
<b>CHANGES IN NON-CASH WORKING CAPITAL</b>		
Accounts receivable	(1,645)	6,315
Government receivables	(4,311)	656
Prepays	2,689	(27,089)
Accounts payable and accruals	72,126	(179,252)
Payable - Ontario Ministry of Health and Long-Term Care	181,348	140,227
	<b>343,219</b>	<b>27,234</b>
<b>CASH FLOWS FROM (TO) INVESTING ACTIVITIES</b>		
Additions to equipment	(230,082)	(86,687)
Proceeds from sale of equipment	-	10,000
Decrease in temporary investments	176,323	110,701
	<b>(53,759)</b>	<b>34,014</b>
<b>CASH FLOWS FROM (TO) FINANCING ACTIVITIES</b>		
Repayments of obligations under capital lease	(26,519)	(25,228)
New deferred grants	230,082	85,307
	<b>203,563</b>	<b>60,079</b>
<b>INCREASE IN CASH</b>	<b>493,023</b>	<b>121,327</b>
<b>CASH (BANK INDEBTEDNESS), beginning of year</b>	<b>86,721</b>	<b>(34,606)</b>
<b>CASH, end of year</b>	<b>\$ 579,744</b>	<b>\$ 86,721</b>

See accompanying notes to the financial statements.

### PURPOSE OF THE ORGANIZATION

Helping Hands, Orillia (Organization) was incorporated on February 12, 1974. It is a non-profit organization incorporated without share capital under the laws of the province of Ontario. The Organization is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

The Organization is primarily engaged in:

(a) serving seniors and adults with physical disabilities residing in Helping Hands' catchments 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 Local Health Integration Network (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) Equipment

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
Vehicles under capital lease	- straight line over term of lease (5 years)

#### (c) Cash and bank indebtedness

The Organization maintains an overdraft account to meet cash requirements during the year. The Organization's position through the year will fluctuate from having cash on deposit to an overdrawn position. Cheques issued and outstanding are included in the account balance.

#### (d) 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.

#### (e) 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.

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

#### (f) 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 bank indebtedness, accounts payable and accruals and obligations under capital lease.

#### (g) 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.

#### (h) Contributed Services

The Organization is dependant on the voluntary services of many individuals. 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.

#### (i) 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.

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

#### (i) Use of Estimates (continued)

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 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 grants and allowance for doubtful accounts.

#### (j) 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.

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

The financial statements and notes for the prior year 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.

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### 3. UNCERTAINTY DUE TO COVID-19

On March 17, 2020, the Government of Ontario declared a state of emergency due to the COVID-19 pandemic.

The Organization was required to close and reduce certain areas of their operations at the start of the pandemic and adjust operations as set by the guidelines set out by the Government of Ontario throughout the fiscal year.

It is currently not known how long or to what extent the pandemic will impact the Organization's future operations. An estimate of the financial effect is not practicable at this time.

# HELPING HANDS, ORILLIA

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 4. INVESTMENTS

	2021	2020
<b>Temporary Investments</b>		
Home Trust Company GIC, 0.8% - matures Oct 28, 2021	\$ 86,500	\$ -
BMO Trust Company GIC, 1.63% - matures Sep 18, 2020	-	76,320
Equitable Bank GIC, 2.21% - matures Mar 24, 2021	-	100,000
Homequity Bank GIC, 2.16% - matures Mar 24, 2021	-	80,525
	<u>\$ 86,500</u>	<u>\$ 256,845</u>

### 5. ACCOUNTS RECEIVABLE

	2021	2020
Trade accounts receivable	\$ 60,932	\$ 120,538
Allowance for doubtful accounts	<u>(5,696)</u>	<u>(43,000)</u>
	<u>\$ 55,236</u>	<u>\$ 77,538</u>

### 6. GOVERNMENT RECEIVABLES

Government receivables have the following included in the ending balance:

- Harmonized sales tax (HST) of \$62,981 (2020 - \$58,670)

# HELPING HANDS, ORILLIA

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 7. EQUIPMENT

	Cost	Accumulated Depreciation	Net 2021	Net 2020
Office equipment	\$ 45,134	\$ 39,898	\$ 5,236	\$ 22,810
Equipment - MOH funded	112,401	85,767	26,634	13,100
Vehicles	162,137	125,722	36,415	62,121
Vehicles - MOH funded	594,285	351,565	242,720	116,779
	<u>\$ 913,957</u>	<u>\$ 602,952</u>	<u>\$ 311,005</u>	<u>\$ 214,810</u>

Depreciation expense for the year is \$133,886 (2020 - \$126,857), which includes \$25,705 (2020 - \$25,705) of depreciation for vehicles under capital lease.

Vehicles include vehicles under capital lease cost of \$128,525 (2020 - \$128,525), accumulated depreciation of \$92,110 (2020 - \$66,405) and net book value of \$36,415 (2020 - \$62,120).

During the year, the Organization received restricted capital grants of \$230,082 (2020 - \$85,307) from the Ontario Ministry of Health and Long Term Care with which the Organization purchased vehicles and equipment. The cost is included above as vehicles and equipment - MOH funded.

The carrying amount of vehicles that have been pledged as security for obligations under capital lease at March 31, 2021 was \$36,415 (2020 - \$62,120).

### 8. CREDIT FACILITIES

The Organization has a bank overdraft limit of \$150,000 with BMO bearing bearing interest at prime plus 1% and corporate BMO credit cards with a limit of \$25,000.

At year end, the Organization has no amount outstanding under the overdraft.

### 9. GOVERNMENT REMITTANCES

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

- Payroll deductions of \$21,547 (2020 - \$25,255)
- Workers' safety insurance board premiums (WSIB) of \$3,507 (2020 - \$3,949)

# HELPING HANDS, ORILLIA

## NOTES TO THE FINANCIAL STATEMENTS

March 31, 2021

### 10. OBLIGATIONS UNDER CAPITAL LEASE

	2021	2020
Grand National Leasing Inc., 5.00%	\$ 40,796	\$ 67,315
Less: current portion	(27,875)	(26,519)
	<u>\$ 12,921</u>	<u>\$ 40,796</u>

Grand National Leasing Inc., 5.00%, repayable in blended monthly payments of \$2,440 due August 2022. As security, the Organization has pledged two specific vehicles that have a net book value of \$36,415 (2020 - \$62,120). Interest expense paid during the year totaled \$2,588 (2020 - \$3,879), included under bank charges and interest.

Lease payments for subsequent years are approximately as follows:

2022	\$ 29,282
2023	13,090
	42,372
Interest	(1,576)
	<u>\$ 40,796</u>

### 11. DEFERRED GRANTS

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

	2021	2020
Balance, beginning of year	\$ 145,956	\$ 198,256
Less: amount recognized as revenue in the year	(103,498)	(137,607)
Add: grant funds received during the year	230,082	85,307
Balance, end of year	272,540	145,956
Less: current portion	(97,926)	(57,481)
	<u>\$ 174,614</u>	<u>\$ 88,475</u>



### 12. COMMITMENTS

The Organization leases premises, in Brechin, Ontario, under a lease expiring December 31, 2022. Future minimum lease payments for 2022 is \$86,856 and 2023 is \$66,114.

The Organization leases premises, in Orillia, Ontario, under a lease expiring November 30, 2024. Future minimum lease payments for 2022 to 2023 is \$46,755 and 2024 is \$35,066.

Included under rent and utilities is rent expense of \$168,301 (2020 - \$387,419).

The Organization uses AlayaCare software to support scheduling and billing. Agreement to use the software is in effect until March 2023. Future minimum payments for 2021 to 2023 is \$38,000 plus HST. Included under network server and AlayaCare licenses is the fee of \$39,500 (2020 - \$30,400) for use of the software.

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### 13. ECONOMIC DEPENDENCE

The Organization receives approximately 88% (2020 - 82%) of its funding from the Ontario Ministry of Health and Long-Term Care through subsidies and grants.

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### 14. 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, 2021.

#### (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. During the year, the Organization's liquidity risk has remained similar.

### 14. FINANCIAL INSTRUMENTS (continued)

#### (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 \$5,696 (2020 - \$43,000) 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.