
HELPING HANDS, ORILLIA

FINANCIAL STATEMENTS

March 31, 2023

HELPING HANDS, ORILLIA

CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Unrestricted Net Assets	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 16

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, 2023, 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, 2023, 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 26, 2023

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, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 712,875	\$ 991,926
Temporary investments (Note 3)	495,289	271,723
Accounts receivable (Note 4)	35,355	40,785
Government receivables (Note 5)	52,853	70,551
Prepays	21,877	49,619
	1,318,249	1,424,604
INVESTMENTS (Note 3)	190,347	-
EQUIPMENT (Note 6)	532,472	298,607
	\$ 2,041,068	\$ 1,723,211
LIABILITIES		
CURRENT		
Accounts payable and accruals (Note 8)	\$ 368,710	\$ 267,385
Payable - Ontario Ministry of Health and Long-Term Care	890,853	978,006
Current portion of obligations under capital lease (Note 9)	20,628	12,921
Current portion of deferred contributions (Note 10)	155,693	93,977
	1,435,884	1,352,289
OBLIGATIONS UNDER CAPITAL LEASE (Note 9)	53,474	-
DEFERRED CONTRIBUTIONS (Note 10)	298,766	207,593
TOTAL LIABILITIES	1,788,124	1,559,882
NET ASSETS		
Unrestricted net assets	252,944	163,329
	\$ 2,041,068	\$ 1,723,211

Commitments (Note 11)

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, 2023

	2023	2022
REVENUE		
Ontario Ministry of Health and Long-Term Care (MOH)		
Community support/assisted living grant	\$ 3,130,941	\$ 2,668,518
One time funding of temporary pandemic pay	-	175,173
Contribution revenue related to equipment (Note 10)	155,693	125,465
Individuals' fees	394,827	302,424
Donations and fundraising	50,146	32,116
	3,731,607	3,303,696
OPERATING EXPENSES		
Wages and benefits	2,608,764	2,504,908
Rent and utilities	181,113	178,090
Depreciation	180,472	137,546
Office and general	144,394	53,071
Transportation	123,179	102,908
Software license fees	121,951	66,118
Service and meals on wheels supplies	89,303	82,337
Repairs and maintenance	69,924	64,559
Telephone and data communication	68,779	37,143
Professional fees	60,564	25,031
Insurance	39,873	39,058
Staff training and conferences	28,119	6,673
Advertising and promotion	23,165	10,287
Bad debts (recovered)	21,378	(3,867)
Postage	7,677	5,405
Bank charges and interest	3,356	5,248
	3,772,011	3,314,515
DEFICIENCY OF REVENUE OVER EXPENSES BEFORE OTHER INCOME AND EXPENSES	(40,404)	(10,819)
OTHER INCOME AND EXPENSES		
Gain on disposal of equipment	45,430	(13,887)
Interest income	18,692	1,479
Other income	65,897	4,489
	130,019	(7,919)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	\$ 89,615	\$ (18,738)

See accompanying notes to the financial statements.

HELPING HANDS, ORILLIA

STATEMENTS OF CHANGES IN UNRESTRICTED NET ASSETS FOR THE YEAR ENDED March 31, 2023

	<u>2023</u>	<u>2022</u>
NET ASSETS , beginning of year	\$ 163,329	\$ 182,067
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>89,615</u>	<u>(18,738)</u>
NET ASSETS , end of year	<u>\$ 252,944</u>	<u>\$ 163,329</u>

See accompanying notes to the financial statements.

HELPING HANDS, ORILLIA

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED March 31, 2023

	2023	2022
CASH FLOWS FROM (TO) OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 89,615	\$ (18,738)
Items not requiring an outlay of cash:		
Depreciation	180,472	137,546
Contribution revenue related to equipment	(155,693)	(125,465)
Gain on disposal of equipment	(45,430)	13,887
Interest income	(18,692)	(1,479)
Bad debts recovered	(21,378)	3,867
	28,894	9,618
CHANGES IN NON-CASH WORKING CAPITAL		
Accounts receivable	26,808	10,584
Government receivables	17,698	(7,570)
Prepays	27,742	(6,265)
Accounts payable and accruals	101,323	(54,459)
Payable - Ontario Ministry of Health and Long-Term Care	(87,153)	656,431
	115,312	608,339
CASH FLOWS FROM (TO) INVESTING ACTIVITIES		
Additions to equipment	(328,583)	(140,918)
Proceeds from disposal of equipment	45,430	1,885
Increase in temporary investments	(395,221)	(183,744)
	(678,374)	(322,777)
CASH FLOWS FROM (TO) FINANCING ACTIVITIES		
Repayments of obligations under capital lease	(24,571)	(27,875)
Additions to deferred contributions	308,582	154,495
	284,011	126,620
(DECREASE) INCREASE IN CASH	(279,051)	412,182
CASH, beginning of year	991,926	579,744
CASH, end of year	\$ 712,875	\$ 991,926

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 Ontario Health Central (OHC) 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

(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 (4 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 contributions 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

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 accounts payable and accruals and payable - Ontario Ministry of Health and Long-Term Care.

(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 contributions 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.

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.

HELPING HANDS, ORILLIA

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

3. INVESTMENTS

	<u>2023</u>	<u>2022</u>
Temporary Investments		
Home Trust Company GIC, 0.86% - matures April 2022	\$ -	\$ 84,400
Equitable Bank GIC, 0.86% - matures April 2022	-	100,000
High interest savings account	<u>495,289</u>	<u>87,323</u>
	<u>\$ 495,289</u>	<u>\$ 271,723</u>
Long Term Investments		
Equitable Bank GIC, 3.76% - matures May 2025	\$ 86,877	\$ -
People Trust GIC, 3.81% - matures May 2025	<u>103,470</u>	-
	<u>\$ 190,347</u>	<u>\$ -</u>

4. ACCOUNTS RECEIVABLE

	<u>2023</u>	<u>2022</u>
Trade accounts receivable	\$ 59,083	\$ 48,176
Allowance for doubtful accounts	<u>(23,728)</u>	<u>(7,391)</u>
	<u>\$ 35,355</u>	<u>\$ 40,785</u>

5. GOVERNMENT RECEIVABLES

	<u>2023</u>	<u>2022</u>
Harmonized sales tax (HST) rebate	<u>\$ 52,853</u>	<u>\$ 70,551</u>

HELPING HANDS, ORILLIA

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

6. EQUIPMENT

	Cost	Accumulated Depreciation	Net 2023	Net 2022
Office equipment	\$ 222,785	\$ 122,417	\$ 100,368	\$ 3,132
Equipment - MOH funded	48,360	46,148	2,212	18,091
Vehicles	85,752	12,505	73,247	10,710
Vehicles - MOH funded	670,409	313,764	356,645	266,674
	<u>\$ 1,027,306</u>	<u>\$ 494,834</u>	<u>\$ 532,472</u>	<u>\$ 298,607</u>

Depreciation expense for the year is \$180,472 (2022 - \$137,546), which includes \$12,505 (2022 - \$25,705) of depreciation for vehicles under capital lease.

Vehicles include vehicles under capital lease cost of \$85,752 (2022 - \$128,525), accumulated depreciation of \$12,505 (2022 - \$117,815) and net book value of \$73,247 (2022 - \$10,710).

During the year, the Organization received restricted capital grants of \$308,582 (2022 - \$154,495) 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, 2023 was \$73,247 (2022 - \$10,710).

7. 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.

8. GOVERNMENT REMITTANCES

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

- Payroll deductions of \$23,878 (2022 - \$21,328)
- Workers' safety insurance board premiums (WSIB) of \$2,667 (2022 - \$463)

HELPING HANDS, ORILLIA

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

9. OBLIGATIONS UNDER CAPITAL LEASE

	2023	2022
Humberview Group Leasing Inc., 4.27%	\$ 74,102	\$ -
Grand National Leasing Inc., 5.00%	-	12,921
Less: current portion	<u>(20,628)</u>	<u>(12,921)</u>
	<u>\$ 53,474</u>	<u>\$ -</u>

Humberview Group Leasing Inc., 4.27%, repayable in blended monthly payments of \$1,940 due August 2026. As security, the Organization has pledged a specific vehicle that has a net book value of \$73,247. Interest expense paid during the year totaled \$1,930, included under bank charges and interest.

Lease payments for subsequent years are approximately as follows:

2024	\$ 23,280
2025	23,280
2026	23,280
2027	9,700
Interest	<u>(5,438)</u>
	<u>\$ 74,102</u>

10. DEFERRED CONTRIBUTIONS

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

	2023	2022
Balance, beginning of year	\$ 301,570	\$ 272,540
Add: grant funds received during the year	308,582	154,495
Less: amount recognized as revenue in the year	<u>(155,693)</u>	<u>(125,465)</u>
Balance, end of year	454,459	301,570
Less: current portion	<u>(155,693)</u>	<u>(93,977)</u>
	<u>\$ 298,766</u>	<u>\$ 207,593</u>

HELPING HANDS, ORILLIA

NOTES TO THE FINANCIAL STATEMENTS

March 31, 2023

11. COMMITMENTS

The Organization leases premises, in Brechin, Ontario, under a lease expiring November 30, 2027. Future minimum lease payments for 2024 to 2027 is \$108,000 per year and 2028 is \$63,000.

The Organization leases premises, in Orillia, Ontario, under a lease expiring November 30, 2024. Future minimum lease payments for 2024 is \$46,200 and 2025 is \$26,950.

Included under rent and utilities is rent expense of \$163,291 (2022 - \$163,964).

The Organization uses AlayaCare software to support scheduling and billing. Agreement to use the software is in effect until March 2026. Future minimum payments for 2024 to 2026 is \$47,000 plus HST, annually. Included under software license fees is the fee of \$39,500 (2022 - \$39,500) for use of the software.

12. CONTINGENCY

During the year, a client instituted proceedings in the amount of \$50,000 against the Organization for damages as the Organization could not meet the clients needs. Meeting the client's needs violates the Organization's health and safety protocols. The Organization has contested this claim and, in management's opinion, the lawsuit is groundless. Neither the possible outcome nor the amount of possible settlement can be foreseen. Therefore, no provision has been recognized in the financial statements.

13. ECONOMIC DEPENDENCE

The Organization receives approximately 84% (2022 - 86%) of its funding from the Ontario Ministry of Health and Long-Term Care through subsidies and grants.

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, 2023.

(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 and accruals, payable - Ontario Ministry of Health and Long-Term Care 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 Ontario Health Central, 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 remained similar.

(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 \$23,728 (2022 - \$7,391) 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.