

The Ontario Caregiver Organization

Financial Statements

March 31, 2020

June 15, 2020

Independent Auditor's Report

To the Board of Directors of
The Ontario Caregiver Organization

Opinion

We have audited the financial statements of The Ontario Caregiver Organization (the Organization), which comprise the balance sheet as at March 31, 2020, and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Ontario Caregiver Organization as at March 31, 2020 and the results of 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

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 opinion.

Responsibilities of Management and Those Charge 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 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.

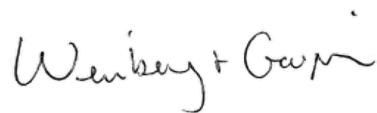
Auditor's Responsibility for the Audit of the Financial Statements

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 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. If such disclosures are inadequate, we will 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.



CPA LLP
Licensed Public Accountants
Toronto, Ontario, Canada
June 15, 2020

The Ontario Caregiver Organization

Balance Sheet As at March 31

	2020	2019
Assets		
Current assets		
Cash	\$ 1,163,381	\$ 768,305
HST receivable	197,467	58,652
Prepaid expenses	<u>11,783</u>	<u>4,522</u>
	1,372,631	831,479
Capital assets (Note 2)	<u>69,869</u>	<u>70,699</u>
	<u>\$ 1,442,500</u>	<u>\$ 902,178</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 3)	\$ 193,494	\$ 34,068
Due to Ministry of Health and Long-term Care (Note 4)	<u>1,179,137</u>	<u>797,411</u>
	1,372,631	831,479
Deferred capital contributions (Note 5)	<u>69,869</u>	<u>70,699</u>
	<u>1,442,500</u>	<u>902,178</u>
Net Assets		
Net assets	<u>-</u>	<u>-</u>
	<u>\$ 1,442,500</u>	<u>\$ 902,178</u>

The Ontario Caregiver Organization

Statement of Operations and Changes in Net Assets Year Ended March 31

	2020	2019
Revenue		
Grant (Note 4)	\$ 2,548,703	\$ 628,536
Amortization of deferred capital contribution (Note 5)	<u>20,401</u>	<u>3,354</u>
	<u>2,569,104</u>	<u>631,890</u>
Expenses		
Compensation	872,481	367,670
Marketing	650,915	22,775
Program development	506,680	30,381
Office and administrative	231,243	30,778
Contracted services	155,682	66,873
Professional and consulting fees	140,016	53,629
Board recruitment and governance	<u>12,087</u>	<u>59,784</u>
	<u>2,569,104</u>	<u>631,890</u>
Excess of revenue over expenses	-	-
Net assets, beginning of the year	<u>-</u>	<u>-</u>
Net assets, end of the year	<u>\$ -</u>	<u>\$ -</u>

The Ontario Caregiver Organization

Statement of Cash Flows Year Ended March 31

	2020	2019
Cash flows from operating activities		
Excess of revenue over expenses	\$ -	\$ -
Items not affecting cash or operations		
Amortization of deferred capital contribution	(20,401)	(3,354)
Amortization of capital assets	<u>20,401</u>	<u>3,354</u>
	-	-
Net changes in non-cash operating items		
HST receivable	(138,815)	(58,652)
Prepaid expenses	(7,261)	(4,522)
Accounts payable and accrued liabilities	159,426	34,068
Due to Ministry of Health and Long-term Care	<u>381,726</u>	<u>797,411</u>
	<u>395,076</u>	<u>768,305</u>
Cash flows provided in financing activities		
Additions to deferred capital contributions	<u>19,571</u>	<u>74,053</u>
Cash flows used in investing activities		
Acquisition of capital assets	<u>(19,571)</u>	<u>(74,053)</u>
Net increase in cash	395,076	768,305
Cash, beginning of year	<u>768,305</u>	<u>-</u>
Cash, end of year	<u>\$ 1,163,381</u>	<u>\$ 768,305</u>

The Ontario Caregiver Organization

Notes to Financial Statements

March 31, 2020

Nature of operations

The Ontario Caregiver Organization (the Organization) was incorporated without share capital by letters patent on March 16, 2018 under Section 211 of the Canada Not for Profit Corporations Act.

The objective of the Organization is to bridge the range of caregiver services and supports so they are available to caregivers across Ontario, regardless of age or where they live. The Organization will promote awareness of the role of caregivers and act as an objective voice of caregivers to help reform policy and legislation.

Funding for the Organization is provided by the Ministry of Health and Long-term Care (MOHLTC). On February 12, 2019, the Organization and MOHLTC signed an amendment to the annual Transfer Payment Agreement for provision of funding up to \$1.5 million for 2018-19 and up to \$3.5 million in 2019-20. Subsequently, the 2019-20 funding was reduced to \$2.95 million for this funding year.

The Organization is seeking a Canadian Registered Charity status within the meaning of the Income Tax Act. No charitable donations were received in the fiscal year.

1. Significant accounting policies

Basis of accounting

The financial statements of the Organization have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Contributions received from MOHLTC for expenses related to the operations and administration of the Organization are deferred and recognized in revenue as the related expenses are incurred.

Contributions received from MOHLTC for capital purchases are deferred and amortized to revenue on the same basis as the related capital items are amortized to expense.

Capital assets

Capital assets are recorded at acquisition cost. Amortization is provided as follows:

Computer equipment	3 years	Straight line
Office furniture	5 years	Straight line
Leasehold improvements	Lease term	Straight line

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Notes to Financial Statements

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1. Significant accounting policies (*continued*)

Use of estimates and assumptions

The preparation of financial statements in conformity with Canadian standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of financial statements, capital assets with respect to useful life and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Financial Instruments

The Organization initially recognizes financial instruments at fair value and subsequently measures them at each reporting date as follows:

<u>Asset/liability</u>	<u>Measurement</u>
Cash	Fair value
HST receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Due to Ministry of Health and Long-term Care	Amortized cost

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the asset is written down and the resulting impairment loss is recognized in the statement of operations and changes in net assets balance for the period.

2. Capital assets

	Cost	Accumulated amortization	Net 2020
Computer equipment	\$ 49,091	\$ 13,726	\$ 35,365
Office furniture	31,125	6,738	24,387
Leasehold improvements	<u>13,408</u>	<u>3,291</u>	<u>10,117</u>
	<u>\$ 93,624</u>	<u>\$ 23,755</u>	<u>\$ 69,869</u>

	Cost	Accumulated amortization	Net 2019
Computer equipment	\$ 30,991	\$ 1,699	\$ 29,292
Office furniture	29,654	1,045	28,609
Leasehold improvements	<u>13,408</u>	<u>610</u>	<u>12,798</u>
	<u>\$ 74,053</u>	<u>\$ 3,354</u>	<u>\$ 70,699</u>

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Notes to Financial Statements

March 31, 2020

3. Accounts payable and accrued liabilities

At March 31, 2020, no amounts are owed with respect to government remittances. Accounts payable are unsecured and not subject to any terms or covenants.

4. Due to Ministry of Health and Long-term Care

Amounts due to the Ministry of Health and Long-term Care represent funds advanced by the MOHLTC for the current funding year. The changes in the balance are as follows:

	2020	2019
Balance, beginning of year	\$ 797,411	\$ -
Add: funds received per MOHLTC Transfer Payment Agreement	3,208,334	1,500,000
Less: amounts recognized		
Revenue	(2,548,703)	(628,536)
Returned to MOHLTC	(258,334)	-
Purchase of capital assets	<u>(19,571)</u>	<u>(74,053)</u>
Balance, end of year	<u>\$ 1,179,137</u>	<u>\$ 797,411</u>

5. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of government funded capital assets. The deferred capital contributions are amortized to revenue in the statement of operations at rates corresponding to those applied to record amortization expense for the related capital assets. The changes in the deferred capital contributions balance are as follows:

	2020	2019
Balance, beginning of year	\$ 70,699	\$ -
Amounts received from MOHLTC	19,571	74,053
Amortization of deferred capital contributions	<u>(20,401)</u>	<u>(3,354)</u>
Balance, end of year	<u>\$ 69,869</u>	<u>\$ 70,699</u>

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6. Commitments

The Organization has entered into an agreement to lease premises until December 31, 2023. The Organization is committed to the following future minimum annual lease payments:

Fiscal Year	Commitment
2021	\$ 87,676
2022	96,038
2023	101,786
2024	<u>76,732</u>
	<u>\$ 362,232</u>

7. Financial instruments and risk management

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 at the balance sheet date.

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 is exposed to credit risk on its accounts receivable. This risk is limited to the balance on the financial statements.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization manages this risk by ensuring it has sufficient cash to meet its financial liabilities.

It is management's opinion that the Organization is not exposed to significant credit or liquidity risk arising from the financial instruments.

8. Guarantees

In the normal course of business, the Organization enters into agreements that meet the definition of a guarantee. Indemnity has been provided to all directors and officers of the Organization for various items including, but not limited to, all costs to settle suits or actions due to involvement with the Organization, subject to certain restrictions. Directors' and officers' liability insurance has been purchased to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined but is limited to the period over which the indemnification party served as a director or officer of the Organization. There are no lawsuits or potential lawsuits or actions pending and therefore the maximum amount of any potential future payment cannot be reasonably determined.

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9. Significant event

The COVID-19 outbreak was declared a pandemic by the World Health Organization on March 11, 2020. Subsequent to March 31, 2020, the situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Organization is not known at this time.