

COUNCIL ON AGING 2023

FINANCIAL STATEMENTS
DECEMBER 31, 2023



INDEPENDENT AUDITOR'S REPORT

To the Members,
The Council on Aging of Ottawa :

Opinion

We have audited the financial statements of The Council on Aging of Ottawa ("the Entity"), which comprise the statement of financial position as at December 31, 2023, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2023, 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.

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 Entity 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.

Other matter

The financial statements for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 3, 2022.

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 the Entity'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 Entity, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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 Entity'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 Entity'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 Entity 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.

OHCI LLP.

OUSELEY HANVEY CLIPSHAM DEEP LLP

Licensed Public Accountants

Ottawa, Ontario

June 10, 2024

THE COUNCIL ON AGING IN OTTAWA

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	2023	2022
CURRENT ASSETS		
Cash	\$ 166,981	\$ 214,772
Short term guaranteed investment	156,436	-
Accounts receivable	22,996	53,660
Prepaid expenses	3,187	2,445
	<u>349,600</u>	<u>270,877</u>
CAPITAL ASSETS (note 3)	<u>18,483</u>	<u>30,715</u>
	<u>\$ 368,083</u>	<u>\$ 301,592</u>
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 41,820	\$ 52,477
Deferred revenue (note 5)	119,691	77,986
Deferred capital contributions (note 6)	4,367	6,550
	<u>165,878</u>	<u>137,013</u>
NET ASSETS		
Internally restricted contingency reserve (note 8)	69,235	49,235
Unrestricted	132,970	115,344
	<u>202,205</u>	<u>164,579</u>
	<u>\$ 368,083</u>	<u>\$ 301,592</u>

Approved on behalf of the Board:

_____ Director

_____ Director

THE COUNCIL ON AGING IN OTTAWA

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
INTERNALLY RESTRICTED CONTINGENCY RESERVE		
Balance - beginning of the year	\$ 49,235	\$ 49,235
Transfer from unrestricted reserve	20,000	-
Balance - end of year	\$ 69,235	\$ 49,235
UNRESTRICTED		
Balance - beginning of the year	\$ 115,344	\$ 112,309
Transfer to internally restricted contingency reserve	(20,000)	-
Net revenue for the year	37,626	3,035
Balance - end of year	\$ 132,970	\$ 115,344

THE COUNCIL ON AGING IN OTTAWA

STATEMENT OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
REVENUE		
Donations	\$ 98,588	\$ 53,663
Membership and program fees	28,091	49,079
Grants	419,933	396,181
Sponsorship and events	29,279	11,200
Investment income	8,758	2,295
Other	2,183	5,969
	586,832	518,387
EXPENDITURE		
Program Hub	115,901	104,927
Member services	74,410	50,450
Programming - Age Friendly	77,133	75,471
Programming - Education/Smart Aging	142,506	86,032
Programming - Intergenerational	77,960	128,460
Marketing and Communication	42,675	49,690
Other	18,621	20,322
	549,206	515,352
NET REVENUE FOR THE YEAR	\$ 37,626	\$ 3,035

THE COUNCIL ON AGING IN OTTAWA

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	2023	2022
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CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Net revenue for the year	\$ 37,626	\$ 3,035
Items not affecting cash:		
Amortization of capital assets	12,232	12,147
Amortization of deferred capital contributions	(2,183)	(3,275)
Changes in non cash working capital items:		
Accounts receivable	30,664	(14,357)
Prepaid expenses	(742)	(2,445)
Accounts payable and accrued liabilities	(10,657)	(13,113)
Deferred revenue	41,705	(25,264)
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	108,645	(43,273)
INVESTING ACTIVITIES		
Acquisition of capital assets	-	(509)
Change in investments	(156,436)	-
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	(156,436)	(509)
INCREASE (DECREASE) IN CASH		
	(47,791)	(43,782)
Cash beginning of the year	214,772	258,554
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CASH END OF YEAR	\$ 166,981	\$ 214,772

THE COUNCIL ON AGING IN OTTAWA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

The Council on Aging of Ottawa was incorporated under the laws of Ontario as a not-for-profit organization without share capital. The Council is a registered charitable organization exempt organization without share capital. The Council is a registered charitable organization exempt from income taxes under the Income Tax Act and is directed by a volunteer Board of Directors. The Council on Aging of Ottawa is a bilingual not-for-profit voluntary organization dedicated to enhancing the quality of life of all seniors in Ottawa. The Council works with and for seniors in the community to voice issues and concerns to all levels of government and to the general public. The Council is dependent on grants from various levels of government and other organizations to maintain its current levels of service.

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

1. SIGNIFICANT ACCOUNTING POLICIES

a) Use of estimates

The preparation of these financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the year in which they become known.

b) Revenue recognition

The Council 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.

Interest income, administrative cost recovery and program revenue are recognized as revenue when earned.

Revenue from donations and fundraising is recognized in the year during which the donation was received or the fund raising event was held.

Revenue from membership fees is recognized proportionately over the membership period.

c) Capital Assets

Capital assets are recorded at cost and are amortized on an annual basis using the following methods:

Furniture and fixtures	3 Years	Straight line basis
Leasehold improvements	5 Years	Straight line basis

In the year of acquisition, amortization is normally calculated at one half of the normal annual rate.

In association with its activities, the Council receives grants or special funding from various organizations to assist in the acquisition of capital assets. In accordance with the Council's policy, these funds are initially recorded as deferred revenue and are allocated to future operations in amounts equivalent to the amortization charged relating to the capital asset acquired.

d) Contributed goods and services

The Council receives the benefit of numerous hours of volunteer time. Due to the difficulty of determining their fair value, contributed goods and services are not recognized in the financial statements.

THE COUNCIL ON AGING IN OTTAWA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

2. FINANCIAL RISKS AND CONCENTRATION OF RISK

It is management's opinion that the Council is not exposed to significant interest rate, liquidity, market, currency or credit risks arising from its financial instruments. There has been no change to the risk exposure from the previous year.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2023 Net Book Value	2022 Net Book Value
Furniture and equipment	12,300	10,080	2,220	6,320
Leasehold improvements	40,658	24,395	16,263	24,395
	\$ 52,958	\$ 34,475	\$ 18,483	\$ 30,715

4. ENDOWMENT FUND

The Community Foundation of Ottawa (the Foundation) holds an endowment fund for the Council. Over the years, the Council has transferred funds to the Foundation. As well, donations may have been made directly to the Foundation by donors. Under the terms of the endowment fund agreement, funds transferred to the Foundation are held permanently by the Foundation. The investment income thereon less administration costs related to this fund are periodically transferred to the Council to be used within the broad context of the Council's charitable activities. The amount transferred to the Council for 2023 was \$2,322 (2022 - \$2,295). These financial statements do not reflect the funds held by the Foundation nor do they reflect donations made by donors directly to the Foundation.

THE COUNCIL ON AGING IN OTTAWA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

5. DEFERRED REVENUE

	2023	2022
Balance, beginning of the year	(25,264)	-
Less: amount recognized as revenue in the year	25,264	(77,582)
Plus: amount received for the subsequent year	119,691	52,318
Balance, end of the year	\$ 119,691	-\$ 25,264

6. DEFERRED CAPITAL CONTRIBUTIONS

Province of Ontario special grant funding used to purchase furniture with a cost of \$11,790. \$2,183 was recognized as revenue in 2023 (2022 - \$3,275).

7. PENSION PLAN

The Council participates in the Ottawa-Carleton Community Agencies Pension Plan. This multi employer defined benefit pension plan covers employees of the Council and employees of other participating organizations.

The Council has adopted defined contribution plan accounting principles for this pension plan as sufficient information is not available to use defined benefit plan accounting.

As at December 31, 2022, the pension plan has a deficit of \$1,338,449 (2021 surplus of \$3,375,478) . During the year, the Council contributed and expensed \$10,703 (2022 - \$10,703) to the plan. No significant changes were made to the contractual elements of the plan during the year.

8. RESERVE (Internally Restricted)

Contingency Reserve

The Contingency reserve is an internally restricted reserve. Its purpose is to finance general expenses of a non-routine nature and to provide a reserve of funds to support the Operation of the Council in the event of an interruption of funding.

THE COUNCIL ON AGING IN OTTAWA

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

9. ALLOCATION EXPENSES

The Council engages in various programs. The costs of each program include expenses directly related to the program. The Council also incurs a number of general and administrative support expenses that are common to the administration of the organization and of its programs.

The Council has a relatively small complement of staff, some of whom support more than one of the programs. In order to ensure that each program bears its share of the cost of delivering the program, the salary and benefit costs of the administrative staff that provide service to more than one program are allocated to each of those areas in an amount that is proportional to the services provided.

The total general and administrative support expenses allocated to each project are as follows:

2023

		Program Hub	Member Services	Programming - Age Friendly	Programming - Education / Smart Aging	Marketing & Communication s	Other	
Salaries and Benefits	\$	232,736	49,156	51,358	53,626	66,563	12,033	-
Administration		13,476	2,246	2,246	2,246	2,246	2,246	2,246
Occupancy		10,228	1,705	1,705	1,705	1,705	1,705	1,705
Fundraising		47,100	47,100	-	-	-	-	-

2022

		Program Hub	Member Services	Programming - Age Friendly	Programming - Education /	Marketing & Communication	Other	
Salaries and Benefits	\$	229,011	46,670	37,671	55,168	49,668	20,288	-
Administration		15,219	3,043	4,566	1,522	1,522	4,365	2,537
Occupancy		23,255	11,628	2,907	2,907	2,907	2,907	-
Fundraising		6,318	6,318	-	-	-	-	-

		Programming Intergenerational
(continued)		

Salaries and Benefits	19,556
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10. COMPARATIVE INFORMATION

Certain comparative amounts have been reclassified to conform to the format adopted in this period.