

**CANADIAN ASSOCIATION
OF RETIRED PERSONS**
FINANCIAL STATEMENTS

AUGUST 31, 2018

CANADIAN ASSOCIATION OF RETIRED PERSONS

August 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Canadian Association of Retired Persons

We have audited the accompanying financial statements of **Canadian Association of Retired Persons**, which comprise the statement of financial position as at **August 31, 2018**, and the statements of operations and deficit and cash flows for the sixteen-month period 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

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Canadian Association of Retired Persons** as at **August 31, 2018** and its results of operations and its cash flows for the sixteen-month period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Mississauga, Ontario
November 30, 2018


NAWAZ TAUB & WASSERMAN LLP
CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

**CANADIAN ASSOCIATION OF RETIRED PERSONS
STATEMENT OF FINANCIAL POSITION**

As at		August 31, 2018	April 30, 2017
	Note	\$	\$
ASSETS			
Current			
Cash		301,635	57,856
Accounts receivable		2,300	246,113
Prepaid expenses		14,960	67,103
		318,895	371,072
Property and equipment	3	63,719	86,890
TOTAL ASSETS		382,614	457,962
LIABILITIES			
Current			
Accounts payable and accrued liabilities		188,565	468,155
Due to related party	5	870,571	629,671
Deferred advocacy and grants		64,667	51,350
Deferred membership fees	4	280,004	452,412
		1,403,807	1,601,588
Non-Current			
Deferred membership fees	4	353,104	230,671
TOTAL LIABILITIES		1,756,911	1,832,259
Deficit		(1,374,297)	(1,374,297)
		382,614	457,962

Commitments

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Approved on behalf of the Board:




See accompanying notes to financial statements.

CANADIAN ASSOCIATION OF RETIRED PERSONS STATEMENT OF OPERATIONS AND DEFICIT			
For the period ended		August 31, 2018 (16 months) \$	April 30, 2017 (12 months) \$
	Note		
REVENUES			
Membership dues		2,739,631	1,902,261
Subsidy	5	850,625	1,303,116
Sponsorships and other income		296,010	154,573
		3,886,266	3,359,950
EXPENSES			
Membership services			
Marketing		1,434,158	1,215,817
Fulfilment		438,070	378,681
Printing		212,062	249,665
Postage		200,376	265,361
Chapters and representatives		146,172	79,181
Travel		72,193	40,923
Consulting and research		-	149,533
		2,503,031	2,379,161
General and administration			
Salaries and benefits		1,007,472	674,051
Rent	5	117,390	133,101
Office and general		80,423	66,411
Annual general meeting and conference		60,628	21,052
Insurance		40,147	25,956
Professional fees		34,062	29,098
Telecommunications		10,053	8,544
Computer services		9,461	5,810
Amortization		23,599	16,766
		1,383,235	980,789
		3,886,266	3,359,950
Excess of revenue over expenses		-	-
Deficit, beginning		(1,374,297)	(1,374,297)
Deficit, end		(1,374,297)	(1,374,297)

See accompanying notes to financial statements.

CANADIAN ASSOCIATION OF RETIRED PERSONS
STATEMENT OF CASH FLOWS

For the period ended	August 31, 2018 (16 months) \$	April 30, 2017 (12 months) \$
Cash provided by (used in)		
Operating Activities		
Excess of revenue over expenses	-	-
Adjustment for Amortization	23,599	16,766
	23,599	16,766
Net change in non-cash working capital items		
Accounts receivable	243,813	(128,398)
Prepaid expenses	52,143	(31,452)
Accounts payable and accrued liabilities	(279,590)	104,065
Deferred advocacy and grants	13,317	(43,646)
Deferred membership fees	(49,974)	(238,914)
Due to related party	240,900	259,501
	220,609	(78,844)
	244,208	(62,078)
Investing Activities		
Property and equipment	(429)	(40,808)
Net change in cash	243,779	(102,886)
Beginning cash	57,856	160,742
Ending cash	301,635	57,856

See accompanying notes to financial statements.

CANADIAN ASSOCIATION OF RETIRED PERSONS
NOTES TO FINANCIAL STATEMENTS
FOR THE SIXTEEN-MONTH PERIOD ENDED AUGUST 31, 2018

PURPOSE OF THE ORGANIZATION

Canadian Association of Retired Persons (the "Organization") was organized in 1976 under letters patent as a not-for-profit organization.

The Organization is a national, non-partisan, non-profit organization committed to a 'New Vision of Aging for Canada' promoting social change that will bring financial security, equitable access to health care and freedom from discrimination. Our mandate is to promote and protect the interests, rights and quality of life for Canadians as we age.

The Organization qualifies as a not-for-profit organization that is exempt from income taxes under the Income Tax Act.

BASIS OF PRESENTATION

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

FISCAL YEAR

Beginning with the 2017-2018 fiscal year, the organization changed its fiscal year end from April 30th to August 31st. Accordingly, the 2017-2018 financial year began on May 1st, 2017 (the day after the end of the 2016-2017 financial year) and ended on August 31st, 2018, containing sixteen months. Due to the difference in the length of the fiscal periods, in certain instances the comparative amounts may not provide meaningful information.

Going forward in 2018-2019, the financial year will begin on September 1st and end August 31st.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Use of estimates

The preparation of the 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 revenue and expenses during the year. Significant items subject to such estimates and assumptions include the carrying amount of property and equipment. Actual results could differ from those estimates. These estimates are reviewed periodically, and when adjustments become necessary, they are reflected in earnings in the year in which they become known.

CANADIAN ASSOCIATION OF RETIRED PERSONS
NOTES TO FINANCIAL STATEMENTS
FOR THE SIXTEEN-MONTH PERIOD ENDED AUGUST 31, 2018

(b) Revenue recognition

The Organization follows the deferral method of accounting. Restricted contributions are recognized when the related expenses are incurred. Unrestricted contributions are recognized at the time persuasive evidence of an arrangement exists, there are no significant obligations remaining, the sales price is fixed and determinable, the service is delivered to the external customer, there is a payment arrangement in existence and collectability is reasonably assured.

Members are given the option of paying for a one-year, two-year, three-year or five-year membership. Membership dues relating to a one-year membership are recognized as revenue in the year of receipt. Membership dues relating to more than one year are deferred upon receipt and prorated yearly over the terms of membership.

Subsidy, sponsorships and other income are recorded on an accrual basis.

Other revenue consists mainly of a subsidy from a related party and is recognized as income in the year received (see Note 5).

The Organization and its members benefit from the efforts of many volunteers. Donations in kind of volunteer time, products or services are not valued in the financial statements as it is not practical to quantify the value of these services. Travel and subsistence costs incurred by numerous volunteers in carrying out their duties are paid for by the Organization.

(c) Revenue and expenses are disclosed at gross amounts.**(d) Property and equipment**

Property and equipment are stated at cost and amortized at the appropriate rates over the term of estimated useful lives. Amortization is calculated using the following methods and annual rates:

Office equipment	-	20% declining balance basis
Computer hardware	-	20% declining balance basis
Computer software	-	20% straight-line basis

Assets acquired during the year are amortized at half of the regular rate.

(e) Impairment of Long-Lived Assets

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If the carrying amount of an asset exceeds its estimated recoverable amount, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(f) Foreign currency translation

Monetary items denominated in foreign currencies are translated to Canadian dollars at exchange rates in effect at the statement of financial position dates and non-monetary items are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenue and expenses items denominated in foreign currencies are translated at the exchange rates prevailing at the time of the transactions. Exchange gains or losses on conversion between currencies are included in the statement of operations.

CANADIAN ASSOCIATION OF RETIRED PERSONS
NOTES TO FINANCIAL STATEMENTS
FOR THE SIXTEEN-MONTH PERIOD ENDED AUGUST 31, 2018

(g) Financial instruments

Measurement of financial instruments

The Organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. Subsequently all financial assets and liabilities are measured at cost or amortized cost except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

The Organization's financial assets consist of cash and accounts receivable. The Organization's financial liabilities consist of accounts payable and accrued liabilities, and due to related party. The Organization has elected to measure all financial instruments at cost or amortized cost.

Transaction costs for financial instruments that will be subsequently measured at fair value are expensed as incurred. Transaction costs that are directly attributable to the acquisition of financial instruments that will not be measured subsequently at fair market value are capitalized. No transaction costs were incurred during the year.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement provided that it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

- (h)** The financial statements of the Organization do not include the operations and accounts of its Chapters, which are organized and operated as separate entities.
- (i)** Marketing and membership solicitation expenditures are expensed as incurred.

2. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis. The going concern basis of presentation assumes that the Organization will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Organization will require additional financing to fund its operations. In addition, the Organization's continuation as a going concern is dependent upon the continuing support of its related party, generating excess revenues over expenses and the ability to generate sufficient cash from operations. These matters are dependent on a number of items beyond the Organization's control.

Management is reviewing its options to increase liquidity and believes that with these actions and the support of the related party, it will be able to continue operating as a going concern. There can however be no assurance that the actions and plans such as those described above will be sufficient for the Organization to continue operating as a going concern.

CANADIAN ASSOCIATION OF RETIRED PERSONS
NOTES TO FINANCIAL STATEMENTS
FOR THE SIXTEEN-MONTH PERIOD ENDED AUGUST 31, 2018

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization	Net Book Value August 31, 2018	Net Book Value April 30, 2017
	\$	\$	\$	\$
Office equipment	59,329	44,834	14,495	19,766
Computer hardware	74,796	64,887	9,909	13,512
Computer software	87,383	48,068	39,315	53,612
	221,508	157,789	63,719	86,890

4. DEFERRED MEMBERSHIP FEES

Deferred membership fees represent amounts received in excess of revenue recognized on long-term memberships received.

	August 31, 2018	April 30, 2017
	\$	\$
Beginning balance	683,083	921,998
Less: amounts recognized	626,816	683,869
Add: amounts received	576,841	444,954
Ending balance	633,108	683,083
Less: Current portion	280,004	452,412
Non-Current portion	353,104	230,671

CANADIAN ASSOCIATION OF RETIRED PERSONS
NOTES TO FINANCIAL STATEMENTS
FOR THE SIXTEEN-MONTH PERIOD ENDED AUGUST 31, 2018

5. RELATED PARTY TRANSACTIONS

The Organization contracts with certain business entities, which are related to the President and Directors of the Organization. These transactions are in the normal course of business and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The nature and extent of these transactions are as follows:

For the period ended	August 31, 2018 (16 months) \$	April 30, 2017 (12 months) \$
REVENUES		
Subsidy	850,625	1,303,116
EXPENSE		
Rent	117,390	133,101

The related party receivables and payables have been netted on the financial statements

The amounts due to the related party are non-interest bearing and unsecured. The parties agreed that the amounts will be repaid within the year. The parties were related because they were subject to common control.

As at	August 31, 2018 \$	April 30, 2017 \$
Due to related party	870,571	629,671

6. CONTRACTUAL COMMITMENTS

The Organization has entered into an agreement with Zoomer Media Limited (ZML), a related corporation, whereby ZML acts as the Organization's exclusive marketing agent with respect to contracts and most compensation arrangements. In return the Organization receives a subsidy from ZML, which is reflected in revenues as subsidy.

CANADIAN ASSOCIATION OF RETIRED PERSONS
NOTES TO FINANCIAL STATEMENTS
FOR THE SIXTEEN-MONTH PERIOD ENDED AUGUST 31, 2018

7. RISKS DISCLOSURES

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 enterprise's risk exposure at the August 31, 2018.

The Organization's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities and due to related party.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss to the other party by failing to discharge an obligation. The Organization minimizes the credit risk of cash by keeping cash with credit worthy financial institutions. Accounts receivables are monitored on regular basis. There is no change in risk from 2017.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization's approach to managing liquidity risk is to ensure that it will have sufficient liquidity from its operations and subsidy to meet liabilities as they become due. There is no change in risk from 2017.

Interest rate risk

Interest rate risk is the risk that the future value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Organization is not exposed to interest rate risks since it does not use interest bearing financial instruments.

Currency risk

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. The direct exposure of the Organization to currency risk is minimal as most of the Organization's transactions, assets and liabilities are denominated in Canadian dollars. There is no change in risk from 2017.

Other price risk

Equity and other price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk). The Organization is not subject to significant equity and other price risk.

8. COMPARATIVE FINANCIAL INFORMATION

Certain prior year amounts were reclassified to conform to the current year's presentation.