

CAYR
COMMUNITY CONNECTIONS

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

MARCH 31, 2021

CAYR COMMUNITY CONNECTIONS
March 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Directors of
CAYR Community Connections

Qualified Opinion

We have audited the accompanying financial statements of CAYR Community Connections (the "Organization"), which comprise the statement of financial position as at March 31, 2021 and the statements of operations, and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, 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 Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and fund balances as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

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 qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 Organization'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 Organization'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 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 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 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.

Franklin, Daurio LLP

Chartered Professional Accountants, Licensed Public Accountants
May 28, 2021
Toronto, Ontario

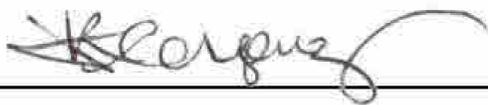
CAYR Community Connections
Statement of Financial Position
As at March 31, 2021

	Note	2021	2020
ASSETS			
Current			
Cash (including restricted program cash of \$7,351; 2020 - \$1,712)	\$	318,366	\$ 206,338
Investments		66,015	65,442
Grants Receivable		7,850	15,343
Prepaid Expenses and Sundry Receivables		44,643	19,501
TOTAL ASSETS		436,874	306,624
LIABILITIES AND FUND BALANCES			
Current			
Accounts Payable and Accrued Liabilities	[5]	44,555	34,047
Deferred Contributions	[4]	236,630	117,372
Government Remittances Payable		6,907	6,181
Total Liabilities		288,092	157,600
Fund Balances			
General Fund		140,604	144,584
Restricted Program Fund	[2.a]	8,178	4,440
		148,782	149,024
TOTAL LIABILITIES AND FUND BALANCES	\$	436,874	\$ 306,624

Approved on Behalf of the Board:



Director



Director

The accompanying notes are an integral part of these financial statements.

CAYR Community Connections
Statement of Operations and Changes in Fund Balances
For the year ended March 31, 2021

	Note	General	Restricted Program	2021	2020
Revenue					
Foundation grants		\$ 252,780	\$ -	\$ 252,780	\$ 301,326
Government grants	[5]	537,132	-	537,132	686,456
Donations		12,916	-	12,916	12,237
Fundraising - Bingo		-	11,736	11,736	39,025
Fundraising - other		12,453	-	12,453	10,048
Other income		12,018	-	12,018	-
Temporary wage subsidy (COVID-19)		14,870	-	14,870	-
Interest income		573	-	573	733
		842,742	11,736	854,478	1,049,825
Expenses					
Program Costs					
Salaries and benefits		601,911	1,812	603,723	658,431
Consulting		3,000	-	3,000	18,000
Research and evaluation		7,378	-	7,378	19,126
Programs		39,846	6,127	45,973	166,629
Client wellness		8,147	-	8,147	7,632
Staff travel		163	-	163	17,047
Holiday care		3,476	-	3,476	906
Compassion fund		10,120	-	10,120	5,147
		674,041	7,939	681,980	892,918
Administration					
Salaries and benefits		16,099	-	16,099	20,485
Office and general		39,894	59	39,953	31,318
Building occupancy		59,305	-	59,305	57,868
Professional fees		19,123	-	19,123	25,522
Staff training and development		10,464	-	10,464	5,098
Fundraising		765	-	765	3,273
Technology enhancement		22,033	-	22,033	9,683
Promotion and publicity		2,399	-	2,399	3,180
Repairs and maintenance		2,599	-	2,599	4,037
		172,681	59	172,740	160,464
Total Expenses		846,722	7,998	854,720	1,053,382
Excess (Deficiency) of Revenues over Expenses		(3,980)	3,738	(242)	(3,557)
Fund Balance, Beginning of the Year		144,584	4,440	149,024	152,581
Fund Balance, End of the Year		\$ 140,604	\$ 8,178	\$ 148,782	\$ 149,024

The accompanying notes are an integral part of these financial statements.

CAYR Community Connections
Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Net Inflow (Outflow) of Cash Related to the Following Activities:		
Cash (Used in) Provided by Operating Activities		
Cash received for general fund	\$ 850,235	\$ 1,014,707
Cash received for restricted program fund	11,736	39,025
Cash paid for general fund operations	(741,372)	(987,203)
Cash paid for restricted program expenses	(7,998)	(45,080)
Net Cash Provided by Operating Activities	112,601	21,449
Cash Flows from Investing Activities		
General fund investments	(573)	(733)
Net Increase in Cash	112,028	20,716
Cash, Beginning of the Year	206,338	185,622
Cash, End of the Year	\$ 318,366	\$ 206,338
Cash Consists of:		
Cash, General Fund	\$ 311,015	\$ 204,626
Cash, Restricted Program Fund	7,351	1,712
	\$ 318,366	\$ 206,338

The accompanying notes are an integral part of these financial statements.

CAYR COMMUNITY CONNECTIONS

Notes to the Financial Statements

March 31, 2021

1. Purpose of Organization

CAYR Community Connections (previously The AIDS Committee of York Region Inc.) (the "organization") was incorporated without share capital under the laws of Ontario on June 13, 1996.

The organization is a community-based, non-profit organization which provides support, education and promotes access to dignified care for people living in York Region with HIV/AIDS and those affected by HIV/AIDS, people who use drugs and people who identify as 2SLGBTQ+.

Pursuant to the Income Tax Act (Canada) the organization is a tax-exempt registered charity.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. The significant policies are:

a) Fund Accounting

The organization follows the restricted fund method of accounting for contributions.

The General Fund reports resources available for the operations and administration of the organization.

The Restricted Program Fund reports resources restricted as to use at the time of the contributions. The organization receives funds from Bingo fundraising events from Bingo World Newmarket as authorized by the Newmarket Charitable Gaming Association and the Town of Newmarket. The funds received must be used for specific program deliverables, and all expenditures must be submitted to and approved by Bingo World Newmarket.

b) Revenue Recognition

Grants and contributions received for restricted purposes are recognized as revenue in the year in which the related expense is incurred. Unrestricted grants, contributions and fundraising revenues are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is recognized as revenue on the accrual basis.

Government grants, although subject to conditions, are included in the General Fund as these funds are to be used for the general operations and administration of the organization.

c) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at the fair market value at the date of contribution. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives.

CAYR COMMUNITY CONNECTIONS

Notes to the Financial Statements

March 31, 2021

d) Financial Instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and liabilities at amortized cost, except for its investments, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations. Transaction costs associated with the acquisition of these investments are recognized in the Statement of Operations in the period incurred. All other financial instruments are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

Financial assets measured at amortized cost include cash. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The organization's financial assets measured at fair value include its investments which include guaranteed investment certificates and a high-interest savings account mutual fund.

e) Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include those used when accounting for accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

f) Contributed Materials and Services

Contributions of material and services are recorded as revenue at fair value at the date of contribution if fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased. Services contributed by volunteers are not recognized in the financial statements due to the difficulty in determining their fair value.

g) Interfund Transfers

Interfund transfers are movements of funds from one fund to pay expenses or expenditures of another fund and as such these transfers are not recorded in the Statement of Operations, rather they are included in the Statement of Changes in Fund Balances as additions or deductions, as applicable.

CAYR COMMUNITY CONNECTIONS

Notes to the Financial Statements

March 31, 2021

3. Commitments

The organization is committed under operating lease agreements for premises for base rental payments as follows:

2022	\$	26,858
2023		27,275
2024		27,691
2025		28,107
2026		14,158
	\$	124,089

4. Deferred Contributions

Deferred contributions are made up of the following:

	<u>2021</u>	<u>2020</u>
Ontario Trillium Foundation - My House	171,120	94,483
Ontario Trillium Foundation - Seed	38,708	-
United Way Emergency Fund	2,841	-
The Regional Municipality of York - Community Investment Strategy	17,965	7,889
Federal Grant - New Horizons Seniors Program Funding	-	5,000
City of Vaughan - Rainbow Space	5,996	10,000
Total	\$ 236,630	\$ 117,372

Deferred contributions are funds received in advance of the year to which the future expenditures relate, and are recognized in their entirety in the following fiscal year.

CAYR COMMUNITY CONNECTIONS

Notes to the Financial Statements

March 31, 2021

5. AIDS Bureau Funding

During the year, the organization received funding through the AIDS Bureau Funding Program, which is included in government grant revenue. The amount received, and the expenditures related to the funding, by funded program, are as follows:

	<u>Community Based HIV/AIDS Programming</u>		<u>Harm Reduction Outreach Program</u>	
	<u>Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>
AIDS Bureau Revenues	\$ 355,200	\$ 355,200	\$ 100,000	\$ 100,000
Program Expenditures	(355,200)	(359,716)	(100,000)	(109,009)
Net (over) under spent	\$ -	\$ (4,516)	\$ -	\$ (9,009)

The organization has accrued \$6,037 that it owes for funding through the AIDS Bureau Funding Program related to the 2018-2019 settlement year.

6. Financial Instrument Risk Disclosure

The significant financial risks to which the organization is exposed are:

a) **Interest rate risk:**

The organization's cash and investments are exposed to interest rate risk, which is the sensitivity of the cash and investment portfolio to fluctuations in market interest rates. The organization manages this risk by monitoring its cash position.

b) **Credit risk:**

The organization's cash and investments are exposed to credit risk. The organization manages this risk by placing its cash and investments with high quality credit institutions. At times, such cash and investments may be in excess of the Canada Deposit and Insurance Corporation ("CDIC") insurance limits.

c) **Liquidity risk:**

Liquidity risk is the risk that the organization will not be able to meet its obligations associated with the financial liabilities. The organization's principal source of revenue is government and foundation grants, and the ability for the organization to provide its programs is dependent on the continued receipt of grants.

There have been no changes in the organization's risk exposures from the prior year.

7. Comparative Figures

Certain reclassifications of the prior year's amounts have been made to facilitate comparison with the current year's presentation.

CAYR COMMUNITY CONNECTIONS

Notes to the Financial Statements

March 31, 2021

8. COVID-19 Contingency

In March 2020, the World Health Organization declared COVID-19 a global pandemic. Reactions and restrictions to Coronavirus (COVID-19) continue to evolve and change regularly. The dynamic nature of the COVID-19 crisis makes it impossible to predict the impact this will have on the Organization's operations, cash flows and financial position. The Board of Directors will continue to monitor the situation and reflect the impact in the financial statements as appropriate.