

CAYR
COMMUNITY CONNECTIONS

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
MARCH 31, 2023**

CAYR COMMUNITY CONNECTIONS
March 31, 2023

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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, 2023 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, 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 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, 2023 and 2022, current assets as at March 31, 2023 and 2022, and fund balances as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022 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.

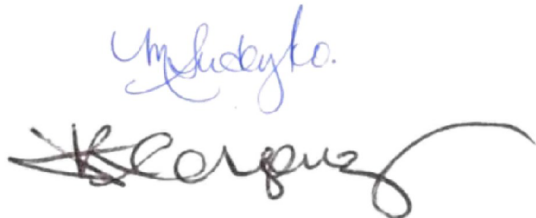
Franklin, Daurio LLP

Chartered Professional Accountants, Licensed Public Accountants
June 29, 2023
Toronto, Ontario

CAYR Community Connections
Statement of Financial Position
As at March 31, 2023

| | Note | 2023 | 2022 |
|--|-------|---------|------------|
| ASSETS | | | |
| Current | | | |
| Cash (including restricted program cash of \$9,451; 2022 - \$24,058) | \$ | 128,611 | \$ 285,895 |
| Investments | | 69,345 | 67,549 |
| Grants Receivable | | 68,971 | 2,837 |
| Prepaid Expenses and Sundry Receivables | | 19,212 | 19,405 |
| | | 286,139 | 375,686 |
| Capital Assets | [3] | 27,901 | 39,858 |
| TOTAL ASSETS | | 314,040 | 415,544 |
| LIABILITIES AND FUND BALANCES | | | |
| Current | | | |
| Accounts Payable and Accrued Liabilities | | 27,326 | 57,977 |
| Deferred Contributions | [4] | 87,309 | 73,613 |
| Government Remittances Payable | | - | 7,294 |
| | | 114,635 | 138,884 |
| CEBA Loan Payable | [5] | - | 40,000 |
| Total Liabilities | | 114,635 | 178,884 |
| Fund Balances | | | |
| General Fund | | 189,954 | 209,954 |
| Restricted Program Fund | [2.a] | 9,451 | 26,706 |
| | | 199,405 | 236,660 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ | 314,040 | \$ 415,544 |

Approved on Behalf of the Board:



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, 2023

| | Note | General | Restricted Program | 2023 | 2022 |
|--|------|-------------------|-----------------------|-------------------|-------------------|
| Revenue | | | | | |
| Foundation grants | | \$ 233,679 | \$ - | \$ 233,679 | \$ 270,507 |
| Government grants | [6] | 777,742 | - | 777,742 | 648,042 |
| Donations | | 31,303 | - | 31,303 | 24,237 |
| Fundraising - Bingo | | - | 63,877 | 63,877 | 27,776 |
| Fundraising - other | | 54,434 | - | 54,434 | 12,250 |
| CEBA loan forgiveness | [5] | - | - | - | 20,000 |
| Temporary wage subsidy (COVID-19) | | - | - | - | (2,029) |
| Interest income | | 1,797 | - | 1,797 | 1,534 |
| | | 1,098,955 | 63,877 | 1,162,832 | 1,002,317 |
| Expenses | | | | | |
| Program Costs | | | | | |
| Salaries and benefits | | 823,197 | - | 823,197 | 670,719 |
| Research and evaluation | | 11,269 | - | 11,269 | - |
| Programs | | 85,598 | 15,082 | 100,680 | 75,157 |
| Client wellness | | 14,391 | 66,050 | 80,441 | 11,073 |
| Staff travel | | 10,062 | - | 10,062 | 2,125 |
| Holiday care | | - | - | - | 131 |
| Compassion fund | | 5,494 | - | 5,494 | 15,084 |
| | | 950,011 | 81,132 | 1,031,143 | 774,289 |
| Administration | | | | | |
| Salaries and benefits | | 21,024 | - | 21,024 | 20,599 |
| Office and general | | 38,239 | - | 38,239 | 38,693 |
| Building occupancy | | 32,997 | - | 32,997 | 31,725 |
| Professional fees | | 15,263 | - | 15,263 | 21,056 |
| Staff training and development | | 10,010 | - | 10,010 | 2,500 |
| Fundraising | | 3,220 | - | 3,220 | 1,313 |
| Technology enhancement | | 31,834 | - | 31,834 | 15,777 |
| Promotion and publicity | | 2,124 | - | 2,124 | 703 |
| Repairs and maintenance | | 2,275 | - | 2,275 | 749 |
| Amortization of capital assets | | 11,958 | - | 11,958 | 7,034 |
| | | 168,944 | - | 168,944 | 140,149 |
| Total Expenses | | 1,118,955 | 81,132 | 1,200,087 | 914,438 |
| Excess (Deficiency) of Revenues over Expenses | | (20,000) | (17,255) | (37,255) | 87,879 |
| Fund Balance, Beginning of the Year | | 209,954 | 26,706 | 236,660 | 148,781 |
| Fund Balance, End of the Year | | \$ 189,954 | \$ 9,451 | \$ 199,405 | \$ 236,660 |

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

CAYR Community Connections
Statement of Cash Flows
For the year ended March 31, 2023

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Net Inflow (Outflow) of Cash Related to the Following Activities: | | |
| Cash (Used in) Provided by Operating Activities | | |
| Cash received for general fund | \$ 1,032,821 | \$ 972,520 |
| Cash received for restricted program fund | 63,877 | 27,777 |
| Cash paid for general fund operations | (1,171,052) | (1,022,123) |
| Cash paid for restricted program expenses | (81,132) | (9,250) |
| Net Cash Used by Operating Activities | (155,486) | (31,076) |
| Cash Flows from Investing Activities | | |
| General fund investments | (1,797) | (1,395) |
| Net Decrease in Cash | (157,283) | (32,471) |
| Cash, Beginning of the Year | 285,895 | 318,366 |
| Cash, End of the Year | \$ 128,612 | \$ 285,895 |
| Cash Consists of: | | |
| Cash, General Fund | \$ 119,161 | \$ 261,837 |
| Cash, Restricted Program Fund | 9,451 | 24,058 |
| | \$ 128,612 | \$ 285,895 |

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

CAYR COMMUNITY CONNECTIONS

Notes to the Financial Statements

March 31, 2023

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, and for which a restricted fund has not been established, are deferred and 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 in the General Fund at cost. Contributed capital assets are recorded at the fair market value at the date of contribution. Amortization is calculated on vehicle on a declining balance basis at 30% per annum.

CAYR COMMUNITY CONNECTIONS

Notes to the Financial Statements

March 31, 2023

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 and the CEBA loan payable.

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.

3. Capital Assets

Capital assets comprises the following:

| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net 2023</u> | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net 2022</u> |
|---------|------------------|-------------------------------------|---------------------|------------------|-------------------------------------|---------------------|
| Vehicle | \$ <u>46,892</u> | \$ <u>18,991</u> | \$ <u>27,901</u> | \$ <u>46,892</u> | \$ <u>7,034</u> | \$ <u>39,858</u> |

CAYR COMMUNITY CONNECTIONS

Notes to the Financial Statements

March 31, 2023

4. Deferred Contributions

Deferred contributions are made up of the following:

| | <u>2023</u> | <u>2022</u> |
|--|-------------|-------------|
| Ontario Trillium Foundation - My House | - | 13,722 |
| Ontario Trillium Foundation - Seed | 6,548 | 6,548 |
| United Way Emergency Fund | 6,643 | 6,643 |
| York Region Transit Fund | 3,000 | - |
| The Region of York - Community Investment Strategy | 45,873 | 38,270 |
| TD Compassion Fund | 9,486 | 2,933 |
| City of Vaughan - Rainbow Space | 6,231 | 5,497 |
| Viiv Health Care Fund | 7,085 | - |
| Public Health Agency Canada Community Action Fund | 2,443 | - |
| Total | \$ 87,309 | \$ 73,613 |

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.

5. CEBA Loan Payable

The Organization received the interest-free Canada Emergency Business Account (CEBA) loan of \$60,000 of which 33.33 percent of the loan will be forgiven if the balance of the loan is paid on or before December 31, 2023. The forgivable portion of the loan qualifies as government assistance. The loan was repaid in February 2023.

6. 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 | \$ 355,184 | \$ 200,000 | \$ 200,000 |
| Program Expenditures | (355,200) | (354,316) | (200,000) | (200,189) |
| Net under spent | \$ - | \$ 868 | \$ - | \$ (189) |

CAYR COMMUNITY CONNECTIONS

Notes to the Financial Statements

March 31, 2023

7. Commitments

The organization is committed under operating lease agreements for premises with base rental payments, excluding common area costs, as follows:

| | | |
|------|----|--------|
| 2024 | \$ | 27,691 |
| 2025 | | 28,107 |
| 2026 | | 14,158 |
| | | <hr/> |
| | \$ | 69,956 |

8. 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.