

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

FINANCIAL STATEMENTS

JUNE 20, 2014

McKECHNIE & Co.

CHARTERED PROFESSIONAL ACCOUNTANTS

McKECHNIE & Co.

Suite 500, 1390 Prince of Wales Drive
Ottawa, Ontario, K2C 3N6

INDEPENDENT AUDITOR'S REPORT

To the Directors of Jer's Vision: Canada's Youth Diversity Initiative

We have audited the accompanying financial statements of the Jer's Vision: Canada's Youth Diversity Initiative, which comprise the statement of financial position as at June 20, 2014 and the statements of operations, changes in net assets and cash flows for the year 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 statement based on our audit. We conducted our audit 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 qualified audit opinion.

Basis for Qualified Opinion


In common with many not-for-profit organizations, Jer's Vision: Canada's Youth Diversity Initiative derives revenue from donations, 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 Jer's Vision: Canada's Youth Diversity Initiative. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenditure, and cash flows from operations for the year ended June 20, 2014, current assets, current liabilities and net assets as at June 20, 2014.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Jer's Vision: Canada's Youth Diversity Initiative as at June 20, 2014 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.

Other Matters

The financial statements of Jer's Vision for the year ended June 20, 2013 were audited by another auditor who expressed a qualified opinion on those financial statements on December 16, 2013.



Chartered Professional Accountants, Licensed Public Accountant

Ottawa, Ontario
November 7, 2015

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 20, 2014

	2014	2013 (note 9)
ASSETS		
Current		
Cash	\$ 345,337	\$ 245,892
HST receivable	19,667	12,371
Prepaid expenses	25,838	3,937
	<u>390,842</u>	<u>262,200</u>
Investments (note 3)	42,401	41,936
Capital assets (note 4)	2,585	4,158
	<u>\$ 435,828</u>	<u>\$ 308,294</u>

LIABILITIES AND NET ASSETS

Current		
Accounts payable and accrued liabilities	\$ 24,427	\$ 19,524
Government remittances payable	2,236	692
Deferred contributions	5,000	0
	<u>31,663</u>	<u>20,216</u>
Net assets		
Unrestricted	<u>404,165</u>	<u>288,078</u>
	<u>\$ 435,828</u>	<u>\$ 308,294</u>

Commitments (note 10)
Subsequent events (note 11)

On behalf of the Board:

Director

Director

(See accompanying notes to the financial statements)

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED JUNE 20, 2014

	2014	2013 (note 9)
Revenue		
Donations	\$ 174,074	\$ 87,740
Fundraising	5,243	6,778
Grants (note 5)	225,779	233,021
Interest and other	16,046	529
	<u>421,142</u>	<u>328,068</u>
Expenditure		
Advertising and promotion	9,286	7,971
Amortization	1,573	1,448
Bank charges	451	165
Catering	5,986	9,555
Donations	475	0
Event expenses	39,299	19,567
Honorarium	450	610
Insurance	2,181	1,916
Office	4,268	7,782
Professional fees	6,708	5,908
Rent	7,541	2,842
Salaries and benefits	147,395	115,095
Subcontractor	5,756	1,570
Telecommunications	3,713	4,216
Travel	68,023	79,404
Tulip grants	1,950	0
	<u>305,055</u>	<u>258,049</u>
Excess of revenue over expenditure for the year	116,087	70,019
Net assets, beginning of year	<u>288,078</u>	<u>218,059</u>
Net assets, end of year	<u>\$ 404,165</u>	<u>\$ 288,078</u>

(See accompanying notes to the financial statements)

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 20, 2014

	<u>2014</u>	<u>2013</u> (note 9)
Operating activities		
Excess of revenue over expenses for the year	\$ 116,087	\$ 70,019
Items not requiring an outlay of cash		
Amortization	<u>1,573</u>	<u>1,448</u>
	117,660	71,467
Net change in non-cash working capital		
HST receivable	(7,296)	(9,101)
Prepaid expenses	(21,901)	2,563
Accounts payable and accrued liabilities	4,903	(29)
Government remittances payable	1,544	692
Deferred contributions	<u>5,000</u>	<u>0</u>
	<u>99,910</u>	<u>65,592</u>
Financing activities		
Purchase of investments	<u>(465)</u>	<u>(460)</u>
Investing activities		
Purchase of capital assets	<u>0</u>	<u>(2,701)</u>
Net increase in cash	99,445	62,431
Cash, beginning of year	<u>245,892</u>	<u>183,461</u>
Cash, end of year	<u>\$ 345,337</u>	<u>\$ 245,892</u>

(See accompanying notes to the financial statements)

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 20, 2014

1. Operations

Jer's Vision: Canada's Youth Diversity Initiative was incorporated on August 1, 2008 under Part II of the Canada Corporations Act. The corporation was continued under the Canada Not-for-profit Corporations Act on September 5, 2012. The organization was granted its charitable status on February 1, 2005 and as such qualifies for tax exempt status.

Jer's Vision: Canada's Youth Diversity Initiative was established by Jeremy Dias to address discrimination and promote diversity by providing educational programs helping people make a difference; arts programs that use art as a tool to immerse and engage; community involvement through participation in events and social networks, and supporting youth ideas by giving support through funding and organizational support to youth seeking to improve their schools and communities.

2. Significant Accounting Policies

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

Revenue recognition

The organization follows the deferral method of accounting for contributions. 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. Unrestricted investment income is recognized as revenue when earned.

Capital assets

Capital assets are recorded at cost. Donated capital assets are recorded at fair value at the date of contribution. Capital assets are amortized using the declining balance method over the estimated useful lives at the following annual rates:

Furniture and equipment	20%
Computer equipment	55%

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 20, 2014

2. Significant Accounting Policies (con't)

Financial instrument measurement

Jer's Vision: Canada's Youth Diversity Initiative initially measures its financial assets and financial liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, HST receivable and fixed income investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

Use of estimates

In preparing the organization's financial statements in conformity with Canadian accounting standards for not-for-profit organizations, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenditure during the period. Actual results could differ from those estimates.

Contributed services

Volunteers contribute a substantial number of hours to assist the organization in carrying out its vision and programs. Due to the difficulty of determining the number of hours and their fair value, contributed services are not recognized in the financial statements.

3. Investments

Investments are comprised of GICs bearing interest at rates ranging from 0% - 1.26%, maturing October 2015 to February 2017.

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 20, 2014

4. Capital Assets

	2014			2013
	Cost	Accumulated Amortization	Net Carrying Value	Net Carrying Value
Furniture & equipment	\$ 3,540	\$ 1,908	\$ 1,632	\$ 2,039
Computer equipment	3,792	2,839	953	2,119
	<u>\$ 7,332</u>	<u>\$ 4,747</u>	<u>\$ 2,585</u>	<u>\$ 4,158</u>

5. Grant Revenue

	2014	2013
Province of Ontario	\$ 100,000	\$ 0
Public Health Agency of Canada	117,679	101,121
Ontario Arts Council	6,000	0
Other	2,100	131,900
	<u>\$ 225,779</u>	<u>\$ 233,021</u>

6. Economic Dependence

The organization receives 24% of its revenue from the Province of Ontario in the form of grants and a further 28% of its revenue from the Public Health Agency of Canada. In management's opinion, the Organization's continuing operations are dependent upon the continuation of these grants.

7. Financial Instruments

Risk management

The Board of Directors has responsibility for the review and oversight of the organization's risk management framework and general corporate risk profile. Through its committees, the Board oversees analysis of various risks facing the organization that evolve in response to economic conditions and industry circumstances.

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 20, 2014

7. Financial Instruments (con't)

The organization is exposed to various risks through its financial instruments.

Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization manages its liquidity risk by constantly monitoring cash flows and financial liabilities and holding investments that can be readily converted to cash.

Investment risk

The maximum investment risk to the organization is represented by the fair value of the investments. Investments in financial instruments also include risk arising from the failure of a party to a financial instrument to discharge an obligation when it is due. The risk associated with investments is reduced to a minimum since they are invested with a large financial institution.

Interest rate risk

The organization is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate instruments subject the organization to a fair value risk. The organization is exposed to this type of risk as a result of investments in GICs.

8. Capital Management

The organization's capital is represented by its net assets as shown on the statement of financial position.

The organization's objectives when managing capital are to maintain flexibility between:

- a) enabling it to operate efficiently;
- b) providing liquidity and access to net assets for growth opportunities; and
- c) generating predictable cash flows for the continuing operations of the organization.

The Board of Directors does not establish quantitative return on capital criteria; but rather promotes year over year sustainable surpluses in order to maintain operations. The organization is not subject to any externally imposed capital requirements.

JER'S VISION: CANADA'S YOUTH DIVERSITY INITIATIVE

NOTES TO THE FINANCIAL STATEMENTS

JUNE 20, 2014

9. Prior Year's Comparative Figures

The prior year's comparative figures have been regrouped to conform to the current year's method of presentation.

10. Commitments

The organization is committed under the terms of a lease for the rental of premises until August 2015 in the amount of \$8,989.

11. Subsequent Events

On February 13, 2015 the organization's name was changed to Canadian Centre for Gender & Sexual Diversity.