

Canadian Centre for Gender and Sexual Diversity
Financial Statements
March 31, 2020

Independent Auditor's Report

To the Members of
Canadian Centre for Gender and Sexual Diversity

Qualified Opinion

I have audited the financial statements of Canadian Centre for Gender and Sexual Diversity, which comprise the statement of financial position as at March 31, 2020, and the statements of operations and changes in net assets and cash flows for the period from April 1, 2019 to March 31, 2020, and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in my opinion, the financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2020 and the results of its operations and its cash flows for the period from April 1, 2019 to March 31, 2020 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 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, I were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 years. My 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.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 ASNPO, 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

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Numeris CPA

Numeris CPA Professional Corporation
Chartered Professional Accountant
Licensed Public Accountant

Ottawa, ON
December 29, 2020

**Canadian Centre for Gender and Sexual Diversity
Statement of Financial Position
As at March 31, 2020**

	2020	2019
Assets		
Current		
Cash	\$ 438,924	\$ 1,287,513
Short term investment	116,309	155,836
Accounts receivable	292,599	152,478
Prepaid expenses	8,108	16,030
	855,940	1,611,857
Capital assets (note 3)	3,227	857
	\$ 859,167	\$ 1,612,714

Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 79,142	\$ 144,648
Deferred grants (note 4)	29,000	482,184
Government remittances payable	13,760	11,760
	121,902	638,592
Balance	737,265	974,122
	\$ 859,167	\$ 1,612,714

On behalf of the Board


_____ Member


_____ Member

Canadian Centre for Gender and Sexual Diversity
Statement of Operations
and Changes in Net Assets
Period from April 1, 2019 to March 31, 2020

	<u>2020</u>	<u>2019</u>
Revenues		
Grants	\$ 1,194,170	\$ 938,881
Contributions	107,423	169,369
Sponsorships and fundraising	25,511	5,000
Sales	19,870	75,525
Program and Speaking Revenue	17,324	1,157
Interest income	15,021	850
Miscellaneous income	<u>1,540</u>	<u>5,580</u>
	<u>1,380,859</u>	<u>1,196,362</u>
Expenditures		
Salaries and related benefits	729,382	448,691
Events and program costs	456,883	258,360
Travel	208,660	63,020
Honoraria	58,700	16,321
Professional fees	40,320	72,223
Miscellaneous	37,491	600
Bookkeeping fees	31,850	31,962
Office	19,554	9,618
Rent	13,660	16,214
HST expense	13,473	-
Interest and bank charges	3,208	3,063
Insurance	2,406	1,817
Amortization	1,135	264
Advertising and promotion	994	1,591
Research	<u>-</u>	<u>1,039</u>
	<u>1,617,716</u>	<u>924,783</u>
(Deficiency) excess of revenues over expenditures	(236,857)	271,579
Balance, beginning of period	<u>974,122</u>	<u>702,543</u>
Balance, end of period	<u>\$ 737,265</u>	<u>\$ 974,122</u>

Canadian Centre for Gender and Sexual Diversity
Statement of Cash Flows
Period from April 1, 2019 to March 31, 2020

	<u>2020</u>	<u>2019</u>
Operating activities		
(Deficiency) excess of revenues over expenditures	\$ (236,857)	\$ 271,579
Adjustment for		
Amortization	<u>1,135</u>	<u>264</u>
	(235,722)	271,843
Change in non-cash working capital items		
Accounts receivable	(140,121)	261,788
Prepaid expenses	7,922	14,812
Accounts payable and accrued liabilities	(65,506)	75,597
Deferred grants	(453,184)	415,036
Government remittances payable	<u>2,000</u>	<u>1,095</u>
	<u>(884,611)</u>	<u>1,040,171</u>
Investing activities		
Short term investment	39,527	(540)
Purchase of capital assets	<u>(3,505)</u>	<u>-</u>
	<u>36,022</u>	<u>(540)</u>
Net (decrease) increase in cash	(848,589)	1,039,631
Cash, beginning of period	<u>1,287,513</u>	<u>247,882</u>
Cash, end of period	<u>\$ 438,924</u>	<u>\$ 1,287,513</u>

Canadian Centre for Gender and Sexual Diversity
Notes to the Financial Statements
March 31, 2020

1. Nature of operations

Canadian Centre for Gender and Sexual Diversity was incorporated on August 1, 2008 under Part II of the Canada Corporations Act as Jer's Vision: Canada's Youth Diversity initiative. 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.

Canadian Centre for Gender and Sexual Diversity 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 organization applies the Canadian accounting standards for not-for-profit organizations.

(a) Revenue recognition

The organization 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Externally restricted contributions for the purchase of capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Externally restricted contributions for the purchase of capital assets that will not be amortized are recognized as direct increases in net assets to the Investment in Capital Assets balance.

(b) Capital assets

Capital assets are recorded at cost. The organization provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Furniture and fixtures	20%
Computer equipment	55%

Donated capital assets are recorded at their fair value at the date of contribution.

Canadian Centre for Gender and Sexual Diversity
Notes to the Financial Statements
March 31, 2020

2. Significant accounting policies, continued

(c) Financial instruments

The organization's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. Unless otherwise noted it is management's opinion that the organization is not exposed to significant interest, currency or credit risks.

(d) Measurement uncertainty

The preparation of 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 disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates.

(e) Contributed services

Volunteers contribute a substantial number of hours to assist the organization in carrying out its vision and programs. While these services benefit the organization considerably, a reasonable estimate of their amount and fair value cannot be made and, accordingly, these contributed services are not recognized in the financial statements.

3. Capital assets

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Furniture and fixtures	\$ 4,143	\$ 3,457	\$ 686	\$ 857
Computer equipment	<u>3,505</u>	<u>964</u>	<u>2,541</u>	<u>-</u>
	<u>\$ 7,648</u>	<u>\$ 4,421</u>	<u>\$ 3,227</u>	<u>\$ 857</u>

4. Deferred grants

	<u>2020</u>	<u>2019</u>
Public Health - Hepatitis C	\$ -	\$ 67,148
Public Health - HIV/Hepatitis C Action Fund	-	393,036
City of Ottawa	29,000	19,000
Ministry of Tourism, Sport and Culture	<u>-</u>	<u>3,000</u>
	<u>\$ 29,000</u>	<u>\$ 482,184</u>

Canadian Centre for Gender and Sexual Diversity
Notes to the Financial Statements
March 31, 2020

5. Grant revenue

	<u>2020</u>	<u>2019</u>
Federal Government	\$ 398,023	\$ 528,672
Province of Ontario	181,000	342,000
Public Health Agency of Canada	610,147	6,542
City of Ottawa	5,000	-
Other	<u>-</u>	<u>61,667</u>
	<u>\$ 1,194,170</u>	<u>\$ 938,881</u>

6. Economic dependence

The organization receives the majority of its revenue in the form of grants from the Government of Canada and the Province of Ontario. The organization's continued operations are dependent on the continuation of these grants.

7. Financial instruments

The organization's financial instruments consist of cash, accounts receivable, investments, accounts payable and accrued liabilities. It is management's opinion that the organization is not exposed to significant interest rate, market, currency, credit, liquidity or cash flow risks arising from these financial instruments and that the fair value of these financial instruments approximate their carrying values.

8. Commitments

At year end, the organization was committed to approximately \$24,000 in time in lieu in regards to a settlement agreement reached with a former employee. The severance was paid as regular salary through to August 7, 2020.

9. Contingent liabilities

A small claims suit is pending against the organization. It is the opinion of management that final determination of these proceedings will not materially affect the financial position or the results of the organization.

10. COVID-19 impact

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus, the "COVID-19" outbreak. On March 11, 2020 the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The CCGSD actively monitored the situation and was able to continue some of its operations virtually while cancelling, adapting or postponing programming. The financial health of the organization remained strong during this fiscal year as the Organization continued to receive funding from grants, sponsorships and donations, as well as Federal COVID-19 relief benefits such as the Canada Emergency Wage Subsidy. As such, the organization closed the fiscal year with positive working capital and an operating surplus position. The Organization continues to be a going concern.

The effects of the COVID-19 outbreak on the Organization's operational costs for fiscal year 2019-2020 have been reflected in the financial statements. An estimate of the impact of the pandemic on the 2020-2021 fiscal year cannot be reasonably estimated, however the organization continues to actively monitor the situation and adapt its operations and projects to continue delivering on its mandate.
