

# Young Caregivers Association



## Request for Proposal

**2021 FINANCIAL AUDIT SERVICES  
#FIN 2021-01**

**October 2021**

## **Purpose**

Young Caregivers Association (YCA) is soliciting proposals from Proponents who have the necessary qualifications and experience in providing audit and tax services for not for profit organizations. The Proponent's proposal should be detailed, specific, and shall be completed and submitted in the prescribed format.

## **Type of Contract for Service**

The selected Proponent will be required to enter into an agreement with YCA for the provision of financial audit services for a period of three years. The Board of Directors reserves the right to not reappoint the auditors if dissatisfied in any way with performance, fees charged, or any other elements of the service provided. The Finance Committee will be responsible for the selection of the auditors.

## **Background of Young Caregivers Association**

Our work began in 2003 when the Young Caregivers Association was created as a special project of the Alzheimer Society of Niagara in response to the children and youth they identified as participating in the caregiving of a loved one with dementia. Today, we run in person and virtual programs and services for young caregivers across the regions of Haldimand, Norfolk, Brant, Hamilton, Niagara and beyond. YCA is a Not for Profit organization and a registered Charity in Canada.

Our operating budget is approximately \$745,000 and we employ ten people in two locations. YCA operates with two bank accounts and an investment account. We run many different programs for youth, young adults and their families. Our main source of revenue is from the former Hamilton Niagara Haldimand Brant Local Health Integration Network (LHIN), now known as Ontario Health West, however we also have other grants, fundraising income and donations. Our funding flows through the Alzheimer Society of Brant Haldimand Norfolk Hamilton Halton (ASBHNHH) who acts as our payment transfer agency. YCA has a year end of March 31, 2022 and is required to report approved audited financial statements to the ASBHNHH by June 10, 2022. YCA maintains all accounting records in-house and uses Sage Simply Accounting for the accounting system that has been in place since 2014. Humi, an online payroll system, is used to process bi-weekly payroll using direct deposit and timesheets that are electronically submitted. YCA issues approximately 300 cheques/EFT's per year and has a general ledger of approximately 90 active accounts. The accounting department consists of one bookkeeper and an overseeing Finance Committee.

## **Services to Be Performed**

Your proposal is expected to cover the following services:

1. Annual audit of the financial statements and notes to the financial statements for the year ended March 31, 2022 as well as meetings with the Finance Committee and/or Board of Directors, as necessary. Draft statements to be submitted and approved at the May 2022 Board of Directors meeting.
2. Management letter containing comments and recommendations with respect to accounting, internal controls and efficiency.
3. Preparation of the Not or Profit and Charity tax returns.

4. Final HST return filing on behalf of YCA
5. Availability throughout the year to provide advice and guidance on financial accounting and reporting issues.

### **Relationship with Prior CPA Firm**

These services have been provided by Grant Thornton for the past 4 years. The Board of Directors wants to ensure that YCA has a competitive audit fee and has requested a request for proposal to be issued. In preparing your proposal, be advised that management will give permission to contact the prior auditors.

### **Proposal Content**

In order to simplify the evaluation process and obtain maximum comparability, YCA requires that all responses to the RFP be organized in the manner and format described below:

#### **A. Executive Summary**

Describe your understanding of the work to be performed, the ability to perform the work within the time provided and answer the question “Why should YCA select your firm over other qualified Proponents?” Include your address, telephone number and contact person with an email address.

#### **B. Proposal Approach, Methodology, and Timeline**

Describe how your firm will approach the proposed services and the type of assistance that will be required from YCA staff. Indicate the methodologies the Proponent will employ to obtain quality assurance and quality control in the delivery of services by the Proponents’ team. Finally, discuss the communication process used by the firm to discuss issues with management and the Board and the expected timeline.

#### **C. Professional Experience**

Include an explanation of the firm’s background, philosophy, size, structure, and qualifications for serving not for profit organizations with a similar size and operations. Describe your firm’s resources devoted to not for profit organizations. Discuss the firm’s independence with respect to YCA.

#### **D. Team Qualifications**

Identify the specific partners and managers who will be assigned to this engagement if you are successful in your bid. Provide their bios specifying relevant experience to the type of services requested.

#### **E. Client References**

The Proponent shall provide a minimum of three Not for Profit references.

## **F. Fees**

Proponents must provide a complete pricing/fee summary. Proponents are responsible for including prices for all key services required to meet YCA's needs. Prices for all key services must be specified and bundled prices can be presented as well. The fees established in this agreement are to remain firm over the initial two (3) year term of the agreement.

### **New Information to Proponents by way of Addenda**

This RFP may only be amended by an addendum.

If YCA, for any reason, determines that it is necessary to provide additional information relating to this RFP, such information will be communicated by posting it on the YCA website for all Proponents to see by addenda. Each addendum shall form an integral part of this RFP.

Proponents may seek additional information or ask questions by email on or before the deadline for questions by Proponents. Questions submitted after the deadline will not be answered. No questions will be directed to anyone else other than the YCA contact. These questions will be answered by way of addenda and posted on our website by November 1, 2022.

### **Schedule**

The selection of the financial audit services proponent is expected to proceed as indicated below:

October 18, 2022: RFP distributed

November 1, 2022: Proponent deadline for questions

November 15, 2022: Deadline for YCA to issue addenda

November 22, 2022 at 2 pm: Electronic copies of the proposals to be submitted

TBD if necessary: Finalists make presentations to the Finance Committee

Second week of December 2022: CPA firm selected and notified

### **Evaluation of Proposals**

While price is an important factor, YCA will evaluate proposals on price and the following criteria:

1. Executive Summary: 10 points
2. Proposal Approach, Methodology, and Timeline: 20 points
3. Audit Firm Experience and Team Qualifications: 20 points
4. Client references: 5 points
5. Fees: 45 points

### **Confidentiality**

The successful auditor shall not at any time before, during or after the completion of the engagement divulge any confidential information communicated to or acquired by the auditor or disclosed by the YCA in the course of carrying out the engagement. No such information shall be used by the auditor on any other project without the prior written approval of the YCA.

**Terms & Conditions**

Issuance of this RFP does not commit YCA to award a contract or to pay any costs incurred in preparation of proposals responding to the RFP.

Send to the contact below, any questions and requests for additional information and the return of completed proposal;

Sonja Bovan, Treasurer  
Email: [finance@youngcaregivers.ca](mailto:finance@youngcaregivers.ca)

We would also appreciate a response if you decline to submit a proposal.

Sincerely,



Sonja Bovan  
Treasurer

Attachments:  
March 31, 2021 audited financial statements



Financial Statements

Young Caregivers Association

March 31, 2021

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# Independent Auditor's Report

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To the Directors of  
[Young Caregivers Association](#)

## Qualified opinion

We have audited the financial statements of Young Caregivers Association, which comprise the statement of financial position as at March 31, 2021, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Except as noted in the following paragraph, in our opinion, 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 the completeness of which is not susceptible of 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 donation 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 net assets 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, 2021 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

# Independent Auditor's Report (continued)

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.

## **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 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 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

St. Catharines, Canada  
May 31, 2021

Chartered Professional Accountants  
Licensed Public Accountants

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## Young Caregivers Association

### Statements of Operations and Changes in Net Assets

Year ended March 31	2021	2020
<b>Revenues</b>		
Grant revenue (Note 3)	\$ 713,284	\$ 724,357
Donations	15,693	21,101
Interest income	1,430	-
	<b>730,407</b>	<b>745,458</b>
<b>Expenses</b>		
Salaries and benefits	501,996	499,015
Rent	64,296	69,152
Programs	54,274	51,940
Amortization	24,928	18,459
Office	23,194	15,082
Travel and automotive	19,488	44,883
Telephone and utilities	17,411	17,481
Bookkeeping	11,150	7,490
Insurance	9,000	10,000
Professional fees	7,508	6,500
Advertising and promotion	3,988	2,346
Training and education	3,933	3,237
Repairs and maintenance	2,160	271
Interest and bank charges	556	706
Health and safety	427	-
	<b>744,309</b>	<b>746,562</b>
Deficiency of revenues over expenses	<b>\$ (13,902)</b>	<b>\$ (1,104)</b>
<hr/>		
Net assets, beginning of year	\$ 98,366	\$ 99,470
Deficiency of revenues over expenses	<b>(13,902)</b>	<b>(1,104)</b>
Net assets, end of year	<b>\$ 84,464</b>	<b>\$ 98,366</b>

# Young Caregivers Association Statement of Financial Position

March 31

2021

2020

## Assets

### Current

Cash	\$ 20,544	\$ 59,146
Term deposits	47,428	45,998
Accounts receivable	4,203	2,830
HST receivable	14,977	7,274
Prepaid expenses	<u>11,919</u>	<u>7,722</u>
	<b>99,071</b>	122,970

### Long-term

Property and equipment (Note 4)	<u>49,118</u>	<u>44,754</u>
	<b>\$ 148,189</b>	<b>\$ 167,724</b>

## Liabilities

### Current

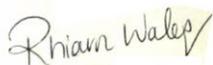
Accounts payable and accrued liabilities	\$ 40,122	\$ 36,086
Unearned revenue	3,263	12,932
Due to Hamilton Niagara Haldimand Brant Local Health Integration Network	<u>20,340</u>	<u>20,340</u>
	<b>63,725</b>	69,358

### Net assets

	<u>84,464</u>	<u>98,366</u>
	<b>\$ 148,189</b>	<b>\$ 167,724</b>

Commitments (Note 5)

On behalf of the board



Director



Director

# Young Caregivers Association

## Statement of Cash Flows

Year ended March 31

2021

2020

Increase (decrease) in cash

### Operating

Deficiency of revenues over expenses	\$ (13,902)	\$ (1,104)
Item not affecting cash		
Amortization	<u>24,928</u>	<u>18,459</u>
	11,026	17,355
Change in non-cash working capital items		
Accounts receivable	(1,373)	802
HST receivable	(7,703)	10,838
Prepaid expenses	(4,197)	1,121
Accounts payable and accrued liabilities	4,036	(8,763)
Unearned revenue	(9,669)	3,243
Government remittances payable	<u>-</u>	<u>(8,202)</u>
	(7,880)	16,394

### Investing

Purchase of property and equipment	<u>(29,292)</u>	<u>(25,162)</u>
Decrease in cash	(37,172)	(8,768)
Cash		
Beginning of year	<u>105,144</u>	<u>113,912</u>
End of year	<u>\$ 67,972</u>	<u>\$ 105,144</u>

### Cash consists of:

Cash	\$ 20,544	\$ 59,146
Term deposits	<u>47,428</u>	<u>45,998</u>
	<u>\$ 67,972</u>	<u>\$ 105,144</u>

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# Young Caregivers Association

## Notes to the Financial Statements

March 31, 2021

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### 1. Nature of operations

Young Caregivers Association is a not-for-profit organization incorporated without share capital under Letters Patent on November 9, 2007. The organization was formed to promote the well-being of young carers, their families and their community partners in both the Niagara and Haldimand-Norfolk regions. The organization is a registered charity under the Income Tax Act (Canada) and is exempt from corporate income taxes.

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### 2. Significant accounting policies

The organization follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

#### Revenue recognition

The organization follows the deferral method of accounting for its 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.

#### Financial instruments

##### Initial measurement

The organization initially measures its financial assets and financial liabilities at fair value.

##### Subsequent measurement

The organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

Financial assets and liabilities measured at amortized cost include cash, term deposit, accounts receivable, HST receivable, accounts payable and accrued liabilities, unearned revenue and amounts due to Hamilton Niagara Haldimand Brant Local Health Integration Network.

##### Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

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# Young Caregivers Association

## Notes to the Financial Statements

March 31, 2021

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### 2. Significant accounting policies (continued)

#### Property and equipment

Property and equipment are initially measured at cost and subsequently measured at cost less accumulated amortization. Amortization is provided on a declining balance basis over the estimated useful life of the asset.

The amortization rates used for each class of property and equipment are:

Office equipment and furniture	20% Declining balance
Computer equipment and software	55% Declining balance

Amortization of leasehold improvements is recorded over the remaining term of the lease.

#### Contributed services

The organization derives a significant benefit from volunteer services and direction. As the exact value of these contributed services is impractical to determine, no value for them is reflected in these financial statements.

#### Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

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### 3. Grant revenue

	<u>2021</u>	<u>2020</u>
Hamilton Niagara Haldimand Brant Local Health Integration Network	<b>\$ 709,296</b>	\$ 709,300
Branscombe Family Foundation	<b>3,988</b>	13,557
Niagara Community Foundation	<u>-</u>	<u>1,500</u>
	<b><u>\$ 713,284</u></b>	<b><u>\$ 724,357</u></b>

Funding from the Hamilton Niagara Haldimand Brant Local Health Integration Network is received by the organization through the Alzheimer Society of Brant, Haldimand Norfolk, Hamilton Halton. The operations of the organization are dependent on the continued support of the Hamilton Niagara Haldimand Brant Local Health Integration Network.

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# Young Caregivers Association

## Notes to the Financial Statements

March 31, 2021

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#### 4. Property and equipment

			<u>2021</u>	<u>2020</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Office equipment and furniture	\$ 45,564	\$ 15,262	\$ 30,302	\$ 18,135
Leasehold improvements	22,321	17,854	4,467	10,040
Computer equipment and software	<u>35,398</u>	<u>21,049</u>	<u>14,349</u>	<u>16,579</u>
	<u>\$ 103,283</u>	<u>\$ 54,165</u>	<u>\$ 49,118</u>	<u>\$ 44,754</u>

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#### 5. Commitments

The organization leases facilities under a lease agreement which expires on March 31, 2022. The lease contains a renewal option for a further three-year term at a rate to be determined.

The organization also leases facilities under a lease agreement which expires on October 31, 2021.

Future minimum lease payments are as follows:

2022	<u>\$ 56,683</u>
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# Young Caregivers Association

## Notes to the Financial Statements

March 31, 2021

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### 6. Financial instruments

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposures and concentrations at March 31, 2021.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to its accounts receivable. The organization provides credit to its funders in the normal course of its operations.

#### Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting the obligations associated with its financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities.

#### Market risk

Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The organization is mainly exposed to interest rate risk.

##### (i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk on its fixed rate term deposits, which subjects the organization to a fair value risk.

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# Young Caregivers Association

## Notes to the Financial Statements

March 31, 2021

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### 7. Impact of COVID-19

The outbreak of a novel strain of coronavirus ("COVID-19") was declared a global pandemic by the World Health Organization in March 2020. COVID-19 has severely impacted many economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The Organization has experienced operational impact from COVID-19 to cancel all in-person services and to mobilize the staff to work from home as a result of provincial lockdown and stay-at-home orders. However, the Organization has continued to receive financial support from Hamilton Niagara Haldimand Brant Local Health Integration Network and carried their services virtually.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the companies for future periods.

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