

**THE AIDS COMMITTEE OF YORK  
REGION INC.**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT  
MARCH 31, 2018**

**THE AIDS COMMITTEE OF YORK REGION INC.**

**March 31, 2018**

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## Franklin, Daurio LLP Chartered Professional Accountants

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### INDEPENDENT AUDITOR'S REPORT

To the Directors of  
**The AIDS Committee of York Region Inc.**

We have audited the accompanying financial statements of The AIDS Committee of York Region Inc., which comprise the statement of financial position as at March 31, 2018 and the statements of operations and changes in fund balances, 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 statements 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 non-for-profit organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, and cash flows for the years ended March 31, 2018 and March 31, 2017, and assets and fund balances as at March 31, 2018 and March 31, 2017.

#### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The AIDS Committee of York Region Inc. as at March 31, 2018, 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.

*Franklin, Daurio LLP*

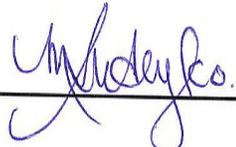
Chartered Professional Accountants, Licensed Public Accountants  
June 14, 2018  
Toronto, Ontario

**The AIDS Committee of York Region Inc.**  
**Statement of Financial Position**  
**As at March 31, 2018**

|   | Note      | 2018           | 2017              |
|---|-----------|----------------|-------------------|
| <b>ASSETS</b>   |           |                |                   |
| <b>Current</b>  |           |                |                   |
| Cash (including restricted program cash of \$22,158; 2017 - \$12,437) | \$        | 40,753         | \$ 195,953        |
| Investments   |           | 64,042         | 63,482            |
| Grants Receivable   |           | 70,783         | 1,432             |
| Prepaid Expenses and Sundry Receivables                               |           | 25,956         | 25,438            |
| <b>TOTAL ASSETS</b>   |           | <b>201,534</b> | <b>286,305</b>    |
| <b>LIABILITIES AND FUND BALANCES</b>                                  |           |                |                   |
| <b>Current</b>  |           |                |                   |
| Accounts Payable and Accrued Liabilities                              |           | 22,400         | 25,552            |
| Deferred Contributions  | [4]       | 15,000         | 111,793           |
| Government Remittances Payable  |           | 10,013         | 9,765             |
| <b>Total Liabilities</b>  |           | <b>47,413</b>  | <b>147,110</b>    |
| <b>Fund Balances</b>  |           |                |                   |
| General Fund  |           | 129,119        | 125,337           |
| Restricted Program Fund   | [2.a]     | 25,002         | 13,858            |
|   |           | <b>154,121</b> | <b>139,195</b>    |
| <b>TOTAL LIABILITIES AND FUND BALANCES</b>                            | <b>\$</b> | <b>201,534</b> | <b>\$ 286,305</b> |

Approved on Behalf of the Board:

  
 \_\_\_\_\_ Director *Karman H. Lock, Co-Chair*

  
 \_\_\_\_\_ Director *Michelle H. Sudeyko, Co-Chair*

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

**The AIDS Committee of York Region Inc.**  
**Statement of Operations and Changes in Fund Balances**  
For the year ended March 31, 2018

|  | Note | General           | Restricted Program | 2018              | 2017              |
|--|------|-------------------|--------------------|-------------------|-------------------|
| <b>Revenue</b>                             |      |                   |                    |                   |                   |
| Foundation grants                          |      | \$ 151,743        | \$ -               | \$ 151,743        | \$ 92,160         |
| Government grants                          | [5]  | 507,642           | -                  | 507,642           | 397,120           |
| Donations                                  |      | 11,405            | -                  | 11,405            | 3,665             |
| Fundraising - Bingo                        |      | -                 | 43,037             | 43,037            | 25,519            |
| Fundraising - other                        |      | 15,488            | -                  | 15,488            | 12,487            |
| Interest income                            |      | 560               | -                  | 560               | 1,017             |
|  |      | <b>686,838</b>    | <b>43,037</b>      | <b>729,875</b>    | <b>531,968</b>    |
| <b>Expenses</b>                            |      |                   |                    |                   |                   |
| <b>Program Costs</b>                       |      |                   |                    |                   |                   |
| Salaries and benefits                      |      | 332,290           | -                  | 332,290           | 317,813           |
| Consulting                                 |      | 72,756            | -                  | 72,756            | 12,312            |
| Research and evaluation                    |      | 64,849            | -                  | 64,849            | 15,669            |
| Programs                                   |      | 60,314            | 819                | 61,133            | 28,706            |
| Client wellness                            |      | 2,651             | 31,074             | 33,725            | 20,549            |
| Staff travel                               |      | 9,236             | -                  | 9,236             | 9,794             |
| Holiday hamper                             |      | 4,177             | -                  | 4,177             | 2,125             |
| Compassion fund                            |      | 3,395             | -                  | 3,395             | 3,200             |
| Avinash Ramkisson education fund           |      | -                 | -                  | -                 | 1,000             |
|  |      | <b>549,668</b>    | <b>31,893</b>      | <b>581,561</b>    | <b>411,168</b>    |
| <b>Administration</b>                      |      |                   |                    |                   |                   |
| Salaries and benefits                      |      | 19,574            | -                  | 19,574            | 18,392            |
| Office and general                         |      | 21,619            | -                  | 21,619            | 20,251            |
| Building occupancy                         |      | 36,509            | -                  | 36,509            | 35,116            |
| Professional fees                          |      | 16,392            | -                  | 16,392            | 16,529            |
| Staff training and development             |      | 7,068             | -                  | 7,068             | 3,306             |
| Fundraising                                |      | 6,178             | -                  | 6,178             | 4,823             |
| Technology enhancement                     |      | 16,961            | -                  | 16,961            | 4,566             |
| Promotion and publicity                    |      | 5,464             | -                  | 5,464             | 5,377             |
| Repairs and maintenance                    |      | 3,623             | -                  | 3,623             | 3,182             |
|  |      | <b>133,388</b>    | <b>-</b>           | <b>133,388</b>    | <b>111,542</b>    |
| <b>Excess of Revenues over Expenses</b>    |      | <b>3,782</b>      | <b>11,144</b>      | <b>14,926</b>     | <b>9,258</b>      |
| <b>Fund Balance, Beginning of the Year</b> |      | <b>125,337</b>    | <b>13,858</b>      | <b>139,195</b>    | <b>129,937</b>    |
| <b>Fund Balance, End of the Year</b>       |      | <b>\$ 129,119</b> | <b>\$ 25,002</b>   | <b>\$ 154,121</b> | <b>\$ 139,195</b> |

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

**The AIDS Committee of York Region Inc.**  
**Statement of Cash Flows**  
For the year ended March 31, 2018

|  | <b>2018</b>      | <b>2017</b>       |
|--|------------------|-------------------|
| <b>Net Inflow (Outflow) of Cash Related to the Following Activities:</b> |                  |                   |
| <b>Cash (Used in) Provided by Operating Activities</b>                   |                  |                   |
| Cash received for general fund   | \$ 617,487       | \$ 505,017        |
| Cash received for restricted program fund                                | 43,037           | 25,520            |
| Cash paid for general fund operations                                    | (783,271)        | (400,599)         |
| Cash paid for restricted program expenses                                | (31,893)         | (16,289)          |
| <b>Net Cash Provided (Used) by Operating Activities</b>                  | <b>(154,640)</b> | 113,649           |
| <b>Cash Flows from Investing Activities</b>                              |                  |                   |
| General fund investments   | (560)            | (1,017)           |
| <b>Net (Decrease) Increase in Cash</b>                                   | <b>(155,200)</b> | 112,632           |
| <b>Cash, Beginning of the Year</b>                                       | <b>195,953</b>   | 83,321            |
| <b>Cash, End of the Year</b>   | <b>\$ 40,753</b> | <b>\$ 195,953</b> |
| <b>Cash Consists of:</b>   |                  |                   |
| <b>Cash, General Fund</b>  | <b>\$ 18,595</b> | <b>\$ 183,516</b> |
| <b>Cash, Restricted Program Fund</b>                                     | <b>22,158</b>    | <b>12,437</b>     |
|  | <b>\$ 40,753</b> | <b>\$ 195,953</b> |

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

# THE AIDS COMMITTEE OF YORK REGION INC.

## Notes to the Financial Statements

March 31, 2018

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### 1. Purpose of Organization

The AIDS Committee of York Region Inc. (the "organization") was incorporated without share capital under the laws of Ontario on June 13, 1986.

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.

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

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.

Grants and contributions received in the year, related to specific expenditures to be incurred in a future fiscal period, are recorded as deferred contributions in the statement of financial position until the related expenditures are incurred.

#### 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.

# THE AIDS COMMITTEE OF YORK REGION INC.

## Notes to the Financial Statements

March 31, 2018

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### **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 term deposits 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.

# THE AIDS COMMITTEE OF YORK REGION INC.

## Notes to the Financial Statements

March 31, 2018

### 3. Commitments

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

|           |               |
|-----------|---------------|
| 2019      | 32,982        |
| 2020      | 21,988        |
| <b>\$</b> | <b>54,970</b> |

### 4. Deferred Contributions

Deferred contributions are made up of the following:

|  | <u>2018</u>      | <u>2017</u>       |
|--|------------------|-------------------|
| Ontario Trillium Foundation - Seniors Strategy SEED Grant                              | -                | 55,380            |
| ViiV Healthcare - Partnering for Positive Change: A Community of Care for PHA Wellness | -                | 25,000            |
| M.A.C. AIDS Fund   | <b>15,000</b>    | 20,000            |
| The Regional Municipality of York - Community Investment Strategy                      | -                | 8,775             |
| The Regional Municipality of York - Transit Ticket Program                             | -                | 1,975             |
| Ontario Trillium Foundation - HIV and Trauma Strategy                                  | -                | 663               |
| <b>Total</b>   | <b>\$ 15,000</b> | <b>\$ 111,793</b> |

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. 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, are as follows:

|                               | <u>Budget</u> | <u>Actual</u>   |
|-------------------------------|---------------|-----------------|
| AIDS Bureau Revenues          | 349,900       | 349,900         |
| Program Expenditures          | (349,900)     | (350,000)       |
| <b>Net (over) under spent</b> | <b>\$ -</b>   | <b>\$ (100)</b> |

# THE AIDS COMMITTEE OF YORK REGION INC.

## Notes to the Financial Statements

March 31, 2018

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### 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.