

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

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITOR'S REPORT  
MARCH 31, 2015**

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

**March 31, 2015**

### **Contents**

	<u>Page</u>
<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statement of Financial Position	2
Statement of Operations and Changes in Fund Balances	3
Statement of Cash Flows	4
Notes to Financial Statements	5 - 7



**DAURIO & FRANKLIN LLP**  
**CHARTERED ACCOUNTANTS**  
220 DUNCAN MILL ROAD, SUITE 513, TORONTO, ONTARIO, M3B 3J5  
TEL:(416) 444-3906, FAX: (416) 447-9798

## 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, 2015 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, 2015 and March 31, 2014, and assets and fund balances as at March 31, 2015 and March 31, 2014.

### **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, 2015, 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.

*Daurio & Franklin LLP*

Chartered Accountants, Licensed Public Accountants  
June 18, 2015  
Toronto, Ontario



# The AIDS Committee of York Region Inc.

## Statement of Financial Position

As at March 31, 2015

	Note	2015	2014
<b>ASSETS</b>			
<b>Current</b>			
Cash (including restricted cash of \$1,046)	\$	89,573	\$ 94,605
Investments		61,463	60,388
Grants Receivable		-	1,624
Prepaid Expenses and Sundry Receivables		23,777	10,189
		174,813	166,806
<b>TOTAL ASSETS</b>		<b>174,813</b>	<b>166,806</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Current</b>			
Accounts Payable and Accrued Liabilities		27,158	21,262
Deposits Payable		1,700	-
<b>Total Liabilities</b>		<b>28,858</b>	<b>21,262</b>
<b>Fund Balances</b>			
General Fund		144,079	143,016
Restricted Program Fund	[2.a]	1,876	2,528
		145,955	145,544
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>\$ 174,813</b>	<b>\$ 166,806</b>

Approved on Behalf of the Board:

Director

Director

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, 2015

	General	Restricted Program	2015	2014
<b>Revenue</b>				
Foundation grants	\$ 40,000	\$ -	\$ 40,000	\$ 61,452
Government grants	466,750	-	466,750	479,464
Donations	4,372	-	4,372	5,913
Fundraising - Bingo	-	16,397	16,397	11,409
Fundraising - Other	13,331	-	13,331	26,948
Interest income	1,075	-	1,075	947
	<b>525,528</b>	<b>16,397</b>	<b>541,925</b>	<b>586,133</b>
<b>Expenses</b>				
<b>Program Costs</b>				
Salaries and benefits	304,119	-	304,119	377,004
Resource development	31,867	133	32,000	32,804
Winter needs program	10,125	-	10,125	8,027
Drive program	641	15,030	15,671	20,240
Gay men's health	1,539	-	1,539	-
Support groups	-	1,827	1,827	-
Travel	10,063	-	10,063	7,315
Client retreat	3,043	-	3,043	4,473
Compassion fund	2,800	-	2,800	4,103
Promotion and publicity	1,321	-	1,321	3,712
PHAC program	22,343	-	22,343	1,515
United Way program	747	-	747	107
Transit tickets	3,763	-	3,763	2,480
Holiday hamper	7,999	-	7,999	5,013
Avinash Ramkisson education fund	1,000	-	1,000	-
	<b>401,370</b>	<b>16,990</b>	<b>418,360</b>	<b>466,793</b>
<b>Administration</b>				
Office and general	39,901	59	39,960	31,812
Building occupancy	34,496	-	34,496	40,490
Professional fees	13,854	-	13,854	15,511
Staff training and development	5,253	-	5,253	4,321
Fundraising	12,185	-	12,185	4,472
Technology enhancement	10,523	-	10,523	5,786
Website development	5,844	-	5,844	3,039
Repairs and maintenance	1,039	-	1,039	-
Donations in-kind	-	-	-	957
	<b>123,095</b>	<b>59</b>	<b>123,154</b>	<b>106,388</b>
<b>Excess of Revenues over Expenses</b>	<b>1,063</b>	<b>(652)</b>	<b>411</b>	<b>12,952</b>
<b>Fund Balance, Beginning of the Year</b>	<b>143,016</b>	<b>2,528</b>	<b>145,544</b>	<b>132,592</b>
<b>Fund Balance, End of the Year</b>	<b>\$ 144,079</b>	<b>\$ 1,876</b>	<b>\$ 145,955</b>	<b>\$ 145,544</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, 2015**

	<b>2015</b>	<b>2014</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	\$ 527,151	\$ 589,051
Cash received for restricted program operations	16,397	11,408
Cash paid for general fund operations	(530,456)	(599,344)
Cash paid for restricted program expenses	(17,049)	(20,860)
<b>Net Cash Used by Operating Activities</b>	<b>(3,957)</b>	<b>(19,745)</b>
<b>Cash Flows from Investing Activities</b>		
General fund investments	(1,075)	(946)
<b>Net Decrease in Cash</b>	<b>(5,032)</b>	<b>(20,691)</b>
<b>Cash, Beginning of the Year</b>	<b>94,605</b>	<b>115,296</b>
<b>Cash, End of the Year</b>	<b>\$ 89,573</b>	<b>\$ 94,605</b>
<b>Cash Consists of:</b>		
<b>Cash, General Fund</b>	<b>\$ 88,527</b>	<b>\$ 92,076</b>
<b>Cash, Restricted Program</b>	<b>1,046</b>	<b>2,529</b>
	<b>\$ 89,573</b>	<b>\$ 94,605</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, 2015**

---

### **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 with HIV/AIDS and those affected by HIV/AIDS. It serves the people of York Region.

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 sessions. The funds received must be used for specific program deliverables, and all expenditures must be submitted to and approved by the Bingo association.

#### **b) Revenue Recognition**

Investment income is recognized as revenue on the accrual basis.

Government grants are included in the General Fund as these funds, although subject to conditions, 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 revenue 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, 2015**

---

### **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 and grants receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and deposits payable.

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, 2015

---

### 3. Lease Commitment

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

2016	\$	30,538
2017		30,538
2018		31,352
2019		32,982
2020		21,988
	<hr/>	<hr/>
	\$	<b>147,398</b>

### 4. 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.

### 5. Comparative Figures

Certain reclassifications of the prior year's amounts have been made to facilitate comparison with the current year's presentation.

