

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

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT
MARCH 31, 2016**

THE AIDS COMMITTEE OF YORK REGION INC.

March 31, 2016

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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, 2016 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, 2016 and March 31, 2015, and assets and fund balances as at March 31, 2016 and March 31, 2015.

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, 2016, 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 16, 2016
Toronto, Ontario



The AIDS Committee of York Region Inc.
Statement of Financial Position
As at March 31, 2016

	Note	2016	2015
ASSETS			
Current			
Cash (including restricted cash of \$4,217)	\$	83,321	\$ 89,573
Investments		62,465	61,463
Prepaid Expenses and Sundry Receivables		22,299	23,777
		168,085	174,813
TOTAL ASSETS		168,085	174,813
LIABILITIES AND FUND BALANCES			
Current			
Accounts Payable and Accrued Liabilities		15,282	27,160
Deposits Payable		1,700	1,700
Deferred Contributions	[4]	11,803	-
Government Remittances Payable		9,364	-
Total Liabilities		38,149	28,860
Fund Balances			
General Fund		125,309	144,077
Restricted Program Fund	[2.a]	4,627	1,876
		129,936	145,953
TOTAL LIABILITIES AND FUND BALANCES	\$	168,085	\$ 174,813

Approved on Behalf of the Board:

Karan Lal *Karan Lal* Director

M. Ahmad 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, 2016

	General	Restricted Program	2016	2015
Revenue				
Foundation grants	\$ 48,197	\$ -	\$ 48,197	\$ 40,000
Government grants	[5] 405,220	-	405,220	466,750
Donations	6,297	-	6,297	4,372
Fundraising - Bingo	-	18,303	18,303	16,395
Fundraising - Other	11,209	-	11,209	13,331
Interest income	1,018	-	1,018	1,075
	471,941	18,303	490,244	541,923
Expenses				
Program Costs				
Salaries and benefits	351,942	-	351,942	304,119
Resource development	16,349	779	17,128	31,019
Winter needs program	-	-	-	10,125
Drive program	-	8,204	8,204	15,671
Gay men's health	-	-	-	1,539
Support groups	-	5,959	5,959	1,827
Travel	7,830	-	7,830	10,063
Client retreat	3,555	540	4,095	3,043
Compassion fund	3,027	-	3,027	2,800
Promotion and publicity	1,233	-	1,233	1,321
PHAC program	5,516	-	5,516	22,343
United Way program	-	-	-	747
Transit tickets	2,213	-	2,213	3,763
Holiday hamper	10,483	-	10,483	7,999
Avinash Ramkisson education fund	1,026	-	1,026	1,000
Language support	786	-	786	981
	403,960	15,482	419,442	418,360
Administration				
Office and general	18,633	70	18,703	39,960
Building occupancy	38,891	-	38,891	34,496
Professional fees	13,165	-	13,165	13,854
Staff training and development	2,053	-	2,053	5,253
Fundraising	4,553	-	4,553	12,185
Technology enhancement	3,565	-	3,565	10,523
Website development	3,359	-	3,359	5,844
Repairs and maintenance	2,530	-	2,530	1,039
	86,749	70	86,819	123,154
Excess (Deficiency) of Revenues over Expenses	(18,768)	2,751	(16,017)	409
Fund Balance, Beginning of the Year	144,077	1,876	145,953	145,544
Fund Balance, End of the Year	\$ 125,309	\$ 4,627	\$ 129,936	\$ 145,953

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, 2016

	2016	2015
Net Inflow (Outflow) of Cash Related to the Following Activities:		
Cash (Used in) Provided by Operating Activities		
Cash received for general fund	\$ 471,941	\$ 527,151
Cash received for restricted program operations	18,303	16,397
Cash paid for general fund operations	(479,942)	(530,455)
Cash paid for restricted program expenses	(15,552)	(17,050)
Net Cash Used by Operating Activities	(5,250)	(3,957)
Cash Flows from Investing Activities		
General fund investments	(1,002)	(1,075)
Net Decrease in Cash	(6,252)	(5,032)
Cash, Beginning of the Year	89,573	94,605
Cash, End of the Year	\$ 83,321	\$ 89,573
Cash Consists of:		
Cash, General Fund	\$ 79,104	\$ 88,527
Cash, Restricted Program	4,217	1,046
	\$ 83,321	\$ 89,573

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, 2016

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 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, 2016

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, government remittances payable, 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, 2016

3. Lease Commitment

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

2017	\$	30,538
2018		31,352
2019		32,982
2020		21,988
		<hr/>
	\$	116,860
		<hr/>

4. Deferred Contributions

Deferred contributions are made up of the following:

	<u>2016</u>	<u>2015</u>
M.A.C. AIDS Fund	11,803	-
	<hr/>	<hr/>

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	313,800	313,800
Program Expenditures	<u>(313,800)</u>	<u>(314,673)</u>
Net (over) under spent	\$ -	\$ (873)
	<hr/>	<hr/>



THE AIDS COMMITTEE OF YORK REGION INC.

Notes to the Financial Statements

March 31, 2016

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.

