

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

REPORT AND FINANCIAL STATEMENTS

MARCH 31, 2011



THE AIDS COMMITTEE OF YORK REGION INC.

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MARCH 31, 2011

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DAURIO & FRANKLIN LLP
CHARTERED 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, 2011 and the statements of operations and changes in fund balances 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 generally accepted accounting principals 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 audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from donations and collections, 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 for the year, assets and fund balances.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for 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, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principals.

Daurio & Franklin LLP

Chartered Accountants, Licensed Public Accountants
June 13, 2011
Toronto, Ontario

THE AIDS COMMITTEE OF YORK REGION INC.

STATEMENT OF FINANCIAL POSITION

As at March 31, 2011

	2011	2010
	\$	\$
Current Assets		
Cash	78,604	81,429
Cash - restricted	4,846	11,715
Term deposits	57,391	57,105
Grants receivable	2,043	5,260
Prepaid expenses and sundry receivables	11,813	7,002
	<hr/>	<hr/>
	154,697	162,511
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LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts payable and accrued liabilities	37,071	39,357
Deferred contributions - (Note 5)	-	19,300
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	37,071	58,657
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Fund Balances		
General Fund	112,319	93,810
Restricted Program Fund	5,307	10,044
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	117,626	103,854
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	154,697	162,511
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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 FUND BALANCES

For the year ended March 31, 2011

	General	Restricted Program	2011 Total	2010 Total
	\$	\$	\$	\$
Revenues				
Foundation grants	42,190	-	42,190	49,465
Government grants	401,674	-	401,674	289,029
Government grant - PHAC Hep C	26,425	-	26,425	27,100
Donations	4,846	-	4,846	7,935
Fundraising - Bingo, net revenues	-	18,265	18,265	20,414
Fundraising - Other	24,421	-	24,421	24,292
Interest income	1,336	-	1,336	792
	500,892	18,265	519,157	419,027
Expenditures				
Program costs				
Salaries and benefits	309,289	-	309,289	240,255
Ministry of Health one-time	15,400	-	15,400	-
PHAC program - ACYR	14,581	-	14,581	12,104
PHAC program - Hep C	25,877	-	25,877	26,725
Drive program	4,340	16,756	21,096	20,512
Winter needs program	6,616	-	6,616	-
Compassion fund	318	6,083	6,401	6,650
Awareness program	8,382	-	8,382	7,662
United way program	1,741	-	1,741	2,837
Client retreat	1,196	-	1,196	1,162
Travel	6,639	-	6,639	3,943
Resource development	18,269	-	18,269	12,223
	412,648	22,839	435,487	334,073
Administrative				
Office and general	23,547	163	23,710	20,709
Building occupancy	20,805	-	20,805	17,472
Technology enhancement	643	-	643	13,147
Professional fees	18,610	-	18,610	12,474
Staff training and development	2,583	-	2,583	1,984
Fundraising	3,547	-	3,547	4,372
	69,735	163	69,898	70,158
Excess (Deficiency) of Revenues over Expenses for the Year	18,509	(4,737)	13,772	14,796
Fund Balances - Beginning of the Year	93,810	10,044	103,854	89,058
Fund Balances - End of the Year	112,319	5,307	117,626	103,854

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



THE AIDS COMMITTEE OF YORK REGION INC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2011

1. OPERATIONS

The organization was incorporated without share capital under the laws of Ontario on June 13, 1986.

The AIDS Committee of York Region Inc. 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. For Canadian income tax purposes the organization qualifies as a registered charity which is exempt from income tax under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the organization conform with the accounting policies generally accepted in Canada. The significant policies are:

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.

Term Deposits

Term deposits include fixed interest rate and maturity date securities. All term deposits are classified as held-for-trading and are recorded at fair value. Subsequent changes in fair value are recognized in the Statement of Operations.

Financial Instruments

Financial assets and financial liabilities "held-for-trading" are measured at fair value with changes in those fair values recognized in the Statement of Operations. Financial assets "held-to-maturity", "loans and receivables" and "other financial liabilities" are measured at amortized cost. The organization has designated its financial assets and liabilities as follows: cash is classified as "held-to-maturity", term deposits are classified as "held-for-trading"; all receivables are classified as "loans and receivables" and accounts payable and accrued liabilities are classified as "other financial liabilities".

The organization has elected to use the exemption provided by the Canadian Institute of Chartered Accountants ("CICA") permitting not-for-profit organizations not to apply the following sections of the CICA Handbook: Section 3862 Financial Instruments - Disclosure, and CICA section 3863 Financial Instruments - Presentation. The organization applies the requirements of CICA Section 3861, Financial Instruments - Disclosure and Presentation.



THE AIDS COMMITTEE OF YORK REGION INC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2011

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Revenue Recognition

Revenue and related expenses are accounted for on the accrual basis.

Contributions of material and services are recognized as revenue at fair value at the date of the grant 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.

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.

Equipment

Equipment is expensed in the year acquired.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. DEFERRED CONTRIBUTIONS

The details of contributions received in the year are as follows:

	<u>2011</u>	<u>2010</u>
Deferred revenue, beginning of year	\$ 19,300	\$ -
Grant received during the year - Ministry of Health and Long-Term Care, AIDS Bureau	-	18,000
Contribution received during the year - A Taste for Life	-	1,300
Applied against program expenses - AIDS Bureau	(18,000)	-
Applied against program expenses - A Taste for Life	<u>(1,300)</u>	<u>-</u>
Deferred revenue, end of year	<u>\$ -</u>	<u>\$ 19,300</u>

4. EQUIPMENT

During the year, the organization purchased hardware and software of approximately \$2,908 (2010 -\$19,300) and \$nil (2010 - \$1,800), respectively. These amounts were expensed in the current year.



THE AIDS COMMITTEE OF YORK REGION INC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2011

5. LEASE COMMITMENT

The organization has entered into a lease agreement with Hospice Richmond Hill for shared premises in connection with the Community Support Centre initiative. The lease expires on March 31, 2012. The aggregate annual payment for fiscal 2012 is \$20,357.

6. RISK ASSESSMENT AND FAIR VALUES

a) Fair Values

The organization has determined that the fair value of its cash, receivables and accounts payable and accrued liabilities approximates their respective carrying amounts at year end, due to their short-term nature.

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 investments may be in excess of the CDIC insurance limit.

c) Interest Rate Risk

The organization's cash and investments are exposed to interest rate risk. The corporation manages this risk by monitoring its cash position.

7. CAPITAL RISK MANAGEMENT

The organization defines its capital as the sum of all fund balances. The organization's objectives in managing its capital are to generate sufficient revenues to deliver its program objectives, and to comply with all requirements of any funding received. Grants recognized in the year from the AIDS Bureau, Ministry of Health and Long-Term Care ("MOHLTC") approximated expenditures in the current year. Any unspent funds would have been required to be returned to the MOHLTC.

8. FINANCIAL STATEMENT PRESENTATION

A statement of cash flows has not been presented as the cash flow information does not differ significantly from the information presented in the Statement of Operations.

9. COMPARATIVE FIGURES

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

