

# **TORONTO PEOPLE WITH AIDS FOUNDATION**

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2005 Financial Statements

**TORONTO PEOPLE WITH AIDS FOUNDATION**  
2005 Financial Statements

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## Auditors' Report

### To the Members of Toronto People with AIDS Foundation

We have audited the balance sheet of **Toronto People with AIDS Foundation** (the "Foundation") as at March 31, 2005 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Foundation derives revenue from fundraising and donations, 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 Foundation and we were unable to determine whether any adjustments for unrecorded revenue might be necessary to fundraising and donations revenue, excess (deficiency) of revenue over expenses and net assets.

In our opinion, except for the effect of any adjustments which might have been required had we been able to satisfy ourselves with respect to the completeness of fundraising and donation revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PKF Hill LLP

July 5, 2005

# TORONTO PEOPLE WITH AIDS FOUNDATION

Balance Sheet as at March 31

	2005	2004
<b>ASSETS</b>		
Current assets		
Cash	\$ 107,611	\$ 29,299
Marketable securities	270,242	362,878
Accounts receivable	64,972	58,865
Prepaid expenses	62,100	51,095
	504,925	502,137
Property and equipment (note 3)	53,719	49,063
	\$ 558,644	\$ 551,200
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 85,656	\$ 95,780
Deferred contributions (note 4)	178,306	173,373
	263,962	269,153
Net assets		
Invested in property and equipment	53,719	49,063
Internally restricted for organizational development	204,000	180,000
Unrestricted	36,963	52,984
	294,682	282,047
	\$ 558,644	\$ 551,200

See accompanying notes

On behalf of the Board:

Director

Director

## TORONTO PEOPLE WITH AIDS FOUNDATION

Statement of Operations

Year Ended March 31

	2005	2004
Revenue		
Grants (note 5)	\$ 922,315	\$ 801,281
Fundraising and donations - bike rally (note 6)	597,311	558,921
Fundraising and donations - general	333,706	434,260
Financial assistance contributions (note 7)	81,551	69,910
Administrative fees, honoraria and other	21,302	32,742
Interest	10,408	18,567
<b>Total revenue</b>	<b>1,966,593</b>	<b>1,915,681</b>
Expenses		
Client services		
Benefits and assistance case management	245,169	248,787
Food for Life meal program	237,580	232,313
Long-term care	115,615	125,700
Education - Speakers' bureau	108,627	95,306
Volunteer services	97,467	90,841
Treatment access resources	80,007	69,289
Food programs	72,888	78,262
Co-ordination of services for Women Africa/Caribbean	45,071	46,171
	1,002,424	986,669
Financial assistance		
Medical disability	99,669	107,751
Medical assistance	50,295	44,823
Supplementary therapies fund	47,961	36,685
Trillium co-payment	42,712	45,257
Family Christmas gift certificates	10,000	10,000
Positive children	3,800	5,820
Program materials and supplies	1,166	5,156
	255,603	255,492
<b>Total program expenses</b>	<b>1,258,027</b>	<b>1,242,161</b>
General		
Fundraising - bike rally	278,861	302,631
Fundraising	106,232	166,047
Communications	103,581	91,545
Administration	102,207	79,846
Expenses funded by one time grants	71,980	-
Strategic alliance	33,070	40,013
	695,931	680,082
<b>Total expenses</b>	<b>1,953,958</b>	<b>1,922,243</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ 12,635</b>	<b>\$ (6,562)</b>

See accompanying notes

## TORONTO PEOPLE WITH AIDS FOUNDATION

Statement of Changes in Net Assets

Year Ended March 31

	2005			2004	
	Invested in Capital Assets	Internally Restricted for Organizational Development	Unrestricted	Total	Total
Net assets, beginning of year	\$ 49,063	180,000	52,984	\$ 282,047	\$ 288,609
Excess (deficiency) of revenue over expenses	(22,411)	-	35,046	12,635	(6,562)
Increase in internally restricted net assets	-	24,000	(24,000)	-	-
Invested in property and equipment	27,067	-	(27,067)	-	-
Net assets, end of year	\$ 53,719	204,000	36,963	\$ 294,682	\$ 282,047

See accompanying notes

## TORONTO PEOPLE WITH AIDS FOUNDATION

Statement of Cash Flows

Year Ended March 31

	<b>2005</b>	<b>2004</b>
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 12,635	\$ (6,562)
Add item not involving cash - amortization	22,411	23,189
	35,046	16,627
Net changes in non-cash working capital items		
Accounts receivable	(6,107)	(38,561)
Prepaid expenses	(11,005)	5,150
Accounts payable and accrued liabilities	(10,124)	38,994
Deferred contributions	4,933	(61,864)
	(22,303)	(56,281)
Cash flows from operating activities	12,743	(39,654)
Financing and investing activities		
Net decrease (increase) in marketable securities	92,636	(13,745)
Purchase of property and equipment	(27,067)	(36,188)
Cash flows from financing and investing activities	65,569	(49,933)
Net increase (decrease) in cash during the year	78,312	(89,587)
Cash, beginning of year	29,299	118,886
Cash, end of year	\$ 107,611	\$ 29,299

See accompanying notes

# TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements  
Year Ended March 31, 2005

## 1. Organizational Background, Mission Statement and Income Tax Status

Toronto People with AIDS Foundation (the "Foundation") is a not-for-profit organization incorporated under the Corporations Act, Ontario, by letters patent dated May 11, 1987 and subsequently amended by supplementary letters patent dated June 7, 1988.

### Mission statement, philosophy and objectives

#### *Mission statement*

The Foundation exists to promote the health and well-being of all people living with HIV/AIDS by providing accessible, direct, and practical support services.

#### *Statement of philosophy*

People living with HIV/AIDS play a crucial role in the governance and operation of the Foundation, but most important, are its heart and soul. Although the Foundation seeks supportive partnerships in support of fulfilling its mission, its response to HIV/AIDS is, more than anything else, inspired by the voices and experience of people living with HIV/AIDS.

Within the context of this refined mission and statement of philosophy, the Foundation has mapped out the strategic directions which will guide the organization in the future:

1. Responding to the changing needs of people living with HIV/AIDS
  - (a) to continue to make its services available to all people living with HIV/AIDS and continue to focus on practical services;
  - (b) to continue efforts to improve access to treatment and treatment information for people living with HIV/AIDS; and
  - (c) to promote the self-sufficiency and dignity of people living with HIV/AIDS through peer support, education, and skill development.
2. Developing strategic alliances
  - (a) to further develop and enhance our advocacy efforts, in concert with the Ontario AIDS Network, the Canadian AIDS Society, and other agencies; and
  - (b) to develop new partnerships and alliances and to strengthen existing ones.
3. Strengthening our presence in the community
  - (a) to develop a communications and marketing plan;
  - (b) to locate an improved, accessible space for service delivery; and
  - (c) to diversify and broaden our fundraising strategies.

### Income tax status

The Foundation is registered as a charitable organization under the Income Tax Act (Canada) (the "Act") and, as such, is exempt from income taxes. Accordingly, no provision has been made in the accounts of the Foundation for income taxes. To maintain its charitable organization status, the Foundation must comply with certain requirements of the Act, including the requirement to disburse 80% of its received donations of the prior year.

# TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements  
Year Ended March 31, 2005

## 2. Summary of Significant Accounting Policies

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, the more significant of which are outlined below.

### Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from these estimates.

### Marketable securities

Marketable securities are recorded at cost. A provision for write-down is made when the decline in value of a particular investment is considered other than temporary. At year end, the marketable securities on hand had a market value of \$270,242 (2004 - \$362,878). In December 2004, \$100,000 was transferred into the operating account. These funds will be reinvested in marketable securities during the next fiscal year.

### Internally restricted net assets - organizational development

In order to provide a degree of stability to its clients in the event of financial downturns in the future, \$204,000 of net assets have been internally restricted by the Board of Directors for ongoing operations for a period of three months.

### Property and equipment

Purchased property and equipment are recorded at cost. Donated property and equipment are recorded at fair value at the date of contribution. Amortization is recorded on a straight-line basis over the property and equipment's estimated useful lives as follows:

Computer equipment	-	3 years
Furniture and fixtures	-	5 years
Leasehold improvements	-	Over the term of the lease

### Revenue recognition

The Foundation follows the deferral method of accounting for revenue. 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.

### Donated goods and services

The fair market value of donated goods and services, except for volunteer services, foodstuffs and theatre tickets, was previously recorded as revenue, with an offsetting amount recorded as an expense or asset, but is now being reported as a note to the financial statements (note 8).

## TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements  
Year Ended March 31, 2005

### 3. Property and Equipment

Property and equipment consist of the following:

	2005			2004
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$ 187,332	157,216	\$ 30,116	\$ 16,512
Furniture and fixtures	121,132	97,529	23,603	32,551
Leasehold improvements	38,507	38,507	-	-
	<u>\$ 346,971</u>	<u>293,252</u>	<u>\$ 53,719</u>	<u>\$ 49,063</u>

### 4. Deferred Contributions

Deferred contributions represent externally restricted operating funding received in the current fiscal year that is related to a subsequent fiscal year. Deferred contributions are as follows:

	2005	2004
Food for Life meal program		
Ontario Trillium Foundation	35,000	39,532
Toskan Foundation	-	11,993
Other foundation grants	-	9,336
MAC AIDS Foundation	-	3,794
Other programs and services		
Bike rally (contributions for next year)	38,034	52,034
Ontario Ministry of Health - AIDS Bureau - 03/04 Capital	17,334	29,611
Ontario Ministry of Health - AIDS Bureau - 04/05 Capital	12,809	-
Ontario Ministry of Health and Long-Term Care - 03/04 Capital	3,986	5,598
Public Health - Health Canada - ACAP - 04/05 Capital	2,958	-
City of Toronto - Department of Public Health - Speakers Bureau	14,185	13,975
Stephen Mueller Holiday Memorial Fund	6,000	3,000
Coordination of Services for Women Africa/Caribbean CLEAR	-	4,500
Positive Action - 05/06 Financial Assistance	36,000	-
Abbott Laboratories - Treatment Access	10,000	-
MAC AIDS Foundation - Matching - Benefits & Assistance	2,000	-
	<u>\$ 178,306</u>	<u>\$ 173,373</u>

## TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements  
Year Ended March 31, 2005

### 5. Grants

Grant revenue recognized during the year is as follows:

	2005	2004
Ontario Ministry of Health - AIDS Bureau	\$ 414,275	\$ 372,925
Ontario Ministry of Health - AIDS Bureau (one time grants less amounts deferred to later fiscal years)	61,877	31,909
Ontario Ministry of Health - AIDS Bureau (one time grant for strategic alliance)	33,070	40,000
Ontario Ministry of Health and Long-Term Care (base subsidy)	75,779	73,216
Ontario Ministry of Health and Long-Term Care (one time grant)	1,610	1,610
Health Canada - ACAP	195,000	178,500
Health Canada - ACAP (one time grant less amounts deferred to later fiscal years)	57,042	-
City of Toronto - Department of Public Health - Speakers' bureau	56,532	55,991
City of Toronto - Department of Public Health - food programs	27,130	47,130
	<hr/>	<hr/>
	\$ 922,315	\$ 801,281

### 6. Fundraising and Donations - Bike Rally

The net revenue of the Bike Rally fundraising event is as follows:

	2005	2004
Revenue	\$ 597,311	\$ 558,921
Expenses	(278,861)	(302,631)
	<hr/>	<hr/>
Net revenue	\$ 318,450	\$ 256,290

### 7. Financial Assistance Contributions

The Foundation provides financial assistance to people living with HIV/AIDS. Monies received from the Community Partners fund and Positive Action fund are restricted for financial assistance to clients. In addition, a portion of fundraising efforts are allocated to financial assistance in the annual budgeting process.

The Foundation recognized revenue for financial assistance from the following sources during the year:

	2005	2004
Positive Action Program	\$ 35,331	\$ -
Community Partners Fund - AIDS Committee of Toronto	25,000	25,000
Foundation matching - MAC	10,000	-
Bequests and memorial donations	8,220	5,217
Community fundraising, special events and donations	3,000	39,693
	<hr/>	<hr/>
	\$ 81,551	\$ 69,910

## **TORONTO PEOPLE WITH AIDS FOUNDATION**

Notes to Financial Statements

Year Ended March 31, 2005

### **8. Donated Goods and Services**

The fair value of goods and services donated to the Foundation in 2005 was \$57,100 (2004 - \$121,690) and is not recorded as revenue for the year.

A large number of hours are contributed by volunteers who assist in the food bank, act as crew on the bike rally, provide massage therapy and hair cutting services, perform reception duties and assist in the Foundation office. The Foundation also receives weekly donations of foodstuffs from a number of businesses and organizations which are distributed to clients through the food bank and the Foundation's annual dinner. The volunteer contribution and donated foodstuffs are not reflected as donated goods and services revenue due to the difficulty in establishing the fair market value of these goods and services.

A quantity of theatre and event tickets are received free of charge and distributed to clients through the Theatre Access program. These contributions are not reflected as donated goods and services revenue as the Foundation would not have otherwise purchased the tickets.

### **9. Lease Commitment**

The Foundation leases office space under an operating lease which expires on October 31, 2008. The minimum lease payments amount to \$39,070 per annum.