

TORONTO PEOPLE WITH AIDS FOUNDATION

2007 Financial Statements

TORONTO PEOPLE WITH AIDS FOUNDATION
2007 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 as at March 31, 2007 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of PWA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as noted 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, PWA 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 PWA 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 PWA as at March 31, 2007, 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

Licensed Public Accountants
June 8, 2007

TORONTO PEOPLE WITH AIDS FOUNDATION

Balance Sheet as at March 31

	2007	2006
ASSETS		
Current assets		
Cash	\$ 144,151	\$ 71,796
Marketable securities	440,425	377,317
Accounts receivable	37,216	6,208
Prepaid expenses	21,052	36,050
	642,844	491,371
Property and equipment (note 3)	68,283	102,033
	\$ 711,127	\$ 593,404
LIABILITIES AND NET ASSETS		
Current liability		
Accounts payable and accrued liabilities	\$ 78,619	\$ 110,548
Deferred contributions (note 4)	154,131	197,938
	232,750	308,486
Net assets		
Invested in property and equipment	68,283	102,033
Internally restricted for organizational development	381,500	204,000
Unrestricted	28,594	(21,115)
	478,377	284,918
	\$ 711,127	\$ 593,404

See accompanying notes

On behalf of the Board

Director

Director

TORONTO PEOPLE WITH AIDS FOUNDATION

Statement of Operations

Year ended March 31

	2007	2006
Revenue		
Grants (note 5)	\$ 815,242	\$ 747,409
Fundraising and donations - bike rally (note 6)	717,493	666,631
Fundraising and donations - general	315,203	362,412
Financial assistance contributions (note 7)	139,161	134,898
Interest	20,958	13,331
Administrative fees, honoraria and other	12,779	7,659
	<hr/> 2,020,836	<hr/> 1,932,340
Expenses		
Client services		
Food for Life meal program	238,958	218,545
Benefits and assistance case management	174,437	209,505
Long-term care	121,262	126,325
Volunteer services	84,947	79,602
Education - Speakers' bureau	68,810	68,832
Food programs	51,509	53,415
Treatment access resources	52,474	40,368
Treatment resources	37,657	34,295
General	94,285	9,816
	<hr/> 924,339	<hr/> 840,703
Financial assistance		
Medical disability	98,988	122,386
Supplementary therapies fund	85,120	63,299
Medical assistance	59,097	52,138
Trillium co-payment	48,940	45,687
Family Christmas gift certificates	7,115	10,500
Positive children	6,400	5,200
Program materials and supplies	118	136
	<hr/> 305,778	<hr/> 299,346
General		
Fundraising - bike rally	337,191	316,557
Administration	216,457	201,800
Fundraising and development	134,766	181,108
Communications	86,346	87,057
Expenses funded by one time grants	-	15,533
	<hr/> 774,760	<hr/> 802,055
	<hr/> 2,004,877	<hr/> 1,942,104
Excess (deficiency) of revenue over expenses	<hr/> \$ 15,959	<hr/> \$ (9,764)

See accompanying notes

TORONTO PEOPLE WITH AIDS FOUNDATION
Statement of Changes in Net Assets
Year ended March 31

	Invested in property and equipment	Internally restricted for organizational development	Unrestricted	Total 2007	Total 2006
Net assets, beginning of year	\$ 102,033	\$ 204,000	\$ (21,115)	\$ 284,918	\$ 294,682
Excess (deficiency) of revenue over expenses	(41,811)	-	57,770	15,959	(9,764)
Invested in property and equipment	8,061	-	(8,061)	-	-
Internally restricted bequest	-	177,500	-	177,500	-
Net assets, end of year	\$ 68,283	\$ 381,500	\$ 28,594	\$ 478,377	\$ 284,918

See accompanying notes

TORONTO PEOPLE WITH AIDS FOUNDATION

Statement of Cash Flows

Year ended March 31

	2007	2006
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 15,959	\$ (9,764)
Items not involving cash		
Amortization	41,811	27,178
Internally restricted bequest	177,500	-
	<hr/> 235,270	<hr/> 17,414
Net change in non-cash working capital items		
Accounts receivable	(31,008)	58,764
Prepaid expenses	14,998	26,050
Accounts payable and accrued liabilities	(31,929)	24,891
	<hr/> (47,939)	<hr/> 109,705
Cash flows from operating activities	<hr/> 187,331	<hr/> 127,119
Financing activity		
Deferred contributions and cash flows from financing activity	(43,807)	19,633
Investing activities		
Marketable securities	(63,108)	(107,075)
Purchase of property and equipment	(8,061)	(75,492)
	<hr/> (71,169)	<hr/> (182,567)
Net change in cash during the year	72,355	(35,815)
Cash, beginning of year	71,796	107,611
Cash, end of year	<hr/> \$ 144,151	<hr/> \$ 71,796

See accompanying notes

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2007

1. Organizational background, mission statement and income tax status

Toronto People with AIDS Foundation ("PWA") 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

PWA exists to promote the health and well-being of all people living with HIV/AIDS (PHAs) 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 PWA, but most important, are its heart and soul. Although PWA 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, PWA has mapped out the strategic directions which will guide the organization in the future:

1. Creating the experience of an affirming connection place
 - (a) reconfigure the physical space of PWA;
 - (b) ensure that clients have access to services in multiple languages;
 - (c) reinforce the internal culture of care and concern; and
 - (d) reshape our existing health promotion and resource support programs.
2. Reshaping the point of access to the PHA network
 - (a) work with community partners and existing processes to create a shared, collaborative view of the system;
 - (b) recognize that clients need to experience the most seamless navigation possible;
 - (c) take a leadership role in further investigating the possibility of a "single intake" concept;
 - (d) build on our communications and branding program; and
 - (e) create a liaison program for more porous, fluid relationships between PWA and other agencies and programs.
3. Strengthening and streamlining core practical direct support services
 - (a) continue to build on staff skills to help deal with immediate crises for clients; and
 - (b) conduct an analysis of our programs to ensure that they are best serving our clients' needs.

Income tax status

PWA 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 PWA for income taxes. To maintain its charitable organization status, PWA must comply with certain requirements of the Act, including the requirement to disburse 80% of its receipted donations of the prior year.

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2007

2. Summary of significant accounting policies

The 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

Marketable securities

Marketable securities are carried at the lower of cost and market value. At March 31, 2007, the market value of the securities was \$440,425 (2006 - \$377,317).

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, a portion of net assets have been internally restricted by the Board of Directors for organizational development. In fiscal 2007, internally restricted net assets increased by \$177,500 due to a bequest which has been internally restricted by the Board for future initiatives.

Property and equipment

Property and equipment are recorded at cost and are being amortized over their estimated useful lives on a straight-line basis. The annual amortization rates are as follows:

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

Donated property and equipment are recorded at fair value at the date of contribution.

Revenue recognition

PWA 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 is not reported in the financial statements as revenue, however it is reported as a note to the financial statements (note 8).

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements
Year ended March 31, 2007

3. Property and equipment

	2007			2006	
	Cost	Accumulated amortization	Net	Net	
Computer equipment	\$ 245,592	\$ 202,980	\$ 42,612	\$	72,033
Furniture and fixtures	130,456	112,987	17,469		16,617
Leasehold improvements	54,479	46,277	8,202		13,383
	<u>\$ 430,527</u>	<u>\$ 362,244</u>	<u>\$ 68,283</u>	<u>\$</u>	<u>102,033</u>

4. Deferred contributions

Deferred contributions represents funding received in the current fiscal year that will be spent in a subsequent year. Deferred contributions at year end are as follows:

	2007	2006
Bike rally (contributions for next year)	\$ 88,964	\$ 75,303
Ontario Ministry of Health - AIDS Bureau - 03/04 Capital	-	8,667
Ontario Ministry of Health - AIDS Bureau - 04/05 Capital	-	8,539
Ontario Ministry of Health - AIDS Bureau - 05/06 Capital	46,775	63,758
Ontario Ministry of Health and Long-Term Care - 03/04 Capital	767	2,377
Public Health Agency of Canada - Ontario Region - 04/05 Capital	7,625	1,972
City of Toronto - Department of Public Health - Speakers' bureau	-	14,385
Stephen Mueller Holiday Memorial Fund	-	3,000
Positive Action - 05/06 Financial Assistance	-	19,937
Treatment Resources	10,000	-
	<u>\$ 154,131</u>	<u>\$ 197,938</u>

5. Grants

	2007	2006
Ontario Ministry of Health - AIDS Bureau	\$ 452,311	\$ 420,489
Ontario Ministry of Health - AIDS Bureau (one time grants less amounts deferred to later fiscal years)	20,000	4,270
Ontario Ministry of Health and Long-Term Care (base subsidy)	78,116	76,916
Ontario Ministry of Health and Long-Term Care (one time grant)	10,277	10,277
Public Health Agency of Canada - Ontario Region	167,211	150,000
Public Health Agency of Canada - Ontario Region (one time grant less amounts deferred to later fiscal years)	1,156	986
City of Toronto - Department of Public Health - Speakers' bureau	59,041	57,341
City of Toronto - Department of Public Health - food programs	27,130	27,130
	<u>\$ 815,242</u>	<u>\$ 747,409</u>

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2007

6. Bike rally - net revenue

The net revenue of the bike rally fundraising event is as follows:

	2007	2006
Revenue	\$ 717,493	\$ 666,631
Expenses	(337,191)	(316,557)
Net revenue	<u>\$ 380,302</u>	<u>\$ 350,074</u>

7. Financial assistance contributions

PWA 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.

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

	2007	2006
Positive Action Program	\$ 99,688	\$ 95,812
Community Partners Fund - AIDS Committee of Toronto	25,000	25,000
MAC AIDS Foundation	-	4,000
Community fundraising, special events and donations	14,473	10,086
	<u>\$ 139,161</u>	<u>\$ 134,898</u>

8. Donated goods and services

The fair value of goods and services donated to PWA in 2007 was \$89,236 (2006 - \$106,219) 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 PWA office. PWA also receives weekly donations of foodstuffs from a number of businesses and organizations which are distributed to clients through the food bank and PWA'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 PWA would not have otherwise purchased the tickets.

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Notes to Financial Statements

Year ended March 31, 2007

9. Lease commitment

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

10. Financial instruments

Unless otherwise noted, it is management's opinion that PWA is not exposed to significant interest, currency or credit risks arising from financial instruments. Due to the short-term maturity of the financial assets and liabilities, book values approximate fair values.