

TORONTO PEOPLE WITH AIDS FOUNDATION

2009 Financial Statements

TORONTO PEOPLE WITH AIDS FOUNDATION
2009 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, 2009 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 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 the PWA as at March 31, 2009 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

Chartered Accountants, Licensed Public Accountants
May 22, 2009

TORONTO PEOPLE WITH AIDS FOUNDATION

Balance Sheet

As at March 31

	2009	2008
ASSETS		
Current assets		
Cash	\$ 67,855	\$ 180,037
Investments	198,131	456,211
Accounts receivable	56,851	96,872
Leasehold allowance receivable	225,000	-
Prepaid expenses	70,159	29,624
	<hr/> 617,996	<hr/> 762,744
Property and equipment (note 4)	614,469	39,493
	<hr/> <hr/> \$ 1,232,465	<hr/> <hr/> \$ 802,237
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 116,398	\$ 140,125
Current portion of leasehold improvement allowance (note 5)	13,832	-
	<hr/> 130,230	<hr/> 140,125
Leasehold improvement allowance (note 5)	211,168	-
Deferred contributions (note 6)	151,082	203,452
	<hr/> 492,480	<hr/> 343,577
Net assets		
Invested in property and equipment	614,469	39,493
Internally restricted for organizational development	204,000	381,500
Unrestricted	(78,484)	37,667
	<hr/> 739,985	<hr/> 458,660
	<hr/> <hr/> \$ 1,232,465	<hr/> <hr/> \$ 802,237

See accompanying notes

On behalf of the Board

Director

Director



TORONTO PEOPLE WITH AIDS FOUNDATION

Statement of Operations

Year ended March 31

	2009	2008
Revenue		
Grants (note 7)	\$ 1,224,720	\$ 967,183
Fundraising and donations - bike rally (note 8)	1,214,627	829,282
Fundraising and donations - general	359,836	394,268
Landlord contribution for leaseholds	75,000	-
Financial assistance contributions (note 9)	28,491	72,490
Interest	22,502	24,835
Administrative fees, honoraria and other	19,901	11,106
	<u>2,945,077</u>	<u>2,299,164</u>
Expenses		
Client services		
Food for Life meal delivery program	248,265	247,163
Benefits and assistance income support	206,369	204,939
Long-term care health promotion	118,297	126,783
Volunteer services	107,551	90,833
Education - Speakers bureau	72,475	66,722
Treatment access	63,071	58,007
Food programs	65,559	53,084
Treatment resources	43,362	43,010
General	149,302	118,620
	<u>1,074,251</u>	<u>1,009,161</u>
Financial assistance		
Supplementary therapies	113,647	110,514
Medical assistance	88,240	79,082
Medical disability	79,407	63,457
Trillium co-payment	43,706	40,689
Family holiday gift certificates	8,800	8,240
Positive Children fund	7,000	6,400
Positive Seniors fund	2,600	2,600
	<u>343,400</u>	<u>310,982</u>
General		
Fundraising - bike rally (note 8)	462,859	378,503
Administration	213,054	183,262
Fundraising and development	154,077	177,516
Communications	90,437	88,438
Committee for Accessible AIDS Treatments	104,200	101,500
Toronto community planning initiative	95,847	50,000
POZ prevention resource material	55,160	15,000
OHTN workshop and symposium fund	2,291	4,519
Administration - office relocation	68,176	-
	<u>1,246,101</u>	<u>998,738</u>
	<u>2,663,752</u>	<u>2,318,881</u>
Excess (deficiency) of revenue over expenses	<u>\$ 281,325</u>	<u>\$ (19,717)</u>

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 2009	Total 2008
Net assets, beginning of year	\$ 39,493	\$ 381,500	\$ 37,667	\$ 458,660	\$ 478,377
Excess (deficiency) of revenue over expenses	(54,973)	-	336,298	281,325	(19,717)
Transfer of leasehold allowance for leasehold additions	225,000	-	(225,000)	-	-
Transfer of bequest for leasehold improvements	177,500	(177,500)	-	-	-
Transfer of landlord contribution for leasehold improvements	75,000	-	(75,000)	-	-
Transfer of operating surplus for remaining property additions	152,449	-	(152,449)	-	-
Net assets, end of year	\$ 614,469	\$ 204,000	\$ (78,484)	\$ 739,985	\$ 458,660

See accompanying notes

TORONTO PEOPLE WITH AIDS FOUNDATION

Statement of Cash Flows

Year ended March 31

	2009	2008
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 281,325	\$ (19,717)
Items not involving cash		
Amortization	54,973	38,099
Donated shares	(27,253)	-
	<hr/>	<hr/>
	309,045	18,382
	<hr/>	<hr/>
Net change in non-cash working capital items		
Accounts receivable	40,021	(59,656)
Leasehold allowance receivable	(225,000)	-
Prepaid expenses	(40,535)	(8,572)
Accounts payable and accrued liabilities	(23,727)	61,506
	<hr/>	<hr/>
	(249,241)	(6,722)
	<hr/>	<hr/>
Cash flows from operating activities	59,804	11,660
	<hr/>	<hr/>
Financing activities		
Leasehold improvement allowance	225,000	-
Deferred contributions	(52,370)	49,321
	<hr/>	<hr/>
Cash flows from financing activities	172,630	49,321
	<hr/>	<hr/>
Investing activities		
Proceeds on disposal of investments	683,689	(15,786)
Purchase of investments	(398,356)	-
Purchase of property and equipment	(629,949)	(9,309)
	<hr/>	<hr/>
Cash flows from investing activities	(344,616)	(25,095)
	<hr/>	<hr/>
Net change in cash during the year	(112,182)	35,886
Cash, beginning of year	180,037	144,151
	<hr/>	<hr/>
Cash, end of year	\$ 67,855	\$ 180,037

See accompanying notes

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements
Year ended March 31, 2009

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 the 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 the 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 the programs to ensure that they are best serving the clients' needs.

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2009

1. Organizational background, mission statement and income tax status — continued

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.

2. Objectives, policies and processes for managing capital

PWA's capital is comprised of the net assets invested in property and equipment, internally restricted funds and unrestricted funds.

The board invests in the property and equipment in order to promote the health and well being of all people living with HIV/AIDS and to provide accessible, direct and practical support services. The board authorizes the funds based on the recommendation from the finance committee.

Internally restricted funds are set aside by board resolution to provide for special requirements and their objectives are described in Note 3 Summary of Significant Accounting Policies. The funds are not required in the short term. The Director, Finance and Administration invests their balances in accordance with board policy, which allows that they be held in short-term, low risk and highly liquid financial instruments.

The finance committee reviews the annual budget and cash flow forecast (which includes the property and equipment requirements) and determines the working capital needs for the year. Throughout the year, the Director, Finance and Administration monitors the actual results against the forecast and notifies the finance committee and the board when changes to plans are required. It is the opinion of the board that the amount of the unrestricted fund balance is appropriate for the current needs of PWA.

3. 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.

Short-term investments

Short-term investments consist of guaranteed investment certificates bearing interest at rates of 3.96% and 5.01% with maturity dates of April 30, 2009 and September 21, 2009.

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 was internally restricted by the Board for future initiatives. In fiscal 2009, \$177,500 was approved by the Board to be used for the office relocation.

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2009

3. Summary of significant accounting policies — continued

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 10).

Financial instruments

PWA's financial instruments consist of cash, accounts receivable, short-term investments, accounts payable and leasehold improvement allowance.

The carrying value of PWA's cash, accounts receivable, short-term investments, and accounts payable approximate fair value due to their short-term maturities.

The leasehold improvement allowance is carried at amortized cost using the effective interest rate method.

Future accounting standards change

The Canadian Institute of Chartered Accountants has issued the following Accounting Handbook Sections which PWA will be required to adopt effective fiscal 2010. The adoption of the new standards is not expected to have a material impact on the financial statements.

Section 1540, Cash Flow Statement, relates to changes in the presentation of the cash flow statement.

Section 4470, Disclosure of Allocated Expenses for Not-for-Profit Organizations, requires entities to disclose its policy on the allocation of fundraising and general support expenses including the nature of the expenses, the basis of allocation and the amounts allocated.

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements
Year ended March 31, 2009

4. Property and equipment

	2009		2008	
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 67,275	\$ 55,965	\$ 11,310	\$ 18,229
Furniture and fixtures	95,377	8,652	86,725	18,242
Leasehold improvements	534,242	17,808	516,434	3,022
	<u>\$ 696,894</u>	<u>\$ 82,425</u>	<u>\$ 614,469</u>	<u>\$ 39,493</u>

5. Leasehold improvement allowance

PWA moved to a new office in December 2008. On May 1, 2009, the landlord advanced PWA \$225,000 as a leasehold improvement allowance. This long-term loan bears interest at an annual rate of 8%. The amortization period is from May 1, 2009 to November 30, 2018.

	2009	2008
Leasehold improvement allowance	\$ 225,000	\$ -
Less: current portion	13,832	-
	<u>\$ 211,168</u>	<u>\$ -</u>

Minimum principal repayments required over the next five years and subsequently are as follows:

2010	\$ 13,832
2011	17,837
2012	19,292
2013	20,866
2014	22,569
Subsequent years	<u>130,604</u>
	<u>\$ 225,000</u>

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2009

6. 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:

	2009	2008
Bike rally (contributions for next year)	\$ 131,588	\$ 154,715
Ontario Ministry of Health - AIDS Bureau - 05/06 Capital	-	21,253
Public Health Agency of Canada - Ontario Region - 04/05 Capital	-	5,200
City of Toronto - AIDS Prevention Community Investment Program	14,494	14,284
Rotary Club - restricted donation for vehicle purchase	5,000	-
Treatment Resources	-	8,000
	<u>\$ 151,082</u>	<u>\$ 203,452</u>

7. Grants

	2009	2008
Ontario Ministry of Health - AIDS Bureau	\$ 500,941	\$ 458,191
Ontario Ministry of Health - AIDS Bureau - Committee for Accessible AIDS Treatment	104,200	101,500
Ontario Ministry of Health - AIDS Bureau (one time grants less amounts deferred to later fiscal years)	219,596	63,000
Ontario Ministry of Health and Long-Term Care (base subsidy)	81,084	79,300
Ontario Ministry of Health and Long-Term Care (one time grant)	-	767
Public Health Agency of Canada - Ontario Region (Appendix 1)	223,580	162,000
Public Health Agency of Canada - Ontario Region (one time grant less amounts deferred to later fiscal years)	5,200	2,426
City of Toronto - AIDS Prevention Community Investment Program	57,766	57,737
City of Toronto - Community Service Partnership	27,675	27,130
Government of Canada HRSDC Canada Summer Jobs	4,678	3,132
OHTN Workshop and Symposium Fund	-	12,000
	<u>\$ 1,224,720</u>	<u>\$ 967,183</u>

8. Bike rally - net revenue

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

	2009	2008
Revenue	\$ 1,214,627	\$ 829,282
Expenses	<u>(462,859)</u>	<u>(378,503)</u>
	<u>\$ 751,768</u>	<u>\$ 450,779</u>

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2009

9. Financial assistance contributions

PWA provides financial assistance to people living with HIV/AIDS. Monies received from the Community Partners fund and Positive Support 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:

	2009	2008
Positive Support fund - Ontario AIDS Network	\$ 10,790	\$ 46,348
Community Partners fund - AIDS Committee of Toronto	7,500	15,000
Community fundraising, special events and donations	10,201	11,142
	<u>\$ 28,491</u>	<u>\$ 72,490</u>

10. Donated goods and services

The fair value of goods and services donated to PWA in 2009 was \$25,146 (2008 - \$22,072) 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 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 contributions 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.

11. Commitment

PWA leases office space under an operating lease which expires on November 30, 2018. The minimum annual lease payments required in the next five years are as follows:

2010	\$ 207,900
2011	207,900
2012	207,900
2013	207,900
2014	214,200
	<u>\$ 1,045,800</u>

12. Financial instruments

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

TORONTO PEOPLE WITH AIDS FOUNDATION

Appendix 1 - Grant Schedules

Year ended March 31, 2009

Schedule of Revenue and Expenses

AIDS Community Action Program (ACAP) funded by Public Health Agency of Canada - Ontario region

6963-06-2002-4480435 Food For Life

	Budget 2008/2009	Actual 2008/2009
Revenue		
Public Health Agency of Canada - ACAP	\$ 110,000	\$ 110,000
Expenses		
Personnel	75,000	75,000
Materials	30,000	30,000
Rent and utilities	5,000	5,000
	110,000	110,000
Excess of revenue over expenses for the year	\$ -	\$ -

Schedule of Revenue and Expenses

AIDS Community Action Program (ACAP) funded by Public Health Agency of Canada - Ontario region

6973-06-2002-4480437 Volunteer

	Budget 2008/2009	Actual 2008/2009
Revenue		
Public Health Agency of Canada - ACAP	\$ 102,500	\$ 102,500
Expenses		
Personnel	66,328	66,328
Materials	12,500	12,394
Equipment	12,500	12,606
Rent and utilities	11,172	11,172
	102,500	102,500
Excess of revenue over expenses for the year	\$ -	\$ -

Schedule of Revenue and Expenses

PHA Engagement in POZ Prevention for Gay Men funded by Public Health Agency of Canada - Ontario region

6963-06-2008-4480469 POZ Prevention

	Budget 2008/2009	Actual 2008/2009
Revenue		
Public Health Agency of Canada	\$ 18,802	\$ 18,802
Expenses		
Personnel	15,837	8,125
Equipment	2,500	2,490
Rent and utilities	465	465
	18,802	11,080
Excess of revenue over expenses for the year	\$ -	\$ 7,722