



Financial Statements

Toronto People with AIDS Foundation

March 31, 2011

TORONTO PEOPLE WITH AIDS FOUNDATION
2011 Financial Statements

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Independent Auditor's Report

To the Members of
Toronto People with AIDS Foundation

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We have audited the accompanying financial statements of Toronto People with AIDS Foundation, which comprise the statement of financial position as at March 31, 2011, and the statements of operations, changes in net assets 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 generally accepted accounting principles, 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-profit organizations, the Organization derives revenue from donations from the public, 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 otherwise be necessary to revenues, excess (deficiency) of revenue over expenses, assets and net assets.

Qualified opinion

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of Toronto People with AIDS Foundation as at March 31, 2011, and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
June 23, 2011

TORONTO PEOPLE WITH AIDS FOUNDATION
Statement of Financial Position
As at March 31

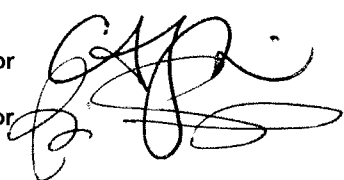
	2011	2010
ASSETS		
Current assets		
Cash	\$ 187,476	\$ 140,729
Short-term investments	362,649	358,368
Accounts receivable	95,346	68,094
Prepaid expenses	55,964	69,841
	<hr/>	<hr/>
	701,435	637,032
Property and equipment (note 4)	521,208	586,659
	<hr/>	<hr/>
	\$ 1,222,643	\$ 1,223,691
<hr/>		
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 64,320	\$ 75,671
Current portion of leasehold improvement allowance (note 5)	19,292	17,837
	<hr/>	<hr/>
	83,612	93,508
Leasehold improvement allowance (note 5)	174,040	193,331
Deferred contributions (note 6)	259,912	240,621
	<hr/>	<hr/>
	517,564	527,460
Net assets		
Invested in property and equipment	327,876	375,491
Internally restricted for organizational development	204,000	204,000
Unrestricted	173,203	116,740
	<hr/>	<hr/>
	705,079	696,231
	<hr/>	<hr/>
	\$ 1,222,643	\$ 1,223,691
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See accompanying notes

On behalf of the Board

Director

Director



TORONTO PEOPLE WITH AIDS FOUNDATION

Statement of Operations

Year ended March 31

	2011	2010
Revenue		
Grants (note 7)	\$ 1,347,853	\$ 1,254,457
Fundraising and donations - bike rally (note 8)	1,233,350	952,252
Fundraising and donations - general	367,092	378,919
Administrative fees, honoraria and other	48,290	33,340
Financial assistance contributions	16,170	28,340
Investment income	5,740	11,074
Total revenue	3,018,495	2,658,382
Expenses		
Program expenses		
Client services		
General programs	231,205	129,951
Benefits and assistance income support	222,748	232,002
Food for Life meal delivery program	150,719	228,911
Food programs	143,584	136,977
Treatment programs	142,081	120,001
Long-term care health promotion	136,144	118,207
Volunteer services	101,228	108,418
POZ Prevention	94,940	76,229
Education - Speakers bureau	90,304	78,791
	1,312,953	1,229,487
Financial assistance		
Medical assistance	115,533	92,345
Medical disability	38,350	26,050
Family holiday gift certificates	8,720	1,350
Positive Seniors fund	6,600	3,800
Positive Children fund	5,200	4,800
	174,403	128,345
Total program expenses	1,487,356	1,357,832
Other expenses		
Community Partners (note 7)		
Committee for Accessible AIDS Treatments	211,244	185,774
Toronto HIV/AIDS Network	150,709	125,373
CHIME Research Study	30,482	-
Latinos Positivos	28,361	1,874
Criminal Law & HIV Exposure	1,488	2,440
	422,284	315,461
General		
Fundraising - bike rally (note 8)	447,809	412,630
Administration	356,461	334,245
Fundraising and development	171,465	185,991
Communications	124,272	95,977
Total other expenses	1,100,007	1,028,843
Total expenses	3,009,647	2,702,136
Excess (deficiency) of revenue over expenses	\$ 8,848	\$ (43,754)

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 2011	Total 2010
Net assets, beginning of year	\$ 375,491	\$ 204,000	\$ 116,740	\$ 696,231	\$ 739,985
Excess (deficiency) of revenue over expenses	(93,207)	-	102,055	8,848	(43,754)
Repayment of leasehold improvement allowance	17,837	-	(17,837)	-	-
Purchase of property and equipment	27,755	-	(27,755)	-	-
Net assets, end of year	\$ 327,876	\$ 204,000	\$ 173,203	\$ 705,079	\$ 696,231

See accompanying notes

TORONTO PEOPLE WITH AIDS FOUNDATION
Statement of Cash Flows
Year ended March 31

	2011	2010
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 8,848	\$ (43,754)
Items not involving cash		
Amortization	93,207	81,144
Realized gain on short-term investments	(375)	(551)
Unrealized gain on short-term investments	(443)	(777)
	<u>101,237</u>	<u>36,062</u>
Net change in non-cash working capital items		
Accounts receivable	(27,252)	(11,243)
Leasehold allowance receivable	-	225,000
Prepaid expenses	13,877	318
Accounts payable and accrued liabilities	(11,354)	(40,728)
	<u>(24,729)</u>	<u>173,347</u>
Cash flows from operating activities	<u>76,508</u>	<u>209,409</u>
Financing activities		
Deferred contributions	19,291	89,539
Repayment of leasehold improvement allowance	(17,836)	(13,832)
Cash flows from financing activities	<u>1,455</u>	<u>75,707</u>
Investing activities		
Proceeds on disposal of short-term investments	407,375	352,470
Purchase of short-term investments	(410,836)	(511,378)
Purchase of property and equipment	(27,755)	(53,334)
Cash flows from investing activities	<u>(31,216)</u>	<u>(212,242)</u>
Net change in cash during the year	46,747	72,874
Cash, beginning of year	140,729	67,855
Cash, end of year	<u>\$ 187,476</u>	<u>\$ 140,729</u>

See accompanying notes

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2011

1. Organizational background, mission statement and income tax status

Toronto People with AIDS Foundation ("PWA") is a non-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

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.

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.

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2011

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 of directors (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.

Property and equipment

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

Vehicles	5 years
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 and grants are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2011

3. Summary of significant accounting policies — continued

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 9).

Allocation of expenses

PWA allocates a portion of administrative and overhead shared expenses to various programs. Allocation of expenses is on the following basis:

- (1) Occupancy costs (rent/utilities) - based on square footage used for each program
- (2) Amortization expense - based on number of program staff and required usage of computers, furniture and fixtures and a portion of leasehold improvements
- (3) General administrative expenses - based on number of program staff and program anticipated needs

The details of the allocation are in note 10. The basis of expense allocation is consistent with the prior year.

Financial instruments

The Canadian Institute of Chartered Accountants provides a choice for financial instruments disclosure and PWA has chosen to continue to apply Financial instruments - Disclosure and Presentation, Section 3861 in place of Financial Instruments - Disclosure, Section 3862 and Financial instruments - Presentation, Section 3863.

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

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

Short-term investments consist of money market funds and guaranteed investment certificates bearing interest at rates between 1.65% and 1.8% (2010 - 1.3% and 1.41%), maturing from September, 2011 to December 2011. Short-term investments are valued at the lower of cost and fair market value. Both realized and unrealized gains and losses are included with investment income in the statement of operations.

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

Future accounting standards

The Canadian Accounting Standards Board has issued new accounting standards for non-profit organizations effective for fiscal years beginning on or after January 1, 2012, with early adoption permitted. Management is assessing the impact of these new standards on the financial statements of PWA.

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2011

4. Property and equipment

	Cost	2011 Accumulated amortization	Net	2010 Net
Vehicles	\$ 19,793	\$ 4,619	\$ 15,174	\$ 19,133
Computer equipment	58,687	22,931	35,756	28,346
Furniture and fixtures	110,898	50,206	60,692	76,170
Leasehold improvements	534,242	124,656	409,586	463,010
	<u>\$ 723,620</u>	<u>\$ 202,412</u>	<u>\$ 521,208</u>	<u>\$ 586,659</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.

	2011	2010
Leasehold improvement allowance	\$ 193,332	\$ 211,168
Less: current portion	<u>19,292</u>	<u>17,837</u>
	<u>\$ 174,040</u>	<u>\$ 193,331</u>

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

2012	\$ 19,292
2013	20,866
2014	22,569
2015	24,411
2016	26,403
Subsequent years	<u>79,791</u>
	<u>\$ 193,332</u>

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:

	2011	2010
Bike rally (contributions for next year)	\$ 202,843	\$ 186,201
Ontario Ministry of Health - AIDS Bureau	23,859	10,332
City of Toronto - Community Service Partnership	-	11,295
City of Toronto - AIDS Prevention Community Investment Program	14,965	15,247
Ontario AIDS Network	8,245	12,546
Treatment Resources	<u>10,000</u>	<u>5,000</u>
	<u>\$ 259,912</u>	<u>\$ 240,621</u>

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2011

7. Grants

	2011	2010
Ontario Ministry of Health - AIDS Bureau	\$ 525,689	\$ 525,711
Ontario Ministry of Health - AIDS Bureau - Committee for Accessible AIDS Treatment	106,610	106,610
Ontario Ministry of Health - AIDS Bureau (one time grants less amounts deferred to later fiscal years)	193,858	129,685
Ontario Ministry of Health and Long-Term Care (base subsidy)	84,566	82,908
Public Health Agency of Canada - Ontario Region (supplementary schedules)	327,000	316,000
City of Toronto - AIDS Prevention Community Investment Program	60,141	60,235
City of Toronto - Community Service Partnership	28,795	28,230
City of Toronto - CAAT Newcomers Program	15,693	-
Government of Canada HRSDC Canada Summer Jobs	5,501	5,078
	<u>\$ 1,347,853</u>	<u>\$ 1,254,457</u>

PWA is the sponsoring agency for various Community Partners from which PWA reported total revenue of \$413,356 (2010 - \$313,267). Of this amount, grant revenue totals \$345,447 (2010 - \$285,759) and is reported above. PWA's Executive Director or PWA's Director, Programs and Services participate in governance roles on these Community Partners programs.

8. Bike rally - net revenue

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

	2011	2010
Revenue	\$ 1,233,350	\$ 952,252
Expenses	(447,809)	(412,630)
	<u>\$ 785,541</u>	<u>\$ 539,622</u>

9. Donated goods and services

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 groceries 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 groceries are not reflected as donated goods and services revenue due to the difficulty in establishing the fair market value of these goods and services.

In 2011, donated goods and services for which a fair value could be established amounted to \$19,669 (2010 - \$8,693). This is not reflected as revenue for the year as it represents items not ordinarily purchased by PWA.

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.

TORONTO PEOPLE WITH AIDS FOUNDATION

Notes to Financial Statements

Year ended March 31, 2011

10. Allocation of expenses

Program	Occupancy costs (rent/utilities)	Amortization expense	General administrative expenses	2011 Total	2010 Total
General client services	\$ 24,000	\$ 11,900	\$ 10,000	\$ 45,900	\$ 37,155
Benefits and assistance	24,000	11,900	8,000	43,900	44,736
Food	40,000	11,400	5,000	56,400	43,787
Food for Life	15,000	11,400	3,000	29,400	25,183
Health promotion	12,000	9,300	8,000	29,300	22,393
POZ Prevention	6,000	2,300	4,000	12,300	5,580
Speakers bureau	6,000	2,300	4,000	12,300	8,881
Treatment	12,000	4,600	4,000	20,600	17,762
Volunteer services	12,000	2,300	4,000	18,300	16,472
	<u>\$ 151,000</u>	<u>\$ 67,400</u>	<u>\$ 50,000</u>	<u>\$ 268,400</u>	<u>\$ 221,949</u>

11. Lease 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:

2012	\$ 207,900
2013	207,900
2014	214,200
2015	226,800
2016	226,800
	<u>\$ 1,083,600</u>

12. Financial instruments

PWA has the following risks associated with its financial instruments:

Credit risk

PWA does not consider credit risks on its accounts receivable to be significant given the nature of PWA's sources of revenue.

Interest rate risk

PWA is exposed to interest rate risk on its short-term investments when the value of these financial instruments fluctuate due to changes in market interest rates.

13. Comparative amounts

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2011 financial statements.

TORONTO PEOPLE WITH AIDS FOUNDATION
Supplementary Schedules
Year ended March 31, 2011

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 2010/2011	Actual 2010/2011
Revenue		
Public Health Agency of Canada - ACAP	\$ 83,000	\$ 83,000
Expenses		
Personnel	59,319	59,319
Materials	18,092	18,092
Rent/Utilities	5,589	5,589
	83,000	83,000
Excess (deficiency) 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 2010/2011	Actual 2010/2011
Revenue		
Public Health Agency of Canada - ACAP	\$ 83,000	\$ 83,000
Expenses		
Personnel	59,569	59,569
Materials	12,259	12,259
Rent/Utilities	11,172	11,172
	83,000	83,000
Excess (deficiency) 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 2010/2011	Actual 2010/2011
Revenue		
Public Health Agency of Canada	\$ 78,000	\$ 78,000
Expenses		
Personnel	68,420	68,420
Materials	4,000	4,000
Rent/Utilities	5,580	5,580
	78,000	78,000
Excess (deficiency) of revenue over expenses for the year	\$ -	\$ -

See accompanying notes

TORONTO PEOPLE WITH AIDS FOUNDATION
Supplementary Schedules - continued
Year ended March 31, 2011

Schedule of Revenue and Expenses

Committee for Accessible AIDS Treatment Legacy Project funded by Public Health Agency of Canada - Ontario region

6963-06-2008-4480491 Legacy Project

	Budget 2010/2011	Actual 2010/2011
Revenue		
Public Health Agency of Canada	\$ 83,000	\$ 83,000
Expenses		
Personnel	48,200	48,200
Travel	1,800	1,800
Materials	19,500	19,500
Equipment	1,500	1,500
Rent/Utilities	7,200	7,200
Evaluation	2,000	2,000
Other (PWA sponsorship fee of 3.4%)	2,800	2,800
	83,000	83,000
Excess (deficiency) of revenue over expenses for the year	\$ -	\$ -