



Financial Statements

Toronto People with AIDS Foundation

March 31, 2014

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# Independent Auditor's Report

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To the Members of  
Toronto People with AIDS Foundation

We have audited the accompanying financial statements of Toronto People with AIDS Foundation, which comprise the statement of financial position as at March 31, 2014, 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 accounting standards for not-for-profit organizations, 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 not-for-profit organizations, the Foundation 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 Foundation 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, 2014, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Toronto, Canada  
June 23, 2014

*Grant Thornton LLP*

Chartered Accountants  
Licensed Public Accountants

# Toronto People with AIDS Foundation Statement of Financial Position

March 31

2014

2013

## Assets

### Current

Cash	\$ 44,829	\$ 205,739
Short-term investments	116,940	216,616
Accounts receivable	88,729	169,581
Prepaid expenses	<u>75,110</u>	<u>51,115</u>

**325,608**      643,051

Investments	757,555	565,555
Property and equipment (Note 3)	<u>326,860</u>	<u>396,428</u>

**\$ 1,410,023**      **\$ 1,605,034**

## Liabilities and net assets

### Current

Accounts payable and accrued liabilities (Note 4)	\$ 109,559	\$ 154,289
Deferred contributions (Note 5)	<u>199,881</u>	<u>283,176</u>

**309,440**      **437,465**

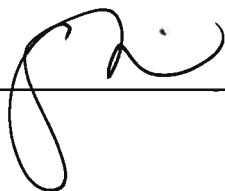
### Net assets

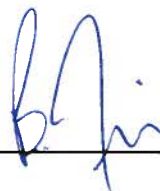
Invested in property and equipment	326,860	396,428
Internally restricted for organizational development	785,543	712,674
Unrestricted	<u>(11,820)</u>	<u>58,467</u>

**1,100,583**      **1,167,569**

**\$ 1,410,023**      **\$ 1,605,034**

On Behalf of the Board of Directors

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

See accompanying notes to the financial statements.

# Toronto People with AIDS Foundation

## Statement of Operations

Year ended March 31	2014	2013
<b>Revenue</b>		
Grants (note 6)	\$ 1,557,727	\$ 1,894,931
Fundraising and donations – bike rally (note 7)	1,490,318	1,311,048
Fundraising and donations – general	397,723	808,849
Administrative fees, honoraria and other	53,770	77,384
Financial assistance contributions	14,409	19,763
Investment income	20,930	15,443
<b>Total revenue</b>	<b>3,534,877</b>	<b>4,127,418</b>
<b>Expenses</b>		
Program expenses		
Client services		
Benefits and assistance income support	253,981	219,537
General programs	210,459	325,887
Therapeutic Care	160,736	149,677
Food programs	185,215	167,463
Treatment programs	143,058	150,810
Circle of Care	111,131	54,313
Community Food Access Project	134,815	113,264
PHA engagement	109,717	102,512
Dreaming and opportunities	99,607	97,446
Community Naturopathic Clinic	89,000	104,078
Holistic engagement	93,010	79,275
	<u>1,590,729</u>	<u>1,564,262</u>
Financial assistance		
Medical assistance	146,524	133,420
Medical disability	43,100	57,640
Positive Seniors fund	10,200	7,000
Family holiday gift certificates	9,000	9,000
Positive Children fund	5,400	4,800
	<u>214,224</u>	<u>211,860</u>
<b>Total program expenses</b>	<b>1,804,953</b>	<b>1,776,122</b>
Other expenses		
Community Partners (note 6)		
Committee for Accessible AIDS Treatments	149,698	322,187
Toronto HIV/AIDS Network	106,117	106,157
Community Circle of Care	89,317	260,895
CHIME Research Study	65,448	103,961
Latinos Positivos	58,066	61,263
THN Opening Doors	41,500	41,615
Peer Leaders (PSTD)	6,119	-
Criminal Law & HIV Exposure	249	-
	<u>516,514</u>	<u>896,078</u>
General		
Fundraising – bike rally (note 7)	547,424	505,265
Administration	383,868	307,097
Fundraising and development	172,217	172,738
Amortization	102,041	105,448
Communications	74,846	74,588
	<u>1,280,396</u>	<u>1,165,136</u>
<b>Total other expenses</b>	<b>1,796,910</b>	<b>2,061,214</b>
<b>Total expenses</b>	<b>3,601,863</b>	<b>3,837,336</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (66,986)</b>	<b>\$ 290,082</b>

See accompanying notes to the financial statements.

# 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	2014 Total	2013 Total
Net assets, beginning of year	\$ 396,428	\$ 712,674	\$ 58,467	\$ 1,167,569	\$ 877,487
Excess (deficiency) of revenue over expenses	(105,087)	-	38,101	(66,986)	290,082
Transfer	-	72,869	(72,869)	-	-
Purchase of property and equipment	35,519	-	(35,519)	-	-
Net assets, end of year	<u>\$ 326,860</u>	<u>\$ 785,543</u>	<u>\$ (11,820)</u>	<u>\$ 1,100,583</u>	<u>\$ 1,167,569</u>

See accompanying notes to the financial statements.

# Toronto People with AIDS Foundation

## Statement of Cash Flows

Year ended March 31

2014

2013

Increase (decrease) in cash

<b>Operating</b>		
Excess (deficiency) of revenue over expenses	\$ (66,986)	\$ 290,082
Items not involving cash		
Amortization	102,041	105,448
Realized gain on short-term investments	(1,831)	-
Unrealized loss (gain) on investments	2,694	(1,893)
	<u>35,918</u>	<u>393,637</u>
Net change in non-cash working capital items		
Accounts receivable	80,852	(15,909)
Prepaid expenses	(23,995)	11,373
Deferred contributions	(83,295)	11,713
Accounts payable and accrued liabilities	(44,730)	21,757
	<u>(71,168)</u>	<u>28,934</u>
	<u>(35,250)</u>	<u>422,571</u>
<b>Financing</b>		
Repayment of leasehold improvement allowance	-	(74,040)
<b>Investing</b>		
Proceeds on disposal of short-term investments	358,558	99,000
Purchase of short-term investments	(451,745)	(309,662)
Proceeds on disposal of property and equipment	3,046	-
Purchase of property and equipment	(35,519)	(65,611)
	<u>(125,660)</u>	<u>(276,273)</u>
Net change in cash during the year	(160,910)	72,258
Cash, beginning of year	<u>205,739</u>	<u>133,481</u>
Cash, end of year	<u>\$ 44,829</u>	<u>\$ 205,739</u>

See accompanying notes to the financial statements.



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# Toronto People with AIDS Foundation

## Notes to the Financial Statements

March 31, 2014

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### 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

PWA engages people living with HIV/AIDS by enhancing their health and well-being through practical and therapeutic support services and broader social change, and by inspiring clients to live into their dreams and discoveries.

#### Statement of philosophy

PWA has an essential philosophy: affirming, community-creating, supportive, concretely helpful, creating space and resources for living as fully as possible. The Strategic Plan developed in 2011 captured the essence of PWA over its first 24 years as a foundation for moving into the future, and highlighting five directions/themes:

##### 1. Capacity Builder

Enhance awareness, resilience, strength, knowledge and skills among people living with HIV/AIDS (PHAs) and the broader community.

##### 2. Welcoming and Healing Space

A space where people experience affirmation, joy and inspiration and have creative and meaningful expressions of our experiences, lives and knowledge.

##### 3. Creative Connector

A vibrant hub that connects people, creates communities and facilitates access to diverse services.

##### 4. Health and Well-being Champion

Champion the self-determination and control over individual health and wellness and the inclusion of PHAs in educating healthcare providers.

##### 5. Practical and Therapeutic Program Delivery

Incorporate the Engagement Cycle and increase the intentionality of therapeutic impacts within the provision of foundational practical support services.

#### Income tax status

PWA is registered as a charitable organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes. Accordingly, no provision has been made in the accounts of PWA for income taxes.

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# Toronto People with AIDS Foundation

## Notes to the Financial Statements

March 31, 2014

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### 2. Summary of significant accounting policies

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), the more significant of which are outlined below.

#### Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 statement of financial position 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 life 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 when such value can be reasonably determined.

#### Revenue recognition

PWA follows the deferral method of accounting for revenue. Restricted contributions and grants are recognized as revenue in the fiscal 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.

#### 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).

#### 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 9. The basis of expense allocation is consistent with the prior year.

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# Toronto People with AIDS Foundation

## Notes to the Financial Statements

March 31, 2014

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### 2. Summary of significant accounting policies (continued)

#### Financial instruments

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

Financial assets or liabilities are initially measured at their fair value. PWA subsequently measures all of its financial assets and financial liabilities at amortized cost except for short-term investments and investments.

Short-term investments and investments consist of money market funds and guaranteed investment certificates bearing interest at rates between 2.25% and 2.91% (2013 - 1.85% and 2.71%), maturing from January 2015 to October 2018. Short-term investments and investments are stated at fair market value. Both realized and unrealized gains and losses are included with investment income in the statement of operations.

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### 3. Property and equipment

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2014 Net Book Value</u>	<u>2013 Net Book Value</u>
Vehicles	\$ 19,793	\$ 19,793	\$ -	\$ 7,257
Computer equipment	62,230	41,437	<b>20,793</b>	29,367
Furniture and fixtures	163,988	111,963	<b>52,025</b>	49,975
Leasehold improvements	<u>542,714</u>	<u>288,672</u>	<b><u>254,042</u></b>	<u>309,829</u>
	<b><u>\$ 788,725</u></b>	<b><u>\$ 461,865</u></b>	<b><u>\$ 326,860</u></b>	<b><u>\$ 396,428</u></b>

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### 4. Government remittances

Included in accounts payable and accrued liabilities are government remittances owing of \$9,490 (2013 - \$6,564) in relation to source deductions owing at year end.

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# Toronto People with AIDS Foundation

## Notes to the Financial Statements

March 31, 2014

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### 5. Deferred contributions

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

	<u>2014</u>	<u>2013</u>
Bike rally (contributions for next year)	\$ 172,687	\$ 237,163
Ontario Ministry of Health - AIDS Bureau	1,693	7,057
City of Toronto - AIDS Prevention Community Investment Program	25,501	35,030
Committee For Assessable AIDS Treatments	-	3,926
	<u>\$ 199,881</u>	<u>\$ 283,176</u>

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### 6. Grants

	<u>2014</u>	<u>2013</u>
Ontario Ministry of Health - AIDS Bureau	\$ 862,696	\$ 772,113
Ontario Ministry of Health - AIDS Bureau – Committee for Accessible AIDS Treatment	89,010	199,810
Ontario Ministry of Health – Aids Bureau – Circle of Care	86,200	315,000
Ontario Ministry of Health - AIDS Bureau (one time grants less amounts deferred to later fiscal years)	5,364	17,290
Ontario Ministry of Health and Long-Term Care (base subsidy)	85,834	85,834
Public Health Agency of Canada - Ontario Region (supplementary schedules)	285,911	347,173
City of Toronto - AIDS Prevention Community Investment Program	72,313	60,262
City of Toronto - Community Service Partnership	29,950	28,795
City of Toronto - Latinos Positivos	29,118	25,050
City of Toronto - CAAT Newcomers Program	11,331	38,684
Government of Canada HRSDC Canada Summer Jobs	-	4,920
	<u>\$ 1,557,727</u>	<u>\$ 1,894,931</u>

PWA is the sponsoring agency for various Community Partners from which PWA reported total revenue of \$524,870 (2013 - \$896,078). Of this amount, grant revenue totals \$428,643 (2013 - \$777,690) and is reported above. PWA's Executive Director or PWA's Director, Programs and Services participate in governance roles for these Community Partners programs.

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# Toronto People with AIDS Foundation

## Notes to the Financial Statements

March 31, 2014

### 7. Bike rally - net revenue

	<u>2014</u>	<u>2013</u>
The net revenue of the bike rally fundraising event is as follows:		
Revenue	\$ 1,490,318	\$ 1,311,048
Expenses	<u>(547,424)</u>	<u>(505,265)</u>
	<u>\$ 942,894</u>	<u>\$ 805,783</u>

### 8. Donated goods and services

A large number of hours are contributed by volunteers who assist in the Essentials Market, act as riders and 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 Essentials Market. 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 fiscal 2014, donated goods and services for which a fair value could be established amounted to \$Nil (2013 - \$Nil). 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.

### 9. Allocation of expenses

Program	Occupancy Costs (rent/utilities)	Amortization expense	General administrative expenses	<u>2014</u>	<u>2013</u>
General client services	\$ 28,000	\$ 11,900	\$ 10,000	\$ 49,900	\$ 49,900
Benefits and assistance	24,000	11,900	8,000	43,900	43,900
Food programs	40,000	11,400	5,000	56,400	56,400
Treatment	14,300	4,600	5,000	23,900	20,600
Therapeutic Care	18,000	9,300	8,000	35,300	35,300
Community food access project	14,300	11,400	5,000	30,700	29,400
PHA Engagement	14,300	4,600	8,000	26,900	24,600
Dreaming and opportunities	14,300	2,300	5,000	21,600	18,300
Holistic engagement	14,300	2,300	5,000	21,600	17,259
Circle of Care	<u>14,300</u>	<u>2,300</u>	<u>5,000</u>	<u>21,600</u>	<u>9,406</u>
	<u>\$ 195,800</u>	<u>\$ 72,000</u>	<u>\$ 64,000</u>	<u>\$ 331,800</u>	<u>\$ 305,065</u>

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# Toronto People with AIDS Foundation

## Notes to the Financial Statements

March 31, 2014

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### 10. 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:

2015	\$	251,500
2016		226,800
2017		233,100
2018		245,700
2019		163,800

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### 11. Financial instruments

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

#### Credit risk

Credit risk is the risk that PWA's debtors will not meet their obligations as they come due. Management does not consider credit risks on its accounts receivable to be significant given the nature of PWA's sources of revenue. The allowance for doubtful accounts in relation to accounts receivable is \$Nil (2013 - \$Nil).

#### Interest rate risk

PWA is exposed to interest rate risk on its investments when the value of these financial instruments fluctuates due to changes in market interest rates. This interest risk is mitigated by PWA investing in instruments which have a low susceptibility to significant fluctuations in market interest rates.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. PWA is exposed to liquidity risk with respect to its accounts payable. PWA reduces its exposure to liquidity risk by ensuring that it documents when authorized payments are due and maintaining adequate cash reserves to repay advances.

#### Other risks

It is management's opinion that PWA is not exposed to significant currency, interest rate cash flow, or market risks arising from its financial instruments.

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# Toronto People with AIDS Foundation

## Supplementary Schedules

Year ended March 31, 2014

### Schedule of Revenue and Expenses

HIV/AIDS Community Development Program funded by Public Health Agency of Canada - Ontario region.

#### **6963-06-2011-6420477 Holistic Engagement**

	<u>Budget</u> <u>2013/2014</u>	<u>Actual</u> <u>2013/2014</u>
Revenue		
Public Health Agency of Canada	\$ 78,597	\$ 78,597
Expenses		
Personnel	61,598	61,598
Rent/Utilities	12,396	12,396
Travel	1,549	1,549
Materials	250	250
Other	2,804	550
	<u>78,597</u>	<u>76,343</u>
Excess of revenue over expenses for the year	<u>\$ -</u>	<u>\$ 2,254</u>

### Schedule of Revenue and Expenses

HIV/AIDS Community Development Program funded by Public Health Agency of Canada - Ontario region

#### **6963-06-2012-4480636 Dreaming & Opportunities Project**

	<u>Budget</u> <u>2013/2014</u>	<u>Actual</u> <u>2013/2014</u>
Revenue		
Public Health Agency of Canada	\$ 83,700	\$ 83,700
Expenses		
Personnel	63,925	63,925
Rent/Utilities	11,400	11,400
Materials	5,800	5,800
Equipment	996	996
Travel	775	775
Other	804	550
	<u>83,700</u>	<u>83,446</u>
Excess of revenue over expenses for the year	<u>\$ -</u>	<u>\$ 254</u>

# Toronto People with AIDS Foundation Supplementary Schedules (continued)

Year ended March 31, 2014

## Schedule of Revenue and Expenses

HIV/AIDS Community Development Program funded by Public Health Agency of Canada - Ontario region

### **6963-06-2012-480537 Community Food Access Project**

	<u>Budget 2013/2014</u>	<u>Actual 2013/2014</u>
Revenue		
Public Health Agency of Canada	\$ 83,247	\$ 83,247
Expenses		
Personnel	60,532	60,532
Rent/Utilities	12,397	12,397
Materials	5,640	5,640
Travel	2,249	2,249
Other	2,429	550
	<u>83,247</u>	<u>81,368</u>
Excess of revenue over expenses for the year	<u>\$ -</u>	<u>\$ 1,879</u>

## Schedule of Revenue and Expenses

HIV/AIDS Community Development Program funded by Public Health Agency of Canada - Ontario region

### **6963-06-2012-4480532 Legacy 2 Project (Walk with us: investing and inspiring...)**

	<u>Budget 2013/2014</u>	<u>Actual 2013/2014</u>
Revenue		
Public Health Agency of Canada	\$ 40,367	\$ 40,367
Expenses		
Personnel	20,807	20,807
Materials	14,541	14,541
Rent/Utilities	4,200	4,200
Travel	819	819
	<u>40,367</u>	<u>40,367</u>
Excess of revenue over expenses for the year	<u>\$ -</u>	<u>\$ -</u>