



Financial Statements

Toronto People with AIDS Foundation

March 31, 2015

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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, 2015, 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. Therefore, we were not able to determine whether any adjustments might otherwise be necessary to revenue, deficiency of revenue over expenses and cash flows for the years ended March 31, 2015 and 2014, assets as at March 31, 2015 and 2014, and net assets as at April 1, 2013, March 31, 2014 and 2015. Our audit opinion on the financial statements for the year ended March 31, 2014 was modified accordingly because of the possible effects of this limitation in scope.

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, 2015, 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 16, 2015



Chartered Accountants
Licensed Public Accountants

Toronto People with AIDS Foundation

Statement of Financial Position

March 31

2015

2014

Assets

Current

Cash	\$ 143,368	\$ 44,829
Short-term investments	37,184	116,940
Accounts receivable	51,052	88,729
Prepaid expenses	<u>30,762</u>	<u>75,110</u>

262,366 325,608

Investments

Investments	566,300	757,555
Property and equipment (Note 3)	<u>262,145</u>	<u>326,860</u>

\$ 1,090,811 \$ 1,410,023

Liabilities and net assets

Current

Accounts payable and accrued liabilities (Note 4)	\$ 75,366	\$ 109,559
Deferred contributions (Note 5)	<u>176,555</u>	<u>199,881</u>

251,921 309,440

Net assets

Invested in property and equipment	262,145	326,860
Internally restricted for organizational development	495,804	785,543
Unrestricted	<u>80,941</u>	<u>(11,820)</u>

838,890 1,100,583

\$ 1,090,811 \$ 1,410,023

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

2015

2014

Revenue		
Grants (Note 6)	\$ 1,277,673	\$ 1,557,727
Fundraising and donations – bike rally (Note 7)	1,040,401	1,490,318
Fundraising and donations – general	376,365	412,132
Administrative fees, honoraria and other	111,181	53,770
Investment income	<u>25,655</u>	<u>20,930</u>
Total revenue	<u>2,831,275</u>	<u>3,534,877</u>
Expenses		
Program expenses		
Client services		
Community access	446,207	531,854
Dreaming and engagement	361,776	413,465
Health and therapeutic care	325,367	249,736
Practical support	<u>456,209</u>	<u>395,674</u>
	<u>1,589,559</u>	<u>1,590,729</u>
Financial assistance		
Health and wellness fund	127,492	146,524
Medical disability	29,450	43,100
Positive Seniors fund	12,000	10,200
Family holiday gift certificates	9,000	9,000
Positive Children fund	<u>3,200</u>	<u>5,400</u>
	<u>181,142</u>	<u>214,224</u>
Total program expenses	<u>1,770,701</u>	<u>1,804,953</u>
Community Partners (Note 6)		
Toronto HIV/AIDS Network	106,117	106,117
THN Opening Doors	41,500	41,500
Latinos Positivos	32,016	58,066
CHIME Research Study	1,266	65,448
Peer Leaders (PSTD)	979	6,119
Committee for Accessible AIDS Treatments	-	149,698
Community Circle of Care	-	89,317
Criminal Law & HIV Exposure	-	<u>249</u>
	<u>181,878</u>	<u>516,514</u>
Total program expenses consolidated (PWA and community partners)	<u>1,952,579</u>	<u>2,321,467</u>
General		
Fundraising – bike rally (Note 7)	471,991	547,424
Administration	359,099	383,868
Fundraising and philanthropy	153,148	172,217
Amortization	88,703	102,041
Communications	<u>67,448</u>	<u>74,846</u>
	<u>1,140,389</u>	<u>1,280,396</u>
Total expenses	<u>3,092,968</u>	<u>3,601,863</u>
Deficiency of revenue over expenses	<u>\$ (261,693)</u>	<u>\$ (66,986)</u>

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	2015 Total	2014 Total
Net assets, beginning of year	\$	326,860	\$ 785,543	\$ (11,820)	\$ 1,100,583	\$ 1,167,569
Deficiency of revenue over expenses		(88,703)	-	(172,990)	(261,693)	(66,986)
Transfer		-	(289,739)	289,739	-	-
Purchase of property and equipment		<u>23,988</u>	<u>-</u>	<u>(23,988)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	\$	<u>262,145</u>	\$ <u>495,804</u>	<u>80,941</u>	<u>\$ 838,890</u>	<u>\$ 1,100,583</u>

See accompanying notes to the financial statements.

Toronto People with AIDS Foundation

Statement of Cash Flows

Year ended March 31

2015

2014

Increase (decrease) in cash

Operating		
Deficiency of revenue over expenses	\$ (261,693)	\$ (66,986)
Items not involving cash		
Amortization	88,703	102,041
Realized loss (gain) on short-term investments	718	(1,831)
Unrealized loss (gain) on investments	(54)	2,694
	<u>(172,326)</u>	<u>35,918</u>
Net change in non-cash working capital items		
Accounts receivable	37,677	80,852
Prepaid expenses	44,348	(23,995)
Deferred contributions	(23,326)	(83,295)
Accounts payable and accrued liabilities	(34,193)	(44,730)
	<u>24,506</u>	<u>(71,168)</u>
	<u>(147,820)</u>	<u>(35,250)</u>
Investing		
Proceeds on disposal of short-term investments	289,671	358,558
Purchase of short-term investments	(19,324)	(451,745)
Proceeds on disposal of property and equipment	-	3,046
Purchase of property and equipment	(23,988)	(35,519)
	<u>246,359</u>	<u>(125,660)</u>
Net change in cash during the year	98,539	(160,910)
Cash, beginning of year	<u>44,829</u>	<u>205,739</u>
Cash, end of year	<u>\$ 143,368</u>	<u>\$ 44,829</u>

See accompanying notes to the financial statements.

Toronto People with AIDS Foundation

Notes to the Financial Statements

March 31, 2015

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 fiscal 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.

Toronto People with AIDS Foundation

Notes to the Financial Statements

March 31, 2015

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 ASNPO 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 fiscal 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. Investment and other income is recognized as earned.

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 fiscal year.

Toronto People with AIDS Foundation

Notes to the Financial Statements

March 31, 2015

2. Summary of significant accounting policies (continued)

Financial instruments

PWA's financial instruments consist of cash, short-term investments, accounts receivable, investments, 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 consist of money market funds and investments consist of guaranteed investment certificates bearing interest at rates between 2.55% and 2.91% (2014 - 2.25% and 2.91%), maturing from January 2017 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.

3. Property and equipment

			<u>2015</u>	<u>2014</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Vehicles	\$ 19,793	\$ 19,793	\$ -	\$ -
Computer equipment	47,967	25,772	22,195	20,793
Furniture and fixtures	71,591	34,866	36,725	52,025
Leasehold improvements	<u>548,834</u>	<u>345,609</u>	<u>203,225</u>	<u>254,042</u>
	<u>\$ 688,185</u>	<u>\$ 426,040</u>	<u>\$ 262,145</u>	<u>\$ 326,860</u>

4. Government remittances

Included in accounts payable and accrued liabilities are government remittances owing of \$6,224 (2014 - \$9,490) in relation to source deductions owing at year end.

Toronto People with AIDS Foundation

Notes to the Financial Statements

March 31, 2015

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>2015</u>	<u>2014</u>
Bike rally (contributions for next fiscal year)	\$ 175,970	\$ 172,687
Ontario Ministry of Health - AIDS Bureau	585	1,693
City of Toronto - AIDS Prevention Community Investment Program	-	25,501
	<u>\$ 176,555</u>	<u>\$ 199,881</u>

6. Grants

	<u>2015</u>	<u>2014</u>
Ontario Ministry of Health - AIDS Bureau	\$ 862,696	\$ 862,696
Ontario Ministry of Health - AIDS Bureau - Circle of Care	-	86,200
Ontario Ministry of Health - AIDS Bureau - Committee for Accessible AIDS Treatment	-	89,010
Ontario Ministry of Health - AIDS Bureau (one time grants less amounts deferred to later fiscal years)	1,107	5,364
Ontario Ministry of Health - AIDS Bureau (prior year recovery 2012/2013 Latinos Positivos)	(429)	-
Ontario Ministry of Health and Long-Term Care (base subsidy)	85,834	85,834
Public Health Agency of Canada - Ontario Region (supplementary schedules)	245,544	285,911
City of Toronto - AIDS Prevention Community Investment Program	45,979	72,313
City of Toronto - Community Service Partnership	30,610	29,950
City of Toronto - Latinos Positivos	6,332	29,118
City of Toronto - CAAT Newcomers Program	-	11,331
	<u>\$ 1,277,673</u>	<u>\$ 1,557,727</u>

PWA is the sponsoring agency for various Community Partners from which PWA reported total revenue of \$183,071 (2014 - \$524,870). Of this amount, grant revenue totals \$178,520 (2014 - \$428,643) and is reported above. PWA's Executive Director or PWA's Director, Programs and Services participate in governance roles for these Community Partners programs.

Toronto People with AIDS Foundation

Notes to the Financial Statements

March 31, 2015

7. Bike rally - net revenue

	<u>2015</u>	<u>2014</u>
The net revenue of the bike rally fundraising event is as follows:		
Revenue	\$ 1,040,401	\$ 1,490,318
Expenses	<u>(471,991)</u>	<u>(547,424)</u>
	<u>\$ 568,410</u>	<u>\$ 942,894</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 2015, donated goods and services for which a fair value could be established amounted to \$Nil (2014 - \$Nil). This is not reflected as revenue for the fiscal 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

	Occupancy Costs (rent/utilities)	Amortization expense	General administrative expenses	<u>2015</u>	<u>2014</u>
Community access					
Benefits and assistance	\$ 24,000	\$ 11,900	\$ 8,000	\$ 43,900	\$ 43,900
Community food access	16,486	11,400	5,000	32,886	30,700
Treatment	<u>14,300</u>	<u>4,600</u>	<u>5,000</u>	<u>23,900</u>	<u>23,900</u>
	<u>54,786</u>	<u>27,900</u>	<u>18,000</u>	<u>100,686</u>	<u>98,500</u>
Dreaming and engagement					
Dreaming and opportunities	15,550	2,300	5,000	22,850	21,600
PHA Engagement	14,300	4,600	8,000	26,900	26,900
Holistic engagement	16,486	2,300	5,000	23,786	21,600
Circle of Care	<u>14,300</u>	<u>2,300</u>	<u>5,000</u>	<u>21,600</u>	<u>21,600</u>
	<u>60,636</u>	<u>11,500</u>	<u>23,000</u>	<u>95,136</u>	<u>91,700</u>
Health and therapeutic care					
Therapeutic care	18,000	9,300	8,000	35,300	35,300
Health champion	<u>14,300</u>	<u>4,600</u>	<u>5,000</u>	<u>23,900</u>	-
	<u>32,300</u>	<u>13,900</u>	<u>13,000</u>	<u>59,200</u>	<u>35,300</u>

Toronto People with AIDS Foundation

Notes to the Financial Statements

March 31, 2015

9. Allocation of expenses (continued)

Practical support					
Service navigation and client services	28,000	11,900	10,000	49,900	49,900
Food programs	40,000	11,400	5,000	56,400	56,400
	<u>68,000</u>	<u>23,300</u>	<u>15,000</u>	<u>106,300</u>	<u>106,300</u>
	<u>\$ 215,722</u>	<u>\$ 76,600</u>	<u>\$ 69,000</u>	<u>\$ 361,322</u>	<u>\$ 331,800</u>

10. Lease commitment

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

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

11. Planned giving and bequests (major gifts)

PWA Board of Directors (the "Board") are informed of all planned giving Major Gifts outstanding which will provide funding to future fiscal periods. Once the funds are received, the Board has an opportunity to approve and restrict funds for Priority Resource Support, Capacity Building, Organizational Development and expanded Programming needs. At March 31, 2015, there are two major gifts outstanding (Bequests from two Estates) with no formal confirmation of the amounts to be received and timing of payment.

12. Group Registered Retirement Savings Plan (RRSP)

After completion of 12 months of employment, all full-time permanent employees working a minimum of 20 hours per week for PWA, are eligible to participate in the Group Registered Retirement Savings Plan (RRSP) administered by the Investors Group. The Employer's contribution is 2% of employee's gross earnings, and the Employee's contribution is a matching amount, or greater. 15 employees are registered in the Group RRSP as at March 31, 2015. Total Employer RRSP contributions for the fiscal year 2015 was \$16,859 (2014 - \$17,412).

13. 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.

Toronto People with AIDS Foundation

Notes to the Financial Statements

March 31, 2015

13. Financial instruments (continued)

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 (2014 - \$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.

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.

Toronto People with AIDS Foundation Supplementary Schedules

Year ended March 31, 2015

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 2014/2015</u>	<u>Actual 2014/2015</u>
Revenue		
Public Health Agency of Canada	\$ 84,276	\$ 84,276
Expenses		
Personnel	58,360	59,424
Rent/Utilities	15,296	16,486
Travel	1,560	1,560
Materials	7,210	7,210
Evaluation	1,250	1,250
Other	600	600
	<u>84,276</u>	<u>86,530</u>
Deficiency 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 2014/2015</u>	<u>Actual 2014/2015</u>
Revenue		
Public Health Agency of Canada	\$ 81,635	\$ 81,635
Expenses		
Personnel	58,360	58,360
Rent/Utilities	15,296	15,550
Materials	5,110	5,110
Evaluation	1,250	1,250
Travel	1,019	1,019
Other	600	600
	<u>81,635</u>	<u>81,889</u>
Deficiency of revenue over expenses for the year	<u>\$ -</u>	<u>\$ (254)</u>

Toronto People with AIDS Foundation Supplementary Schedules (continued)

Year ended March 31, 2015

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

	Budget 2014/2015	Actual 2014/2015
Revenue		
Public Health Agency of Canada	\$ 79,633	\$ 79,633
Expenses		
Personnel	58,360	59,049
Rent/Utilities	15,296	16,486
Materials	3,495	3,495
Travel	632	632
Evaluation	1,250	1,250
Other	600	600
	<u>79,633</u>	<u>81,512</u>
Deficiency of revenue over expenses for the year	\$ -	\$ (1,879)

Ministry of Health and Long-term care

AIDS Bureau program funding reconciliation

	Community Based Education and Support (CBAESP)	Toronto HIV/AIDS Network (THN)	2015 Total
Revenue			
Grant	\$ 715,079	\$ 147,617	\$ 862,696
Expenses			
Salaries and wages	440,419	75,465	515,884
Benefits	55,734	2,622	58,356
	<u>496,153</u>	<u>78,087</u>	<u>574,240</u>
Rent and utilities	72,706	3,000	75,706
Supplies and program expenses	28,520	25,030	53,550
Protected allocations	5,000	-	5,000
	<u>106,226</u>	<u>28,030</u>	<u>134,256</u>
Other - Latinos Positivos	25,000	-	25,000
Other - Circle of Care	87,700	-	87,700
Other - Opening Doors	-	41,500	41,500
	<u>112,700</u>	<u>41,500</u>	<u>154,200</u>
Unspent portion repayable to Ministry of Health	\$ -	\$ -	\$ -