

**THE AIDS COMMITTEE
OF YORK REGION INC.**

REPORT AND FINANCIAL STATEMENTS

MARCH 31, 2009



THE AIDS COMMITTEE OF YORK REGION INC.

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DAURIO & FRANKLIN LLP
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Directors of
The Aids Committee of York Region Inc.

We have audited the statement of financial position of The Aids Committee of York Region Inc. as at March 31, 2009 and the statement of operations and fund balances for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained 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 charitable organizations, the organization derives revenue from donations and contributions, 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 be necessary to revenues or excess (deficiency) of revenue over expenditures and fund balances.

In our opinion, except for the effect of adjustments, in any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2009 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.

Daurio & Franklin LLP

Chartered Accountants, Licensed Public Accountants

Toronto, Ontario
May 20, 2009

1.

THE AIDS COMMITTEE OF YORK REGION INC.

STATEMENT OF FINANCIAL POSITION

As at March 31, 2009

	2009	2008
	\$	\$
ASSETS		
Current Assets		
Cash	38,436	100,523
Cash - restricted	19,138	29,955
Term deposits	6,839	6,659
Grants receivable	34,138	4,425
Prepaid expenses and sundry receivables	5,824	8,538
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	104,375	150,100
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts payable and accrued liabilities	15,316	23,952
Deferred contributions - (Note 5)	-	32,838
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	15,316	56,790
Fund Balances		
General Fund	69,921	67,357
Restricted Program Fund	19,138	25,953
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	89,059	93,310
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	104,375	150,100

Approved on behalf of the Board:

_____ Director

_____ Director

The accompanying notes are an integral part of these financial statements.



THE AIDS COMMITTEE OF YORK REGION INC.

STATEMENT OF OPERATIONS AND FUND BALANCES

For the year ended March 31, 2009

	General	Restricted Program	2009 Total	2008 Total
	\$	\$	\$	\$
Revenues				
Foundation grants	88,104	-	88,104	44,845
Government grants	194,215	-	194,215	138,455
Donations	6,726	-	6,726	5,007
Fundraising - Bingo, net revenues	-	20,635	20,635	28,321
Fundraising - Other	16,168	-	16,168	18,015
Interest income	180	-	180	252
	305,393	20,635	326,028	234,895
Expenditures				
Program costs				
Salaries and benefits	152,850	-	152,850	128,435
Ministry of Health one-time	38,105	-	38,105	11,322
PHAC one-time	27,169	-	27,169	-
Drive program	-	19,555	19,555	20,380
Winter needs program	12,368	-	12,368	11,693
Compassion fund	-	6,243	6,243	4,773
Awareness program	7,397	360	7,757	2,067
United way program	9,007	-	9,007	-
Client retreat	8,012	-	8,012	4,053
Child and youth programs	9,038	-	9,038	-
Travel	3,647	-	3,647	1,502
Resource centre and support groups	638	1,250	1,888	10,801
	268,231	27,408	295,639	195,026
Administrative				
Office and general	15,666	42	15,708	17,833
Professional fees	12,214	-	12,214	8,241
Staff training and development	2,138	-	2,138	2,097
Fundraising	4,580	-	4,580	8,163
	34,598	42	34,640	36,334
Excess (Deficiency) of Revenues over Expenses for the Year	2,564	(6,815)	(4,251)	3,535
Fund Balances - Beginning of the Year	93,310	-	93,310	89,775
Restatement of Opening Fund Balances - Change in Accounting Policy (Note 3)	(25,953)	25,953	-	-
Fund Balances - End of the Year	69,921	19,138	89,059	93,310

The accompanying notes are an integral part of these financial statements.



THE AIDS COMMITTEE OF YORK REGION INC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2009

1. OPERATIONS

The organization was incorporated without share capital under the laws of Ontario on June 13, 1986.

The AIDS Committee of York Region Inc. is a community-based, non-profit organization which provides support, education and promotes access to dignified care for people living with HIV/AIDS and those affected by HIV/AIDS. It serves the people of York Region. For Canadian income tax purposes the organization qualifies as a registered charity which is exempt from income tax under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the organization conform with the accounting policies generally accepted in Canada. The significant policies are:

Fund Accounting

The organization follows the restricted fund method of accounting for contributions.

The general fund reports resources available for the operations and administration of the organization.

The restricted program fund reports resources restricted as to use at the time of the contributions. The organization receives funds from Bingo fundraising sessions. The funds received must be used for specific program deliverables, and all expenditures must be submitted to and approved by the Bingo association.

Financial Instruments

Financial assets and financial liabilities "held-for-trading" are measured at fair value with changes in those fair values recognized in the Statement of General Operations. Financial assets "held-to-maturity", "loans and receivables" and "other financial liabilities" are measured at amortized cost. The organization has designated its financial assets and liabilities as follows: cash is classified as "held-to-maturity", term deposits are classified as "held-for-trading"; all receivables are classified as "loans and receivables" and accounts payable and accrued liabilities are classified as "other financial liabilities"

Revenue Recognition

Revenue and related expenses are accounted for on the accrual basis.

Contributions of material and services are recognized as revenue at fair value at the date of the grant if fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased. Services contributed by volunteers are not recognized in the financial statements due to the difficulty in determining their fair value.

Government grants are included in the General Fund as these funds, although subject to conditions, are to be used for the operations and administration of the organization.

Grants and contributions received in the year, related to expenditures to be incurred in a future fiscal period, are recorded as deferred revenue in the statement of financial position until the related expenditures are incurred.



THE AIDS COMMITTEE OF YORK REGION INC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2009

2. SIGNIFICANT ACCOUNTING POLICIES - continued

Equipment

Equipment is expensed in the year acquired.

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

3. CHANGES IN ACCOUNTING POLICIES

During the year the organization changed its accounting policy related to certain revenues received restricted as to use for specified program expenditures. Generally the organization recognized grants and contributions in the General Fund as the funds, although subject to conditions, are to be used for the operations and administration of the organization. However, the organization has decided that establishing a separate fund for one of its sources of revenues, which is subject to explicit restrictions, provides more meaningful information to the users of its financial statements. The change in accounting policy establishes a separate fund to report the revenues and expenditures related to this specific revenue source.

As a result of the retroactive application with restatement of prior fiscal financial statements, the general fund balance decreased by \$25,953 and the restricted program fund increased by \$25,953.

Effective April 1, 2008, the organization adopted the new Canadian Institute of Chartered Accountants ("CICA") Handbook Section 1535, Capital Disclosures. This standard requires disclosure of: an entity's objectives, policies and processes for managing capital, qualitative data about what the entity regards as capital, and whether the entity has complied with any capital requirements and, if it has not complied, the consequences of such non-compliance. The organization has provided these disclosures in Note 7 – Capital Risk Management.

4. RECENT PRONOUNCEMENTS

The following recent accounting pronouncements have been released but have not yet been adopted by the organization.

The Canadian Institute of Chartered Accountants ("CICA") has recently issued the following accounting pronouncements which the organization has not yet applied:

- CICA section 3862 Financial Instruments - Disclosure
- CICA section 3863 Financial Instruments - Presentation
- CICA section 1540 Cash Flow Statements
- CICA section 4400 Financial Statement Presentation by Not-for-Profit Organizations
- CICA section 4430 Capital Assets held by Not-for-Profit Organizations
- CICA section 4460 Disclosure of Related Party Transactions by Not-for-Profit Organizations
- CICA section 4470 Disclosure of Allocated Expenses by Not-for-Profit Organizations



THE AIDS COMMITTEE OF YORK REGION INC.

NOTES TO FINANCIAL STATEMENTS

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4. RECENT PRONOUNCEMENTS - continued

Sections 3862 and 3863 were to come into effect in the current year but have been deferred by the CICA pending deliberations on setting standards for this sector. The Association expects that the adoption of these standards will not have a material effect on its financial statements.

Sections 1540, 4400, 4430, 4460, and 4470 will become effective for the next fiscal year and the Association expects that the adoption of these standards will not have a material effect on its financial statements.

The Accounting Standards Board ("AcSB") plans to converge Canadian GAAP with International Financial Reporting Standards ("IFRS") over a transition period. In February 2008, the AcSB announced that the changeover date for publicly-listed companies to use IFRS is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Association, as a not-for-profit enterprise, is not required to adopt IFRS and it does not intend to adopt IFRS.

5. DEFERRED CONTRIBUTIONS

The details of contributions received in the year are as follows:

	<u>2009</u>	<u>2008</u>
Deferred revenue, beginning of year	\$ 32,838	\$ 28,342
Contribution received during the year - MAC Aids	-	25,000
Applied against program expenses - MAC Aids	(24,246)	(754)
Applied against program expenses - Trillium Foundation	(8,592)	(18,000)
Applied against program expenses - A Taste for Life	-	(1,750)
Deferred revenue, end of year	<u>\$ -</u>	<u>\$ 32,838</u>



THE AIDS COMMITTEE OF YORK REGION INC.

NOTES TO FINANCIAL STATEMENTS

March 31, 2009

6. RISK ASSESSMENT AND FAIR VALUES

a) Fair Values

The organization has determined that the fair value of its cash, receivables and accounts payable and accrued liabilities approximates their respective carrying amounts at year end, due to their short-term nature.

b) Credit Risk

The organization's cash and investments are exposed to credit risk. The organization manages this risk by placing its cash and investments with high quality credit institutions. At times, such investments may be in excess of the CDIC insurance limit.

c) Interest Rate Risk

The organization's cash and investments are exposed to interest rate risk. The corporation manages this risk by monitoring its cash position.

7. CAPITAL RISK MANAGEMENT

The organization defines its capital as the sum of all fund balances. The organization's objectives in managing its capital are to generate sufficient revenues to deliver its program objectives, and to comply with all requirements of any funding received. The organization believes it is in compliance with all established requirements.

8. FINANCIAL STATEMENT PRESENTATION

A statement of cash flows has not been presented as it is not considered to provide additional meaningful information.

9. COMPARATIVE FIGURES

Certain reclassifications of the prior year's amounts have been made to facilitate comparison with the current year's presentation.

