

AIDS NEW BRUNSWICK INC./
SIDA NOUVEAU-BRUNSWICK INC.
FINANCIAL STATEMENTS
MARCH 31, 2018

AIDS NEW BRUNSWICK INC./

SIDA NOUVEAU-BRUNSWICK INC.

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Shannon & Buffett, LLP

Chartered Professional Accountants

HAL C. BUFFETT, CPA, CA GARRY L. ARMSTRONG, CPA, CA
CLAUDE LEGER, CPA, CA RON W. SAUNTRY, CPA, CA

May 16, 2018

Independent Auditors' Report

To the members of:
the AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc.

We have audited the accompanying financial statements of AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc., which are comprised of the statement of financial position as at March 31, 2018 and the statement of operations, statement of changes in net assets and statement of 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 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 that 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 auditors' 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 audit opinion.

Basis for qualified opinion

In common with many charitable organizations, AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc. derives revenue from the general public in the form of donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to amounts recorded in the accounts of the company and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of expenses over revenue, assets and fund balances.

Qualified opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves regarding the completeness of donation and fundraising revenue referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc. as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Professional Accountants

AIDS NEW BRUNSWICK INC./

SIDA NOUVEAU-BRUNSWICK INC.

STATEMENT OF FINANCIAL POSITION - MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
<u>ASSETS</u>		
Current:		
Cash	\$ 139,821	\$ 129,053
Short term investments	16,334	16,324
Accounts receivable	6,361	17,340
Prepaid expenses	<u>10,219</u>	<u>6,260</u>
	<u>\$ 172,735</u>	<u>\$ 168,977</u>
<u>LIABILITIES</u>		
Current:		
Accounts payable and accrued liabilities	\$ 5,344	\$ 4,352
Contributions deferred for future expenditures (note 3)	<u>69,489</u>	<u>66,173</u>
	<u>74,833</u>	<u>70,525</u>
<u>NET ASSETS</u>		
Unrestricted net assets	82,255	83,023
Skills Building Fund (note 7)	<u>15,647</u>	<u>15,429</u>
	<u>97,902</u>	<u>98,452</u>
	<u>\$ 172,735</u>	<u>\$ 168,977</u>

Approved by the Board:

Director _____

AIDS NEW BRUNSWICK INC./
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STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

	Skills Building <u>Fund</u>	Unrestricted <u>Fund</u>	<u>2018</u>	<u>2017</u>
Balance, beginning of year	\$ 15,429	\$ 83,023	\$ 98,452	\$ 79,455
Excess of revenue (expenses) for the year	-	(550)	(550)	18,997
Transfer to (from) Skills Building Fund	<u>218</u>	<u>(218)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 15,647</u>	<u>\$ 82,255</u>	<u>\$ 97,902</u>	<u>\$ 98,452</u>

AIDS NEW BRUNSWICK INC./

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STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
Revenue:		
Grants- Government of Canada	\$ 233,700	\$ 203,793
- Province of New Brunswick	68,028	59,542
- Corporations and foundations	8,157	16,892
Donations and fundraising	9,018	4,522
Merchandise sales	20	-
Cost recoveries	30	7,049
Interest	<u>907</u>	<u>807</u>
	<u>319,860</u>	<u>292,605</u>
Expenses:		
Fundraising	1,763	2,925
Furniture, equipment and website development	15,014	1,970
Interest and bank charges	1,144	1,002
Miscellaneous	388	-
Office supplies, postage and courier	5,870	5,933
Professional services	5,222	3,278
Program materials and expenses	49,749	31,300
Rent, equipment leasing, repairs, maintenance and insurance	19,651	19,379
Telephone	4,911	5,174
Travel, conferences and fees	17,555	18,508
Wages, benefits and casual wages	<u>199,143</u>	<u>184,139</u>
	<u>320,410</u>	<u>273,608</u>
Excess of revenue (expenses) for the year	<u>\$ (550)</u>	<u>\$ 18,997</u>

AIDS NEW BRUNSWICK INC./

SIDA NOUVEAU-BRUNSWICK INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

	<u>2018</u>	<u>2017</u>
CASH GENERATED FROM (USED IN):		
Operating Activities:		
Excess of revenue (expenses) for the year	\$ _____ (550)	\$ _____ 18,997
Net change in non-cash working capital (note 4)	_____ 11,328	_____ (2,493)
Increase in cash, in the year	10,778	16,504
Cash, beginning of year	_____ 145,377	_____ 128,873
Cash, end of year	\$ <u>_____ 156,155</u>	\$ <u>_____ 145,377</u>
Cash consists of:		
Cash	\$ 139,821	\$ 129,053
Short term investments	_____ 16,334	_____ 16,324
	\$ <u>_____ 156,155</u>	\$ <u>_____ 145,377</u>

AIDS NEW BRUNSWICK INC./
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NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

1. The organization:

AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc. is a registered charity, incorporated under the New Brunswick Companies Act on August 17, 1987 as a non-profit organization. The organization is committed to facilitating community-based responses to the issues of HIV/AIDS.

The aim is to promote and support the health and well-being of persons living with and affected by HIV/AIDS and to reduce the spread of HIV/AIDS in New Brunswick.

2. Significant accounting policies:

Capital assets -

Capital asset additions are expensed at the time of acquisition as is acceptable for not-for-profit entities meeting the criteria to be classified as a "small organization" as described in the CPA handbook. Equipment and website development with a cost of \$15,014 was purchased in 2018 (\$1,970 in 2017).

Revenue recognition -

The organization defines contributions revenue as revenue from donations and grants.

The organization follows the deferral method of accounting for contributions revenue. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, sales, cost recoveries and miscellaneous revenue are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Donations in-kind -

Donations in-kind are recorded at fair value when it can be reasonably estimated by the organization and when the materials are used in the normal course of the organization's activities and would otherwise have been purchased.

Donated services -

Volunteers donate many hours toward the activities of the organization, however the fair value of this donation cannot be readily determined. As a result, the value of donated services provided to the organization such as volunteer work and staff overtime are not recorded in the accounts.

AIDS NEW BRUNSWICK INC./
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2. Significant accounting policies (continued):

Use of accounting estimates -

In preparing the organization's financial statements, the organization's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

Measurement of financial instruments -

The organization initially measures its financial assets and financial liabilities at fair value.

The organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

3. Contributions deferred for future expenditures:

Contributions deferred for future expenditures represents funding received for specific purposes but not yet spent.

	<u>2018</u>	<u>2017</u>
Foundation grants for expenditures in future periods	\$ 10,443	\$ 6,599
Government funds received which are not yet spent	<u>59,046</u>	<u>59,574</u>
	<u>\$ 69,489</u>	<u>\$ 66,173</u>

4. Net change in non-cash working capital:

	<u>2018</u>	<u>2017</u>
Decrease (increase) in accounts receivable	\$ 10,979	\$ (12,965)
Decrease (increase) in prepaid expenses	(3,959)	334
Increase (decrease) in accounts payable and accrued liabilities	992	1,572
Increase (decrease) in contributions deferred for future expenditures	<u>3,316</u>	<u>8,566</u>
	<u>\$ 11,328</u>	<u>\$ (2,493)</u>

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5. Commitments:

The organization leases office equipment under an operating lease which expires in the 2020 fiscal year.

Future minimum lease payments by year and in aggregate are as follows:

2019	\$	1,687
2020		<u>281</u>
	\$	<u>1,968</u>

6. Financial instruments:

The organization is exposed to the following risks arising from its financial instruments:

Liquidity risk -

Liquidity risk is the risk that the organization will not be able to meet its obligations as they come due. The organization meets its liquidity requirements by preparing an annual budget for operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

Interest rate risk -

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with instruments will fluctuate due to changes in market interest rates. The organization is exposed to interest rate risk with regard to its portfolio investments. The organization manages its interest rate risk exposure on fixed income maturities by investing in securities with varying maturities.

There has been no change in the assessed level of risk, arising from financial instruments, to which the organization is exposed.

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7. **Skills Building Fund:**

Interest	\$ <u>218</u>
Beginning balance	<u>15,429</u>
Skills Building Fund, end of year	\$ <u><u>15,647</u></u>