

**AIDS NEW BRUNSWICK INC./**  
**SIDA NOUVEAU-BRUNSWICK INC.**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2019**

**AIDS NEW BRUNSWICK INC./**  
**SIDA NOUVEAU-BRUNSWICK INC.**

**TABLE OF CONTENTS**

**MARCH 31, 2019**

	<b><u>PAGE</u></b>
<b>Independent auditors`report.....</b>	<b>1 - 2</b>
<b>Financial statements:</b>	
- Statement of financial position.....	<b>3</b>
- Statement of changes in net assets.....	<b>4</b>
- Statement of operations.....	<b>5</b>
- Statement of cash flows.....	<b>6</b>
<b>Notes to the financial statements.....</b>	<b>7 - 9</b>

# Shannon & Buffett, LLP

## Chartered Professional Accountants

Hal C. Buffett, CPA, CA Garry L. Armstrong, CPA, CA  
Claude C. Leger, CPA, CA Ron W. Sauntry, CPA, CA

August 14, 2019

### Independent Auditors' Report

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

#### ***Qualified Opinion***

We have audited the financial statements of AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc., which comprise the statement of financial position as at March 31, 2019, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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 basis for qualified opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc. as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for Not-For-Profit Organizations.

#### ***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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc.'s financial reporting process.

Continued...

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc.'s ability to continue as a going concern; if we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc. to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants

AIDS NEW BRUNSWICK INC./

SIDA NOUVEAU-BRUNSWICK INC.

STATEMENT OF FINANCIAL POSITION - MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
<b><u>ASSETS</u></b>		
<b>Current:</b>		
Cash	\$ 119,924	\$ 139,821
Short term investments	16,501	16,334
Accounts receivable	6,067	6,361
Prepaid expenses	<u>9,252</u>	<u>10,219</u>
	<u>\$ 151,744</u>	<u>\$ 172,735</u>

**LIABILITIES**

<b>Current:</b>		
Accounts payable and accrued liabilities	\$ 3,412	\$ 5,344
Contributions deferred for future expenditures (note 3)	<u>50,485</u>	<u>69,489</u>
	<u>53,897</u>	<u>74,833</u>

**NET ASSETS**

Unrestricted net assets	82,025	82,255
Skills Building Fund (note 7)	<u>15,822</u>	<u>15,647</u>
	<u>97,847</u>	<u>97,902</u>
	<u>\$ 151,744</u>	<u>\$ 172,735</u>

Approved by the Board:

Director \_\_\_\_\_

**AIDS NEW BRUNSWICK INC./**

**SIDA NOUVEAU-BRUNSWICK INC.**

**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED MARCH 31, 2019**

	<b>Skills Building Fund</b>	<b>Unrestricted Fund</b>	<b>2019</b>	<b>2018</b>
Balance, beginning of year	\$ 15,647	\$ 82,255	\$ 97,902	\$ 98,452
Excess of expenses over revenue for the year	-	(55)	(55)	(550)
Transfer to (from) Skills Building Fund	<u>175</u>	<u>(175)</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 15,822</u>	<u>\$ 82,025</u>	<u>\$ 97,847</u>	<u>\$ 97,902</u>

**AIDS NEW BRUNSWICK INC./**

**SIDA NOUVEAU-BRUNSWICK INC.**

**STATEMENT OF OPERATIONS**

**FOR THE YEAR ENDED MARCH 31, 2019**

	<b><u>2019</u></b>	<b><u>2018</u></b>
<b>Revenue:</b>		
Grants- Government of Canada	\$ 167,527	\$ 233,700
- Province of New Brunswick	98,561	68,028
- Corporations and foundations	10,442	8,157
Donations and fundraising	5,202	9,018
Merchandise sales	100	20
Cost recoveries	12,391	30
Interest	<u>902</u>	<u>907</u>
	<u>295,125</u>	<u>319,860</u>
<b>Expenses:</b>		
Fundraising	3,463	1,763
Furniture, equipment and website development	8,023	15,014
Interest and bank charges	1,264	1,144
Miscellaneous	-	388
Office supplies, postage and courier	3,223	5,870
Professional services	6,164	5,222
Program materials and expenses	26,936	49,749
Rent, equipment leasing, repairs, maintenance and insurance	20,020	19,651
Telephone	4,718	4,911
Travel, conferences and fees	19,766	17,555
Wages, benefits and casual wages	<u>201,603</u>	<u>199,143</u>
	<u>295,180</u>	<u>320,410</u>
<b>Excess of expenses over revenue for the year</b>	<b><u>\$ (55)</u></b>	<b><u>\$ (550)</u></b>

AIDS NEW BRUNSWICK INC./  
SIDA NOUVEAU-BRUNSWICK INC.  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2019

	<u>2019</u>	<u>2018</u>
<b>CASH GENERATED FROM (USED IN):</b>		
<b>Operating activities:</b>		
Excess of expenses over revenue for the year	\$ _____ (55)	\$ _____ (550)
Net change in non-cash working capital (note 4)	_____ (19,675)	_____ 11,328
<b>Increase in cash, in the year</b>	(19,730)	10,778
<b>Cash, beginning of year</b>	_____ 156,155	_____ 145,377
<b>Cash, end of year</b>	\$ <u>_____ 136,425</u>	\$ <u>_____ 156,155</u>
<b>Cash consists of:</b>		
Cash	\$ 119,924	\$ 139,821
Short term investments	_____ 16,501	_____ 16,334
	\$ <u>_____ 136,425</u>	\$ <u>_____ 156,155</u>



**AIDS NEW BRUNSWICK INC./**

**SIDA NOUVEAU-BRUNSWICK INC.**

**NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2019**

**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:**

**Basis of accounting -**

Management has elected to report using Canadian Accounting Standards for Not-For-Profit Organizations.

**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 \$8,023 was purchased in 2019 (\$15,014 in 2018).

**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./

SIDA NOUVEAU-BRUNSWICK INC.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2019

**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>2019</u>	<u>2018</u>
Foundation grants for expenditures in future periods	\$ -	\$ 10,443
Government funds received which are not yet spent	<u>50,485</u>	<u>59,046</u>
	<u>\$ 50,485</u>	<u>\$ 69,489</u>

**4. Net change in non-cash working capital:**

	<u>2019</u>	<u>2018</u>
Decrease (increase) in accounts receivable	\$ 294	\$ 10,979
Decrease (increase) in prepaid expenses	967	(3,959)
Increase (decrease) in accounts payable and accrued liabilities	(1,932)	992
Increase (decrease) in contributions deferred for future expenditures	<u>(19,004)</u>	<u>3,316</u>
	<u>\$ (19,675)</u>	<u>\$ 11,328</u>

AIDS NEW BRUNSWICK INC./  
SIDA NOUVEAU-BRUNSWICK INC.  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2019

**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:

2020	\$ <u>          281</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 material change in the assessed level of risk, arising from financial instruments, to which the organization is exposed.

**7. Skills Building Fund:**

Interest	\$ <u>          175</u>
Beginning balance	<u>          15,647</u>
Skills Building Fund, end of year	\$ <u>          15,822</u>