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**REALIZE**

**FINANCIAL STATEMENTS**

**MARCH 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Realize,

### Opinion

We have audited the financial statements of Realize (the organization), which comprise the statement of financial position as at March 31, 2019, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Realize as at March 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

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 organization 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 organization'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 organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

### 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 auditor's 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.

## INDEPENDENT AUDITOR'S REPORT (continued)

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 organization'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 organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw your attention in our auditor's 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 auditor's report. However, future events or conditions may cause the organization 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.

*Pemylegion Chung LLP*

Chartered Professional Accountants  
Licensed Public Accountants

August 29, 2019  
Toronto, Ontario

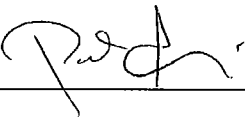
**REALIZE**


**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31, 2019**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Current assets		
Cash	\$ 223,506	\$ 288,174
Amounts receivable	10,161	9,849
HST recoverable	9,887	8,153
Prepaid expenses	<u>9,874</u>	<u>384</u>
	<u>\$ 253,428</u>	<u>\$ 306,560</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Amounts payable and accrued liabilities	\$ 81,244	\$ 63,047
Deferred contributions (note 3)	<u>46,151</u>	<u>124,340</u>
	<u>127,395</u>	<u>187,387</u>
Net assets		
Unrestricted	<u>126,033</u>	<u>119,173</u>
	<u>\$ 253,428</u>	<u>\$ 306,560</u>

Approved on behalf of the Board:

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

see accompanying notes

**REALIZE****STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
<b>REVENUE</b>		
Grants (note 4)	\$ 678,868	\$ 658,702
Membership, course and registration fees	28,466	40,684
Donations	14,198	36,210
Interest	<u>-</u>	<u>64</u>
	<u>721,532</u>	<u>735,660</u>
<b>EXPENSES</b>		
Personnel	493,866	609,799
Travel	86,499	22,180
Occupancy costs	73,687	71,874
Financial administration, printing and materials	42,273	41,166
Evaluation	12,918	12,992
Annual forum and membership meeting	<u>5,429</u>	<u>1,981</u>
	<u>714,672</u>	<u>759,992</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	6,860	(24,332)
Net assets, beginning of year	<u>119,173</u>	<u>143,505</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 126,033</u>	<u>\$ 119,173</u>

see accompanying notes

# REALIZE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 6,860	\$ (24,332)
Net change in non-cash working capital items (see below)	<u>(71,528)</u>	<u>184,072</u>
Net cash generated from (used for) operating activities	(64,668)	159,740
<b>INVESTING ACTIVITIES</b>		
Guaranteed investment certificates redeemed	<u>-</u>	<u>61,637</u>
<b>NET INCREASE (DECREASE) IN THE YEAR</b>	(64,668)	221,377
Cash, beginning of year	<u>288,174</u>	<u>66,797</u>
<b>CASH, END OF YEAR</b>	<u>\$ 223,506</u>	<u>\$ 288,174</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets		
Amounts receivable	\$ (312)	\$ 66,801
HST recoverable	(1,734)	1,603
Prepaid expenses	(9,490)	3,054
Increase (decrease) in current liabilities		
Amounts payable and accrued liabilities	18,197	13,274
Deferred contributions	<u>(78,189)</u>	<u>99,340</u>
	<u>\$ (71,528)</u>	<u>\$ 184,072</u>

see accompanying notes

# REALIZE

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

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Realize (the organization) is continued under the Canada Not-for-profit Corporations Act. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

Realize is a national organization that responds to the rehabilitation needs of people living with HIV/AIDS. The organization aims to bridge the traditionally separate worlds of HIV, disability and rehabilitation. Through research, education and cross-sector partnerships the organization works to improve the lives of people with HIV.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered significant:

#### **Revenue recognition**

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

##### *Contributions*

The organization follows the deferral method of revenue recognition for contributions.

Externally restricted contributions, including grants and restricted donations, related to current expenses are recognized as revenue in the current year. Externally restricted contributions received in the year for expenses to be incurred in the following year are recorded as deferred contributions.

Unrestricted contributions, including donations are recorded as revenue when received.

##### *Contributed materials and services*

Contributed materials and services which are normally purchased by the organization are not recorded in the accounts.

##### *Membership fees*

Membership fees are recognized as revenue in the year to which they apply.

##### *Course and registration fees*

Course and registration fee revenue is recognized in the period in which the service is performed.

##### *Interest income*

Interest income is recognized as revenue over the term of the guaranteed investment certificates.

### 2. FINANCIAL INSTRUMENTS

The organization's financial instruments include cash, amounts receivable, accounts payable and accrued liabilities. Amounts receivable, accounts payable and accrued liabilities are initially recorded at fair value and are subsequently recorded net of any provisions for impairment in value.

# REALIZE

## NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2019

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### 3. DEFERRED CONTRIBUTIONS

The following amounts have been deferred at the year end:

	2019	2018
Accessibility Directorate of Ontario	\$ 15,324	\$ -
Public Health Agency of Canada	14,390	69,940
MAC AIDS Fund	6,548	20,000
Centre for Addiction and Mental Health (CAMH)	5,955	-
Gilead Sciences, Inc.	3,934	-
ViiV Healthcare Canada	-	30,000
Memorial University of Newfoundland	-	4,400
	<u>\$ 46,151</u>	<u>\$ 124,340</u>

Continuity of deferred contributions for the year is as follows:

	2019	2018
Deferred contributions, beginning of year	\$ 124,340	\$ 25,000
Add cash received from grants	600,679	758,042
Less grant revenue recognized (note 4)	<u>(678,868)</u>	<u>(658,702)</u>
Deferred contributions, end of year	<u>\$ 46,151</u>	<u>\$ 124,340</u>

### 4. GRANTS

Grant revenue recognized in the year was as follows:

	2019	2018
Public Health Agency of Canada	\$ 455,532	\$ 633,702
Accessibility Directorate of Ontario	109,924	-
Gilead Sciences, Inc.	51,066	-
ViiV Healthcare Canada	30,000	-
Centre for Addiction and Mental Health (CAMH)	14,494	-
MAC AIDS Fund	13,452	25,000
Memorial University of Newfoundland	<u>4,400</u>	<u>-</u>
	<u>\$ 678,868</u>	<u>\$ 658,702</u>

### 5. LEASE COMMITMENT

The organization leases office space in Toronto, Canada. Minimum basic annual rent payments over the term of the lease, which expires in September 2020, are as follows:

April 1, 2019 to September 30, 2020 28,433

The organization also pays for additional variable rental costs on a yearly basis which include utilities, realty taxes and other operating costs.