
**CANADIAN WORKING GROUP ON
HIV AND REHABILITATION**

FINANCIAL STATEMENTS

MARCH 31, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members,
Canadian Working Group on HIV and Rehabilitation

Report on the Financial Statements

I have audited the accompanying financial statements of Canadian Working Group on HIV and Rehabilitation, which comprise the statement of financial position as at March 31, 2014, and the statements of operations and 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Working Group on HIV and Rehabilitation as at March 31, 2014, 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 Accountant
Licensed Public Accountant

May 29, 2014
Toronto, Ontario

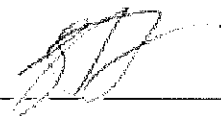
CANADIAN WORKING GROUP ON HIV AND REHABILITATION

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2014

	2014	2013
ASSETS		
Current assets		
Cash	\$	\$ 142,115
Guaranteed investment certificates (note 3)	375,500	233,622
Amounts receivable	153,038	56,708
HST recoverable	27,904	19,382
Prepaid expenses	<u>4,847</u>	<u>8,489</u>
	<u>\$ 561,289</u>	<u>\$ 460,316</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Bank indebtedness (resulting from outstanding cheques)	\$ 28,992	\$ 138,701
Amounts payable and accrued liabilities	60,601	58,767
Deferred grant revenue (note 6)	<u>167,929</u>	<u>58,767</u>
	<u>257,522</u>	<u>197,468</u>
Net assets		
Unrestricted	<u>303,767</u>	<u>262,848</u>
	<u>\$ 561,289</u>	<u>\$ 460,316</u>

Approved on behalf of the Board:


_____, Director


_____, Director

see accompanying notes

CANADIAN WORKING GROUP ON HIV AND REHABILITATION

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2014

	2014	2013
REVENUE		
Grants (note 7)	\$ 1,036,286	\$ 931,953
Membership, course and registration fees	40,244	50,553
Interest	3,087	2,883
Donations	<u>1,375</u>	<u>2,483</u>
	<u>1,080,992</u>	<u>987,872</u>
EXPENSES		
Personnel	820,914	759,131
Travel	89,878	64,815
Occupancy costs	60,151	57,922
Financial administration, printing and materials	49,832	46,803
Evaluation	<u>19,298</u>	<u>6,512</u>
	<u>1,040,073</u>	<u>935,183</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	40,919	52,689
Net assets, beginning of year	<u>262,848</u>	<u>210,159</u>
NET ASSETS, END OF YEAR	<u>\$ 303,767</u>	<u>\$ 262,848</u>

see accompanying notes

CANADIAN WORKING GROUP ON HIV AND REHABILITATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2014

	2014	2013
OPERATIONS		
Excess of revenue over expenses for the year	\$ 40,919	\$ 52,689
Add back non-cash items -		
Net change in non-cash working capital items (see below)	<u>(70,148)</u>	<u>22,616</u>
Net cash generated from (used for) operations	(29,229)	75,305
INVESTING ACTIVITIES		
Guaranteed investment certificates purchased	<u>(141,878)</u>	<u>(33,148)</u>
NET CASH GENERATED (USED) IN THE YEAR	(171,107)	42,157
Cash, beginning of year	<u>142,115</u>	<u>99,958</u>
CASH (BANK INDEBTEDNESS), END OF YEAR	<u>\$ (28,992)</u>	<u>\$ 142,115</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets		
Amounts receivable	\$ (96,330)	\$ 21,528
HST recoverable	(8,523)	(906)
Prepaid expenses	3,642	(6,594)
Increase (decrease) in current liabilities		
Amounts payable and accrued liabilities	(78,100)	103,760
Deferred grant revenue	<u>109,163</u>	<u>(95,172)</u>
	<u>\$ (70,148)</u>	<u>\$ 22,616</u>
Interest received in year	<u>\$ 3,087</u>	<u>\$ 2,883</u>

see accompanying notes

CANADIAN WORKING GROUP ON HIV AND REHABILITATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

1. THE ORGANIZATION

Canadian Working Group on HIV and Rehabilitation (the "organization") is a not-for-profit organization without share capital under the Canada Corporations Act. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The Canadian Working Group on HIV and Rehabilitation 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.

2. 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:

Guaranteed investment certificates

The organization carries guaranteed investment certificates at cost plus accrued interest income which approximates fair market value.

Revenue recognition

The organization follows the deferral method of revenue recognition. Under the deferral method, amounts received in the year for expenses to be incurred in the following year are recorded as deferred revenue. The organization's principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) Unrestricted grants and donations are recognized as revenue when they are received. Restricted grants and donations are recognized as revenue in the year in which the related expenses are incurred.
- ii) Membership, course and registration fee revenue is recognized in the period in which the service is performed.
- iii) Interest income is recognized as revenue when earned.

3. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates are issued by a major Canadian chartered bank, bear interest rates ranging from 0.80% to 1.00% and mature within one year.

CANADIAN WORKING GROUP ON HIV AND REHABILITATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

4. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The organization's financial instruments include cash, guaranteed investment certificates, amounts receivable and accounts payable and accrued liabilities. The following are those financial instruments and related financial risks considered particularly significant:

- i) The organization minimizes the likelihood of uncollected revenue by regularly monitoring accounts receivable.
- ii) Fluctuations in market interest rates do not affect future cash flows from the entity's fixed rate guaranteed investments certificates.
- iii) Existing cash balances and cash flows generated from operations are sufficient to meet the organization's financial liabilities.

It is management's opinion that the organization's financial instruments are not exposed to significant financial risks.

5. REVOLVING LINE OF CREDIT

The organization has a \$30,000 revolving line of credit with a Canadian chartered bank. The line of credit bears interest at the bank prime rate plus 3.00% and is payable on demand. As at March 31, 2014, none of the line of credit was drawn down (\$nil drawn down as at March 31, 2013).

6. DEFERRED GRANT REVENUE

The following amounts have been deferred at the year end:

	2014	2013
Ontario Trillium Foundation	\$ 71,207	\$
Public Health Agency of Canada	64,002	48,214
MAC AIDS Fund	28,739	
The Atkinson Charitable Foundation	3,981	
HRSDC - Opportunities Fund for Persons with Disabilities		6,572
Other		<u>3,981</u>
Deferred grant revenue, end of year	<u>\$ 167,929</u>	<u>\$ 58,767</u>

Continuity of deferred grant revenue for the year is as follows:

	2014	2013
Deferred grant revenue, beginning of year	\$ 58,767	\$ 153,940
Add cash received from grants in year	1,145,448	836,780
Less grant revenue recognized in year (note 7)	<u>(1,036,286)</u>	<u>(931,953)</u>
Deferred grant revenue, end of year	<u>\$ 167,929</u>	<u>\$ 58,767</u>

CANADIAN WORKING GROUP ON HIV AND REHABILITATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2014

7. GRANT REVENUE

Grant revenue recognized in the year was as follows:

	2014	2013
Public Health Agency of Canada National HIV/AIDS Voluntary Sector Response Fund	\$ 896,919	\$ 703,143
Human Resources and Skills Development Canada Opportunities Fund for Persons with Disabilities Canada Summer Jobs	24,313	97,846 2,966
Scotiabank	60,000	75,014
Ontario Trillium Foundation	28,793	
MAC AIDS Fund	21,261	25,421
Levi Strauss Foundation		27,563
ViiV Healthcare	<u>5,000</u>	<u></u>
	<u>\$ 1,036,286</u>	<u>\$ 931,953</u>

8. LEASE COMMITMENTS

The organization leases office space in Toronto, Canada. Minimum basic rent payments over the term of the lease, which expires in September 2015, are as follows:

April 1, 2014 to March 31, 2015	45,348
April 1, 2015 to September 30, 2015	23,456

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