
**CANADIAN WORKING GROUP ON
HIV AND REHABILITATION**

FINANCIAL STATEMENTS

MARCH 31, 2015

INDEPENDENT AUDITOR'S REPORT

To the Members,
Canadian Working Group on HIV and Rehabilitation

We 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, 2015, 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

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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our 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, 2015, 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.

Pennylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

May 28, 2015
Toronto, Ontario

CANADIAN WORKING GROUP ON HIV AND REHABILITATION

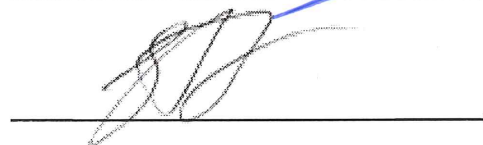
STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2015

	2015	2014
ASSETS		
Current assets		
Cash	\$ 124,465	\$ -
Guaranteed investment certificates (note 3)	278,154	375,500
Amounts receivable	17,336	153,038
HST recoverable	36,823	27,904
Prepaid expenses	<u>5,892</u>	<u>4,847</u>
	<u>\$ 462,670</u>	<u>\$ 561,289</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Bank indebtedness (resulting from outstanding cheques)	\$ -	\$ 28,992
Amounts payable and accrued liabilities	57,705	60,601
Deferred grant revenue (note 4)	<u>52,570</u>	<u>167,929</u>
	<u>110,275</u>	<u>257,522</u>
Net assets		
Unrestricted	<u>352,395</u>	<u>303,767</u>
	<u>\$ 462,670</u>	<u>\$ 561,289</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, 2015

	2015	2014
REVENUE		
Grants (note 5)	\$ 849,280	\$ 1,036,286
Membership, course and registration fees	48,750	40,244
Donations	46,450	1,375
Interest	<u>2,524</u>	<u>3,087</u>
	<u>947,004</u>	<u>1,080,992</u>
EXPENSES		
Personnel	721,958	820,914
Occupancy costs	56,901	60,151
Travel	44,065	89,930
Financial administration, printing and materials	42,105	49,780
Annual forum and membership meeting	22,972	-
Evaluation	<u>10,375</u>	<u>19,298</u>
	<u>898,376</u>	<u>1,040,073</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	48,628	40,919
Net assets, beginning of year	<u>303,767</u>	<u>262,848</u>
NET ASSETS, END OF YEAR	<u>\$ 352,395</u>	<u>\$ 303,767</u>

see accompanying notes

CANADIAN WORKING GROUP ON HIV AND REHABILITATION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2015

	2015	2014
OPERATIONS		
Excess of revenue over expenses for the year	\$ 48,628	\$ 40,919
Add back non-cash items -		
Net change in non-cash working capital items (see below)	<u>7,482</u>	<u>(70,148)</u>
Net cash generated from (used for) operations	56,110	(29,229)
INVESTING ACTIVITIES		
Guaranteed investment certificates redeemed (purchased)	<u>97,347</u>	<u>(141,878)</u>
NET CASH GENERATED (USED) IN THE YEAR	153,457	(171,107)
Cash (bank indebtedness), beginning of year	<u>(28,992)</u>	<u>142,115</u>
CASH (BANK INDEBTEDNESS), END OF YEAR	<u>\$ 124,465</u>	<u>\$ (28,992)</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets		
Amounts receivable	\$ 135,702	\$ (96,330)
HST recoverable	(8,918)	(8,523)
Prepaid expenses	(1,045)	3,642
Increase (decrease) in current liabilities		
Amounts payable and accrued liabilities	(2,898)	(78,100)
Deferred grant revenue	<u>(115,359)</u>	<u>109,163</u>
	<u>\$ 7,482</u>	<u>\$ (70,148)</u>

see accompanying notes

CANADIAN WORKING GROUP ON HIV AND REHABILITATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

Canadian Working Group on HIV and Rehabilitation (the organization) is incorporated without share capital under the Canada Corporations Act. On March 13, 2015, the organization was 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).

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.

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 grant revenue.

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 AND RELATED FINANCIAL RISKS

The organization's financial instruments include cash, guaranteed investment certificates, amounts receivable, accounts payable and accrued liabilities.

Guaranteed investment certificates are recorded at cost plus accrued interest income. 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.

It is management's opinion that the organization's financial instruments are not exposed to significant financial risks and that existing cash balances and cash flows generated from operations are sufficient to meet the organization's financial liabilities. Fluctuations in market interest rates do not affect future cash flows from the organization's guaranteed investment certificates.

CANADIAN WORKING GROUP ON HIV AND REHABILITATION

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2015

3. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates are issued by a major Canadian chartered bank, bear an interest rate of 0.80% and mature within one year.

4. DEFERRED GRANT REVENUE

The following amounts have been deferred at the year end:

	2015	2014
Public Health Agency of Canada	\$ 27,420	\$ 64,002
MAC AIDS Fund	25,000	28,739
Ontario Trillium Foundation	-	71,207
The Atkinson Charitable Foundation	-	3,981
Other	<u>150</u>	<u>-</u>
Deferred grant revenue, end of year	<u>\$ 52,570</u>	<u>\$ 167,929</u>

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

	2015	2014
Deferred grant revenue, beginning of year	\$ 167,929	\$ 58,766
Add cash received from grants in year	733,921	1,145,449
Less grant revenue recognized in year (note 5)	<u>(849,280)</u>	<u>(1,036,286)</u>
Deferred grant revenue, end of year	<u>\$ 52,570</u>	<u>\$ 167,929</u>

5. GRANT REVENUE

Grant revenue recognized in the year was as follows:

	2015	2014
Public Health Agency of Canada		
National HIV/AIDS Voluntary Sector Response Fund	\$ 749,334	\$ 896,919
Ontario Trillium Foundation	71,207	28,793
MAC AIDS Fund	28,739	21,261
Scotiabank	-	60,000
Human Resources and Skills Development Canada	-	24,313
ViiV Healthcare	<u>-</u>	<u>5,000</u>
	<u>\$ 849,280</u>	<u>\$ 1,036,286</u>

6. 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, 2015 to September 30, 2015	23,456
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The organization also pays for additional variable rental costs on a yearly basis which include utilities, realty taxes and other operating costs.