
REALIZE

FINANCIAL STATEMENTS

MARCH 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members,
Realize

We have audited the accompanying financial statements of Realize, which comprise the statement of financial position as at March 31, 2018, 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 organization'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 organization'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 Realize as at March 31, 2018, 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.



Chartered Professional Accountants
Licensed Public Accountants

May 31, 2018
Toronto, Ontario

REALIZE

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018

	2018	2017
ASSETS		
Current assets		
Cash	\$ 288,174	\$ 66,797
Guaranteed investment certificates	-	61,637
Amounts receivable	9,849	76,650
HST recoverable	8,153	9,756
Prepaid expenses	<u>384</u>	<u>3,438</u>
	<u>\$ 306,560</u>	<u>\$ 218,278</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Amounts payable and accrued liabilities	\$ 63,047	\$ 49,773
Deferred contributions (note 3)	<u>124,340</u>	<u>25,000</u>
	<u>187,387</u>	<u>74,773</u>
Net assets		
Unrestricted	<u>119,173</u>	<u>143,505</u>
	<u>\$ 306,560</u>	<u>\$ 218,278</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, 2018

	2018	2017
REVENUE		
Grants (note 4)	\$ 658,702	\$ 712,751
Membership, course and registration fees	40,684	11,197
Donations	36,210	2,024
Interest	<u>64</u>	<u>1,286</u>
	<u>735,660</u>	<u>727,258</u>
EXPENSES		
Personnel	609,799	674,868
Occupancy costs	71,874	69,540
Financial administration, printing and materials	41,166	44,897
Travel	22,180	48,431
Evaluation	12,992	9,874
Annual forum and membership meeting	<u>1,981</u>	<u>33,782</u>
	<u>759,992</u>	<u>881,392</u>
EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR	(24,332)	(154,134)
Net assets, beginning of year	<u>143,505</u>	<u>297,639</u>
NET ASSETS, END OF YEAR	<u>\$ 119,173</u>	<u>\$ 143,505</u>

see accompanying notes

REALIZE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of expenses over revenue for the year	\$ (24,332)	\$ (154,134)
Net change in non-cash working capital items (see below)	<u>184,072</u>	<u>(12,457)</u>
Net cash generated from (used for) operating activities	159,740	(166,591)
INVESTING ACTIVITIES		
Guaranteed investment certificates redeemed	<u>61,637</u>	<u>218,744</u>
NET CASH INCREASE IN THE YEAR	221,377	52,153
Cash, beginning of year	<u>66,797</u>	<u>14,644</u>
CASH, END OF YEAR	<u>\$ 288,174</u>	<u>\$ 66,797</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets		
Amounts receivable	\$ 66,801	\$ (70,888)
HST recoverable	1,603	6,189
Prepaid expenses	3,054	570
Increase (decrease) in current liabilities		
Amounts payable and accrued liabilities	13,274	26,672
Deferred contributions	<u>99,340</u>	<u>25,000</u>
	<u>\$ 184,072</u>	<u>\$ (12,457)</u>

see accompanying notes

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

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.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

3. DEFERRED CONTRIBUTIONS

The following amounts have been deferred at the year end:

	2018	2017
Public Health Agency of Canada	\$ 69,940	\$ -
ViiV Healthcare Canada	30,000	-
MAC AIDS Fund	20,000	25,000
Memorial University of Newfoundland	<u>4,400</u>	<u>-</u>
	<u>\$ 124,340</u>	<u>\$ 25,000</u>

Continuity of deferred contributions for the year is as follows:

	2018	2017
Deferred contributions, beginning of year	\$ 25,000	\$ -
Add cash received from grants	758,042	737,751
Less grant revenue recognized (note 4)	<u>(658,702)</u>	<u>(712,751)</u>
Deferred contributions, end of year	<u>\$ 124,340</u>	<u>\$ 25,000</u>

4. GRANTS

Grant revenue recognized in the year was as follows:

	2018	2017
Public Health Agency of Canada	\$ 633,702	\$ 712,751
MAC AIDS Fund	<u>25,000</u>	<u>-</u>
	<u>\$ 658,702</u>	<u>\$ 712,751</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, 2018 to March 31, 2019	56,866
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.