

AIDS SASKATOON INC.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2010

Heagy Altrogge Matchett & Partners LLP

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Directors of
AIDS Saskatoon Inc.

We have audited the statement of financial position of AIDS Saskatoon Inc. as at March 31, 2010 and the statements of revenue and expenditures, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the organization derives revenue from the general public in the form of fundraising and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of revenue from fundraising and donations was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to fundraising revenue, donation revenue, excess (deficiency) of revenue over expenditures for the year, assets and fund balances.

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 concerning the completeness of revenue from fundraising and donations referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



AIDS SASKATOON INC.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31

	Operating Fund \$	Emergency Assist. Fund \$	Capital Fund \$	Total 2010 \$	Total 2009 \$
ASSETS					
CURRENT ASSETS					
Cash	87,173	9,559	-	96,732	48,480
Accounts receivable	20,570	-	-	20,570	1,939
Prepaid expenses and deposits	5,146	-	-	5,146	3,297
	112,889	9,559	-	122,448	53,716
TANGIBLE CAPITAL ASSETS (note 3)	-	-	7,790	7,790	9,312
	112,889	9,559	7,790	130,238	63,028
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	25,643	-	-	25,643	13,975
Deferred contributions	32,897	-	-	32,897	26,600
Interfund balances	(12,436)	12,436	-	-	-
	46,104	12,436	-	58,540	40,575
FUND BALANCES					
INVESTED IN TANGIBLE CAPITAL ASSETS	-	-	7,790	7,790	9,312
INTERNALLY RESTRICTED	-	(2,877)	-	(2,877)	(1,994)
UNRESTRICTED	66,785	-	-	66,785	15,135
	66,785	(2,877)	7,790	71,698	22,453
	112,889	9,559	7,790	130,238	63,028

SIGNED ON BEHALF OF THE BOARD

Joanne Forsberg Director
Rude White Director

AIDS SASKATOON INC.

STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED
MARCH 31

	Operating Fund \$	Emergency Assist. Fund \$	Capital Fund \$	Total 2010 \$	Total 2009 \$
BALANCE (DEFICIT) - BEGINNING OF YEAR	15,135	(1,994)	9,312	22,453	10,097
Excess (deficiency) of revenue over expenditures for the year	54,199	(883)	(4,071)	49,245	12,356
Interfund transfers:					
Purchase of tangible capital assets	(2,549)	-	2,549	-	-
BALANCE (DEFICIT) - END OF YEAR	66,785	(2,877)	7,790	71,698	22,453

AIDS SASKATOON INC.

STATEMENT OF REVENUE AND EXPENDITURES

FOR THE YEAR ENDED
MARCH 31

	Operating Fund		Emergency Assist. Fund		Capital Fund		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE (schedule)	405,389	344,797	3,602	4,348	-	-	408,991	349,145
EXPENDITURES								
Wages and benefits	240,732	232,056	-	-	-	-	240,732	232,056
Rent and occupancy costs	41,080	32,676	-	-	-	-	41,080	32,676
Fundraising supplies and fees	15,213	12,994	23	-	-	-	15,236	12,994
Client services	11,536	5,097	-	-	-	-	11,536	5,097
Professional fees	9,523	6,503	-	-	-	-	9,523	6,503
Office	5,964	7,834	-	-	-	-	5,964	7,834
Telephone	5,522	5,095	-	-	-	-	5,522	5,095
Staff development	4,516	3,007	-	-	-	-	4,516	3,007
Emergency assistance	-	-	4,432	2,618	-	-	4,432	2,618
Equipment rental	4,179	5,193	-	-	-	-	4,179	5,193
Depreciation	-	-	-	-	4,071	4,110	4,071	4,110
Repairs and maintenance	2,584	-	-	-	-	-	2,584	-
Conferences and meetings	2,555	2,036	-	-	-	-	2,555	2,036
Resource materials	2,522	6,231	-	-	-	-	2,522	6,231
Bank charges	1,446	1,525	30	52	-	-	1,476	1,577
Travel	1,460	6,337	-	-	-	-	1,460	6,337
Honoraria and consulting	1,177	558	-	-	-	-	1,177	558
Insurance and licenses	909	1,754	-	-	-	-	909	1,754
Advertising and printing	272	1,113	-	-	-	-	272	1,113
	351,190	330,009	4,485	2,670	4,071	4,110	359,746	336,789
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR	54,199	14,788	(883)	1,678	(4,071)	(4,110)	49,245	12,356

AIDS SASKATOON INC.**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED
MARCH 31**

	2010	2009
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenditures for the year	49,245	12,356
Item not affecting cash - Depreciation	4,071	4,110
	53,316	16,466
Changes in non-cash working capital items -		
Accounts receivable	(18,631)	(38)
Prepaid expenses and deposits	(1,849)	18
Accounts payable and accrued liabilities	11,668	(15,997)
Deferred contributions	6,297	930
Cash Provided By Operating Activities	50,801	1,379
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(2,549)	(1,752)
Cash Used In Investing Activities	(2,549)	(1,752)
INCREASE IN CASH POSITION	48,252	(373)
CASH POSITION - BEGINNING OF YEAR	48,480	48,853
CASH POSITION - END OF YEAR	96,732	48,480

AIDS SASKATOON INC.

SCHEDULE OF REVENUE

**FOR THE YEAR ENDED
MARCH 31**

	Operating Fund		Emergency Assist. Fund		Capital Fund		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$	\$	\$
Grants - Federal	172,467	142,918	-	-	-	-	172,467	142,918
- Provincial	103,305	102,971	-	-	-	-	103,305	102,971
- Other	47,921	44,815	-	-	-	-	47,921	44,815
Fundraising	47,494	35,044	3,602	4,348	-	-	51,096	39,392
Donations	32,836	17,015	-	-	-	-	32,836	17,015
Honoraria and other	1,260	1,564	-	-	-	-	1,260	1,564
Memberships	80	70	-	-	-	-	80	70
Interest	26	400	-	-	-	-	26	400
	405,389	344,797	3,602	4,348	-	-	408,991	349,145

1. ORGANIZATION

AIDS Saskatoon Inc. is a local organization operating programs aimed at supporting those affected by AIDS and HIV infection and educating and informing with a view to limiting the incidence of AIDS and HIV infection. AIDS Saskatoon Inc. is a registered charity under the Income Tax Act and is incorporated under the Non-Profit Corporations Act of Saskatchewan.

2. SIGNIFICANT ACCOUNTING POLICIES**Tangible Capital Assets and Depreciation**

Tangible capital assets are recorded at cost and amortized over their estimated useful lives. This requires estimation of the useful life of the asset and its salvage and residual value. At the end of each accounting period management considers whether there has been a permanent impairment in the value of tangible capital assets by estimating the net recoverable amount of the unamortized portion. As is true of all accounting estimates, it is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates. Should an adjustment become necessary, it would be reported in earnings in the period in which it became known.

Depreciation of tangible capital assets is calculated at the following annual rates:

Furniture	20% declining balance
Computer equipment	30% declining balance
Leasehold improvements	20% straight-line

Depreciation on assets acquired during the year is recorded at one-half the normal annual rate. There is no depreciation recorded in the year of disposal.

Fund Accounting

The accounts of the organization are maintained in accordance with the principles of fund accounting. For financial reporting purposes, accounts with similar characteristics have been combined into the following major funds:

(a) Operating Fund

The operating fund reflects the primary operations of the organization.

(b) Emergency Assistance Fund

The emergency assistance fund is an internally restricted fund that provides emergency assistance to individuals affected by AIDS and HIV. Revenue is generated from fundraising and donations. Expenditures consist primarily of payments to individuals for assistance.

(c) Capital Fund

The capital fund is an internally restricted fund that reflects the equity of the organization in tangible capital assets. The capital fund includes revenue received from donations designated for the acquisition of tangible capital assets. Expenditures consist primarily of depreciation of tangible capital assets.

AIDS SASKATOON INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR END
MARCH 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Recognition

AIDS Saskatoon Inc. follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donated Goods and Services

The organization benefits from the donation of materials and services from its members. The organization recognizes revenue from donations in kind and the corresponding materials used in the normal course of operations by the organization. Donations of tangible capital assets are recorded as donations and capitalized at estimated fair market value. The financial statements do not reflect the value of donations in kind for services received in the period since a fair value cannot be reasonably estimated.

The organization received contributions in the form of rent in the amount of \$8,000 (2009 - \$4,000) which have not been recognized in the financial statements.

Use of Estimates

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. Actual results could differ from estimates.

3. TANGIBLE CAPITAL ASSETS

	Cost \$	Accumulated Depreciation \$	Net Book Value	
			2010 \$	2009 \$
Furniture	18,418	15,939	2,479	1,443
Computer equipment	14,689	10,388	4,301	4,837
Leasehold improvements	10,109	9,099	1,010	3,032
	43,216	35,426	7,790	9,312

4. LINE OF CREDIT

The organization carries a line of credit at its bank which is unsecured and bears interest at a floating rate based on bank prime plus 3 percent. The organization's total available line of credit is \$25,000 (2009 - \$25,000). The terms of the line of credit are renegotiated from time to time.

The prime rate at March 31, 2010 was 2.25%.

5. OPERATING LEASES

The minimum lease payments under an operating lease for premises and an operating lease for office equipment expiring March, 2012 and August, 2015, respectfully, are as follows:

	\$
Year ending March 31, 2011	30,778
2012	32,678
2013	3,228
2014	3,228
2015	3,228

6. ECONOMIC DEPENDENCE

The organization is economically dependent on the Public Health Agency of Canada - Health Promotion and Programs Branch and Saskatchewan Health - Population Health Branch for its core funding.

7. FINANCIAL INSTRUMENTS

Due to the short-term nature of all financial instruments, the carrying values as presented in the financial statements are reasonable estimates of fair value. As is true for all estimates, actual fair value could differ from this estimate and, if so, any difference would be accounted for in the period in which it becomes known.