
PACIFIC AIDS NETWORK SOCIETY

FINANCIAL STATEMENTS

March 31 2011

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mahmoud virani inc
chartered accountant

INDEPENDENT AUDITOR'S REPORT

To the members of Pacific AIDS Network Society

I have audited the accompanying financial statements of Pacific AIDS Network Society, which comprise the statement of financial position as at March 31 2011, and the statements of operations, 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 Pacific AIDS Network Society as at March 31 2011, 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.

mahmoud virani inc
chartered accountant
Vancouver
September 1 2011

PACIFIC AIDS NETWORK SOCIETY
STATEMENT OF FINANCIAL POSITION

March 31	2011	2010	
	notes	\$	\$
Assets			
Current			
Cash & cash equivalents - operating	4	82,373	27,030
Cash & cash equivalents - restricted	4	44,055	11,555
Accounts receivable		-	25,555
HST recoverable		11,052	3,984
Prepaid expenses		954	954
		138,434	69,078
Liabilities			
Current			
Accounts payable & accruals		10,652	7,005
Deferred contributions	6	44,055	11,555
		54,707	18,560
Net assets			
Unrestricted		83,727	50,518
		138,434	69,078

Approved by the Board

_____ Director

_____ Director

PACIFIC AIDS NETWORK SOCIETY

STATEMENT OF OPERATIONS

For the year ended March 31		2011	2010
	notes	\$	\$
Revenue			
Contributions	5	247,000	221,980
Fundraising		65,210	23,359
Other		176	757
		312,386	246,096
Expenses			
Human resources		153,570	138,564
Meetings		15,983	-
Fall PHA forum & AGM		12,478	288
Workforce development & skills building		36,717	82,169
Positive Leadership Development Institute		39,949	38,708
Materials		4,321	5,877
Rent & utilities		3,787	5,647
Evaluation		6,720	8,400
Administration		5,652	3,831
		279,177	283,484
Excess/(deficiency) of revenue over expenses		33,209	(37,388)

PACIFIC AIDS NETWORK SOCIETY
STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31

	<u>Unrestricted</u>	<u>Total</u>
	\$	\$
2011		
Balance beginning of year	50,518	50,518
Excess of revenue over expenses	33,209	33,209
	<hr/>	
Balance end of year	83,727	83,727
	<hr/>	
2010		
Balance beginning of year	87,906	87,906
Excess/(deficiency) of revenue over expenses	(37,388)	(37,388)
	<hr/>	
Balance end of year	50,518	50,518
	<hr/>	

PACIFIC AIDS NETWORK SOCIETY

STATEMENT OF CASH FLOWS

For the year ended March 31	2011	2010
	\$	\$
Cash provided by operating activities		
Excess/(deficiency) of revenue over expenses	33,209	(37,388)
Non-cash working capital items		
Accounts receivable	25,555	112,897
HST recoverable	(7,068)	581
Prepaid expenses	-	40,915
Accounts payable & accruals	3,647	(108,277)
Deferred contributions	32,500	11,555
Increase in cash & cash equivalents during the year	87,843	20,283
Cash & cash equivalents, beginning of the year	38,585	18,302
Cash & cash equivalents, end of the year	126,428	38,585
Represented by:		
Cash & cash equivalents - operating	82,373	27,030
Cash & cash equivalents - restricted	44,055	11,555
	126,428	38,585

PACIFIC AIDS NETWORK SOCIETY**NOTES TO THE FINANCIAL STATEMENTS**

March 31 2011

1. Society operations

The Pacific AIDS Network Society's primary purpose is to provide a network for communication, education, mutual support, collective advocacy and action for HIV related issues throughout British Columbia.

The Pacific AIDS Network Society was incorporated on July 18 2003 under the Society Act of British Columbia and is a registered charity under the Canadian Income Tax Act.

2. Accounting policies

Use of estimates

In conformity with Canadian generally accepted accounting principles, management is required to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those reported.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses 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.

Restricted cash and term deposits

Restricted cash and term deposits represent cash and term deposits which have been segregated based upon external restrictions.

Capital assets

Capital assets are recorded at cost and amortized over the life of the asset.

Computer equipment is depreciated over 3 years on a straight line basis.

Financial instruments

The Society's financial instruments consist of cash, short term investments, accounts receivable, and accounts payable and accruals. The Society has elected to value its investments at fair value on a "held for trading" basis, which requires that any change in the fair value be included in income or expense as it occurs. Transactions to purchase or sell these items are recorded on the settlement date, and transaction costs are immediately recognized in income or expense. Net gains and losses arising from changes in fair value are recognized immediately in income or expense.

PACIFIC AIDS NETWORK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

March 31 2011

Accounts receivable are classified as loans and receivables and are measured at amortized cost. Accounts payable are classified as other financial liabilities and are measured at amortized cost.

Economic dependence

The Society is economically dependent on the funding from the Federal and Provincial Government for its ongoing operations.

3. Change in accounting policies

The Accounting Standards Board (AcSB) of the Canadian Institute of Chartered Accountants has announced that all Canadian not-for-profit organizations will be required to adopt either accounting standards for not-for-profit organizations or International Financial Reporting Standards (IFRS) for years beginning on or after January 1, 2012. The Society plans to adopt the accounting standards for not-for-profit organizations and is currently assessing the impact of adopting these standards.

4. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and short term redeemable term deposits held at fair value.

	<u>2011</u>	<u>2010</u>
Cash on hand	\$ 76,428	27,894
Term deposit - interest at 0.75% per annum, maturing September 10, 2011	25,000	-
Term deposit - interest at 1.20% per annum, maturing February 21, 2012	25,000	-
Term deposit - interest at 0.75% per annum, maturing September 10, 2010	-	10,691
	<u>\$ 126,428</u>	<u>38,585</u>

5. Contributions

The contributions are made up as follows:

	<u>2011</u>	<u>2010</u>
Public Health Agency of Canada	\$ 150,000	139,980
Provincial Health Services Authority	97,000	82,000
	<u>\$ 247,000</u>	<u>221,980</u>

PACIFIC AIDS NETWORK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

March 31 2011

6. Deferred Contributions

The deferred contributions are made up as follows:

	<u>2011</u>	<u>2010</u>
Balance, beginning of year	\$ 11,555	-
add: restricted funds received during the year	182,500	169,535
less: amounts utilized during the year	<u>(150,000)</u>	<u>(157,980)</u>
Balance, end of year	<u>\$ 44,055</u>	<u>11,555</u>

The deferred contributions represent unspent funds which are externally restricted for specific projects.

	<u>2011</u>	<u>2010</u>
Ontario AIDS Network	\$ 25,000	-
CIHR Centre for REACH in HIV/AIDS	7,500	-
Canadian AIDS Treatment Information Exchange	<u>11,555</u>	<u>11,555</u>
	<u>\$ 44,055</u>	<u>11,555</u>

7. Capital management

The Society's capital is represented by its net assets as shown on the statement of financial position. The primary objective of the Society's capital management is to ensure that funds are expensed as intended and to build long term financial stability. Capital is managed by establishing and monitoring an annual budget. The Society is not subject to externally imposed capital requirements.

8. Comparative figures

Some of the comparative figures have been restated to conform to the current year's presentation.