
PACIFIC AIDS NETWORK SOCIETY

FINANCIAL STATEMENTS

March 31 2016

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mahmoud virani inc
chartered professional 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 2016, 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 the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of this revenue was limited to the amounts recorded in the books of the Society and I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenue over expenses, cash flows, assets and net assets. My audit opinion on the financial statements for the year ended March 31 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the fundraising revenues referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Pacific AIDS Network Society as at March 31 2016, 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. As required by the Society Act of British Columbia, I report that, in my opinion, these principles have been applied on a basis consistent with that of the preceding year.



mahmoud virani inc
chartered professional accountant
Vancouver
September 29 2016

PACIFIC AIDS NETWORK SOCIETY
STATEMENT OF FINANCIAL POSITION

March 31		2016	2015
	notes	\$	\$
Assets			
Current			
Cash & cash equivalents - operating	3	17,706	9,625
Cash & cash equivalents - restricted	3	377,961	386,489
Investments	4	50,554	50,554
Accounts receivable		41,399	61,821
GST/HST recoverable		6,937	23,293
Prepaid expenses		8,336	7,282
		<u>502,893</u>	<u>539,064</u>
Capital assets	5	1,554	1,877
		<u>504,447</u>	<u>540,941</u>
Liabilities			
Current			
Accounts payable & accruals		38,204	58,895
Deferred contributions	7	377,961	386,489
Deferred contributions related to capital assets	8	1,554	1,877
		<u>417,719</u>	<u>447,261</u>
Net assets			
Invested in capital assets		-	-
Internally restricted net assets	9	42,541	-
Unrestricted		44,187	93,680
		<u>86,728</u>	<u>93,680</u>
		<u>504,447</u>	<u>540,941</u>

Approved by the Board

_____ Director

_____ Director

PACIFIC AIDS NETWORK SOCIETY
STATEMENT OF OPERATIONS

For the year ended March 31		2016	2015
	notes	\$	\$
Revenue			
Contributions	6	799,113	743,247
Fundraising		27,342	40,932
Amortization of deferred contributions related to capital assets		1,911	1,729
Interest		1,673	1,392
		830,039	787,300
Expenses			
Human resources		598,509	536,546
Meetings		19,171	20,004
Fall PHA forum & AGM		18,798	40,162
Spring Skills Building		23,917	32,760
Positive Leadership Development Institute		49,287	33,569
CBR Program		16,154	30,583
Workforce Development		32,273	30,781
E-Learning		2,282	3,350
Materials		10,417	12,266
Rent & utilities		28,339	27,959
Evaluation		8,762	8,260
Administration		19,712	18,307
Amortization		1,911	1,729
		829,532	796,276
Excess/(deficiency) of revenue over expenses for the year		507	(8,976)

PACIFIC AIDS NETWORK SOCIETY
STATEMENT OF CHANGES IN NET ASSETS

For the year ended March 31

	Invested in capital assets	Internally restricted	Unrestricted	Total
2016	\$		\$	\$
Balance, beginning of year as originally stated	-	-	93,680	93,680
Transfer of funds		50,000	(50,000)	-
Funds spent during the year		(7,459)	-	(7,459)
Investment in capital assets	1,588	-	(1,588)	-
Capital assets acquired with restricted funds	(1,588)	-	1,588	-
Amortization of deferred contributions relating to capital assets	1,911	-	(1,911)	-
Excess/(deficiency) of revenue over expenses for the year	(1,911)	-	2,418	507
Balance, end of year	-	42,541	44,187	86,728
2015				
Balance, beginning of year	-	-	102,656	102,656
Investment in capital assets	1,486	-	(1,486)	-
Capital assets acquired with restricted funds	(1,486)	-	1,486	-
Excess/(deficiency) of revenue over expenses for the year - as restated	-	-	(8,976)	(8,976)
Balance, end of year	-	-	93,680	93,680

PACIFIC AIDS NETWORK SOCIETY
STATEMENT OF CASH FLOWS

For the year ended March 31	2016	2015
	\$	\$
Cash provided by operating activities		
Excess/(deficiency) of revenue over expenses for the year	507	(8,976)
Amortization of deferred contributions related to capital assets	(1,911)	(1,729)
Amortization	1,911	1,729
	<u>507</u>	<u>(8,976)</u>
Non-cash working capital items		
Accounts receivable	20,422	17,613
GST/HST recoverable	16,356	(812)
Prepaid expenses	(1,054)	3,568
Accounts payable & accruals	(20,691)	10,002
Deferred contributions	(8,528)	152,052
	<u>7,012</u>	<u>173,447</u>
Financing activities		
Funds received for the purchase of capital assets	1,588	1,486
Investing activities		
Purchase of capital assets	(1,588)	(1,486)
Increase in cash & cash equivalents during the year	7,012	173,447
Interfund transfer	(7,459)	-
Cash & cash equivalents, beginning of the year	396,114	222,667
	<u>395,667</u>	<u>396,114</u>
Represented by:		
Cash & cash equivalents - operating	17,706	9,625
Cash & cash equivalents - restricted	377,961	386,489
	<u>395,667</u>	<u>396,114</u>

PACIFIC AIDS NETWORK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

March 31 2016

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

The Society prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations.

Use of estimates

In conformity with Canadian accounting standards for not-for-profit organizations, 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.

Fundraising and interest are recognized as revenue when received.

Restricted cash and cash equivalents

Restricted cash and cash equivalents represent cash and cash equivalents 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 amortized over 3 years on a straight line basis.

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash & cash equivalents, investments and accounts receivable. Financial liabilities measured at amortized cost include accounts payable & accruals.

Economic dependence

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

PACIFIC AIDS NETWORK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

March 31 2016

3. Cash & cash equivalents

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

	<u>2016</u>	<u>2015</u>
Cash on hand - operating	\$ 17,706	9,625
Cash on hand - restricted	352,961	361,489
30-day cashable term deposit - restricted, interest at per annum, maturing October 3 2016	<u>25,000</u>	<u>25,000</u>
	<u>\$ 395,667</u>	<u>396,114</u>

4. Investments

Term deposit - interest at 1.50% escalating to 3.05% per annum, maturing January 17 2017	\$ 25,000	25,000
Term deposit - interest at 1.55% escalating to 3.15% per annum, maturing February 21 2017	<u>25,554</u>	<u>25,554</u>
	<u>\$ 50,554</u>	<u>50,554</u>

5. Capital assets

	Cost \$	Accumulated amortization \$	Net book value \$
2016			
Computer equipment	3,074	1,520	1,554
2015			
Computer equipment	6,876	4,999	1,877

PACIFIC AIDS NETWORK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

March 31 2016

6. Contributions

The contributions are made up as follows:	<u>2016</u>	<u>2015</u>
Public Health Agency of Canada	\$ 280,115	279,069
Provincial Health Services Authority	146,397	122,000
Centre for REACH	130,777	159,829
Canadian Institutes of Health Research	115,009	85,224
Gay Men's Project	43,740	-
Foundations	22,714	8,232
MAC AIDS	22,707	-
Gilead	15,000	-
ViiV Healthcare	10,909	-
Vancouver Coastal Health Authority	7,308	10,019
Other	4,437	2,994
Ontario HIV/AIDS Treatment Network	-	2,732
Status of Women Canada	-	73,148
	<u>\$ 799,113</u>	<u>743,247</u>

7. Deferred contributions

The deferred contributions are made up as follows:	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 386,489	234,437
Add: restricted funds received during the year	790,585	895,299
Less: amounts utilized during the year	(799,113)	(743,247)
Balance, end of year	<u>\$ 377,961</u>	<u>386,489</u>

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

8. Deferred contributions related to capital assets

Deferred contributions related to capital assets consist of grants received that are restricted for the purpose of the purchase of capital assets. The balance in the account is made up as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 1,877	2,120
Add: capital assets acquired	1,588	1,486
Less: amounts amortized to revenue	(1,911)	(1,729)
Balance, end of year	<u>\$ 1,554</u>	<u>1,877</u>

PACIFIC AIDS NETWORK SOCIETY
NOTES TO THE FINANCIAL STATEMENTS

March 31 2016

9. Internally restricted net assets

During the year the Board of Directors passed a resolution to transfer \$50,000 to an internally restricted net asset account. The purpose of this fund is to pay for consulting for organizational review and other costs at the discretion of the Board. The Society spent \$7,459 during the year on consulting fees and Board travel for in-person meetings to support the organizational review project.

10. 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.