AIDS NEW BRUNSWICK INC./

SIDA NOUVEAU-BRUNSWICK INC.

FINANCIAL STATEMENTS

MARCH 31, 2016

Shannon & Buffett, LLP
Chartered Professional Accountants

AIDS NEW BRUNSWICK INC./

SIDA NOUVEAU-BRUNSWICK INC.

TABLE OF CONTENTS

MARCH 31, 2016

	PAGE
Independent auditors` report	1
Financial statements:	
- Statement of financial position	2
- Statement of changes in net assets	3
- Statement of operations	4
- Statement of cash flows	5
Notes to the financial statements	6 - 9

Shannon & Buffett, LLP
Chartered Professional Accountants

HAL C. BUFFETT, CPA, CA GARRY L. ARMSTRONG, CPA, CA
CLAUDE LEGER, CPA, CA RON W. SAUNTRY, CPA, CA

June 2, 2016

Independent Auditors' Report

To the members of:
the AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc.

We have audited the accompanying financial statements of AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc., which are comprised of the statement of financial position as at March 31, 2016 and the statement of operations, statement of changes in net assets and statement of 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 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 that 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 auditors' 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.

Basis for qualified opinion
In common with many charitable organizations, AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc. derives revenue from the general public in the form of donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to amounts recorded in the accounts of the company and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of expenses over revenue, assets and fund balances.

Qualified opinion
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 regarding the completeness of donation and fundraising revenue referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc. as at March 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Shannon & Buffett, LLP
Chartered Professional Accountants

535 BEAVERBROOK CT., SUITE #110 FREDERICTON, N.B. E3B 1X6
PHONE: (506) 458-9300 FAX: (506) 458-9317

AIDS NEW BRUNSWICK INC./

SIDA NOUVEAU-BRUNSWICK INC.

STATEMENT OF FINANCIAL POSITION - MARCH 31, 2016

	2016	2015
ASSETS		
Current:		
Cash	$ 102,807	$ 109,127
Short term investments	26,066	28,322
Accounts receivable	4,375	4,641
Prepaid expenses	6,594	4,809
	$ 139,842	$ 146,899
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	$ 2,780	$ 9,532
Deferred revenue (note 3)	57,607	61,362
	60,387	70,894
NET ASSETS		
Unrestricted net assets	63,773	58,685
Skills Building Fund (note 7)	15,682	17,320
	79,455	76,005
	$ 139,842	$ 146,899

Approved by the Board:

Director _____

AIDS NEW BRUNSWICK INC./

SIDA NOUVEAU-BRUNSWICK INC.

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2016

	Skills Building Fund	Unrestricted Fund	2016	2015
Balance, beginning of year	$ 17,320	$ 58,685	$ 76,005	$ 74,899
Excess of revenue for the year	-	3,450	3,450	1,106
Transfer to (from) Skills Building Fund	(1,638)	1,638	-	-
Balance, end of year	$ 15,682	$ 63,773	$ 79,455	$ 76,005

AIDS NEW BRUNSWICK INC./

SIDA NOUVEAU-BRUNSWICK INC.

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015
Revenue:		
Grants- Government of Canada	$ 205,410	$ 209,525
- Province of New Brunswick	71,105	70,658
- Corporations	7,650	6,063
- Wage subsidies	-	10,539
Donations and fundraising	7,725	11,876
Membership fees	-	20
Cost recoveries	5,338	1,120
Interest	1,325	1,209
	298,553	311,010
Expenses:		
Database development	1,173	1,509
Fundraising	740	636
Furniture and equipment	-	1,703
Interest and bank charges	1,250	1,352
Office supplies, postage and courier	5,249	6,373
Professional services	7,308	7,820
Program materials and expenses	27,564	24,554
Rent, equipment leasing, repairs, maintenance and insurance	19,940	21,124
Telephone	6,455	6,277
Travel, conferences and fees	23,629	20,923
Wages, benefits and casual wages	201,795	217,633
	295,103	309,904
Excess of revenue for the year	$ 3,450	$ 1,106

AIDS NEW BRUNSWICK INC./

SIDA NOUVEAU-BRUNSWICK INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2016

	2016	2015
CASH GENERATED FROM (USED IN):		
Operating Activities:		
Excess of revenue for the year	$ 3,450	$ 1,106
Net change in non-cash working capital (note 4)	(12,026)	(6,563)
Increase in cash, in the year	(8,576)	(5,457)
Cash, beginning of year	137,449	142,906
Cash, end of year	$ 128,873	$ 137,449
Cash consists of:		
Cash	$ 102,807	$ 109,127
Short term investments	26,066	28,322
	$ 128,873	$ 137,449

1. The organization:

AIDS New Brunswick Inc. / SIDA Nouveau-Brunswick Inc. is a registered charity, incorporated under the New Brunswick Companies Act on August 17, 1987 as a non-profit organization. The organization is committed to facilitating community-based responses to the issues of HIV/AIDS.

The aim is to promote and support the health and well-being of persons living with and affected by HIV/AIDS and to reduce the spread of HIV/AIDS in New Brunswick.

2. Significant accounting policies:

Capital assets -

Capital asset additions are expensed at the time of acquisition as is acceptable for not-for-profit entities meeting the criteria to be classified as a "small organization" as described in the CPA handbook. No furniture and equipment was purchased in 2016 ($1,703 in 2015).

Revenue recognition -

The organization defines contributions revenue as revenue from donations and grants.

The organization follows the deferral method of accounting for contributions revenue. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions, sales, cost recoveries and miscellaneous revenue are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Donations in-kind -

Donations in-kind are recorded at fair value when it can be reasonably estimated by the organization and when the materials are used in the normal course of the organization's activities and would otherwise have been purchased.

Donated services -

Volunteers donate many hours toward the activities of the organization, however the fair value of this donation cannot be readily determined. As a result, the value of donated services provided to the organization such as volunteer work and staff overtime are not recorded in the accounts.

2. Significant accounting policies (continued):

Use of accounting estimates -

In preparing the organization's financial statements, the organization's management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates.

Measurement of financial instruments -

The organization initially measures its financial assets and financial liabilities at fair value.

The organization subsequently measures all of its financial assets and financial liabilities at amortized cost.

3. Deferred revenue:

Deferred revenue represents funding received for specific purposes but not yet spent.

	2016	2015
Foundation grants for expenditures in future periods	$ 13,491	$ 21,141
Government funds received which are not yet spent	44,116	40,221
	$ 57,607	$ 61,362

4. Net change in non-cash working capital:

	2016	2015
Decrease (increase) in accounts receivable	$ 266	$ (215)
(Increase) in prepaid expenses	(1,785)	(2,300)
(Decrease) in accounts payable and accrued liabilities	(6,752)	(2,327)
(Decrease) in deferred revenue	(3,755)	(1,721)
	$ (12,026)	$ (6,563)

5. Commitments:

The organization leases office equipment under operating leases which expire in the 2017 and 2020 fiscal years.

Future minimum lease payments by year and in aggregate are as follows:

2017	$	4,374
2018		1,687
2019		1,687
2020		281
	$	8,029

6. Financial instruments:

The organization is exposed to the following risks arising from its financial instruments:

Liquidity risk -

Liquidity risk is the risk that the organization will not be able to meet its obligations as they come due. The organization meets its liquidity requirements by preparing an annual budget for operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

Interest rate risk -

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with instruments will fluctuate due to changes in market interest rates. The organization is exposed to interest rate risk with regard to its portfolio investments. The organization manages its interest rate risk exposure on fixed income maturities by investing in securities with varying maturities.

There has been no change in the assessed level of risk, arising from financial instruments, to which the organization is exposed.

7. Skills Building Fund:

Interest	$ 294
Expenditures	1,932
Net change in Skills Building Fund program for the year	(1,638)
Beginning balance	17,320
Skills Building Fund, end of year	$ 15,682