

**AIDS Committee of Ottawa**  
**Comité du sida d'Ottawa**  
**2004 Annual Report**

# AIDS Committee of Ottawa

## Comité du sida d'Ottawa

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## Report of the Board of Directors 2004

2003-2004 represented a challenging time for the AIDS Committee of Ottawa. A combination of unforeseen financial and organizational challenges absorbed almost all the energies of the board for the past eight months. Despite these challenges we would like to highlight some achievements: 1) Programs continued to be offered thanks to the skills and dedication of agency staff; 2) The agency was able to complete a strategic plan for the first time in a decade. This plan embarks the agency on a path of change; 3) The agency is welcoming talented new people to its staff team

### Finances

The agency faced a sizeable deficit in the fiscal year 2003-2004 due to a number of reasons. Last year we decided hire a fundraiser. Unfortunately staffing costs rose while fundraising revenues fell. We did not receive money from the AIDS Bureau to offset the costs of the move. At the end of May we received an unexpectedly large fee from our previous landlord for expenses. Finally we had deferred payment of legal fees over several years while we negotiated for relief. The agency implemented restraint measures that reduced expenses. However we are still facing a deficit in the area of \$42,000. This amount will exhaust our accumulated surplus. We will have to be very vigilant this year to ensure that we do not fall into deficit. This task is eased by the fact that several big-ticket items such as equipment leases were paid off last year.

Preparing a budget should be a high priority for the new board.

### Human Resources

The agency was able to keep its doors open and maintain a high degree of service during this difficult period because of the skill and dedication of our staff. Working with little outside leadership they cooperated closely to ensure that service users experienced as few disruptions as possible. The board wishes to express its deep appreciation for this work. We are privileged to have a number of staff who were with us throughout this past year and whose hard work and energy have been invaluable. The board gratefully acknowledges the work of Michelle Ball, Sheila Norquay, and Nadine Riopelle.

During the vacancy of the organizational and administrative leadership of ACO the board undertook a broad range of tasks. Current and former board members went well beyond the call of duty and gave very generously of their time and commitment. However it was inevitable that taking on an operational role usually reserved to paid staff would lead to conflict and misunderstanding. This has led to the resignations of a number of board members. It also sparked considerable tension with and within the staff team.

Repairing this damage must be a top priority for the new board.

There have been a number of departures from our staff team in the past year. Brent Oliver, Sara Redfern, Gary Hutchings, and Danielle MacArthur all brought energy and commitment to the agency and are greatly missed. We wish them well in their new endeavours.

There were a number of welcome new additions to our staff team. Jay Poitras joined our counselling team. He brings a fresh energy and interest in education and prevention issues. Shannon Willmott became our Volunteer Coordinator and has attracted new volunteers into a range of functions at the agency. John Sharp has become our office manager and is helping to restore order to our administrative processes. And we are pleased to have Kathleen Cummings bring her considerable skills and knowledge to her new task of Transition Manager/Executive Director.

### The Role of ACO

The organizational uncertainty at ACO has caused us to take a hard look at the role of ACO. Other organizations and community leaders have all asked tough questions about the continued relevance of ACO. Our strategic planning process aimed to give an answer. Our role as outlined in the recently approved strategic plan is to foster the empowerment of PHAs through the provision of practical and social supports as well as advocacy.

Now that the strategic plan has been approved our task will be to ensure that it is incorporated into the local service planning process currently being undertaken by the Ottawa Carleton Council on AIDS. While we anticipate that it will take at least six months for this plan to be ready we must begin planning for change now. We are at a delicate stage. People know there will be change but they do not know what the change will look like. An implementation plan will provide us more detail about how programs at ACO will change to reflect the new strategic direction. The new board will work with service users, staff and community partners to develop this plan.

### Conclusion

A challenging and difficult year has now drawn to a conclusion. The agency now has a full complement of staff. It also has a strategic plan that points the agency down a path of change. There are three tasks for the agency in the next year:

- 1) Plan for change
- 2) Bring the agency back to financial health
- 3) Revitalize trust and communication between staff, service users, the board and our community partners

**AIDS COMMITTEE OF OTTAWA**

FINANCIAL STATEMENTS

AS AT MARCH 31, 2004

# AIDS COMMITTEE OF OTTAWA

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**AUDITORS' REPORT**

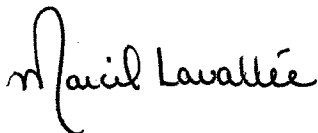
To the members  
Aids Committee of Ottawa

We have audited the balance sheet of Aids Committee of Ottawa as at March 31, 2004 and the statements of revenue and expenses, changes in net assets and cash flow 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 fundraising and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amount recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue from fundraising and donations, excess of expenses over revenue, assets and net assets.

In our opinion, except for the effect of the adjustments, if any, which we may have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the 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, 2004 and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

Ottawa, Ontario  
May 12, 2004

COMPTABLES AGRÉÉS | CHARTERED ACCOUNTANTS

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# AIDS COMMITTEE OF OTTAWA

## BALANCE SHEET

AS AT MARCH 31, 2004

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### ASSETS

	2004	2003
<b>CURRENT ASSETS</b>		
Cash	\$ 74,321	70,760
Term deposit	-	75,000
Accounts and contributions receivable (note 4)	15,809	35,872
Prepaid expenses	12,611	3,078
	<b>102,741</b>	<b>184,710</b>
<b>FIXED ASSETS (note 5)</b>	<b>21,305</b>	<b>12,675</b>
	<b>\$ 124,046</b>	<b>197,385</b>

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ON BEHALF OF THE BOARD

\_\_\_\_\_, Director

\_\_\_\_\_, Director

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**AIDS COMMITTEE OF OTTAWA**

BALANCE SHEET

AS AT MARCH 31, 2004

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**LIABILITIES**

	2004	2003
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 64,819	99,453
Deferred revenue and designated funds (note 6)	46,119	42,643
	<b>110,938</b>	142,096

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**NET ASSETS**

Unrestricted	(8,197)	42,614
Invested in fixed assets	21,305	12,675
	<b>13,108</b>	55,289
	<b>\$ 124,046</b>	197,385

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## AIDS COMMITTEE OF OTTAWA

### CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2004

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	Unrestricted	Invested in fixed assets	Total 2004	Total 2003
<b>NET ASSETS, BEGINNING OF YEAR</b>	\$ 42,614	12,675	55,289	37,967
Excess of (expenses over revenue) revenue over expenses	(37,770)	(4,411)	(42,181)	17,322
Investment in fixed assets	(13,041)	13,041	-	-
<b>NET ASSETS, END OF YEAR</b>	\$ (8,197)	21,305	13,108	55,289

# AIDS COMMITTEE OF OTTAWA

## REVENUE AND EXPENSES

FOR THE YEAR ENDED MARCH 31, 2004

	Budget (Note 3)	2004	2003
<b>REVENUE</b>			
Grants and contributions (note 7)	\$ 575,979	575,979	691,472
Fundraising and donations (note 8)	125,646	127,446	122,127
Special projects (page 13)	13,500	20,441	58,457
	<b>715,125</b>	<b>723,866</b>	<b>872,056</b>
<b>ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits	429,363	411,322	422,869
Rent, renovations and moving expenses	107,720	115,139	103,484
Advertising	4,620	5,019	7,364
Professional fees	21,107	27,165	9,569
Printing, stationery and office supplies	46,706	47,185	41,243
Project materials	8,000	6,838	10,241
Telecommunications	7,500	7,686	7,493
Volunteer support and Board meetings	3,400	4,034	4,688
Insurance	6,421	12,032	4,755
Postage and courier	2,875	2,989	3,959
Membership	7,500	6,968	8,008
Staff training	8,403	8,445	10,277
Interest and bank charges	1,700	1,995	1,907
Depreciation of fixed assets	-	4,411	2,754
Local travelling expenses	2,000	1,227	2,926
Other	652	4,850	5,030
Administrative expenses charged to projects	(167,000)	(166,222)	(215,040)
	<b>490,967</b>	<b>501,083</b>	<b>431,527</b>
<b>PROJECT EXPENSES</b>			
Health Canada - ACAP Men's and Women's	53,000	53,000	106,000
The Living Room	136,000	136,586	142,290
<b>COST OF FUNDRAISING EVENTS</b>			
The Stage for AIDS	37,027	37,602	38,302
Other	300	335	587
<b>SPECIAL PROJECTS (page 13)</b>	<b>30,000</b>	<b>37,441</b>	<b>136,028</b>
	<b>747,294</b>	<b>766,047</b>	<b>854,734</b>
<b>EXCESS OF (EXPENSES OVER REVENUE)</b>			
<b>REVENUE OVER EXPENSES</b>	\$ (32,169)	(42,181)	17,322

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**AIDS COMMITTEE OF OTTAWA**

## CASH FLOW

FOR THE YEAR ENDED MARCH 31, 2004

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	2004	2003
<b>OPERATING ACTIVITIES</b>		
Excess of (expenses over revenue) revenue over expenses	\$ (42,181)	17,322
<b>Item not affecting funds:</b> Depreciation of fixed assets	4,411	2,754
	(37,770)	20,076
<b>Changes in working capital items (note 9)</b>	<b>(20,628)</b>	2,107
	(58,398)	22,183
<b>INVESTING ACTIVITY (note 10)</b>	<b>(13,041)</b>	(7,124)
	(71,439)	15,059
<b>(DECREASE) INCREASE IN FUNDS</b>	<b>(71,439)</b>	15,059
<b>FUNDS, BEGINNING OF YEAR</b>	<b>145,760</b>	130,701
	74,321	145,760
<b>FUNDS, END OF YEAR</b>	<b>74,321</b>	145,760
<b>REPRESENTED BY</b>		
Cash	74,321	70,760
Term deposit	-	75,000
	\$ 74,321	145,760

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# AIDS COMMITTEE OF OTTAWA

## NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2004

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### 1. STATUTE AND NATURE OF OPERATIONS

The organization, incorporated under the Canada Corporations Act, was established to fight AIDS and HIV infection, their causes, and negative consequences through advocacy, education and support services. The AIDS Committee of Ottawa is a registered charitable organization under the Income Tax Act and is tax exempt.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Fixed assets

Fixed assets are recorded at cost. Depreciation of fixed assets is provided for over their estimated useful lives using the diminishing balance method at the following annual rates:

Computer equipment	30.0 %
Furniture and equipment	20.0 %

Purchases during the year, net of disposals, are depreciated at one-half the stated rates.

#### In-kind donations

In-kind donations are recorded at fair value when they can be reasonably estimated and when the materials and/or services are used in the normal course of the organization's operations.

The work of the AIDS Committee of Ottawa is dependent on the voluntary service of many members. The value of donated services is not recognized in these statements.

#### Administrative expenses charged to projects

Administrative expenses are charged to the projects according to management's best estimates of the time spent and the expenses incurred on these projects.

### 3. BUDGET

The budget figures presented in the financial statements have not been audited and consequently we do not express an opinion on these figures.

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## AIDS COMMITTEE OF OTTAWA

### NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2004

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#### 4. ACCOUNTS AND CONTRIBUTIONS RECEIVABLE

		2004	2003
Trade accounts	\$	5,756	2,713
Goods and services tax		10,053	13,159
Contributions receivable		-	20,000
	\$	15,809	35,872

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#### 5. FIXED ASSETS

	Cost	Accumulated depreciation	2004	2003
Computer equipment	\$ 51,511	46,756	4,755	4,965
Furniture and equipment	26,417	9,867	16,550	7,710
	\$ 77,928	56,623	21,305	12,675

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#### 6. DEFERRED REVENUE AND DESIGNATED FUNDS

Deferred revenue represents funding received but not yet expended in the current year. The grants under which some of these funds were received do not require repayment of the unexpended funds, but rather allow the organization to defer these excess funds for use in subsequent fiscal periods.

Designated funds are amounts which have been generated by the Organization. The organization has not recognized these funds as revenue, as they are being deferred for use in specific projects in future years. Many of these funds are from donations, memorials or fundraising events designated for specific purposes.

# AIDS COMMITTEE OF OTTAWA

NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2004

## 6. DEFERRED REVENUE AND DESIGNATED FUNDS (cont'd)

	2004	2003
<b>Deferred revenue :</b>		
Opening Doors	\$ 6,045	4,050
Public Service Announcement - City of Ottawa	3,265	3,265
<b>Designated funds :</b>		
The Living Room	27,375	23,379
Shared Realities	8,457	10,718
Train the Trainer	977	1,231
	<b>\$ 46,119</b>	<b>42,643</b>

## 7. GRANTS AND CONTRIBUTIONS

	Budget (Note 3)	2004	2003
Ministry of Health			
- Core funding	\$ 456,679	456,679	459,037
- Opening Doors (page 13)	17,000	17,000	17,000
- Shared Realities - HIV Conference	-	-	5,000
- Ottawa-Carleton Council on AIDS	-	-	23,400
Health Canada			
- ACAP Men's and Women's program	53,000	53,000	106,000
- Public Service Announcement	-	-	15,000
- Ottawa-Carleton Council on AIDS	-	-	10,000
City of Ottawa			
- The Living Room	49,300	49,300	49,300
- Public Service Announcement	-	-	6,735
	<b>\$ 575,979</b>	<b>575,979</b>	<b>691,472</b>

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## AIDS COMMITTEE OF OTTAWA

### NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2004

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#### 7. GRANTS AND CONTRIBUTIONS (cont'd)

##### Ministry of Health

The Ministry of Health core funding is to be used for salaries, rent and operating expenses in accordance with the Ministry's approved budget. Any unspent portion of the funding is repayable to the Ministry. 78,960 \$ of the core funding received from the Ministry of Health was used for the Living Room Project.

##### City of Ottawa

This funding is provided to the organization for use in the operation of The Living Room service.

#### 8. FUNDRAISING AND DONATIONS - REVENUE

	Budget (Note 3)	2004	2003
The Stage for AIDS	\$ 63,681	64,256	67,245
AIDS walk	19,000	19,899	25,659
The Living Room	6,933	8,329	12,578
Membership	500	705	130
Hope volleyball	10,000	10,000	-
Interest	1,049	337	939
Direct mail	-	-	210
Other donations	24,483	23,920	15,366
	\$ 125,646	127,446	122,127

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## AIDS COMMITTEE OF OTTAWA

### NOTES TO FINANCIAL STATEMENTS

AS AT MARCH 31, 2004

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#### 9. CHANGES IN WORKING CAPITAL ITEMS

	2004	2003
Accounts and contributions receivable	\$ 20,063	(30,258)
Prepaid expenses	(9,533)	(913)
Accounts payable and accrued liabilities	(34,634)	40,922
Deferred revenue and designated funds	3,476	(5,286)
Due to the Ministry of Health	-	(2,358)
	\$ (20,628)	2,107

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#### 10. INVESTING ACTIVITY

	2004	2003
Purchases of fixed assets	\$ (13,041)	(7,124)

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#### 11. LONG-TERM LEASE

The organization is committed under a long-term lease expiring August 31, 2008 to pay \$ 75,000 annually for a total minimum basic rent of \$ 375,000 for the rental of its place of business. This lease contains an option to renew for a period of five years.

The rental expense for the year ended March 31, 2004 totals \$105,839 (2003: \$ 103,484).

# AIDS COMMITTEE OF OTTAWA

## SCHEDULE OF SPECIAL PROJECTS

FOR THE YEAR ENDED MARCH 31, 2004

	Budget (Note 3)	Opening Doors	Shared Realities		Total	
			HIV Conference	Other	2004	2003
<b>REVENUE</b>						
Grants and contributions	\$ 17,000	17,000	-	-	17,000	77,135
Fundraising and donations	-	-	-	-	-	436
Other	13 500	10,130	3,702	6,609	20,441	58,457
	30 500	27,130	3,702	6,609	37,441	136,028
<b>EXPENSES</b>	30 000	27,130	3,702	6,609	37,441	136,028
<b>EXCESS OF REVENUE OVER EXPENSES</b>						
	\$ 500	-	-	-	-	-