

AIDS COMMUNITY CARE MONTRÉAL
SIDA BÉNÉVOLES MONTRÉAL

Financial Statements

March 31, 2018

AIDS COMMUNITY CARE MONTRÉAL
SIDA BÉNÉVOLES MONTRÉAL

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Amstutz Inc.
Comptables Professionnels Agréés

INDEPENDENT AUDITORS' REPORT

To the Members of
AIDS COMMUNITY CARE MONTRÉAL/SIDA BÉNÉVOLES MONTRÉAL

We have audited the accompanying financial statements of AIDS COMMUNITY CARE MONTRÉAL/SIDA BÉNÉVOLES MONTRÉAL which comprise the balance sheet as at March 31, 2018, and the statements of operations, changes in fund balances 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.

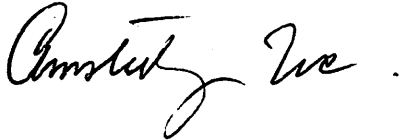
Auditor's Responsibility - Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 judgement, 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 qualified audit opinion.

Basis For Qualified Opinion - In common with many non-profit organizations, the organization derives revenue from donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the organization's records and we were not able to determine whether any adjustments might be necessary to donations, excess of revenue over expenses, current 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 concerning the completeness of donations referred to in the previous paragraphs, the financial statements present fairly, in all material respects, the financial position of AIDS COMMUNITY CARE MONTRÉAL/SIDA BÉNÉVOLES MONTRÉAL as at March 31, 2018 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.



By: R. Amstutz, CPA auditor, CA
May 29, 2018
Montreal, Quebec

AIDS COMMUNITY CARE MONTRÉAL
 SIDA BÉNÉVOLES MONTRÉAL
 BALANCE SHEET
 as at March 31, 2018

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ -	\$ 104 589
Accounts receivable (Note 4)	51,165	15,317
Prepaid expenses	<u>611</u>	<u>1,110</u>
	51,776	121,016
PROPERTY AND EQUIPMENT (Note 5)	<u>2,653</u>	<u>3,105</u>
	<u>\$ 54,429</u>	<u>\$ 124,121</u>
LIABILITIES		
CURRENT LIABILITIES		
Bank indebtedness	\$ 4,586	\$ -
Accounts payable and accrued charges (Note 6)	45,182	41,860
Deferred revenues	<u>19,187</u>	<u>-</u>
	<u>68,955</u>	<u>41,860</u>
FUND BALANCES		
RESTRICTED		
Invested in property and equipment	2,653	3,105
Internally restricted funds	-	15,000
UNRESTRICTED	<u>(17,179)</u>	<u>64,156</u>
	<u>(14,526)</u>	<u>82,261</u>
	<u>\$ 54,429</u>	<u>\$ 124,121</u>

ON BEHALF OF THE BOARD

.....,Director

.....,Director

.....,Director

.....,Director

The accompanying notes form an integral part of the financial statements.

AIDS COMMUNITY CARE MONTRÉAL
 SIDA BÉNÉVOLES MONTRÉAL
 STATEMENT OF CHANGES IN FUND BALANCES
 year ended March 31, 2018

				<u>2 0 1 8</u>	<u>2 0 1 7</u>
	Invested in property and equipment	Internally restricted funds	Un- restricted	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 3,105	\$ 15,000	\$ 64,156	\$ 82,261	\$ 67,205
(Deficiency) excess of revenues over expenses	-	-	(96,787)	(96,787)	15,056
Acquisition of property and equipment	188	-	(188)	-	-
Decrease in internally restricted funds	-	(15,000)	15,000	-	-
Amortization	<u>(640)</u>	<u>-</u>	<u>640</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>2,653</u>	\$ <u>-</u>	\$ <u>(17,179)</u>	\$ <u>(14,526)</u>	\$ <u>82,261</u>

The accompanying notes form an integral part of the financial statements

AIDS COMMUNITY CARE MONTRÉAL
SIDA BÉNÉVOLES MONTRÉAL
STATEMENT OF OPERATIONS
year ended March 31, 2018

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
REVENUES (Note 7)		
Restricted grants	\$ 377,555	\$ 395,379
Unrestricted grants	174,355	126,001
Restricted donations	9,132	10,492
Fundraising	160,119	157,555
Donations	29,646	17,490
Other	<u>2,888</u>	<u>7,467</u>
	<u>753,695</u>	<u>714,384</u>
EXPENSES		
Salaries and fringe benefits	572,437	502,114
Artsida	37,548	39,951
Other Jeunes Queer Youth expenses	36,262	-
30th anniversary	34,987	-
Professional fees	26,309	24,778
Buyer's club	22,229	18,817
Materials	15,170	15,259
Kontak - special project	13,014	12,894
Meetings, conferences and training	12,346	2,346
Rent and utilities	11,277	15,685
Office and general	10,765	5,124
Kontak	9,852	7,796
Equipment	9,862	805
Jeunes Queer Youth materials	7,396	-
Other ACAP expenses	5,832	11,629
Social events	5,546	10,032
Travel and outreach	4,630	8,258
Repairs and maintenance	4,229	6,356
Insurance	2,784	2,127
Fundraising	2,623	3,137
Dues and subscriptions	2,393	1,380
Translation	952	838
Volunteer recognition	649	2,525
Amortization	640	776
Advertising and promotion	355	1,188
Telus "Sext-Ed"	244	1,079
Website	151	3,096
Montreal Pride	<u>-</u>	<u>1,338</u>
	<u>850,482</u>	<u>699,328</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	\$ <u>(96,787)</u>	\$ <u>15,056</u>

The accompanying notes form an integral part of the financial statements.

AIDS COMMUNITY CARE MONTRÉAL
 SIDA BÉNÉVOLES MONTRÉAL
 STATEMENT OF CASH FLOWS
 year ended March 31, 2018

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenses	\$ (96,787)	\$ 15,056
Item not affecting cash		
Amortization	<u>640</u>	<u>776</u>
	(96,147)	15,832
CHANGES IN NON CASH OPERATING WORKING CAPITAL		
Accounts receivable	(35,848)	(2,341)
Prepaid expenses	499	3,678
Accounts payable and accrued charges	3,322	14,349
Deferred revenues	<u>19,187</u>	<u>-</u>
	(108,987)	31,518
INVESTING ACTIVITIES		
Acquisition of property and equipment	<u>(188)</u>	<u>-</u>
	<u>(188)</u>	<u>-</u>
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(109,175)	31,518
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>104,589</u>	<u>73,071</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u><u>(4,586)</u></u>	\$ <u><u>104,589</u></u>

Cash and cash equivalents are comprised of the following:

Cash	\$ -	\$ 104 589
Bank indebtedness	<u>(4,586)</u>	<u>-</u>
	\$ <u><u>(4,586)</u></u>	\$ <u><u>104,589</u></u>

The accompanying notes form an integral part of the financial statements.

AIDS COMMUNITY CARE MONTRÉAL
SIDA BÉNÉVOLES MONTRÉAL
NOTES TO THE FINANCIAL STATEMENTS
as at March 31, 2018

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Aids Community Care Montréal/Sida Bénévoles Montréal is a non profit organization incorporated under Part III of the Quebec Companies Act on February 1, 1988.

The organization is a registered charity under the Income Tax Act and is exempt from income taxes.

The organization is a volunteer based community organization working to enhance the quality of life of people living with HIV/AIDS, to prevent HIV transmission, and to promote community awareness and action.

2. FUND ACCOUNTING

The organization's activities are separated into eleven specific program and project funds and an operating fund. Whenever a single purpose restricted grant is received for a program or project that is not otherwise offered, a separate fund is created. Revenues and expenses directly related to each program or project are reported in their respective funds. Since the organization is a volunteer agency, funds entering the volunteer fund may in fact be used to pay people coordinating volunteer activities (recruitment, recognition and training) described in other funds. All other revenue and expenses are reported in the operating fund.

The operating fund covers all deficiencies of revenues over expenses of the other funds.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Accounting estimates

The preparation of financial statements in conformity with Canadian accounting standards requires management to make estimates and assumptions that 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 reporting period. Actual results may differ from these estimates.

Self-financing

Revenues from self-financing activities are recognized when the services are rendered or when the events have taken place.

AIDS COMMUNITY CARE MONTRÉAL
 SIDA BÉNÉVOLES MONTRÉAL
 NOTES TO THE FINANCIAL STATEMENTS
 as at March 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue recognition

The organization 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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cash and cash equivalents

The organization's policy is to disclose cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

Property and equipment

Property and equipment are recorded at cost. Amortization is computed using the diminishing-balance method at rates calculated to amortize the cost of the assets over their estimated useful lives, at the following rate:

Computers, equipment, furniture and fixtures	20%
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Contributed materials and services

Contributed materials and services which are used in the normal course of the organization's activities and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value is readily available.

Over 200 regular and part-time volunteers contribute approximately 10,832 hours per year to assist the organization in carrying out its service activities. Because of the difficulty of determining the fair value, contributed services are not recognized in these financial statements.

Financial instruments

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

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include bank indebtedness and accounts payable and accrued charges.

4. ACCOUNTS RECEIVABLE

	<u>2 0 1 8</u>	<u>2 0 1 7</u>
Grants receivable	\$ 40,000	\$ -
Sales taxes receivable	11,165	3,647
Other amounts receivable	<u>-</u>	<u>11,670</u>
	<u>\$ 51,165</u>	<u>\$ 15,317</u>

AIDS COMMUNITY CARE MONTRÉAL
SIDA BÉNÉVOLES MONTRÉAL
NOTES TO THE FINANCIAL STATEMENTS
as at March 31, 2018

5. PROPERTY AND EQUIPMENT		<u>2 0 1 8</u>	<u>2 0 1 7</u>
	Accumulated Amort- ization	Net Book Value	Net Book Value
Computers, equipment and furniture and fixtures	<u>Cost</u>		
	\$ <u>58,528</u>	\$ <u>2,653</u>	\$ <u>3,105</u>
	\$ <u><u>58,528</u></u>	\$ <u><u>2,653</u></u>	\$ <u><u>3,105</u></u>
6. ACCOUNTS PAYABLE AND ACCRUED CHARGES		<u>2 0 1 8</u>	<u>2 0 1 7</u>
Suppliers and accrued charges		\$ 13,549	\$ 9,695
Salaries, vacation and fringe benefits		<u>31,633</u>	<u>32,165</u>
		\$ <u><u>45,182</u></u>	\$ <u><u>41,860</u></u>
7. REVENUES		<u>2 0 1 8</u>	<u>2 0 1 7</u>
Restricted grants			
Public Health Agency of Canada		\$ 281,004	\$ 264,167
DSP - KONTAK		47,893	62,679
My Life with HIV		17,004	-
KONTAK - special project		16,636	25,000
ViiV Healthcare		9,593	-
Other		5,119	-
Telus "Sext-Ed"		306	4,533
Pharmaceutical - Treatment information		<u>-</u>	<u>39,000</u>
		<u>377,555</u>	<u>395,379</u>
Unrestricted grants			
Ministère de la Santé et Services sociaux (PSOC)		91,687	116,656
Other		<u>82,668</u>	<u>9,345</u>
		<u>174,355</u>	<u>126,001</u>
Restricted donations			
Fundraising		9,132	10,492
Donations		160,119	157,555
Other		29,646	17,490
		<u>2,888</u>	<u>7,467</u>
		<u>201,785</u>	<u>193,004</u>
		\$ <u><u>753,695</u></u>	\$ <u><u>714,384</u></u>

The Artsida revenues are exclusive of in-kind sponsorships from Absolute Vodka, Beau's, Galerie MX, Epik Collection, Encadrex and Eska. Each of these contributors provided either services to Artsida or to the organisation which are not included in the reported revenues.

AIDS COMMUNITY CARE MONTRÉAL
SIDA BÉNÉVOLES MONTRÉAL
NOTES TO THE FINANCIAL STATEMENTS
as at March 31, 2018

8. FINANCIAL INSTRUMENTS

Risks and concentrations - the organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet date, i.e. March 31, 2018.

Liquidity risk - liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued charges.

Credit Risk - Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to its accounts receivable.