
**CANADIAN TREATMENT ACTION
COUNCIL INC.**

FINANCIAL STATEMENTS

MARCH 31, 2018

INDEPENDENT AUDITOR'S REPORT

To the Members,
Canadian Treatment Action Council Inc.

We have audited the accompanying financial statements of Canadian Treatment Action Council Inc. which comprise the statement of financial position as at March 31, 2018, and the statements of operations and 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

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 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.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Treatment Action Council Inc. 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.



Chartered Professional Accountants
Licensed Public Accountants

June 19, 2018
Toronto, Ontario

CANADIAN TREATMENT ACTION COUNCIL INC.

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018

	2018	2017
ASSETS		
Current assets		
Cash	\$ 51,588	\$ 20,211
Guaranteed investment certificate (note 3)	140,000	-
Accounts receivable	117,778	213,952
HST recoverable	19,606	24,372
Prepaid expenses	<u>20,599</u>	<u>41,229</u>
	<u>\$ 349,571</u>	<u>\$ 299,764</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Bank indebtedness (resulting from outstanding cheques)	\$ -	\$ 34,922
Accounts payable and accrued liabilities	41,812	23,271
Deferred contributions (note 4)	<u>86,343</u>	<u>20,260</u>
	<u>128,155</u>	<u>78,453</u>
Net assets		
Internally restricted (note 6)	140,000	140,000
Unrestricted	<u>81,416</u>	<u>81,311</u>
	<u>221,416</u>	<u>221,311</u>
	<u>\$ 349,571</u>	<u>\$ 299,764</u>

Approved on behalf of the Board:

_____, Director

_____, Director

see accompanying notes

CANADIAN TREATMENT ACTION COUNCIL INC.**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS****FOR THE YEAR ENDED MARCH 31, 2018**

	2018	2017
REVENUE		
Public Health Agency of Canada grant	\$ 591,095	\$ 630,979
Corporate contributions (note 5)	75,917	82,240
Other	<u>25,439</u>	<u>3,309</u>
	<u>692,451</u>	<u>716,528</u>
EXPENSES		
Salaries and benefits	536,893	480,614
Rent, telephone and utilities	77,779	67,580
Travel and accommodation	30,233	82,848
Professional fees	24,049	9,205
Materials	12,313	29,215
Administrative	6,079	9,669
Evaluation	5,000	30,763
Amortization	<u>-</u>	<u>6,406</u>
	<u>692,346</u>	<u>716,300</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	105	228
Net assets, beginning of year	<u>221,311</u>	<u>221,083</u>
NET ASSETS, END OF YEAR	<u>\$ 221,416</u>	<u>\$ 221,311</u>

see accompanying notes

CANADIAN TREATMENT ACTION COUNCIL INC.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 105	\$ 228
Add back (deduct) non-cash items-		
Amortization of capital assets	-	6,406
Capital grant recognized	-	(5,047)
Net change in non-cash working capital items (see below)	<u>206,194</u>	<u>(272,338)</u>
Net cash generated from (used for) operating activities	206,299	(270,751)
INVESTING ACTIVITIES		
Purchase of guaranteed investment certificate	<u>(140,000)</u>	<u>-</u>
NET CASH (BANK INDEBTEDNESS) INCREASE (DECREASE) IN THE YEAR	66,299	(270,751)
Cash (bank indebtedness), beginning of year	<u>(14,711)</u>	<u>256,040</u>
CASH (BANK INDEBTEDNESS), END OF YEAR	<u>\$ 51,588</u>	<u>\$ (14,711)</u>
Represented by:		
Cash	\$ 51,588	\$ 20,211
Bank indebtedness (resulting from outstanding cheques)	<u>-</u>	<u>(34,922)</u>
	<u>\$ 51,588</u>	<u>\$ (14,711)</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets-		
Accounts receivable	\$ 96,174	\$ (209,408)
HST recoverable	4,766	7,269
Prepaid expenses	20,630	(34,695)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	18,541	(15,428)
Deferred contributions	<u>66,083</u>	<u>(20,076)</u>
	<u>\$ 206,194</u>	<u>\$ (272,338)</u>

see accompanying notes

CANADIAN TREATMENT ACTION COUNCIL INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

Canadian Treatment Action Council Inc./Conseil Canadien de Surveillance et d'Accès aux Traitements Inc (the Organization) is incorporated under the Canada Not-for-profit Corporations Act without share capital. The Organization is exempt from income tax in Canada as a not-for-profit organization under Section 149(1)(L) of the Income Tax Act (Canada).

The objectives of the Organization are to secure and ensure access to therapies and treatments for people living with HIV/AIDS or who are co-infected with the viral Hepatitis by working with the public, private and not-for-profit sectors. The Organization serves to:

- i) Inform research and public policy, and promote public awareness;
- ii) Provide mentoring and skill building in these areas to people living with HIV/AIDS or who are co-infected with the viral Hepatitis;
- iii) Encourage and facilitate the exchange of related information to stakeholders; and
- iv) Build and work with coalitions to address broader health care issues impacting access to therapies and treatments.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) The Organization follows the deferral method of revenue recognition for contributions, which includes grants. Contributions related to current expenses are reflected in the accounts as revenue in the current year. Contributions received in the year for expenses to be incurred in the following fiscal year are recorded as deferred contributions. Contributions related to the purchase of capital assets are recorded as revenue in the same period the related assets are charged to operations.
- ii) Fundraising and donation revenue is recorded when funds are received. Donated materials and services which are purchased on behalf of the organization are not recorded in the accounts.

2. FINANCIAL INSTRUMENTS

The Organization records financial instruments, which include cash, accounts receivable, accounts payable and accrued liabilities, initially at fair value and are subsequently recorded net of any provisions for impairment in value.

3. GUARANTEED INVESTMENT CERTIFICATE

The guaranteed investment certificate is issued by a major Canadian chartered bank, bears an interest rate of 1.40% and matures in January 2019.

CANADIAN TREATMENT ACTION COUNCIL INC.

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2018

4. DEFERRED CONTRIBUTIONS

Continuity of deferred contributions for the year is as follows:

	2018	2017
Deferred contributions, beginning of year	\$ 20,260	\$ 40,336
Add cash received from contributions	733,095	693,143
Less contributions recognized	<u>(667,012)</u>	<u>(713,219)</u>
Deferred contributions, end of year	<u>\$ 86,343</u>	<u>\$ 20,260</u>

5. CORPORATE CONTRIBUTIONS

Corporate contributions are as follows:

	2018	2017
Gilead Sciences	\$ 60,500	\$ 46,500
AbbVie Corporation	13,657	
Viiv Healthcare	<u>1,760</u>	<u>35,740</u>
	<u>\$ 75,917</u>	<u>\$ 82,240</u>

6. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets are reserved in the event of an operational wind-up. The Organization may not use these net assets for any other purpose without the approval of the Board of Directors.

7. COMMITMENTS

The Organization leases office space in Toronto, Ontario. Minimum annual payments under the terms of the lease, which expires on July 31, 2020, are as follows:

2019	\$ 32,800
2020	32,800
2021	8,200