THE BLACK COALITION FOR AIDS PREVENTION OF METROPOLITAN TORONTO

FINANCIAL STATEMENTS

MARCH 31, 2021

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KRIENS~LAROSE, LLP
CHARTERED PROFESSIONAL
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Black Coalition for AIDS Prevention of Metropolitan Toronto
Report on the Audit of the Financial Statements

Qualified Opinion
We have audited the financial statements of The Black Coalition for AIDS Prevention of Metropolitan Toronto, which comprise the statement of financial position as at March 31, 2021, and the statements of operations and changes in net assets and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of revenues described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of The Black Coalition for AIDS Prevention of Metropolitan Toronto as at March 31, 2021, 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.

Basis for Qualified Opinion
The Organization derives certain of its revenues from donations, the completeness of which is not susceptible to satisfactory audit procedures. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Organization. Therefore we were not able to determine whether any adjustments might be necessary to operating revenue, excess (deficiency) of revenues over expenses and cash flows for the years ended March 31, 2021 and March 31, 2020, current assets as at March 31, 2021 and March 31, 2020, and fund balance as at the beginning and end of the years ended March 31, 2021 and March 31, 2020. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The Black Coalition for AIDS Prevention of Metropolitan Toronto in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT (Continued)

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT (Continued)

- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KRIENS~LAROSE, LLP

Kriens~LaRose, LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
August 31, 2021

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	2021 $	2020 $
ASSETS		
CURRENT		
Cash	522,765	284,629
Grants receivable	34,974	15,894
Accounts receivable	-	16,500
Prepaid expenses	63,553	17,681
Government remittances receivable (Note 3)	121,965	54,460
	743,257	389,164
EQUIPMENT (Note 2)	194,556	148,945
	937,813	538,109

THE BLACK COALITION FOR AIDS
PREVENTION OF METROPOLITAN TORONTO
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	2021 $	2020 $
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	13,136	47,381
Due to Ontario Ministry of Health and Long-Term Care (Note 4)	94,407	92,499
Due to City of Toronto (Note 5)	183,315	-
Government remittances payable	-	5,170
Deferred contributions (Note 6)	535,355	496,274
Deferred contributions related to equipment (Note 7)	26,735	25,794
	852,948	667,118
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT (Note 7)	106,940	48,779
	959,888	715,897
NET ASSETS (DEFICIENCY)		
UNRESTRICTED NET ASSETS (DEFICIENCY)	(22,075)	(177,788)
	937,813	538,109

APPROVED ON BEHALF OF THE BOARD:

______________________ Director

______________________ Director

STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021

	Black CAP 2021 $	ACCHO 2021 $	Total 2021 $	Total 2020 $
REVENUES				
Ontario Ministry of Health and Long-Term Care (Note 4)	730,728	805,810	1,536,538	1,602,508
Ontario Ministry of Citizenship and Immigration	65,000	-	65,000	65,000
Citizenship and Immigration Canada	206,985	-	206,985	180,664
Deferred capital contributions (Note 7)	22,324	-	22,324	22,324
City of Toronto	226,308	-	226,308	211,156
Recoveries and other grants (Note 8)	224,832	-	224,832	198,842
Public Health Agency of Canada	263,990	-	263,990	249,273
Ontario HIV Treatment Network	118,586	-	118,586	-
Self generated income	40,750	-	40,750	-
Donations	319,768	-	319,768	105,265
Donation-in-kind	-	-	-	16,500
Government assistance (Note 9)	37,915	-	37,915	-
	2,257,186	805,810	3,062,996	2,651,532
EXPENSES				
Human resources (Note 11)	1,285,968	282,493	1,568,461	1,777,463
Program and workshops	383,168	255,276	638,444	679,211
Office administration (Note 11)	1,368	-	1,368	546
Professional fees	98,944	68,121	167,065	60,333
Rent (Note 11)	206,390	86,500	292,890	278,488
Communications campaign	12,191	113,305	125,496	39,932
Volunteer activities and development	5,511	115	5,626	12,465
Emergency funding to people with HIV/AIDS	3,653	-	3,653	3,730
Resource development	4,179	-	4,179	12,100
Amortization	41,904	-	41,904	37,801
	2,043,276	805,810	2,849,086	2,902,069
Excess (deficiency) of revenues over expenses for the year	213,910	-	213,910	(250,537)
Unrestricted net assets (deficiency), beginning of year	(215,350)	37,562	(177,788)	72,749
Prior period settlement with City of Toronto (Note 5)	(58,197)	-	(58,197)	-
Unrestricted net assets (deficiency), end of year	(59,637)	37,562	(22,075)	(177,788)

See accompanying notes to the financial statements

THE BLACK COALITION FOR AIDS
PREVENTION OF METROPOLITAN TORONTO
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

	2021 $	2020 $
CASH WAS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Cash receipts from grants	2,460,637	2,977,029
Cash receipts from donations and recoveries	585,350	304,107
Cash receipts from government assistance	37,915	-
Cash paid to suppliers and employees	(2,943,474)	(2,768,973)
Cash paid to Ontario Ministry of Health and Long-Term Care	1,908	(97,329)
Cash paid to City of Toronto	183,315	-
	325,651	414,834
PURCHASE OF EQUIPMENT	(87,515)	(36,025)
Change in cash	238,136	378,809
Cash (bank indebtedness), beginning of year	284,629	(94,180)
Cash (bank indebtedness), end of year	522,765	284,629

See accompanying notes to the financial statements

PURPOSE OF THE ORGANIZATION

The Black Coalition for AIDS Prevention of Metropolitan Toronto ("the Coalition") was incorporated without share capital on March 31, 1991 under the Ontario Business Corporations Act and is a registered charity under the Income Tax Act (Canada). The purpose of the coalition is to reduce the spread of HIV infection in black communities and to enhance the quality of life of black people living with or affected by HIV/AIDS.

The Coalition is a registered charity under the Income Tax Act (Canada), and as such is exempt from the payment of corporate income taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook and include the following significant accounting policies:

Basis of Presentation

The accounting policies of the Coalition are in accordance with accounting principles that apply to a going concern. The continued ability of the Coalition to operate its programs is dependent on its ability to obtain sufficient funding, as the majority of the Coalition's revenue is funded revenue.

Financial Instruments

The Coalition initially measures its financial assets and financial liabilities at fair value. The Coalition subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash, grants receivable and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Continued...

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 reporting date and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations in the year they become known.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and fixed income investments with maturities of less than 90 days.

Prepaid Expenses

Prepaid expenses are recorded for goods and services to be received in the next fiscal year, which were paid for in the current fiscal year.

Equipment and Amortization

Equipment is stated at acquisition cost. Amortization is provided on a straight-line basis at the following annual rates:

Office equipment	3 years
Computer equipment	3 years
Furniture	3 years
Leasehold improvements	term of the premises lease

Where equipment no longer has any long-term service potential to the Coalition, the excess of their net carrying amount over any residual value is recognized as an expense in the statement of operations.

Continued...

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition

The Coalition follows the deferral method of accounting for contributions.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Externally restricted contributions includes funds from Ontario Ministry of Health, Ontario Ministry of Citizenship and Immigration, Citizen and Immigration Canada, Ontario Trillium Foundation, City of Toronto, Public Health Agency of Canada, and other grants.

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. Unrestricted contributions includes recoveries.

Restricted contributions related to equipment is recognized as revenue as the equipment is amortized over their useful lives. Restricted contributions related to equipment includes funds received from Ontario Trillium Foundation.

Donations are recognized as revenue when received.

Interest is recognized when received.

Government Assistance

Government assistance is a restricted contribution and is accounted for using the deferral method based on the assistance provided:

Wage Subsidies

Wage subsidies are recognized as revenue in the year the related wages are incurred

Donated Property and Services

During the year, voluntary services were provided. Because these services are not normally purchased by the Coalition, and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

Allocation of Expenses

The Coalition engages in various service programs. The cost of these programs include the expenses that are directly related to providing the services. The Coalition also incurs general administration expenses that are common to the Coalition and each of its programs. The Coalition allocates certain of its general administration expenses on the basis as disclosed in note 11.

Continued...

2. EQUIPMENT

	2021 Cost $	2021 Accumulated amortization $	2020 Cost $	2020 Accumulated amortization $
Office equipment	28,990	28,718	28,990	23,046
Computer equipment	106,556	97,829	101,210	73,006
Leasehold improvements	466,345	286,173	374,508	268,506
Furniture	55,098	49,713	54,356	45,561
	656,989	462,433	559,064	410,119
Net book value	194,556		148,945	

3. GOVERNMENT REMITTANCES RECEIVABLE

Government remittances receivable consist of the following

	2021 $	2020 $
GST/HST rebate	78,009	54,460
Payroll remitances overpayment	43,956	-
	121,965	54,460

Continued...

4. DUE TO ONTARIO MINISTRY OF HEALTH AND LONG-TERM CARE

The amount owing to the Ministry represents the excess of funding received from the Ministry over the expenses incurred for the program in the fiscal year. The total funding received from the Ministry of $1,692,912 (2020: $1,692,912) has been accounted for as revenue of $1,536,538 (2020: $1,602,508), deferred contributions of $62,629 (2020: $nil) and due to the Ministry of $1,908 (2020: $89,466).

5. DUE TO CITY OF TORONTO

During the fiscal year, City of Toronto (Toronto Urban Health Fund - TUHF) conducted a spot audit of prior year programs. As a result of the audit, it was determined that $183,518 was considered as unspent funds. Out of the total amount, $58,197 was recognized as revenue in prior years, and therefore adjusted as a reduction to net assets in the current fiscal year.

This amount is scheduled to be paid back to the City of Toronto in installments as follow:

	$
2022	100,449
2023	41,433
2024	41,433
Total	183,315

Continued...

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent externally restricted amounts received in the current year that are earmarked for future specific programs.

	2021 $	2020 $
Ontario HIV Treatment Network	304,126	331,866
City of Toronto	110,600	123,963
Ministry of Health and Long-Term Care	62,629	-
East Metro Youth Services	58,000	-
Immigration, Refugees and Citizenship Canada	-	15,618
Ryerson University	-	17,958
Public Health Agency of Canada	-	6,869
	535,355	496,274

Continued...

7. DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT

Deferred contributions related to equipment represent restricted contributions with which the Coalition's assets were originally purchased. The changes in the deferred contributions balance for the year are as follows:

	2021 $	2020 $
Balance, beginning of year	74,573	86,487
Restricted funds received	91,837	10,410
Amounts amortized against amortization	(10,411)	-
Amounts amortized to revenue	(22,324)	(22,324)
Balance, end of year	133,675	74,573
Current portion	26,735	25,794
Long term portion	106,940	48,779

8. PRIVATE FUNDING

Private funding received by Black Coalition for AIDS Prevention is used to maintain and enhance programs and services, and to provide emergency financial assistance to people living with HIV/AIDS.

Continued...

9. GOVERNMENT ASSISTANCE

During the fiscal year, the Organization received assistance in the form of Canada Emergency Wage Subsidy (CEWS). The CEWS serves as financial relief for a portion of employee wages. The assistance received is not repayable albeit is subject to audit by the Canada Revenue Agency (CRA).

10. COMMITMENTS

The Coalition entered into a premises lease on May 6, 2010. The term of the lease is December 1, 2010 to February 28, 2016. The lease was extended in the 2015 fiscal year to February 28, 2026. The total remaining minimum rental commitment under the lease is approximately $535,000.

In addition to the minimum rent, the Coalition is required to make payments for its share of operating costs, taxes and utilities. These annual costs are estimated at $140,000.

The annual minimum rental commitments under the lease are as follows:

2022	103,000
2023	106,000
2024	106,000
2025	110,000
2026	110,000
Total	535,000

11. EXPENSE ALLOCATIONS

Salaries, benefits, rent, professional fee and administration expenses are allocated among the Black CAP and ACCHO programs based on the time staff dedicated to the programs, and the approximation of percentage of usage of the particular expenses. The dollar amount of salaries, benefits and general administrative expenses allocated to various services programs have been disclosed in the statement of operations.

Continued...

12. FINANCIAL INSTRUMENTS

The Coalition is exposed to various risks through its financial instruments. The following presents the Coalition's risk exposure and concentrations at March 31, 2021.

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 Coalition's main credit risk relate to accounts receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is $0 (2020: $0).

Liquidity Risk
Liquidity risk is the risk that the Coalition will encounter difficulty in meeting obligations associated with financial liabilities. The Coalition is exposed to this risk as it depends on Government assistance and funding for its operations. In order to reduce its liquidity risk, the Coalition seeks to continue to receive funding on an annual basis, and manages its cash flow and set aside idle funds to fulfill its obligations.

Market Risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk, interest rate risk and other price risk.

Currency Risk
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Coalition does not have a currency risk, as almost all transactions are in Canadian dollars.

Interest Rate Risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Coalition has a low interest rate risk.

Other Price Risk
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Coalition is not exposed to other price risk.

Continued...

13. IMPACT OF THE NOVEL CORONAVIRUS (COVID-19)

In March 2020, the World Health Organization declared a global pandemic due to the outbreak of the novel Coronavirus ("COVID-19"). The situation is continuously developing and the economic impact has been substantial to both Canada and the globe. As at August 31, 2021, the Coalition is aware of the changes in its operations as a result of the COVID-19 pandemic, including parts of the staff being laid off and the inability to provide face to face services. As the result, services are currently provided online.

Management is closely monitoring the situation, and as at August 31, 2021, the Coalition is not able to fully estimate the impact of COVID-19 on operations at this time given the continuous evolution of the pandemic and the global responses thereon to mitigate the spread. The financial impacts will be accounted for when they are known and may be assessed.

Continued...

14. PUBLIC HEALTH AGENCY OF CANADA

The funding received from the Public Health Agency of Canada and the expenses related to the funding are summarized as follows:

Black CAP

	Budget 2021 $	Actual 2021 $
REVENUE		
Public Health Agency of Canada	257,121	263,990
EXPENSES		
Personnel	186,488	190,568
Rent/utilities	33,748	33,484
Workshops	15,700	25,081
Other	4,986	8,853
Evaluation	5,467	3,767
Resource development	800	494
Travel	5,156	-
Materials	1,009	600
Conferences	3,767	-
	257,121	262,847
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	-	1,143

Continued...

15. ONTARIO MINISTRY OF HEALTH AND LONG-TERM CARE

The funding received by Black CAP from the Ontario Ministry of Health and Long-Term Care and the expenses related to the funding are summarized as follows:

	Actual 2021 $
REVENUE	
Ontario Ministry of Health and Long-Term Care	730,728
EXPENSES	
Personnel	476,834
Rent/utilities	152,000
Supplies/program expense	31,283
Protected Allocations	12,131
Other/special items	58,408
	730,656
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	72

Continued...

15. ONTARIO MINISTRY OF HEALTH AND LONG-TERM CARE (Continued)

The funding received by ACCHO from the Ontario Ministry of Health and Long-Term Care and the expenses related to the funding are summarized as follows:

	Actual 2021 $
REVENUE	
Ontario Ministry of Health and Long-Term Care	805,810
EXPENSES	
Personnel	279,035
Rent/utilities	86,500
Supplies/program expense	215,715
Protected Allocations	4,573
Other/special items	219,987
	805,810
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	-