THE BLACK COALITION FOR AIDS PREVENTION OF METROPOLITAN TORONTO

FINANCIAL STATEMENTS

MARCH 31, 2023

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KRIENS~LAROSE, LLP
CHARTERED PROFESSIONAL
ACCOUNTANTS

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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, 2023, 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, 2023, 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 Coalition 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 Coalition. Therefore we were not able to determine whether any adjustments might be necessary to operating revenue, excess of revenues over expenses and cash flows for the years ended March 31, 2023 and March 31, 2022, current assets as at March 31, 2023 and March 31, 2022, and fund balance as at the beginning and end of the years ended March 31, 2023 and March 31, 2022. Our audit opinion on the financial statements for the year ended March 31, 2023 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 Coalition'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 Coalition or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Coalition'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 Coalition'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 Coalition'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 Coalition 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
September 18, 2023

THE BLACK COALITION FOR AIDS
PREVENTION OF METROPOLITAN TORONTO
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	2023 $	2022 $
ASSETS		
CURRENT		
Cash	141,659	261,665
Grants receivable	175,304	24,949
Accounts receivable	-	137,025
Government remittances receivable (Note 2)	98,265	80,630
	415,228	504,269
EQUIPMENT (Note 3)	108,173	148,311
	523,401	652,580

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	2023 $	2022 $
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	24,922	24,687
Due to Ontario Ministry of Health and Long-Term Care (Note 4)	68,947	68,947
Due to City of Toronto (Note 5)	41,433	82,866
Deferred contributions (Note 6)	136,807	252,594
Deferred contributions related to equipment (Note 7)	26,735	26,735
	298,844	455,829
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT (Note 7)	53,470	80,205
	352,314	536,034
NET ASSETS		
UNRESTRICTED NET ASSETS	171,087	116,546
	523,401	652,580

APPROVED ON BEHALF OF THE BOARD:

Nwachukwu, Director Uchenna Nwachukwu - Board Treasurer 18 Sept 2023

_____________________, Director Interim Executive Director.

STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2023

	Black CAP 2023 $	ACCHO 2023 $	Total 2023 $	Total 2022 $ (Note 12)
REVENUES				
Ontario Ministry of Health and Long-Term Care (Note 4)	730,728	681,547	1,412,275	1,625,872
Ontario Ministry of Health and Long-Term Care 2021 budget	-	-	-	62,629
Ontario Ministry of Citizenship and Immigration	70,000	-	70,000	65,000
Citizenship and Immigration Canada	262,300	-	262,300	212,525
Deferred capital contributions (Note 7)	26,735	-	26,735	26,735
City of Toronto	101,959	-	101,959	428,905
Other grants (Note 8)	641,722	-	641,722	485,406
Public Health Agency of Canada	354,116	-	354,116	248,088
Ontario HIV Treatment Network	124,478	-	124,478	208,540
Self generated income	4,090	-	4,090	40,500
Donations	628,550	75	628,625	78,154
Administrative/Program recovery (Note 9)	60,030	-	60,030	191,676
Health Canada	202,758	-	202,758	-
	3,207,466	681,622	3,889,088	3,674,030
EXPENSES				
Human resources (Note 11)	1,893,969	285,681	2,179,650	2,003,495
Program and workshops	911,419	95,022	1,006,441	631,958
Office administration (Note 11)	1,049	-	1,049	-
Professional fees	64,693	66,003	130,696	214,892
Rent (Note 11)	208,622	86,500	295,122	265,887
Communications campaign	7,755	42,881	50,636	115,342
Volunteer activities and development	4,878	-	4,878	5,532
Emergency Funding to people with HIV/AIDS	17,858	-	17,858	37,551
Resource development	2,544	25,725	28,269	22,726
Administrative expenses (Note 9)	-	79,810	79,810	191,676
Amortization	40,138	-	40,138	46,350
	3,152,925	681,622	3,834,547	3,535,409
Excess of revenues over expenses for the year	54,541	-	54,541	138,621
Unrestricted net assets (deficiency), beginning of year	78,984	37,562	116,546	(22,075)
Unrestricted net assets, end of year	133,525	37,562	171,087	116,546

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, 2023

	2023 $	2022 $
CASH WAS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Cash receipts from grants	2,058,986	2,441,798
Cash receipts from donations and recoveries	1,274,437	604,060
Cash receipts from government assistance	202,758	-
Cash paid to suppliers and employees	(3,614,754)	(3,180,945)
Cash paid to Ontario Ministry of Health and Long-Term Care	-	(25,460)
Cash paid to City of Toronto	(41,433)	(100,449)
	(120,006)	(260,996)
PURCHASE OF EQUIPMENT	-	(104)
Change in cash	(120,006)	(261,100)
Cash, beginning of year	261,665	522,765
Cash, end of year	141,659	261,665

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. GOVERNMENT REMITTANCES RECEIVABLE

Government remittances receivable consist of the following

	2023 $	2022 $
GST/HST rebate	54,308	36,674
Payroll remittances overpayment	43,957	43,956
	98,265	80,630

3. EQUIPMENT

	2023		2022	
	Cost $	Accumulated amortization $	Cost $	Accumulated amortization $
Office equipment	29,093	29,023	29,093	29,024
Computer equipment	106,556	106,556	106,556	103,686
Leasehold improvements	466,345	358,242	466,345	322,206
Furniture	55,098	55,098	55,098	53,865
	657,092	548,919	657,092	508,781
Net book value		108,173		148,311

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 $1,412,275 (2022: $1,625,872) has been accounted for as revenue of $1,412,275 (2022: $1,625,872), deferred contributions of $nil (2022: $nil) and due to the Ministry of $- (2022: $nil). In addition, $nil (2022: $62,629) has been accounted as revenue in the current fiscal year which represent amount from 2021 funding.

By the end of fiscal year 2023, the amount owing to the Ministry consists of the following:

	$
2020-2021	1,908
2021-2022	67,039
Total	68,947

5. DUE TO CITY OF TORONTO

During the 2021 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 $183,315 was considered as unspent funds. Out of the total amount, $58,197 was recognized as revenue in prior years, and therefore in fiscal year 2021, this amount has been presented as a reduction to net assets. This amount is scheduled to be paid back to the City of Toronto in the following installments:

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

In fiscal year 2023 $41,433, (2022: $100,449) was paid back to the City of Toronto. By the end of March 31, 2023, the total remaining amount owing to the City of Toronto is $41,433.

Continued...

6. DEFERRED CONTRIBUTIONS

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

	2023 $	2022 $
Ontario HIV Treatment Network	9,709	95,586
City of Toronto	47,877	22,147
Public Health Agency of Canada	20,745	7,573
Ministry of Health and Long-Term Care	4,634	-
Network for the Advancement of Black Communities	13,721	-
Community Based Research Centre	40,121	-
Minister of Families, Children, and Social Development	-	83,488
Supporting Black Canadian Communities Initiative	-	30,000
Strides Toronto - Fee for Services	-	13,800
	136,807	252,594

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:

	2023 $	2022 $
Balance, beginning of year	106,940	133,675
Amounts amortized to revenue	(26,735)	(26,735)
Balance, end of year	80,205	106,940
Current portion	26,735	26,735
Long term portion	53,470	80,205

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.

9. ADMINISTRATIVE / PROGRAM RECOVERY

Administrative / program recovery are allowable administrative which the Coalition entitled as stipulated in the respective funding agreements.

Continued...

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 $326,000.

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:

2024	106,000
2025	110,000
2026	110,000
Total	326,000

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.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

Continued...

13. 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, 2023.

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 (2022: $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...

14. PUBLIC HEALTH AGENCY OF CANADA

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

	2023 $
REVENUE	
Public Health Agency of Canada	354,116
EXPENSES	
Personnel	235,652
Rent/utilities	24,767
Workshops	35,100
Other	5,298
Evaluation	34,550
Travel	6,936
Materials	11,813
	354,116
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	-

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:

	2023 $
REVENUE	
Ontario Ministry of Health and Long-Term Care	730,728
EXPENSES	
Personnel	442,374
Rent/utilities	144,369
Supplies/program expense	122,829
Other - Special Items	10,961
Protected Allocations	8,044
Administrative expense	2,151
	730,728
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	-

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:

	2023 $
REVENUE	
Ontario Ministry of Health and Long-Term Care	681,547
EXPENSES	
Personnel	280,547
Rent/utilities	86,500
Supplies/program expense	87,231
Telephone	10,961
Protected Allocations	6,134
Other/special items	68,606
Administrative expenses	86,526
Professional fees	66,003
	681,547
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	-