THE BLACK COALITION FOR AIDS PREVENTION OF METROPOLITAN TORONTO

FINANCIAL STATEMENTS

MARCH 31, 2024

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INDEX	**PAGE**

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INDEPENDENT AUDITOR'S 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, 2024, 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, 2024, 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, 2024 and March 31, 2023, current assets as at March 31, 2024 and March 31, 2023, and fund balance as at the beginning and end of the years ended March 31, 2024 and March 31, 2023. Our audit opinion on the financial statements for the year ended March 31, 2024 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.

INDEPENDENT AUDITOR'S 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.

KRIENS~LAROSE, LLP
CHARTERED PROFESSIONAL
ACCOUNTANTS

INDEPENDENT AUDITOR'S 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
October 24, 2024

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	2024 $	2023 $
ASSETS		
CURRENT		
Cash	291,608	141,659
Grants receivable	265,016	175,304
Prepaid expenses	7,345	-
Government remittances receivable (Note 2)	132,051	98,265
	696,020	415,228
EQUIPMENT (Note 3)	72,069	108,173
	768,089	523,401

THE BLACK COALITION FOR AIDS
PREVENTION OF METROPOLITAN TORONTO
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024

	2024 $	2023 $
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	155,358	24,922
Due to Ontario Ministry of Health (Note 4)	223,841	68,947
Due to Public Health Agency of Canada	88,730	-
Due to City of Toronto (Note 5)	41,433	41,433
Deferred contributions (Note 6)	42,941	136,807
Deferred contributions related to equipment (Note 7)	17,436	26,735
	569,739	298,844
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT (Note 7)	36,034	53,470
	605,773	352,314
NET ASSETS		
UNRESTRICTED NET ASSETS	162,316	171,087
	768,089	523,401

APPROVED ON BEHALF OF THE BOARD:

______________________,Director Roger Ramkissoon, Treasurer

______________________,Director Camille Orridge, Chair

THE BLACK COALITION FOR AIDS
PREVENTION OF METROPOLITAN TORONTO
STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024

	Black CAP 2024 $	ACCHO 2024 $	Total 2024 $	Total 2023 $
REVENUES				
Ontario Ministry of Health (Note 4)	767,281	855,437	1,622,718	1,412,275
Ontario Ministry of Citizenship and Immigration	70,000	-	70,000	70,000
Ontario HIV Treatment Network	49,709	-	49,709	124,478
Public Health Agency of Canada	447,301	-	447,301	354,116
Citizenship and Immigration Canada	276,604	-	276,604	262,300
Health Canada	118,750	-	118,750	202,758
City of Toronto	56,352	-	56,352	101,959
Other grants (Note 8)	535,242	-	535,242	641,722
Donations	413,218	-	413,218	628,625
Deferred capital contributions (Note 7)	26,735	-	26,735	26,735
Administrative/Program recovery (Note 9)	121,240	-	121,240	60,030
Self generated income	-	-	-	4,090
	2,882,432	855,437	3,737,869	3,889,088
EXPENSES				
Human resources (Note 11)	1,903,258	377,042	2,280,300	2,179,650
Program and workshops	484,156	165,426	649,582	1,006,441
Rent (Note 11)	165,962	108,929	274,891	295,122
Professional fees (Note 11)	221,995	45,455	267,450	130,696
Administrative expenses (Note 9)	-	121,240	121,240	79,810
Communications campaign	27,081	23,151	50,232	50,636
Amortization	36,104	-	36,104	40,138
Resource development	11,997	14,032	26,029	28,269
Office administration	24,987	-	24,987	1,049
Emergency Funding to people with HIV/AIDS	8,022	-	8,022	17,858
Volunteer activities and development	7,641	162	7,803	4,878
	2,891,203	855,437	3,746,640	3,834,547
Excess (deficiency) of revenues over expenses for the year	(8,771)	-	(8,771)	54,541
Unrestricted net assets, beginning of year	133,525	37,562	171,087	116,546
Unrestricted net assets, end of year	124,754	37,562	162,316	171,087

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, 2024

	2024 $	2023 $
CASH WAS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Cash receipts from grants	2,582,730	2,058,986
Cash receipts from donations and recoveries	948,460	1,274,437
Cash receipts from government assistance	118,750	202,758
Cash paid to suppliers and employees	(3,499,991)	(3,614,754)
Cash paid to City of Toronto	-	(41,433)
	149,949	(120,006)
Change in cash	149,949	(120,006)
Cash, beginning of year	141,659	261,665
Cash, end of year	291,608	141,659

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.

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.

Restricted contributions related to equipment is recognized as revenue as the equipment is amortized over their useful lives.

Donations are recognized as revenue when received.

Interest is recognized when received.

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:

	2024 $	2023 $
GST/HST rebate	132,051	54,308
Payroll remittances overpayment	-	43,957
	132,051	98,265

3. EQUIPMENT

	2024		2023	
	Cost $	Accumulated amortization $	Cost $	Accumulated amortization $
Office equipment	29,093	29,093	29,093	29,023
Computer equipment	106,556	106,556	106,556	106,556
Leasehold improvements	466,345	394,276	466,345	358,242
Furniture	55,098	55,098	55,098	55,098
	657,092	585,023	657,092	548,919
Net book value		72,069		108,173

Continued...

4. DUE TO ONTARIO MINISTRY OF HEALTH

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 $1,777,612 (2023: $1,412,275) has been accounted for as revenue of $1,622,718 (2023: $1,412,275), deferred contributions of $nil (2023: $nil) and due to the Ministry of $154,894 (2023: $nil).

By the end of fiscal year 2024, the amount owing to the Ministry consists of the following:

	$
2020-2021	1,908
2021-2022	67,039
2023-2024	154,894
Total	223,841

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. The Coalition recognized revenue in prior years in the amount of $58,197, and therefore in the 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 2024 $nil (2023: $41,433) was paid back to the City of Toronto. By the end of March 31, 2024, 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. The changes in deferred revenue balances are as follows:

	2024 $	2023 $
Balance, beginning of year	136,807	252,594
Contributions received during the year	3,082,810	3,053,821
Amounts recognized as revenue during the year	(3,176,676)	(3,169,608)
	42,941	136,807

Deferred revenue consists of the following:

	2024 $	2023 $
Ontario HIV Treatment Network	-	9,709
City of Toronto	-	47,877
Public Health Agency of Canada	32,599	20,745
Ontario Ministry of Health	10,342	4,634
Network for the Advancement of Black Communities	-	13,721
Community Based Research Centre	-	40,121
	42,941	136,807

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:

	2024 $	2023 $
Balance, beginning of year	80,205	106,940
Amounts amortized to revenue	(26,735)	(26,735)
Balance, end of year	53,470	80,205
Current portion	17,436	26,735
Long term portion	36,034	53,470

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 $220,000.

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:

2025	110,000
2026	110,000
Total	220,000

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. SUBSEQUENT EVENT

The Organization is currently undergoing a review by two of it's funders. The outcome of these reviews may result in adjustments to certain financial statement balances and funds owing to the funders. Since the reviews are still in progress and the results are not yet known, any settlements or adjustments arising from these reviews will be recognized in the financial statements upon completion of the funders reviews. At this time, the Organization is unable to estimate the potential financial impact, if any, that may result from the funders reviews.

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, 2024.

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 grants receivable. Actual exposure to credit losses has been minimal in prior years. The allowance for doubtful accounts is $24,949 (2023: $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:

	2024 $
REVENUE	
Public Health Agency of Canada	447,301
EXPENSES	
Personnel	356,898
Rent/utilities	27,100
Workshops	58,486
Other	6,335
Evaluation	5,139
Travel	1,961
	455,919
(DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	(8,618)

Continued...

15. ONTARIO MINISTRY OF HEALTH

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

	2024 $
REVENUE	
Ontario Ministry of Health	767,281
EXPENSES	
Personnel	532,877
Rent/utilities	133,193
Supplies/program expense	88,944
Protected Allocations	11,596
Other - Special Items	125
Administrative expense	546
	767,281
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	-

Continued...

15. ONTARIO MINISTRY OF HEALTH (Continued)

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

	2024 $
REVENUE	
Ontario Ministry of Health	855,437
EXPENSES	
Personnel	375,792
Rent/utilities	108,929
Supplies/program expense	156,703
Telephone	4,173
Protected Allocations	2,412
Other/special items	37,183
Administrative expenses	124,790
Professional fees	45,455
	855,437
EXCESS OF REVENUES OVER EXPENSES FOR THE YEAR	-