THE BLACK COALITION FOR AIDS PREVENTION OF METROPOLITAN TORONTO

FINANCIAL STATEMENTS

MARCH 31, 2026

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PREVENTION OF METROPOLITAN TORONTO

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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

Opinion
We have audited the financial statements of The Black Coalition for AIDS Prevention of Metropolitan Toronto (the "Coalition"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations and changes in unrestricted net assets (deficit) and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, 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, 2026, 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 Opinion
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.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the financial statements, which indicates that the Coalition incurred a deficiency of revenues over expenses of $54,964 during the year ended March 31, 2026 and, as of that date, the Coalition's current liabilities exceeded its total assets by $217,909. As stated in Note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Coalition's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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
June 18, 2026

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2026

	2026 $	2025 $
ASSETS		
CURRENT		
Cash	589,511	414,519
Grants receivable	5,621	144,098
Prepaid expenses	28,171	2,000
Government remittances receivable (Note 3)	29,288	32,395
	652,591	593,012
EQUIPMENT (Note 4)	-	36,034
	652,591	629,046
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	96,340	184,159
Due to Ontario Ministry of Health (Note 5)	424,161	398,175
Due to Public Health Agency of Canada	22,662	89,147
Deferred contributions (Note 6)	327,337	93,775
Deferred contributions related to equipment (Note 7)	-	8,136
	870,500	773,392
DEFERRED CONTRIBUTIONS RELATED TO EQUIPMENT (Note 7)	-	18,599
	870,500	791,991
NET ASSETS		
UNRESTRICTED NET ASSETS (DEFICIT)	(217,909)	(162,945)
	652,591	629,046

APPROVED ON BEHALF OF THE BOARD:

______________________,Director ______________________,Director

Roger Ramkissoon, Treasurer June 25, 2026 Camille Orridge, Chair June 25, 2026

See accompanying notes to the financial statements

STATEMENT OF OPERATIONS AND CHANGES IN UNRESTRICTED NET ASSETS (DEFICIT)

FOR THE YEAR ENDED MARCH 31, 2026

	Black CAP 2026 $	ACCHO 2026 $ (Note 1)	Total 2026 $	Total 2025 $
REVENUES				
Ontario Ministry of Health (Note 5)	1,190,227	-	1,190,227	1,460,766
Other grants (Note 8)	251,597	20,433	272,030	579,807
Public Health Agency of Canada	205,452	-	205,452	197,169
Administrative/Program recovery (Note 9)	77,887	-	77,887	165,409
Ontario Ministry of Citizenship and Immigration	70,000	-	70,000	70,000
City of Toronto	66,531	-	66,531	13,088
Donations	22,297	-	22,297	28,865
Deferred capital contributions (Note 7)	26,735	-	26,735	26,735
Citizenship and Immigration Canada	-	-	-	262,771
	1,910,726	20,433	1,931,159	2,804,610
EXPENSES				
Human resources (Note 11)	1,189,514	3,112	1,192,626	1,829,805
Rent (Note 11)	308,831	-	308,831	286,607
Program and workshops	261,302	11,727	273,029	530,976
Professional fees (Note 11)	118,149	5,594	123,743	114,394
Administrative expenses (Note 9)	53,405	-	53,405	165,409
Amortization	36,034	-	36,034	36,034
Bad debt	23,711	-	23,711	-
Office administration	6,144	-	6,144	1,958
Communications campaign	-	-	-	32,652
Resource development	-	-	-	49,625
Emergency Funding to people with HIV/AIDS	-	-	-	2,722
	1,997,090	20,433	2,017,523	3,050,182
(Deficiency) of revenues over expenses before extraordinary items	(86,364)	-	(86,364)	(245,572)
Amount recoverable from (payable to) Ontario				
Ministry of Health - 2020-2021	2,308	-	2,308	(1,619)
Ministry of Health - 2021-2022	24,305	-	24,305	(25,134)
Ministry of Health - 2022-2023	4,813	-	4,813	(52,936)
Ministry of Health - 2024-2025	(26)	-	(26)	-
(Deficiency) of revenues over expenses for the year	(54,964)	-	(54,964)	(325,261)
Unrestricted net assets (deficit), beginning of year	(200,507)	37,562	(162,945)	162,316
Unrestricted net assets (deficit), end of year	(255,471)	37,562	(217,909)	(162,945)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2026

	2026 $	2025 $
CASH WAS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Cash receipts from grants	1,863,750	2,270,607
Cash receipts from donations and recoveries	294,327	608,672
Cash paid to suppliers and employees	(1,983,085)	(2,714,935)
Cash paid to City of Toronto	-	(41,433)
Change in cash	174,992	122,911
Cash, beginning of year	414,519	291,608
Cash, end of year	589,511	414,519

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. GOING CONCERN

A deficiency of revenues over expenses of $54,964 was incurred in the year ended March 31, 2026 (2025 – $325,261; 2024 – $8,771). The recurring deficiencies over the past three fiscal years have contributed to an accumulated net deficit of $217,909 as at March 31, 2026. As at that date, the Coalition’s current liabilities exceeded its total assets by $217,909. The accumulated deficit position is primarily attributable to historical operating deficits and funding reconciliation obligations related to prior years, including Ministry of Health funding agreements, rather than an immediate liquidity challenge. The Coalition maintained cash balances and deferred contribution balances at year end and continued to meet its operating obligations in the normal course of business.

These financial statements have been prepared on a going concern basis, which assumes that the Coalition will be able to realize its assets and discharge its liabilities in the normal course of operations. Management has developed plans to address the current financial position, including the preparation of a balanced budget for the 2027 fiscal year, ongoing efforts to secure additional funding and grants, continued support from key funders such as the Ministry of Health and the Public Health Agency of Canada, as well as increased support from members and fundraising initiatives.

As part of its deficit management plan, the Coalition relocated its offices in February 2026. This relocation is expected to significantly reduce occupancy costs, with annual rent expected to decrease to approximately $160,000 in the 2027 fiscal year compared to $308,831 incurred during the year ended March 31, 2026. Management has also focused on strengthening financial oversight and improving operating performance, resulting in a significant reduction in the annual operating deficiency from $325,261 in 2025 to $54,964 in 2026.

Continued...

1. GOING CONCERN (continued)

During the year, the Coalition was notified that the African and Caribbean Council on HIV/AIDS in Ontario (ACCHO) has transitioned its operations to the Ontario AIDS Network (OAN), and accordingly, the Coalition no longer receives funding related to ACCHO activities. The loss of this funding stream may impact the Coalition's future operating results.

The outcome of these plans cannot be determined at this time, and therefore a material uncertainty exists that may cast significant doubt on the Coalition's ability to continue as a going concern.

2. 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.

Financial assets measured at cost or amortized cost are tested for impairment when there are indicators of impairment. The amount of a write-down, if any, is recognized in the excess of revenue over expenses. Reversals of impairment are recorded to the extent that the value has increased, up to the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess of revenue over expenses.

Continued...

2. 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

Equipment is tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any potential impairment is identified, the amount of the impairment is quantified by comparing the carrying value of the equipment to its fair value. Any impairment of the equipment is recognized in income in the year in which the impairment occurs. An impairment loss is not reversed if the fair value of the equipment subsequently increases.

Continued...

2. 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.

3. GOVERNMENT REMITTANCES RECEIVABLE

Government remittances receivable consist of the following:

	2026 $	2025 $
GST/HST rebate	29,288	32,395

Continued...

4. EQUIPMENT

	2026		2025	
	Cost $	Accumulated amortization $	Cost $	Accumulated amortization $
Office equipment	29,093	29,093	29,093	29,093
Computer equipment	106,556	106,556	106,556	106,556
Leasehold improvements	466,345	466,345	466,345	430,311
Furniture	55,098	55,098	55,098	55,098
	657,092	657,092	657,092	621,058
Net book value	-		36,034	

5. 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 $1,297,612 (2025: $1,555,411) has been accounted for as revenue of $1,190,227 (2025: $1,460,766), deferred contributions of $50,000 (2025: $nil) and due to the Ministry of $25,986 (2025: $174,334). The Ministry conducted a reconciliation of prior year programs. The increase of $57,384 amount payable to the Ministry is based on the preliminary audit results which is not finalized by the Ministry.

By the end of fiscal year 2026, the amount owing to the Ministry consists of the following:

	$
2020-2021	1,219
2021-2022	67,868
2022-2023	48,124
2023-2024	154,921
2024-2025	94,645
2025-2026	57,384
Total	424,161

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:

	2026 $	2025 $
Balance, beginning of year	93,775	42,941
Contributions received during the year	2,037,802	2,634,435
Amounts recognized as revenue during the year	(1,804,240)	(2,583,601)
Balance, end of year	327,337	93,775

Deferred contributions consists of the following:

	2026 $	2025 $
South Riverdale Community Health Centre	140,538	-
The Ontario HIV Treatment Network	55,790	-
Ontario Ministry of Health	50,000	-
City of Toronto	43,811	75,342
HIV Edmonton	27,978	-
Canadian Institutes to Health Research	9,220	-
Public Health Agency of Canada	-	18,433
	327,337	93,775

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:

	2026 $	2025 $
Balance, beginning of year	26,735	53,470
Amounts amortized to revenue	(26,735)	(26,735)
Balance, end of year	-	26,735
Current portion	-	8,136
Long term portion	-	18,599

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. During the year, ACCHO-related funding activities were discontinued as a result of the transition of ACCHO operations to the Ontario AIDS Network (OAN).

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 August 5, 2025. The term of the lease is March 1, 2026 to February 29, 2032. The total remaining minimum rental commitment under the lease is approximately $904,834 exclusive of HST.

In addition to the minimum rent, the Coalition is required to make payments for its share of operating costs, parking fees, taxes and utilities.

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

2027	147,728
2028	147,728
2029	153,004
2030	153,004
2031	158,280
2032	145,090
Total	904,834

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, 2026.

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 $nil (2025: $nil).

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 due to the March 31, 2026 deficit position as outlined in note # 1, and as the Coalition 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. 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:

	2026 $
REVENUE	
Public Health Agency of Canada	205,452
EXPENSES	
Personnel	159,240
Rent/utilities	24,631
Workshops	8,068
Professional fees	6,180
Other	4,259
Travel	3,074
	205,452
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	-

Continued...

14. 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:

	2026 $
REVENUE	
Ontario Ministry of Health	1,190,227
EXPENSES	
Personnel	650,158
Rent/utilities	284,200
Supplies/program expense	125,649
Professional fees	107,005
Administrative expense	15,451
Protected Allocations	7,764
	1,190,227
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FOR THE YEAR	-