



The Alliance for South Asian AIDS Prevention

Financial Statements

March 31, 2021



Independent Auditors' Report

To the Members of **The Alliance for South Asian AIDS Prevention**

Qualified Opinion

We have audited the accompanying financial statements of **The Alliance for South Asian AIDS Prevention**, ("the Organization") which comprise the statement of financial position as at March 31, 2021, and statements of operations and changes in net assets and of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 (ASNFPO).

Basis for Qualified Opinion

In common with many charitable organizations, **The Alliance for South Asian AIDS Prevention** derives revenue from fundraising and cash donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of income was limited to the amounts recorded in the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to the donation and fundraising revenue, excess of revenues over expenses, cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this scope limitation.

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 Organization 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 qualified audit opinion.



Other Matter

The financial statements of the Organization for the year ended March 31, 2020 were audited by another auditor who expressed a qualified opinion on those financial statements on October 2, 2020 for the reasons described in the Basis for Qualified Opinion section.

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 ASNFPO, 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.

Auditors' 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.

- 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 auditors' 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 auditors' 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 findings, including any significant deficiencies in internal control that we identify during our audit.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 15 in the financial statements which indicates that the Organization made certain prior period adjustments relating to the period ended March 31, 2020. The Company has restated the 2020 comparative information for the correction of this misstatement. Our opinion on the 2021 financial statements is not modified in respect to this matter.

Fazzari + Partners

FAZZARI + PARTNERS LLP

Chartered Professional Accountants

Licensed Public Accountants

Vaughan, Ontario

July 27, 2021

The Alliance for South Asian AIDS Prevention

Statement of Financial Position

As at March 31

	2021	2020
		(Notes 14,15)
Assets		
Current		
Cash	\$ 202,282	\$ 28,000
Short-term investments (Note 3)	64,814	63,690
Accounts receivable	-	59,451
Loans and advances receivable	7,613	7,277
HST receivable	36,308	16,094
Prepaid expenses	10,308	10,255
	321,325	184,767
Capital assets (Note 4)	19,067	-
	\$ 340,392	\$ 184,767

The Alliance for South Asian AIDS Prevention

Statement of Financial Position

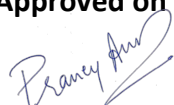
As at March 31

	2021	2020
		(Notes 14,15)
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 45,596	\$ 33,021
Deferred revenue (Note 5)	77,343	51,363
Canada Emergency Business Account loan (Note 6)	60,000	-
	182,939	84,384
Net Assets		
Internally restricted	123,750	123,750
Unrestricted net assets	33,703	(23,367)
	157,453	100,383
	\$ 340,392	\$ 184,767

Commitments (Note 11)

COVID-19 (Note 13)

Approved on behalf of the Board



Director



Director

The Alliance for South Asian AIDS Prevention

Statement of Change in Net Assets

Year Ended March 31

	Internally restricted	Unrestricted	2021	2020
				(Notes 14,15)
Balance, beginning of year	\$ 123,750	\$ (23,367)	\$ 100,383	\$ 205,315
Excess (deficiency) of revenue over expenses	-	57,070	57,070	(104,932)
Balance, end of year	\$ 123,750	\$ 33,703	\$ 157,453	\$ 100,383

The Alliance for South Asian AIDS Prevention

Statement of Operations

Year Ended March 31

	2021	2020
		(Notes 14,15)
Revenue		
Government grants - Canada	\$ 303,465	\$ 113,253
Ontario Ministry of Health	320,625	320,625
Revenue - flow through partners	184,752	130,627
City of Toronto	92,660	117,204
Charitable donations	13,986	18,921
Foundation and other agencies	9,711	52,674
Fundraising	8,733	12,821
Interest, membership and other	2,100	2,485
	936,032	768,610
Expenses		
Salaries, benefits and training	487,120	514,708
Pass-through partner expenses	180,763	123,660
Rent, utilities and maintenance	79,425	44,018
Office supplies and services	38,696	34,008
Program supplies and services	31,749	105,107
Subcontracted services	30,891	18,901
Professional fees	32,216	22,269
Bad debt expense (recovery)	(7,813)	7,813
Insurance	3,026	3,058
Amortization	2,889	-
	878,962	873,542
Excess (deficiency) of revenue over expenses	\$ 57,070	\$ (104,932)

The Alliance for South Asian AIDS Prevention

Statement of Cash Flows

Year Ended March 31

	2021	2020 (Notes 14,15)
Cash flows from (used in):		
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 57,070	\$ (104,932)
Adjustment for non-cash item:		
Amortization	2,889	-
	59,959	(104,932)
Changes in non-cash working capital items (Note 10)	77,403	(46,615)
	137,362	(151,547)
Financing activities		
Disposal (acquisition) of short-term investments	(1,124)	42,623
Advance from Canada Emergency Business Account loan	60,000	-
	58,876	42,623
Investing activity		
Acquisition of capital assets	(21,956)	-
Increase (decrease) in balance	174,282	(108,924)
Balance, beginning of year	28,000	136,924
Balance, end of year	\$ 202,282	\$ 28,000

The Alliance for South Asian AIDS Prevention

Notes to Financial Statements

March 31, 2021

1. Statutes of incorporation and nature of activities

The Alliance for South Asian Aids Prevention ("ASAAP") is registered as a not-for-profit organization, incorporated on June 1, 1995 without share capital by Letters Patent in Ontario. ASAAP was registered as a charitable organization under the Income Tax Act on April 1, 1996. ASAAP is committed to provide culturally responsive and holistic health promotion, support, and settlement services for people from South Asian, Indo-Caribbean, Middle-Eastern, and related communities who are living with, at risk of, or affected by HIV and related health conditions. ASAAP raises funds by through government funding, partners, donations and fundraising.

2. Significant accounting policies

The financial statements of ASAAP have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO). The significant accounting policies used in the preparation of these financial statements are as follows:

(a) Use of estimates

The preparation of financial statements in conformity with ASNFPO requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates are required in determining the useful lives of assets for amortization purposes and determining future cash flows when assessing assets for impairment. These estimates are reviewed periodically, and, adjustments are made, as appropriate, in the statement of operations in the year in which they become known.

The Alliance for South Asian AIDS Prevention

Notes to Financial Statements

March 31, 2021

2. Significant accounting policies (continued)

(b) Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted grants are recognized as revenue in the year in which the related expenses are incurred. Grants not recognized as revenue in the year received are recorded as deferred revenue. Unrestricted grants are recognized as revenue over the term of the program.

Investment income is recognized on an accrual basis.

Donation of goods are recorded at the fair market value. Unrestricted cash donations are recognized as revenue when received.

(c) Capital assets

Capital assets are recorded at cost, or if donated, at fair market value and amortized over their estimated useful lives using the following method of amortization and annual rate:

Asset	Rate	Method
Computer equipment	33%	Declining balance
Office equipment	20%	Declining balance

A capital asset is tested for impairment whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the asset exceeds its fair value.

(d) Contributed Services

Volunteer and donated services contributed in carrying out its operating activities are recognized in these financial statements when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

The Alliance for South Asian AIDS Prevention

Notes to Financial Statements

March 31, 2021

2. Significant accounting policies (continued)

(e) Income taxes

ASAAP is a not-for-profit organization and a registered charity under the Income Tax Act and is exempt from income tax under Section 149(1)(l) of Income Tax Act. Registration remains valid so long as ASAAP continues to fulfil the requirements of the Act and regulations in respect of registered charities.

3. Short term investments

Short term investments consist of term deposits totaling \$64,814 (2020 = \$63,690) invested at interest rates ranging from 0.6% to 0.7% and maturing between May 2021 and August 2022.

4. Capital assets

			2021	2020 (Notes 14,15)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 10,662	\$ 1,760	\$ 8,902	\$ -
Office equipment	11,294	1,129	10,165	-
	\$ 21,956	\$ 2,889	\$ 19,067	\$ -

The Alliance for South Asian AIDS Prevention

Notes to Financial Statements

March 31, 2021

5. Deferred revenue

	2021	2020 (Notes 14,15)
Beginning balance	\$ 51,363	\$ 57,449
Amount received	937,193	728,298
Amount recognized in income	911,213	734,384
	<hr/> \$ 77,343	<hr/> \$ 51,363

6. Canada Emergency Business Account Loan

The Canada Emergency Business Account Loan is unsecured and operated as an interest-free operating line of credit until December 31, 2020. On January 1, 2021, this operating line of credit converted to a 2-year, 0% interest term loan due by December 31, 2022. \$20,000 of the loan is forgivable if the remaining \$40,000 is repaid in full by December 31, 2022. There is an option to extend the loan for a 3-year term on December 31, 2022 at a rate of 5%.

The Alliance for South Asian AIDS Prevention

Notes to Financial Statements

March 31, 2021

7. Partner funding and expenses

The organization has entered into flow through transactions during the year, where the organization acts as an intermediary with partner agencies. Grants are received from funders and directed to specified service providers that provide services consistent with ASAAP's mandate.

	2021	2020
		(Notes 14,15)
Revenue		
Ryerson University	\$ -	\$ 48,496
United Way	164,752	82,131
IT consultant and CHAMP training	20,000	-
	184,752	130,627
Expenses		
Ryerson University	-	37,826
United Way	159,846	78,400
University of Toronto	917	7,434
IT consultant and CHAMP training	20,000	-
	180,763	123,660
Excess	\$ 3,989	\$ 6,967

The Alliance for South Asian AIDS Prevention

Notes to Financial Statements

March 31, 2021

8. Public Health Agency of Canada

The costs for programs operated by ASAAP for the South Asian PHA Program are as follows:

	2021	2020
		(Notes 14,15)
Funding	\$ 99,999	\$ 99,999
Expenses		
Personnel	91,749	88,749
Materials	-	1,500
Premises and equipment rent	4,250	4,250
Evaluation	-	1,500
Other administration	4,000	4,000
	99,999	99,999
Excess	\$ -	\$ -

9. Ministry of health and long-term care

The costs for programs operated by ASAAP for the AIDS Bureau Funding Program are as follows:

	2021	2020
		(Notes 14,15)
Funding	\$ 320,625	\$ 320,625
Expenses		
Salaries	209,804	212,832
Benefits	16,657	31,887
Rent and utilities	33,771	30,000
Supplies and other expenses	58,148	41,406
Protected allocations	3,000	4,500
	321,380	320,625
Deficiency	\$ (755)	\$ -

The Alliance for South Asian AIDS Prevention

Notes to Financial Statements

March 31, 2021

10. Changes in non-cash working capital items

Cash flows provided by (used in):

	2021	2020
		(Notes 14,15)
Accounts receivable	\$ 59,450	\$ (35,647)
HST receivable	(20,214)	(16,094)
Prepaid expenses	(53)	8,444
Accounts payable and accrued liabilities	12,576	10,045
Deferred revenue	25,980	(6,086)
Loans and advances receivable	(336)	(7,277)
	\$ 77,403	\$ (46,615)

11. Commitments

ASAAP has entered into contractual obligations for the premises lease. The obligations for the following 4 years are as follows:

2022	\$ 44,191
2023	45,075
2024	45,976
2025	46,896
	\$ 182,138

The Alliance for South Asian AIDS Prevention

Notes to Financial Statements

March 31, 2021

12. Financial instruments and risk management

The Organization is exposed to the following risks related to its financial assets and liabilities. The Organization is not exposed to market risk, other price risk, or any significant concentrations of risk. The following financial risk assessment has remained unchanged from prior year.

(a) 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 Company's main credit risk relates to its accounts receivable. The Organization provides credit to its clients in the normal course of operations. The Organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, and Canada Emergency Business Account loan. Management manages the Organization's cash resources based on financial forecasts and anticipated cash flows.

(c) Fair value

The fair value of the Organization's financial instruments, which consist of accounts receivable and accounts payable and accrued liabilities and Canada Emergency Business Account loan, approximate their carrying values because of their short-term nature.

The Alliance for South Asian AIDS Prevention

Notes to Financial Statements

March 31, 2021

13. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus. The situation is constantly evolving, and the measures put in place are having a significant impact on economic and social matters. Management is closely monitoring the situation and evaluating the impact of guidance and regulations implemented by medical and government bodies across the country. As new information becomes available, management has continued to evaluate the impact on the Company's financial results. As of the date that these financial statements were approved, there were no significant changes to the Company's operations that would impact the March 31, 2021 financial statements.

14. Comparative balances

Certain comparative balances have been reclassified to conform to the presentation adopted for the current year.

15. Prior period restatement

The Company has determined that certain amounts on the balance sheet relating to fiscal 2020 were not recorded. As a result, the following financial statement items as at March 30, 2020 have changed by:

Balance sheet	
Deferred revenue	\$ (42,068)
Statement of operations	
Deficiency of revenue over expenses	\$ 42,068