



# **The Alliance for South Asian AIDS Prevention**

## **Financial Statements**

**March 31, 2023**



## 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, 2023, 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, 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 (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, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2023 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.



## **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.

*Fazzari + Partners*

**FAZZARI + PARTNERS LLP**  
Chartered Professional Accountants  
Licensed Public Accountants

Vaughan, Ontario  
November 10, 2023

# The Alliance for South Asian AIDS Prevention

## Statement of Financial Position

As at March 31

	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 110,742	\$ 130,383
Short-term investments (Note 3)	78,453	64,818
Accounts receivable	96,396	78,322
Loans and advances receivable	3,970	5,113
HST receivable	10,600	6,744
Prepaid expenses	16,417	10,894
	<b>316,578</b>	<b>296,274</b>
<b>Capital assets (Note 4)</b>	<b>24,313</b>	<b>18,191</b>
	<b>\$ 340,891</b>	<b>\$ 314,465</b>

# The Alliance for South Asian AIDS Prevention


## Statement of Financial Position

As at March 31

	2023	2022
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 42,810	\$ 32,153
Deferred revenue (Note 5)	44,166	45,466
Canada Emergency Business Account loan (Note 6)	40,000	-
	<b>126,976</b>	<b>77,619</b>
<b>Long-term</b>		
Canada Emergency Business Account loan (Note 6)	-	40,000
	<b>126,976</b>	<b>117,619</b>
<b>Net Assets</b>		
Internally restricted	123,750	123,750
Unrestricted net assets	90,165	73,096
	<b>213,915</b>	<b>196,846</b>
	<b>\$ 340,891</b>	<b>\$ 314,465</b>

### Commitments (Note 11)

### Approved on behalf of the Board

  
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Director

  
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Director

## The Alliance for South Asian AIDS Prevention

### Statement of Change in Net Assets

#### Year Ended March 31

	Internally restricted	Unrestricted	2023	2022
Balance, beginning of year	\$ 123,750	\$ 73,096	\$ 196,846	\$ 157,453
Excess of revenue over expenses	-	17,069	17,069	39,393
<b>Balance, end of year</b>	<b>\$ 123,750</b>	<b>\$ 90,165</b>	<b>\$ 213,915</b>	<b>\$ 196,846</b>

# The Alliance for South Asian AIDS Prevention

## Statement of Operations

### Year Ended March 31

	2023	2022
<b>Revenue</b>		
Government grants - Canada (Note 8)	\$ 437,067	\$ 360,146
Ontario Ministry of Health (Note 9)	320,625	320,625
Revenue - flow through partners (Note 7)	219,110	65,000
Foundation and other agencies	89,584	24,700
City of Toronto	83,597	151,772
Fundraising	9,028	23,766
Interest, membership and other	8,320	20,192
Charitable donations	3,237	4,286
	<b>1,170,568</b>	<b>970,487</b>
<b>Expenses</b>		
Salaries, benefits and training	677,281	668,786
Pass-through partner expenses (Note 7)	217,928	42,500
Program supplies and services	109,176	71,366
Office supplies and services	53,898	43,573
Rent, utilities and maintenance	45,375	46,394
Professional fees	35,034	34,108
Subcontracted services	9,023	15,331
Insurance	4,222	3,381
Bad debt expense (recovery)	(5,107)	-
Amortization	6,669	5,655
	<b>1,153,499</b>	<b>931,094</b>
<b>Excess of revenue over expenses</b>	<b>\$ 17,069</b>	<b>\$ 39,393</b>



# The Alliance for South Asian AIDS Prevention

## Statement of Cash Flows

Year Ended March 31

	2023	2022
<b>Cash flows from (used in):</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 17,069	\$ 39,393
Adjustment for non-cash item:		
Amortization	6,669	5,655
	23,738	45,048
Changes in non-cash working capital items (Note 10)	(16,953)	(92,165)
	<b>6,785</b>	<b>(47,117)</b>
<b>Financing activities</b>		
Acquisition of short-term investments	(13,635)	(4)
Advance from Canada Emergency Business Account Loan	-	(20,000)
	<b>(13,635)</b>	<b>(20,004)</b>
<b>Investing activity</b>		
Acquisition of capital assets	(12,791)	(4,778)
<b>Decrease in balance</b>	<b>(19,641)</b>	<b>(71,899)</b>
<b>Balance, beginning of year</b>	<b>130,383</b>	<b>202,282</b>
<b>Balance, end of year</b>	<b>\$ 110,742</b>	<b>\$ 130,383</b>

# The Alliance for South Asian AIDS Prevention

## Notes to Financial Statements

March 31, 2023

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### 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 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, 2023

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### 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:

<b>Asset</b>	<b>Rate</b>	<b>Method</b>
Computer equipment	33%	Declining balance
Furniture and 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, 2023

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### 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 fulfill the requirements of the Act and regulations in respect of registered charities.

### 3. Short term investments

Short term investments consist of term deposits totaling \$78,453 (2022 = \$64,818) invested at interest rates ranging from 0.6% to 3.6% and maturing between May 2023 and March 2024.

### 4. Capital assets

			2023	2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	\$ 15,968	\$ 5,544	\$ 10,424	\$ 9,574
Computer equipment	23,557	9,668	13,889	8,617
	<b>\$ 39,525</b>	<b>\$ 15,212</b>	<b>\$ 24,313</b>	<b>\$ 18,191</b>

# The Alliance for South Asian AIDS Prevention

## Notes to Financial Statements

March 31, 2023

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### 5. Deferred revenue

	2023	2022
Beginning balance	\$ 45,466	\$ 77,343
Amount received	107,125	119,635
Amount recognized in income	108,425	151,512
	<b>\$ 44,166</b>	<b>\$ 45,466</b>

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### 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 3-year, 0% interest term loan due by December 31, 2023. \$20,000 of the loan is forgivable if the remaining \$40,000 is repaid in full by December 31, 2023. There is an option to extend the loan for a 3-year term on December 31, 2023 at a rate of 5%.

# The Alliance for South Asian AIDS Prevention

## Notes to Financial Statements

March 31, 2023

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### 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.

	<b>2023</b>	<b>2022</b>
<b>Revenue</b>		
CASSA	\$ 187,250	\$ 50,000
CAAT BBD	24,360	-
QTC	7,500	-
Beyond Blue Door	-	15,000
	<b>219,110</b>	<b>65,000</b>
<b>Expenses</b>		
CASSA	206,275	25,000
QTC	6,653	-
CAAT BBD	5,000	-
IT consultant and CHAMP training	-	1,000
Other	-	16,500
	<b>217,928</b>	<b>42,500</b>
<b>Excess</b>	<b>\$ 1,182</b>	<b>\$ 22,500</b>

# The Alliance for South Asian AIDS Prevention

## Notes to Financial Statements

March 31, 2023

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### 8. Public Health Agency of Canada

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

	2023	2022
<b>Funding</b>	<b>\$ 71,652</b>	<b>\$ 99,999</b>
<b>Expenses</b>		
Personnel	62,354	88,270
Premises and equipment rent	5,189	3,818
Other administration	2,000	5,911
Materials	1,859	-
Evaluation	250	2,000
	<b>71,652</b>	<b>99,999</b>
<b>Excess</b>	<b>\$ -</b>	<b>\$ -</b>

### 9. Ministry of health and long-term care

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

	2023	2022
<b>Funding</b>	<b>\$ 320,625</b>	<b>\$ 320,625</b>
<b>Expenses</b>		
Salaries	176,528	212,338
Supplies and other expenses	94,118	60,895
Benefits	26,899	32,475
Rent and utilities	13,786	12,460
Protected allocations	3,996	2,457
	<b>315,327</b>	<b>320,625</b>
<b>Excess</b>	<b>\$ 5,298</b>	<b>\$ -</b>

# The Alliance for South Asian AIDS Prevention

## Notes to Financial Statements

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### 10. Changes in non-cash working capital items

Cash flows provided by (used in):

	<b>2023</b>	<b>2022</b>
Accounts receivable	\$ (18,074)	\$ (78,321)
HST receivable	(3,856)	29,564
Prepaid expenses	(5,523)	(586)
Accounts payable and accrued liabilities	10,657	(13,445)
Deferred revenue	(1,300)	(31,877)
Loans and advances receivable	1,143	2,500
	<b>\$ (16,953)</b>	<b>\$ (92,165)</b>

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### 11. Commitments

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

2024	\$ 45,976
2025	46,896
	<b>\$ 92,872</b>

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# The Alliance for South Asian AIDS Prevention

## Notes to Financial Statements

March 31, 2023

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### 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.