

AIDS COMMUNITY CARE MONTRÉAL  
SIDA BÉNÉVOLES MONTRÉAL

Financial Statements

March 31, 2021

AIDS COMMUNITY CARE MONTRÉAL  
SIDA BÉNÉVOLES MONTRÉAL

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**Amstutz Inc.**  
**Comptables Professionnels Agréés**

INDEPENDENT AUDITORS' REPORT

To the Members of  
AIDS COMMUNITY CARE MONTRÉAL/SIDA BÉNÉVOLES MONTRÉAL

**Qualified Opinion** - We have audited the financial statements of AIDS COMMUNITY CARE MONTRÉAL/SIDA BÉNÉVOLES MONTRÉAL (the Organization), which comprise the balance sheet as at March 31, 2021, and the statements of operations, changes in fund balances and 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.

**Basis for Qualified Opinion** - In common with many not-for-profit organizations, the Organization derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and fund balances as at April 1 and March 31 for both 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 was modified accordingly because of the possible effects of this limitation in scope.

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 the 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 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.

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



By R. Amstutz, CPA auditor, CA  
June 29, 2021  
Montreal, Quebec  
Permit No: A105202

AIDS COMMUNITY CARE MONTRÉAL  
 SIDA BÉNÉVOLES MONTRÉAL  
 BALANCE SHEET  
 as at March 31, 2021

	<u>2 0 2 1</u>	<u>2 0 2 0</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 411,866	\$ 187,899
Accounts receivable (Note 4)	4,783	60,468
Prepaid expenses	<u>832</u>	<u>10,256</u>
	417,481	258,623
PROPERTY AND EQUIPMENT (Note 5)	<u>6,673</u>	<u>8,341</u>
	\$ <u>424,154</u>	\$ <u>266,964</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued charges (Note 6)	\$ 64,812	\$ 61,744
Deferred revenues	<u>165,362</u>	<u>25,000</u>
	<u>230,174</u>	<u>86,744</u>
<b>FUND BALANCES</b>		
<b>RESTRICTED</b>		
Invested in property and equipment	6,673	8,341
<b>UNRESTRICTED</b>	<u>187,307</u>	<u>171,879</u>
	<u>193,980</u>	<u>180,220</u>
	\$ <u>424,154</u>	\$ <u>266,964</u>

CONTRACTUAL OBLIGATION (Note 8)

ON BEHALF OF THE BOARD

<p>.....            ..... , Director</p> <p>.....            ..... , Director</p>	<p>..... , Director</p> <p>..... , Director</p>
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The accompanying notes form an integral part of the financial statements.

AIDS COMMUNITY CARE MONTRÉAL  
 SIDA BÉNÉVOLES MONTRÉAL  
 STATEMENT OF OPERATIONS  
 year ended March 31, 2021

	<u>2 0 2 1</u>	<u>2 0 2 0</u>
<b>REVENUES (Note 7)</b>		
Restricted grants	\$ 480,613	\$ 502,046
Unrestricted grants	165,677	182,853
Fundraising	10,855	167,057
Donations	39,354	52,412
Interest	859	4,863
	<u>697,358</u>	<u>909,231</u>
 <b>EXPENSES</b>		
Salaries and fringe benefits	501,532	523,776
Office and general	37,715	23,355
Professional fees	36,867	19,743
Materials	23,480	10,605
Social events	15,305	11,071
Equipment	12,488	1,139
Rent and utilities	11,637	7,118
Dues and subscriptions	11,005	1,375
Evaluation	9,812	-
Sub contractors	5,600	-
Repairs and maintenance	4,331	5,140
Meetings, conferences and training	3,732	12,675
Travel and outreach	3,244	4,041
Insurance	2,253	2,524
Staff recognition	1,933	-
Amortization	1,668	1,163
Kontak	996	33,194
Other Jeunes Queer Youth expenses	-	19,490
Artsida	-	34,457
Buyer's club	-	20,029
Other ACAP expenses	-	3,910
Jeunes Queer Youth materials	-	1,305
Fundraising	-	4,576
Montreal Pride	-	830
	<u>683,598</u>	<u>741,516</u>
 <b>EXCESS OF REVENUES OVER EXPENSES</b>	 <b>\$ <u>13,760</u></b>	 <b>\$ <u>167,715</u></b>

The accompanying notes form an integral part of the financial statements.

AIDS COMMUNITY CARE MONTRÉAL  
 SIDA BÉNÉVOLES MONTRÉAL  
 STATEMENT OF CASH FLOWS  
 year ended March 31, 2021

	<u>2 0 2 1</u>	<u>2 0 2 0</u>
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 13,760	\$ 167,715
Item not affecting cash		
Amortization	<u>1,668</u>	<u>1,163</u>
	15,428	168,878
<b>CHANGES IN NON CASH OPERATING WORKING CAPITAL</b>		
Accounts receivable	55,685	(11,903)
Prepaid expenses	9,424	(9,570)
Accounts payable and accrued charges	2,568	21,296
Deferred revenues	<u>140,362</u>	<u>(27,243)</u>
	223,467	141,458
<b>INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	<u>-</u>	<u>(7,381)</u>
	<u>-</u>	<u>(7,381)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	223,467	134,077
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>187,899</u>	<u>53,822</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ <u><u>411,366</u></u>	\$ <u><u>187,899</u></u>

The accompanying notes form an integral part of the financial statements.

AIDS COMMUNITY CARE MONTRÉAL  
SIDA BÉNÉVOLES MONTRÉAL  
NOTES TO THE FINANCIAL STATEMENTS  
as at March 31, 2021

1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Aids Community Care Montréal/Sida Bénévoles Montréal is a non profit organization incorporated under Part III of the Quebec Companies Act on February 1, 1988.

The organization is a registered charity under the Income Tax Act and is exempt from income taxes.

The organization is a volunteer based community organization working to enhance the quality of life of people living with HIV/AIDS, to prevent HIV transmission, and to promote community awareness and action.

2. FUND ACCOUNTING

The organization's activities are separated into eight specific program and project funds and an operating fund. Whenever a single purpose restricted grant is received for a program or project that is not otherwise offered, a separate fund is created. Revenues and expenses directly related to each program or project are reported in their respective funds. Since the organization is a volunteer agency, funds entering the volunteer fund may in fact be used to pay people coordinating volunteer activities (recruitment, recognition and training) described in other funds. All other revenue and expenses are reported in the operating fund.

The operating fund covers all deficiencies of revenues over expenses of the other funds.

3. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Accounting estimates

The preparation of financial statements in conformity with Canadian accounting standards 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 date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates.

Self-financing

Revenues from self-financing activities are recognized when the services are rendered or when the events have taken place.



AIDS COMMUNITY CARE MONTRÉAL  
 SIDA BÉNÉVOLES MONTRÉAL  
 NOTES TO THE FINANCIAL STATEMENTS  
 as at March 31, 2021

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cash and cash equivalents

The organization's policy is to disclose cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition.

Property and equipment

Property and equipment are recorded at cost. Amortization is computed using the diminishing-balance method at rates calculated to amortize the cost of the assets over their estimated useful lives, at the following rate:

Computers, equipment and furniture and fixtures	20%
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Contributed materials and services

Contributed materials and services which are used in the normal course of the organization's activities and would otherwise have been purchased are recorded at their fair value at the date of contribution if fair value is readily available.

Over 84 regular and part-time volunteers contribute approximately 3,140 hours per year to assist the organization in carrying out its service activities. Because of the difficulty of determining the fair value, contributed services are not recognized in these financial statements.

Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at cost or amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued charges.

4. ACCOUNTS RECEIVABLE

	<u>2 0 2 1</u>	<u>2 0 2 0</u>
Sales taxes receivable	\$ 4,527	\$ 5,468
Other	256	-
Grants receivable	<u>-</u>	<u>55,000</u>
	<u>\$ 4,783</u>	<u>\$ 60,468</u>

AIDS COMMUNITY CARE MONTRÉAL  
SIDA BÉNÉVOLES MONTRÉAL  
NOTES TO THE FINANCIAL STATEMENTS  
as at March 31, 2021

5. PROPERTY AND EQUIPMENT		<u>2 0 2 1</u>	<u>2 0 2 0</u>
	Accumulated Amorti- zation	Net Book Value	Net Book Value
Computers, equipment and furniture and fixtures	<u>Cost</u>		
	\$ 65,909	\$ 6,673	\$ 8,341
	<u>\$ 65,909</u>	<u>\$ 6,673</u>	<u>\$ 8,341</u>
6. ACCOUNTS PAYABLE AND ACCRUED CHARGES		<u>2 0 2 1</u>	<u>2 0 2 0</u>
Suppliers and accrued charges		\$ 13,670	\$ 29,353
Salaries, vacation and fringe benefits		48,743	32,391
Governments remittances		<u>2,399</u>	<u>-</u>
		<u>\$ 64,812</u>	<u>\$ 61,744</u>
7. REVENUES		<u>2 0 2 1</u>	<u>2 0 2 0</u>
Restricted grants			
Public Health Agency of Canada		\$ 289,524	\$ 292,248
DRSP - Mesure 12.1		166,523	166,523
Ministry of Health and Social Services			
CCSMTL PSOC - Aide d'urgence COVID-19		5,000	-
Centraide du Grand Montréal			
Fonds d'urgence COVID-19		15,000	-
Fondation Émergence Inc. - Fonds COVID-19		3,000	-
Moisson Montréal		1,566	-
ViiV Healthcare		<u>-</u>	<u>43,275</u>
		<u>480,613</u>	<u>502,046</u>
Unrestricted grants			
Ministry of Health and Social Services			
CCSMTL PSOC - Mission globale		165,677	145,768
Other		<u>-</u>	<u>37,085</u>
		<u>165,677</u>	<u>182,853</u>
Fundraising		10,855	163,327
Donations		39,354	56,142
Interest		<u>859</u>	<u>4,863</u>
		<u>51,068</u>	<u>224,332</u>
		<u>\$ 697,358</u>	<u>\$ 909,231</u>

AIDS COMMUNITY CARE MONTRÉAL  
SIDA BÉNÉVOLES MONTRÉAL  
NOTES TO THE FINANCIAL STATEMENTS  
as at March 31, 2021

8. CONTRACTUAL OBLIGATION

The organization leases its office premises under a lease agreement expiring December 31, 2023. Future minimum lease payments total \$22,741 and include the following payments over the next three years: 2022 - \$8,132; 2023 - \$8,295; 2024 - \$6,314.

9. FINANCIAL INSTRUMENTS

Risks and concentrations - the organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the balance sheet date, i.e. March 31, 2021.

Liquidity risk - liquidity risk is the risk that the organization 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 charges.

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 organization's main credit risks relate to its accounts receivable.

AIDS COMMUNITY CARE MONTRÉAL  
 SIDA BÉNÉVOLES MONTRÉAL  
 STATEMENT OF OPERATIONS BY PROJECT  
 year ended March 31, 2021

SCHEDULE

	2021									2020	
	Operating Fund	PHAC - CAF and volunteers	PHAC - JQY	DRSP Mesure 12.1	Fundraising	Artsida	Member services Buyer's Club	VIIIV Access Program	COVID-19 Funding	Total	Total
<b>REVENUES</b>											
Restricted grants	\$ -	\$ 210,000	\$ 79,524	\$ 166,523	\$ -	\$ -	\$ -	\$ -	\$ 24,566	\$ 480,613	\$ 502,046
Unrestricted grants	165,677	-	-	-	-	-	-	-	-	165,677	182,853
Fundraising	-	-	-	1,535	8,970	350	-	-	-	10,855	167,057
Donations	-	-	-	8,100	29,602	-	1,652	-	-	39,354	52,412
Interest	-	-	-	-	859	-	-	-	-	859	4,863
	<u>165,677</u>	<u>210,000</u>	<u>79,524</u>	<u>176,158</u>	<u>39,431</u>	<u>350</u>	<u>1,652</u>	<u>-</u>	<u>24,566</u>	<u>697,358</u>	<u>909,231</u>
<b>EXPENSES</b>											
Salaries and fringe benefits	128,338	177,046	44,114	143,161	-	2,406	-	6,467	-	501,532	523,776
Office and general	21,198	3,147	5,095	3,726	463	22	215	3,259	590	37,715	23,355
Professional fees	7,934	4,250	5,466	12,302	-	-	-	-	6,915	36,867	19,743
Materials	-	10,293	2,054	1,525	-	-	490	-	9,118	23,480	10,605
Social events	1,705	500	6,246	-	3,046	3,508	-	-	300	15,305	11,071
Equipment	85	5,655	5,332	-	-	-	503	-	913	12,488	1,139
Rent and utilities	2,078	5,500	1,100	2,837	-	-	82	40	-	11,637	7,118
Dues and subscriptions	9,677	-	-	-	1,328	-	-	-	-	11,005	1,375
Evaluation	-	2,000	7,812	-	-	-	-	-	-	9,812	-
Sub contractors	-	-	5,600	-	-	-	-	-	-	5,600	-
Repairs and maintenance	1,700	-	-	-	-	-	-	-	2,631	4,331	5,140
Meetings, conferences and training	1,189	1,750	750	-	-	-	-	-	43	3,732	12,675
Travel and outreach	24	708	-	207	73	68	30	17	2,117	3,244	4,041
Insurance	2,253	-	-	-	-	-	-	-	-	2,253	2,524
Staff recognition	-	900	1,019	-	-	-	-	-	14	1,933	-
Amortization	1,668	-	-	-	-	-	-	-	-	1,668	1,163
Kontak	-	-	-	996	-	-	-	-	-	996	33,194
Other Jeunes Queer Youth expenses	-	-	-	-	-	-	-	-	-	-	19,480
Artsida	-	-	-	-	-	-	-	-	-	-	34,457
Buyer's Club	-	-	-	-	-	-	-	-	-	-	20,029
Other ACAP expenses	-	-	-	-	-	-	-	-	-	-	3,910
Jeunes Queer Youth materials	-	-	-	-	-	-	-	-	-	-	1,305
Fundraising	-	-	-	-	-	-	-	-	-	-	4,576
Montreal Pride	-	-	-	-	-	-	-	-	-	-	830
	<u>177,849</u>	<u>211,749</u>	<u>84,588</u>	<u>164,754</u>	<u>4,910</u>	<u>6,004</u>	<u>1,320</u>	<u>9,783</u>	<u>22,641</u>	<u>683,598</u>	<u>741,516</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$ (12,172)</u>	<u>\$ (1,749)</u>	<u>\$ (5,064)</u>	<u>\$ 11,404</u>	<u>\$ 34,521</u>	<u>\$ (5,654)</u>	<u>\$ 332</u>	<u>\$ (9,783)</u>	<u>\$ 1,925</u>	<u>\$ 13,760</u>	<u>\$ 167,715</u>