

**AIDS COMMUNITY CARE MONTRÉAL
SIDA BÉNÉVOLES MONTRÉAL**

Financial Statements

March 31, 2022

**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, 2022, 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, 2022, 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, 2022 and 2021, current assets as at March 31, 2022 and 2021, and fund balances as at April 1 and March 31 for both 2022 and 2021 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 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
May 25, 2022
Montreal, Quebec
Permit No: A105202

**AIDS COMMUNITY CARE MONTRÉAL
SIDA BÉNÉVOLES MONTRÉAL
BALANCE SHEET
as at March 31, 2022**

	<u>2 0 2 2</u>	<u>2 0 2 1</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 572,708	\$ 411,866
Accounts receivable (Note 4)	35,344	4,783
Prepaid expenses	<u>848</u>	<u>832</u>
	608,900	417,481
 CAPITAL ASSETS (Note 5)	 <u>5,338</u>	 <u>6,673</u>
	\$ <u>614,238</u>	\$ <u>424,154</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued charges (Note 6)	\$ 115,749	\$ 64,812
Deferred revenues (Note 7)	<u>241,992</u>	<u>165,362</u>
	<u>357,741</u>	<u>230,174</u>
FUND BALANCES		
RESTRICTED		
Internally restricted funds (Note 9)	52,500	-
Invested in capital assets	5,338	6,673
 UNRESTRICTED	 <u>198,659</u>	 <u>187,307</u>
	<u>256,497</u>	<u>193,980</u>
	\$ <u>614,238</u>	\$ <u>424,154</u>

CONTRACTUAL OBLIGATION (Note 10)

ON BEHALF OF THE BOARD

Saina Beitari, PhD

....., Director
Saina Beitari

....., Director

Thomas Dobronyi

....., Director

....., Director

T Doley

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

AIDS COMMUNITY CARE MONTRÉAL
 SIDA BÉNÉVOLES MONTRÉAL
 STATEMENT OF CHANGES IN FUND BALANCES
 year ended March 31, 2022

	<u>Restricted</u>			<u>2 0 2 2</u>	<u>2 0 2 1</u>
	<u>Internally restricted funds</u>	<u>Invested in capital assets</u>	<u>Un- restricted</u>	<u>Total</u>	<u>Total</u>
	<small>(Note 9)</small>				
Balance, beginning of year	\$ -	\$ 6,673	\$ 187,307	\$ 193,980	\$ 180,220
Excess of revenues over expenses	-	-	62,517	62,517	13,760
Internally restricted funds	52,500	-	(52,500)	-	-
Amortization	<u>-</u>	<u>(1,335)</u>	<u>1,335</u>	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>52,500</u>	\$ <u>5,338</u>	\$ <u>198,659</u>	\$ <u>256,497</u>	\$ <u>193,980</u>

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, 2022

	<u>2 0 2 2</u>	<u>2 0 2 1</u>
REVENUES (Note 8)		
Restricted grants	\$ 548,316	\$ 480,613
Unrestricted grants	173,551	165,677
Fundraising	88,603	10,855
Donations	21,328	39,354
Interest	<u>1,022</u>	<u>859</u>
	<u>832,820</u>	<u>697,358</u>
EXPENSES		
Salaries and fringe benefits	572,226	501,532
Office and general	37,772	37,715
Professional fees	19,821	36,867
Materials	9,496	23,480
Social events	16,193	15,305
Equipment	4,441	12,488
Rent and utilities	6,770	11,637
Dues and subscriptions	14,549	11,005
Evaluation	11,420	9,812
Sub contractors	28,932	5,600
Repairs and maintenance	3,421	4,331
Meetings, conferences and training	11,531	3,732
Travel and outreach	8,219	3,244
Insurance	2,890	2,253
Staff recognition	1,270	1,933
Amortization	1,335	1,668
Kontak	355	996
Other Jeunes Queer Youth expenses	8,635	-
Other expenses	<u>11,027</u>	<u>-</u>
	<u>770,303</u>	<u>683,598</u>
EXCESS OF REVENUES OVER EXPENSES	\$ <u>62,517</u>	\$ <u>13,760</u>

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, 2022

	<u>2 0 2 2</u>	<u>2 0 2 1</u>
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 62,517	\$ 13,760
Item not affecting cash		
Amortization	<u>1,335</u>	<u>1,668</u>
	63,852	15,428
CHANGES IN NON CASH OPERATING WORKING CAPITAL		
Accounts receivable	(30,561)	55,685
Prepaid expenses	(16)	9,424
Accounts payable and accrued charges	50,937	3,068
Deferred revenues	<u>76,630</u>	<u>140,362</u>
INCREASE IN CASH AND CASH EQUIVALENTS	160,842	223,967
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>411,866</u>	<u>187,899</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ <u>572,708</u>	\$ <u>411,866</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, 2022**

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 and/or hepatitis C, to prevent HIV and hepatitis C 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, 2022

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.

Capital Assets

Capital assets 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 75 regular and part-time volunteers contribute approximately 4,784 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.

	<u>2 0 2 2</u>	<u>2 0 2 1</u>
4. ACCOUNTS RECEIVABLE		
Sales taxes receivable	\$ 3,290	\$ 4,527
Other	2,500	256
Grants receivable	<u>29,554</u>	<u>-</u>
	<u>\$ 35,344</u>	<u>\$ 4,783</u>

AIDS COMMUNITY CARE MONTRÉAL
 SIDA BÉNÉVOLES MONTRÉAL
 NOTES TO THE FINANCIAL STATEMENTS
 as at March 31, 2022

5. CAPITAL ASSETS	<u>2 0 2 2</u>	<u>2 0 2 1</u>		
	Accumulated	Net Book	Net Book	
Cost	Amorti- zation	Value	Value	
Computers, equipment and furniture and fixtures	\$ <u>65,909</u>	\$ <u>60,571</u>	\$ <u>5,338</u>	\$ <u>6,673</u>
	\$ <u>65,909</u>	\$ <u>60,571</u>	\$ <u>5,338</u>	\$ <u>6,673</u>
6. ACCOUNTS PAYABLE AND ACCRUED CHARGES		<u>2 0 2 2</u>	<u>2 0 2 1</u>	
Suppliers and accrued charges		\$ 55,034	\$ 13,670	
Salaries, vacation and fringe benefits		56,406	48,743	
Governments remittances		<u>4,309</u>	<u>2,399</u>	
		\$ <u>115,749</u>	\$ <u>64,812</u>	
7. DEFERRED REVENUES		<u>2 0 2 2</u>	<u>2 0 2 1</u>	
Beginning balance		\$ 165,362	\$ 25,000	
Receipts		292,932	333,785	
Recorded as income		<u>(216,302)</u>	<u>(193,423)</u>	
		\$ <u>241,992</u>	\$ <u>165,362</u>	
Deferred revenues consist of the following:				
DRSP		\$ 185,748	\$ 138,462	
Gilead		29,969	-	
Second Harvest Canada		19,683	-	
ViiV Healthcare		6,592	-	
Bell Let's Talk		-	16,900	
Vézina		<u>-</u>	<u>10,000</u>	
		\$ <u>241,992</u>	\$ <u>165,362</u>	

AIDS COMMUNITY CARE MONTRÉAL
SIDA BÉNÉVOLES MONTRÉAL
NOTES TO THE FINANCIAL STATEMENTS
as at March 31, 2022

8. REVENUES	<u>2 0 2 2</u>	<u>2 0 2 1</u>
Restricted grants		
Public Health Agency of Canada	\$ 290,482	\$ 289,524
DRSP		
Mesure 12.1	173,546	166,523
Overdose protection	42,759	-
Ministry of Health and Social Services		
CCSMTL PSOC - Food security	5,000	-
CCSMTL PSOC - Aide d'urgence COVID-19	-	5,000
Bell Let's Talk	16,900	-
Canada Summer Jobs	7,128	-
Second Harvest Canada	5,317	-
Emploi-Québec	4,320	-
ViiV Healthcare	2,864	-
Centraide of Greater Montréal		
Fonds d'urgence COVID-19	-	15,000
Fondation Émergence Inc. - Fonds COVID-19	-	3,000
Moisson Montréal	-	1,566
	<u>548,316</u>	<u>480,613</u>
Unrestricted grants		
Ministry of Health and Social Services		
CCSMTL PSOC - Mission globale	<u>173,551</u>	165,677
	<u>173,551</u>	<u>165,677</u>
Fundraising	88,603	10,855
Donations	21,328	39,354
Interest	<u>1,022</u>	<u>859</u>
	<u>110,953</u>	<u>51,068</u>
	<u>\$ 832,820</u>	<u>\$ 697,358</u>

9. INTERNALLY RESTRICTED FUNDS

The board of directors internally restricted resources amounting to \$52,500. These funds are reserved for the following:

Emergency reserve	\$ 20,500
Buyers' Club	20,000
Strategic plan	<u>12,000</u>
	<u>\$ 52,500</u> \$

The source of these funds are amounts received over the current and previous fiscal years. These internally restricted amounts are not available for other purposes without approval of the board of directors.

10. CONTRACTUAL OBLIGATION

The organization leases its office premises under a lease agreement expiring December 31, 2023. Future minimum lease payments total \$14,609 and include the following payments over the next two years: 2023 - \$8,295; 2024 - \$6,314.

AIDS COMMUNITY CARE MONTRÉAL
SIDA BÉNÉVOLES MONTRÉAL
NOTES TO THE FINANCIAL STATEMENTS
as at March 31, 2022

11. 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, 2022.

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, 2022

SCHEDULE

											2022	2021	
	Operating Fund	PHAC - CAF and volunteers	PHAC - JQY	DRSP Mesure 12.1	DRSP others	Fundraising	Artsida	VIIV Health Journal	Member services Buyer's Club	PSOC Food Security	Second Harvest Canada	Total	Total
REVENUES													
Restricted grants	\$ 11,448	\$ 210,000	\$ 80,482	\$ 173,546	\$ 59,659	\$ -	\$ -	\$ 2,884	\$ -	\$ 5,000	\$ 5,317	\$ 548,316	\$ 480,613
Unrestricted grants	173,551	-	-	-	-	-	-	-	-	-	-	173,551	165,677
Fundraising	-	-	-	845	-	39,586	48,162	-	-	-	-	88,603	10,855
Donations	-	-	-	-	-	18,287	-	-	3,041	-	-	21,328	39,354
Interest	-	-	-	-	-	1,022	-	-	-	-	-	1,022	859
	<u>184,999</u>	<u>210,000</u>	<u>80,482</u>	<u>174,391</u>	<u>59,659</u>	<u>58,905</u>	<u>48,162</u>	<u>2,864</u>	<u>3,041</u>	<u>5,000</u>	<u>5,317</u>	<u>832,820</u>	<u>697,358</u>
EXPENSES													
Salaries and fringe benefits	113,913	182,830	45,215	162,208	47,862	18,975	-	1,223	-	-	-	572,226	501,532
Office and general	8,435	7,709	10,186	5,987	2,707	1,058	94	1,241	355	-	-	37,772	37,715
Professional fees	18,850	900	21	50	-	-	-	-	-	-	-	19,821	36,867
Materials	-	2,004	307	-	1,113	-	3,754	400	918	-	1,000	9,496	23,480
Social events	34	5,734	1,979	3,211	296	-	175	-	5	3,259	1,500	16,183	15,305
Equipment	-	1,925	-	301	2,215	-	-	-	-	-	-	4,441	12,488
Rent and utilities	-	5,295	1,475	-	-	-	-	-	-	-	-	6,770	11,637
Dues and subscriptions	10,658	367	1,166	-	1,786	511	-	-	41	-	-	14,549	11,005
Evaluation	1,000	3,000	4,001	100	3,319	-	-	-	-	-	-	11,420	9,812
Sub contractors	2,463	2,544	16,225	600	100	-	900	-	4,300	-	1,800	28,932	5,600
Repairs and maintenance	1,610	-	-	-	121	-	-	-	-	1,690	-	3,421	4,331
Meetings, conferences and training	10,727	-	630	174	-	-	-	-	-	-	-	11,531	3,732
Travel and outreach	138	3,216	300	905	17	-	38	-	2,588	-	1,017	8,219	3,244
Insurance	2,890	-	-	-	-	-	-	-	-	-	-	2,890	2,253
Staff recognition	921	57	280	12	-	-	-	-	-	-	-	1,270	1,933
Amortization	1,335	-	-	-	-	-	-	-	-	-	-	1,335	1,668
Kontak	-	-	-	355	-	-	-	-	-	-	-	355	996
Other Jeunes Queer Youth expenses	-	-	8,635	-	-	-	-	-	-	-	-	8,635	-
Other expenses	-	967	-	-	-	10,060	-	-	-	-	-	11,027	-
	<u>172,974</u>	<u>216,548</u>	<u>90,440</u>	<u>173,903</u>	<u>59,536</u>	<u>30,604</u>	<u>4,961</u>	<u>2,864</u>	<u>8,207</u>	<u>4,949</u>	<u>5,317</u>	<u>770,303</u>	<u>683,598</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ 12,025</u>	<u>\$ (6,548)</u>	<u>\$ (9,958)</u>	<u>\$ 488</u>	<u>\$ 123</u>	<u>\$ 28,301</u>	<u>\$ 43,201</u>	<u>\$ -</u>	<u>\$ (5,166)</u>	<u>\$ 51</u>	<u>\$ -</u>	<u>\$ 62,517</u>	<u>\$ 13,760</u>