

Black Pearl Alliance
Financial Statements
March 31, 2021

Black Health Alliance
Financial Statements
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INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors of
Black Health Alliance (“the Organization”)

Qualified Opinion

I have audited the financial statements of the Organization, which comprise the statement of financial position as at March 31, 2021, and the statement of operations and changes in fund balances and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the accompanying financial statements present fairly, in all material respect, 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

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

In common with many not-for-profit organizations, the Organization derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues were limited to the amounts recorded in the records of the Organization. Therefore, I was not able to determine whether any adjustments might be necessary to donations and/or fundraising revenue, excess of revenue over expenses, and cash flows from operations for the year ended March 31, 2021, current assets as at March 31, 2021, and net assets as at April 1, 2020, and March 31, 2021.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of 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 misstatements, 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 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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

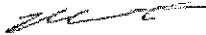
disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

- 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.

I 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 I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

The engagement principal on the audit resulting in this independent auditor's report is Michael Pinnock.



Michael G. G. Pinnock, FCPA, FCA
Fellow Chartered Professional Accountant
Licensed Public Accountant

Markham, Ontario


August 31, 2021

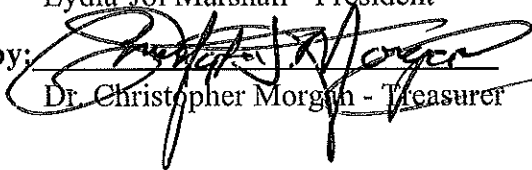
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Statement of Financial Position

As at March 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
ASSETS:		
CURRENT:		
Cash	937,090	195,928
Accounts receivable [Note 7]	354,465	129,052
Prepayments	4,625	2,125
Total Assets	<u>1,296,180</u>	<u>327,105</u>
NONCURRENT:		
GIC investment	2,520,500	
Total	<u>2,520,500</u>	
Total Assets	<u>3,816,680</u>	<u>327,105</u>
LIABILITIES:		
CURRENT:		
Accounts payable and accrued liabilities	97,409	20,641
Deferred revenue	60,000	
	<u>157,409</u>	<u>20,641</u>
NET ASSETS:		
Net Assets - Operating Fund	3,227,914	9,214
- Restricted Fund	431,357	297,250
Total Net Assets	<u>3,659,271</u>	<u>306,464</u>
Total Liabilities and Net Assets	<u>3,816,680</u>	<u>327,105</u>

Approved by: 
 Lydia-Joi Marshall - President

Approved by: 
 Dr. Christopher Morgan - Treasurer

The accompanying notes on pages 4 to 7 are an integral part of these financial statements

BLACK HEALTH ALLIANCE
Financial Statements
March 31, 2021

Statement of Operations and Changes in Fund Balances

For the year ended March 31, 2021

	Operating	Restricted Funds					2021	2020
	Fund	COT	PHAC	YOF	TCH	UHN	Total	Total
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Donations	3,363,290						3,363,290	8,135
Grants		66,845	200,000	321,724	21,840	2,804	613,213	474,427
Membership dues								250
Interest	987						987	188
	<u>3,364,277</u>	<u>66,845</u>	<u>200,000</u>	<u>321,724</u>	<u>21,840</u>	<u>2,804</u>	<u>3,977,490</u>	<u>483,000</u>
EXPENSES								
Accounting and audit			12,473	7,796			20,268	15,246
Advertising and promotion	1,678		21,826	1,904			25,408	1,200
Annual General Meeting	831						831	1,079
Bank charges	795						795	359
Board and other meetings	84						84	1,156
Dues, subscription and memberships								3,759
Insurance	956						956	956
Occupancy			34,787				34,787	11,236
Office supplies	8,558		11,118	1,268			20,944	13,216
Professional services	24,572		38,637	450			63,659	20,800
Program-Focus group and consultants	13,346		6,722	4,940	23,060	4,296	52,364	
Salaries and related costs	83,321	11,800	96,995	169,899			362,015	165,535
Telecommunications and IT				1,444			1,444	6,711
Travel and accommodation								61
Trophies and gifts	47						47	81
Website - PTC	11,389	205	8,554	20,933			41,081	1,718
	<u>145,577</u>	<u>12,005</u>	<u>231,112</u>	<u>208,633</u>	<u>23,060</u>	<u>4,296</u>	<u>624,683</u>	<u>243,113</u>
Excess of revenue over expenses	<u>3,218,700</u>	<u>54,840</u>	<u>(31,112)</u>	<u>113,091</u>	<u>(1,220)</u>	<u>(1,492)</u>	<u>3,352,807</u>	<u>239,887</u>
Fund balances, beginning of year	9,214	18,000	117,830	149,070		12,350	306,464	66,577
Excess of revenue over expenses	3,218,700	54,840	(31,112)	113,091	(1,220)	(1,492)	3,352,807	239,887
Inter-fund transfers								
Fund balances, end of year	<u>3,227,914</u>	<u>72,840</u>	<u>86,718</u>	<u>262,161</u>	<u>(1,220)</u>	<u>10,858</u>	<u>3,659,271</u>	<u>306,464</u>

The accompanying notes on pages 4 to 7 are an integral part of these financial statements

**Black Health Alliance
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Statement of Cash Flows

For the year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
Operating		
Excess of revenue over expenses	3,352,807	239,887
Changes in non-cash working capital components:		
Accounts receivable	(225,413)	(129,052)
Prepayments	(2,500)	(1,400)
Accounts payable and accrued liabilities	76,768	3,141
Deferred revenue	60,000	
	<u>3,261,662</u>	<u>112,576</u>
Investing		
GIC investment	(2,520,500)	
	<u>(2,520,500)</u>	
Increase in Cash	741,162	112,576
Cash, beginning of year	<u>195,928</u>	<u>83,352</u>
Cash, end of year	<u>937,090</u>	<u>195,928</u>
REPRESENTED BY:		
Cash at bank	<u>937,090</u>	<u>195,928</u>
	<u>937,090</u>	<u>195,928</u>

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**Black Health Alliance
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Notes to the Financial Statements

For the year ended March 31, 2021

1 Registration, Incorporation and Purpose of the Organization

Black Health Alliance (BHA) was incorporated in the province of Ontario effective November 7, 2005 and was registered as a charity (Registration # 81517 5674 RR0001) effective April 26, 2012; and designated as a Charitable Organization. It is tax exempted under section 149(I) of the *Income Tax Act*.

The Organization received a Supplementary Letters Patent to change its object effective September 17, 2010.

Its object is:

1. To promote and improve the health and well-being of people from the diverse Black communities in Canada by:
 - a) Conducting seminars, workshops, conferences and community programs;
 - b) Conducting research and disseminating research report; and
 - c) Disseminating educational literature and educational resource information

2 Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The financial statements reflect the following significant accounting policies:

a) Basis of Accounting

Except for revenue from donations and grants which are recorded on a cash basis, with no accrual being made for amounts pledged but not received, revenues and expenditures are recorded on the accrual basis, whereby transactions and events are recognized in the period in which the transactions and events occur, regardless of whether there has been a receipt or payment of cash or its equivalent.

Going Concern

Management has prepared the financial statements on the *Going Concern basis*. The Organization is expected to operate for the foreseeable future. Neither the Management nor the Board of Directors of the Organization has the intention or the need to close or curtail materially the operations of the Organization.

Notes to the Financial Statements

For the year ended March 31, 2021

2 Summary of Significant Accounting Policies (continued)

Use of estimates

In the process of applying the Organization's accounting policies, management makes various judgements, estimates and assumptions that can significantly affect the amounts it recognises and the related disclosures reported in the financial statements. These estimates are based on historical experiences and management's best knowledge of current events and actions. Actual results may differ from those estimates and assumptions.

b) Revenue Recognition

The Organization follows the restricted fund method of accounting for contributions and grants, it uses an Operating Fund for unrestricted contributions and Restricted Funds for all revenue which are *Externally* restricted. Resources transferred to a restricted or endowment fund as a result of the organization imposing *internal* restrictions would be recognized as inter-fund transfers.

Restricted funds are Grants from benefactors i.e., Government of Canada, Province of Ontario, the City of Toronto, and the Ontario Trillium Foundation. These are all *externally restricted*. These are recognized when received or receivable.

Operating fund comprised all other contributions.

- a. Donations and Grants – *Contributions from individuals, other charities and corporations to assist with the funding of the organization's programs. These are recognized when received.*
- b. Member dues – *Annual fees paid by registered members. These are recognized when received.*

c) Capital Assets

The organization adopts a policy of expensing capital assets when acquired. Capital assets consisting of Computers totalling \$15,845.53, were expensed in the current period. These assets are recorded in the office supplies account.

Notes to the Financial Statements

For the year ended March 31, 2021

2 Summary of Significant Accounting Policies (continued)

d) Donated Services and Goods

The Organization benefits from volunteer services. Since these services are not normally purchased by the organization and because of the difficulties of determining their fair value, donated services are not recognized in these financial statements. Donated goods are not recorded in the books unless they would normally be purchased.

e) Financial Instruments

The Organization's financial instruments are initially recognized at *fair value*, and subsequently carried at cost and amortized cost, net of impairment.

These financial instruments consist of cash, investment, accounts receivable and; accounts payable and accrued liabilities.

f) Allocated Expenses

There are no allocated expenses.

3 Financial Instruments and Risk Management

The Organization's financial instruments consist of cash, investment, accounts receivable and; accounts payable and accrued liabilities. Except for the investment, The fair value of these financial instruments approximates their carrying values due to their short-term maturity. The investment earns at 0.5% interest per annum.

For 2020, Economic Dependence was no longer a significant risk for the organization. The Organization derived only 7% (2020 - 95%) of its revenue from various levels of the Canadian Government.

4 Government Remittances

Government remittances outstanding at the end of the fiscal period \$Nil (2020 - \$Nil).

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Notes to the Financial Statements
For the year ended March 31, 2021

5 Critical Judgement and Sources of Estimation Uncertainty

There were no critical judgements, including estimations, which management has made in the process of applying the organization's accounting policies that may have a significant effect on the amounts recognized in the financial statements.

6. Government Assistance

The organization is funded by various levels of Government, these amounts are included in income as they become receivable. For 2021, the organization received **\$610,409** (2020 - \$461,027).

7. Accounts Receivable

	<u>2021</u>	<u>2020</u>
	\$	\$
Operations	341,725	125,000
HST rebate	<u>12,740</u>	<u>4,052</u>
	<u>354,465</u>	<u>129,052</u>

8. Subsequent Event

Due to the challenges caused by the Covid-19 pandemic, BHA, like most not-for-profit organizations has had to endure some challenges as far as carrying out programs. This resulted in the modification of the methods of community engagement and project delivery to virtual platforms in addition to adhering to municipal, provincial and federal health guidelines to ensure the health and safety of staff, volunteers, partners and community members. All funding sources remained intact and there are no foreseeable barriers to carrying out the operations, goals and objectives of the organization going forward.